

## BPER International SICAV - Global High Yield

### Sustainability-related disclosures

#### Summary

The BPER International SICAV - Global High Yield (the Sub-Fund”) is a feeder fund of Janus Henderson Horizon Fund – Global High Yield Bond Fund (the “Master Fund”), a Sub-Fund of Janus Henderson Horizon Fund, a Luxembourg SICAV registered under Part I of the 2010 Law. The Sub-Fund will invest at least 85% of its assets in shares in the Master Fund. The Master Fund is an Article 8 financial product for the purposes of Regulation (EU) 2019/2088 (“SFDR”). Via its exposure to the Master Fund, the Sub-Fund’s assets are indirectly invested in assets that promote environmental and/or social characteristics. The Sub-Fund is an Article 8 financial product for the purposes of SFDR. Therefore, the environmental and social characteristics of the Sub-Fund shall be read in conjunction with those of the Master Fund.

The Master Fund promotes climate change mitigation and support for the UNGC Principles.

The Master Fund seeks an overall income with the potential for capital growth through exposure to global high yield bonds.

The Sub-Fund allocates at least 85% of its net assets in shares of the Master Fund which plans to invest a minimum of 80% of the investments of the financial product are used to meet the environmental or social characteristics promoted by the financial product. The Master Fund may invest up to 20% of its total assets in other investments (#2 Other investments) not used to meet the environmental or social characteristics.

The sustainability indicators used to measure the attainment of each of the environmental or social characteristics promoted by this financial product are: Carbon - Carbon Intensity Scope 1&2 and Overall UN GC Compliance Status.

The Investment Manager applies screens to exclude direct investment in corporate issuers based on their involvement in certain activities. More details can be found in the sections “Methodologies”.

Janus Henderson Investors UK Limited (“JHI”) has chosen MSCI’s ESG Manager as its primary data source for ESG (Environmental, Social and Governance) research.

Aware of limitations to the primary data source, JHI’s internal data structure provides sufficient flexibility to incorporate proprietary evidence or adapt evaluations to make sound investment decisions.

Specific screens are applied by the Investment Manager to exclude specific investments, more details are found in the section “Due diligence”.

Details of JHI’s approach to Engagement can be found in the ‘ESG Investment Policy’ published under the ‘ESG Resource Library’ on the Janus Henderson website.

No index has been designated as a reference benchmark to meet the environmental or social characteristics.

### **No sustainable investment objective**

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

### **Environmental or social characteristics promoted by the financial product**

The Master Fund promotes climate change mitigation and support for the UNGC Principles (which cover matters including human rights, labour, corruption, and environmental pollution). The Master Fund also seeks to avoid investments in certain activities with the potential to cause harm to human health and wellbeing by applying binding exclusions. The Master Fund does not use a reference benchmark to attain its environmental or social characteristics.

### **Investment strategy**

The Master Fund seeks an overall income with the potential for capital growth through exposure to global high yield bonds.

The binding elements of the investment strategy described below are implemented as exclusionary screens within the Investment Manager's order management system utilising third-party data provider(s) on an ongoing basis.

The companies in which investments are made are assessed by the Investment Manager to follow good governance practices.

The good governance practices of investee companies are assessed prior to making an investment and periodically thereafter in accordance with the Sustainability Risk Policy ("Policy"). The Policy sets minimum standards against which investee companies will be assessed and monitored by the Investment Manager prior to making an investment and on an ongoing basis. Such standards may include, but are not limited to: sound management structures, employee relations, remuneration of staff and tax compliance.

The Policy can be found incorporated within Janus Henderson's "ESG Investment Policy" in the ESG section of the website at [www.janushenderson.com](http://www.janushenderson.com). In addition, the Investment Manager is a signatory to the UN Principles for Responsible Investment (UNPRI). As a signatory, the good governance practices of investee companies are also assessed by having regard to the UNPRI principles prior to making an investment and periodically thereafter.

### **Proportion of investments**

The Sub-Fund allocates at least 85% of its net assets in shares of the Master Fund which plans to invest a minimum of 80% of the investments of the financial product are used to meet the environmental or social characteristics promoted by the financial product. Given that the Sub-Fund will invest at least 85% of its net assets in shares of the Master Fund, the Sub-Fund will, therefore, allocate at least 68% of its assets in investments used to attain the environmental or social characteristic (#1 Aligned with E/S characteristics).

The Master Fund may invest up to 20% of its total assets in other investments (#2 Other investments) not used to meet the environmental or social characteristics, which may include cash or cash equivalents, securitised assets, derivatives for the purposes of efficient portfolio management, or derivatives for investment purposes other than those used to gain exposure to direct issuers. Given that the Sub-Fund will invest at least 85% of its net assets in shares of the Master Fund, the Sub-Fund will, therefore, allocate up

to 17% of its assets in investments not used to attain the environmental or social characteristic (#2 Other investments). The Sub-Fund will hold up to 15% in cash for ancillary liquidity purposes.

### **Monitoring of environmental or social characteristics**

The sustainability indicators used to measure the attainment of each of the environmental or social characteristics promoted by this financial product are: Carbon - Carbon Intensity Scope 1&2 and Overall UN GC Compliance Status.

ESG Exclusionary screens – see “Methodologies” below for details on the exclusions.

The Front Office Controls & Governance team provide ongoing assurance that investment products are managed in line with documented sustainability commitments. Financial Risk review and challenge investment management in light of ESG-related risks, alongside traditional market risk metrics, and embed sustainability risk into the risk profiles. Investment Compliance implement exclusionary screening and monitor this on an ongoing basis in addition to elements of manual oversight where relevant.

### **Methodologies**

The Investment Manager applies screens to exclude direct investment in corporate issuers based on their involvement in certain activities. Specifically, issuers are excluded if they derive more than 10% of their revenue from oil sands extraction, arctic oil and gas, thermal coal extraction, tobacco, or adult entertainment. Issuers are also excluded if they are deemed to have failed to comply with the UNGC Principles (which cover matters including human rights, labour, corruption, and environmental pollution).

The Master Fund also applies the Janus Henderson’s Exclusions Policy, which includes controversial weapons, as detailed in the Master Prospectus.

The Investment Manager may include positions in the Master Fund that, based on third-party data or screens, appear to fail the above criteria, the above exclusionary criteria where the Investment Manager believes that the third-party data is insufficient or inaccurate.

### **Data sources & processing**

JHI has chosen MSCI’s ESG Manager as its primary data source for ESG (Environmental, Social and Governance) research.

Where coverage gaps are identified, specialist ESG Data vendors or inhouse research may be used to complement the ESG research. This ensures consistent data and methodologies are used given an ESG measure per security type and hence can be compared correctly in the portfolio construction process.

JHI has built a centralised proprietary research alignment process; The central research alignment process aligns data at three different levels:

1. Entity Level,
2. Position Level, and
3. Fund Level.

The research alignment and mapping capability is critical to JHI's ESG (Environmental, Social and Governance) methodology, as we recognize a security could inherit the ESG information from the issuing legal entity, however, some ESG risks will be instrument specific.

JHI applies a series of Data Quality rules to ensure the integrity of the data being ingested into the central research alignment solution. JHI data that is not aligned correctly to the definition as provided by the data

vendor is not ingested into the central cloud-based data warehouse and exceptions are raised. These exceptions are monitored and remediated by a central support team. Remediation includes challenging the data provider or internal operations supporting internally managed Systems of Records. Where appropriate the Data Owner responsible and accountable for the data is notified through the internal Data Governance process to resolve outstanding exceptions.

JHI receives weekly automated data feeds from external ESG Data vendors, which are ingested into a cloud-based data warehouse. Once the data is ingested and Data Quality checks have been performed the raw data is mapped to JHI's internal taxonomy structure. This ensures that all ESG data from the data warehouse is made available consistently across all downstream JHI applications supporting the different stages in the investment process.

The proportion of data for a Financial Product that is estimated constantly evolving.

Some data used to support binding criteria may be estimated data as received by external providers.

For positions not covered by the external data provider, proprietary research may be used. This could range from proprietary research alignment against the external data vendor to written confirmation from the issuing entity that it aligns to the binding criteria. The appropriateness of the evidence provided is assessed by an independent body at JHI.

#### **Limitations to methodologies and data**

Data coverage is directly driven by the coverage of the underlying ESG Data Provider. JHI's internal data structure provides sufficient flexibility to incorporate proprietary evidence or adapt evaluations to future requirements. JHI is aware of data gaps in ESG Research for non-traditional asset classes compared to mainstream asset classes such as equities and debt instruments.

#### **Due diligence**

As detailed in the above 'Methodologies' section, The Investment Manager applies screens to exclude direct investment in corporate issuers based on their involvement in certain activities. Specifically, issuers are excluded if they derive more than 10% of their revenue from oil sands extraction, arctic oil and gas, thermal coal extraction, tobacco, or adult entertainment. Issuers are also excluded if they are deemed to have failed to comply with the UNGC Principles (which cover matters including human rights, labour, corruption, and environmental pollution). The Master Fund also applies Janus Henderson's Exclusions Policy, which includes controversial weapons, as detailed in the Master Prospectus.

The Investment Manager may include positions in the Master Fund that, based on third-party data or screens, appear to fail the above criteria, the above exclusionary criteria where the Investment Manager believes that the third-party data is insufficient or inaccurate.

The JHI Sustainability Risk Policy sets out Janus Henderson's ESG Integration Principles, Sustainable Investment Principles and Baseline Exclusions applied to investee companies. These exclusions are based on classifications provided by third-party data ESG data providers. This classification is subject to an investment research override in cases where sufficient evidence exists that the third-party field is not accurate or appropriate.

Each Investment desk completes their own due diligence processes ahead of making any investment decisions, using internal and external tools and research. The Front Office Controls & Governance team provide ongoing assurance that investment products are managed in line with documented sustainability commitments. Financial Risk review and challenge investment management in light of ESG-related risks, alongside traditional market risk metrics. Investment Compliance implement exclusionary screening and monitor this on an ongoing basis in addition to elements of manual oversight where relevant.

### **Engagement policies**

In addition to the binding elements of the investment strategy described above, stewardship forms an integral and natural part of Janus Henderson's long-term, active approach to investment management. Details of JHI's approach to Engagement can be found in the 'ESG Investment Policy' published under the 'ESG Resource Library' on the Janus Henderson website. Janus Henderson supports a number of stewardship codes and broader initiatives around the world and is a signatory to the UK stewardship code.

### **Designated reference benchmark**

No index has been designated as a reference benchmark to meet the environmental or social characteristics.