Janus Henderson
INVESTORS

September 2022

POSITIVE IMPACT COMPANIES

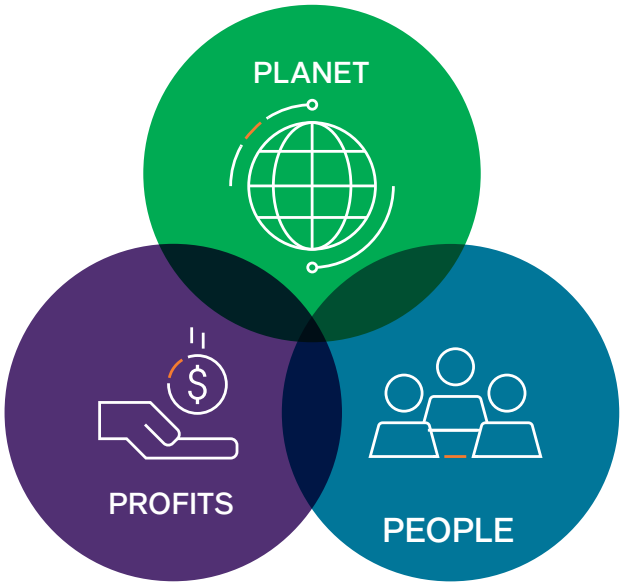
Sustainable Future Technologies Strategy

Approach to company selection

The Janus Henderson Sustainable Future Technologies Strategy (Strategy) was launched in August 2021, built upon the foundations of the Janus Henderson Global Technology Leaders Strategy, one of the largest and longest running technology specialist strategies in Europe. The Investment principles document details the investment team's underlying philosophy and approach to investing in sustainable technologies.

The Strategy aims to provide capital growth over the long term by investing in technology-related companies that contribute to the development of a sustainable global economy, as defined by the Brundtland Report. The team aims to invest in businesses that have a net positive impact on society and the environment by virtue of the products or services sold, and the management of its operations, thereby supporting the United Nations Sustainable Development Goals (UN SDGs). We use a triple bottom line approach to consider a company's profitability, impact on people and profits (the three Ps).

Companies addressing the three Ps of the triple bottom line

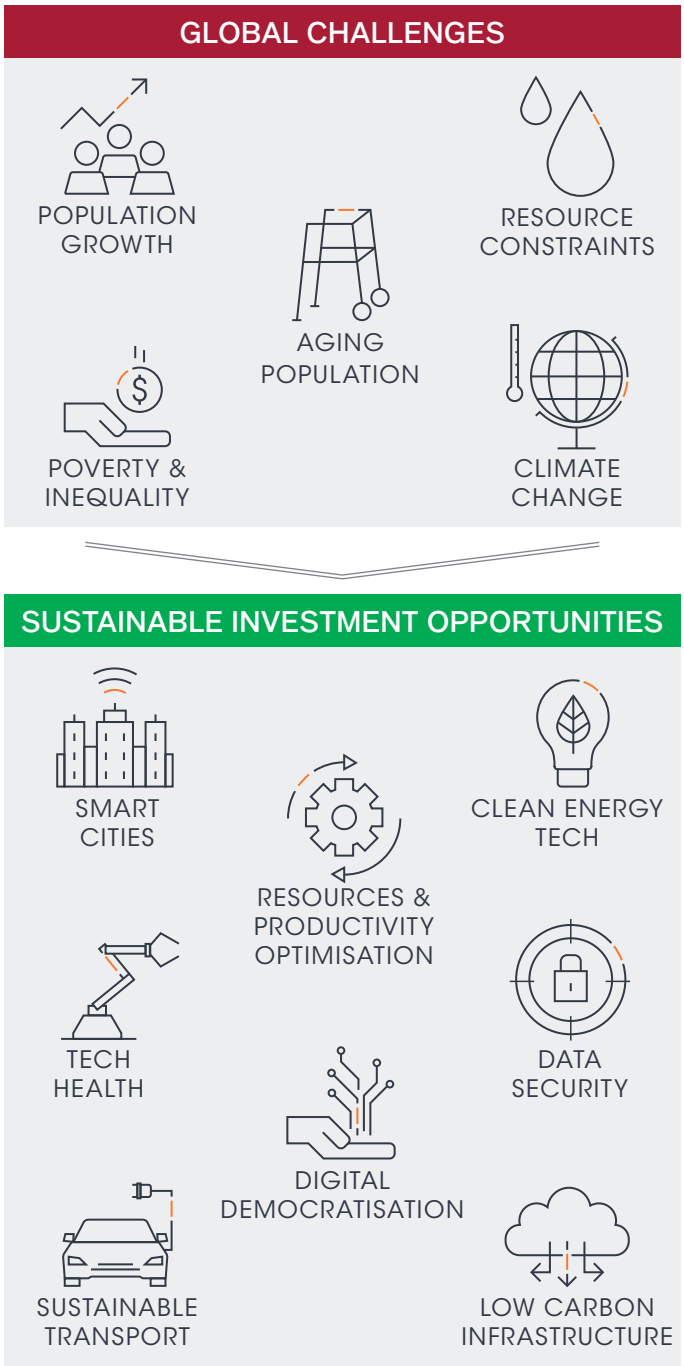


Companies within the Strategy must meet our positive screening hurdle. This includes mapping a minimum of 50% of current or future revenues (max up to five years) against our eight sustainable investment themes, while passing minimum environmental and social safeguards and 'do no significant harm' principles. The investment team is responsible for its own research and mapping to sustainability themes guided by a dedicated sustainability analyst.

The Strategy avoids investing in companies that in our view, are considered to potentially have a negative impact on the development of a sustainable global economy. We believe these types of businesses are typically at higher risk of being impacted by government regulation and/or disruption.

Therefore, we have implemented rigorous negative screening and environmental, social, governance (ESG) commitments on top of our impact analysis to ensure holdings are in line with our investment criteria and breaching of regulations is minimised or avoided. All holdings are compliant with the UN Global Compact, whose Ten Principles cover human rights, the International Labour Organisation's declaration on workers' rights, corruption and environmental pollution, as well as the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

The following pages detail the positive environmental and/or social impact as well as the associated sustainable theme(s) that the team has identified for each company held within the Strategy.



ESG Key Performance Indicators (KPIs)

As well as having a positive impact on the development of a sustainable future we believe the performance of ESG factors can have a material impact on financial returns. Pre-investment, all companies assessed for inclusion in the portfolio must demonstrate acceptable management of their ESG performance. Post-investment, we continue to monitor our investee companies against specific metrics, as well as the Strategy's overall performance at the portfolio level, to glean insight into changes in ESG profile and to guide our engagement agenda. We also work closely with Janus Henderson's Governance and Stewardship Team to this end. We believe that improving ESG standards has an important role in enhancing company valuation. Our white paper "The relationship between ESG factors and valuation within the technology sector" provides support for our process of integrating ESG insights throughout our investment process, into our valuation discipline, our company analysis and our voting and engagement approach.

Whilst this is not an exhaustive list of the metrics we track, only metrics where portfolio coverage was deemed sufficient are included here. We aim to expand this list as the quality and consistency of reporting improves. We take materiality into account using standards such as SASB, GRI, SFDR PAIs, our know-how, and deep sector expertise of tech and sustainability, guided by our dedicated sustainability analyst. This is not static – as data quality, coverage and methodologies improve we seek to improve our processes.

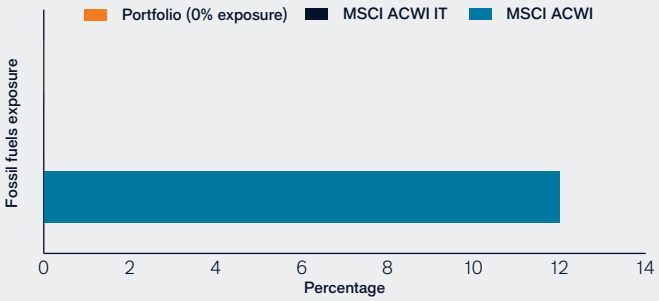
The metrics discussed form part of our Ranking Screen, Process Control Monitor and Exclusions, as well as our quarterly ESG review. Any names that fall into the bottom half of our Ranking Screen have a time bound outcome oriented action plan against them. Failure to display improvements may lead to divestments. For more information please see our Eurosif Transparency Code.

All data sourced from Janus Henderson Investors (as at 30 September 2022), unless otherwise stated.

Fossil fuels exposure

Company's exposure to fossil fuels related activities, including upstream (exploration, production & support), midstream (transportation, storage, refining, processing & trading), generation and reserves.

Fossil fuels: coal, oil and natural gas, oil shale/kerogen, and their derivative products, as well as unconventional O&G (bituminous sands, fracking, LNG, arctic drilling, coal-bed methane etc).



Coverage rates

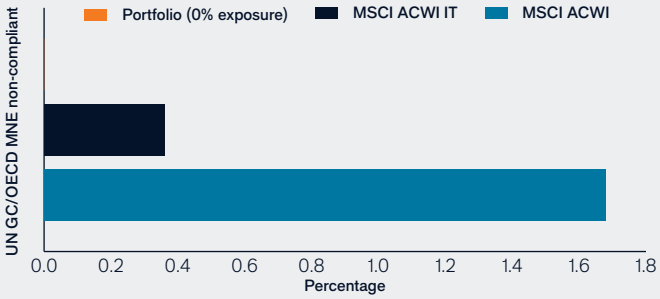
Portfolio:	**100%**
MSCI ACWI IT:	**100%**
MSCI ACWI:	**99.93%**

Data source: MSCI

Note: For our exclusions we use Vigeo Eiris to scan for fossil fuels exposure. Vigeo Eiris confirms 0% strategy exposure at 97.48% coverage. Further, VE assesses MSCI ACWI as 12.11% exposed at 97.30% coverage and MSCI ACWI IT as 0% at 99.48% coverage. We commit to beating the benchmark on fossil fuels exposure, we exclude any involvement.

UN GC/OECD MNE non-compliant

Company is violating one or more of the UN Global Compact and OECD MNE principles and related international norms and standards. Sustainalytics applies its own guidelines to assess company compliance with relevant international norms, assigning one of the following three statuses: Non-Compliant, Watchlist or Compliant.



Coverage rates

Portfolio:	**100%**
MSCI ACWI IT:	**100%**
MSCI ACWI:	**99.92%**

Data source: Sustainalytics

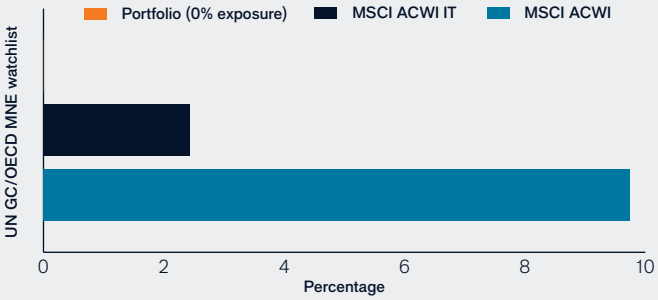
Note: We commit to beating the benchmark on UN GC/OECD MNE violators. The Strategy commits to not owning any UN GC/OECD MNE violators or watchlist names, subject to assessment of data quality and 3rd party interpretation.

Representative account data is based on the representative account in the composite and may vary from other accounts in the strategy, due to asset size, client guidelines and other factors. The representative account is believed to most closely reflect the current portfolio management style.

The Strategy is actively managed with reference to the MSCI All Country World Index Information Technology (MSCI ACWI IT), which is broadly representative of the companies in which it may invest, as this can provide a useful comparator for assessing the Strategy's performance. MSCI All Country World Index (MSCI ACWI) included for illustrative purposes.

UN GC/OECD MNE watchlist

Company is at risk of violating, one or more of the UN Global Compact and OECD MNE principles and related international norms and standards. Sustainalytics applies its own guidelines to assess company compliance with relevant international norms, assigning one of the following three statuses: Non-Compliant, Watchlist or Compliant.



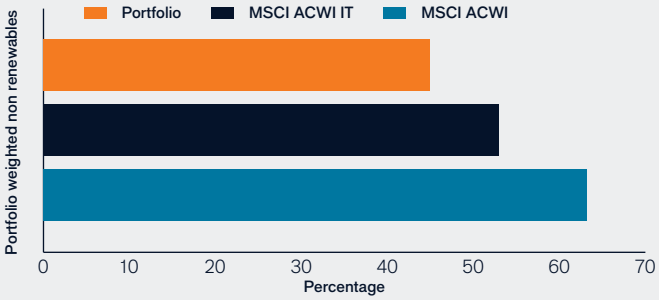
Coverage rates

Portfolio:	**100%**
MSCI ACWI IT:	**100%**
MSCI ACWI:	**99.92%**

Data source: Sustainalytics

Portfolio weighted non-renewables

Total energy consumption from non-renewable sources (GWh) divided by Total energy consumption (GWh).



Coverage rates

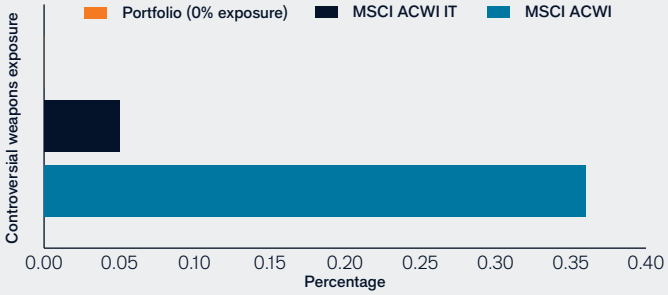
Portfolio:	**65.36%**
MSCI ACWI IT:	**87.50%**
MSCI ACWI:	**81.67%**

Data source: MSCI

Note: The company's energy consumption from non-renewable sources as a percentage of total energy use. Companies that do not disclose have been removed from this analysis. A small percentage exhibit high usage of renewables. Our tech universe, positive screening and exclusions eliminates non renewables energy production/generation.

Controversial weapons exposure

Company has an industry tie to antipersonell landmines, cluster munitions, chemical weapons or biological weapons. Note: industry tie includes ownership, manufacture or investment. Landmines do not include related safety products.



Coverage rates

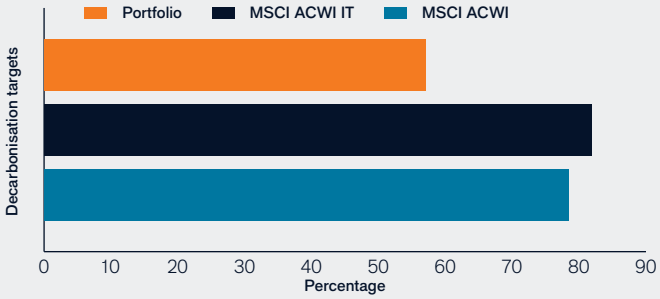
Portfolio:	**100%**
MSCI ACWI IT:	**100%**
MSCI ACWI:	**99.93%**

Data source: MSCI

Note: While the firm-wide policy uses MSCI to scan for anti-personnel mines, cluster munitions, biological weapons and chemical weapons, on a portfolio level we utilise Vigeo Eiris to scan for a wider selection of controversial weapons, including nuclear and incendiary weapons. Vigeo Eiris confirms 0% strategy exposure at 97.48% coverage. Further, Vigeo Eiris assesses MSCI ACWI as 3.62% exposed at 97.30% coverage and MSCI ACWI IT as 1.46% exposed at 99.48% coverage. We commit to excluding any involvement and beating the benchmark.

Decarbonisation targets

Flags if the company has a carbon emissions reduction target.



Coverage rates

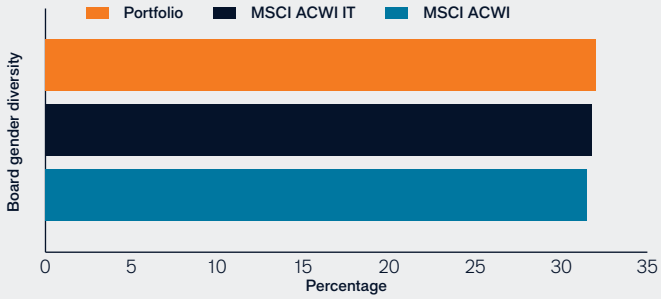
Portfolio:	**100%**
MSCI ACWI IT:	**100%**
MSCI ACWI:	**99.93%**

Data source: MSCI

Note: Internal checks against MSCI data have identified inaccuracies. Our analysis has demonstrated that 75.47% of the portfolio has decarbonisation targets. Data providers often miss or fail to update changes in decarbonisation targets within the year. Smaller companies with few resources or with smaller carbon footprints, and companies that benefit the energy transition by increasing their carbon footprints often don't have a decarbonisation target. Further, geographic variations and focuses may also mean companies lag in adopting targets. We are actively engaging to increase the decarbonisation target.

Board gender diversity

Percentage of board members who are female.



Coverage rates

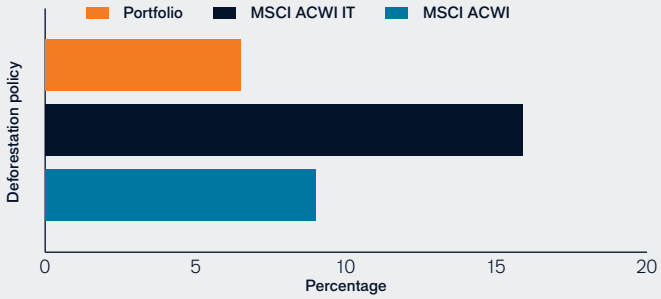
Portfolio:	100%
MSCI ACWI IT:	98.56%
MSCI ACWI:	97.77%

Data source: MSCI

Note: From Q3, 2022 MSCI provided an improved metric reporting the percentage of board members who are female. For companies with a two-tier board, the calculation is based on members of the Supervisory Board only.

Deforestation policy

Company has a deforestation policy.



Coverage rates

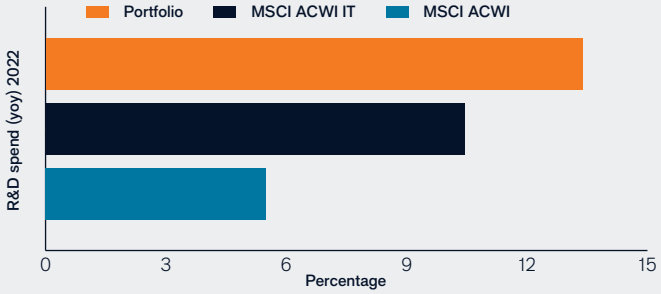
Portfolio:	100%
MSCI ACWI IT:	100%
MSCI ACWI:	99.73%

Data source: MSCI

Note: This metric is used as a proxy to examine companies for pledges to end deforestation, companies focused on their deforestation and biodiveristy impact. Currently, data availability and coverage around this topic is low.

Portfolio weighted research & development (R&D) spend (yoy) 2022

R&D Expenditure to Net Sales: The trailing 12 month research and development expense calculated by adding the most recent four quarters of R&D Expense from the company's income statements divided by net sales.



Coverage rates

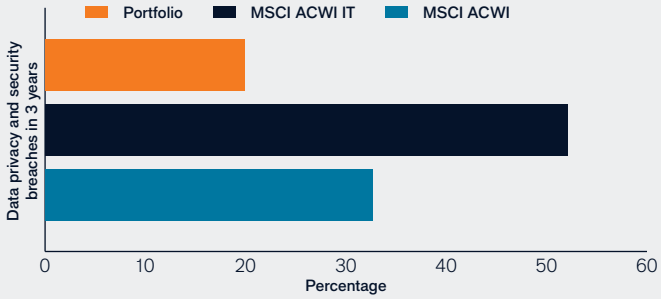
Portfolio:	73.18%
MSCI ACWI IT:	85.85%
MSCI ACWI:	47.65%

Data source: Bloomberg

Note: R&D Expenditure to Net Sales (trailing 12 months made up of recent 4 quarters to Q3 2022). Excluded companies returning zero or no data.

Data privacy and security breaches in 3 years

Flagged as "Yes" if company has faced significant recent data breaches or controversy regarding data privacy and security.



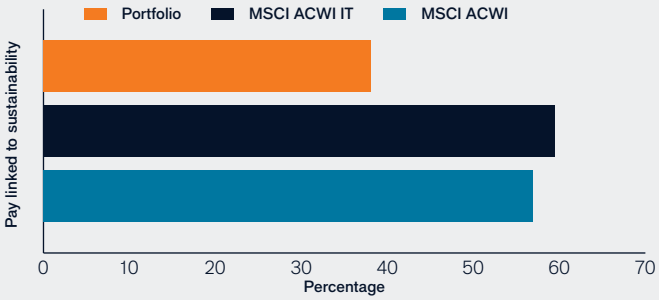
Coverage rates

Portfolio:	100%
MSCI ACWI IT:	100%
MSCI ACWI:	99.93%

Data source: MSCI

Pay linked to sustainability

Flags if the company, if designated as having either a high environmental or social impact, has incorporated executive or board pay linked to sustainability or ESG metrics and targets. This metric is based entirely on the company's own reporting, and is strictly focused on the specific inclusion or not of such metrics in the determination of variable pay components and does not take into consideration their effectiveness.



Coverage rates

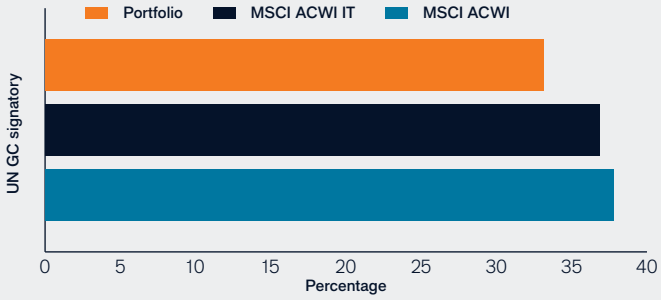
Portfolio:	**100%**
MSCI ACWI IT:	**100%**
MSCI ACWI:	**99.93%**

Data source: MSCI

Note: Internal checks against MSCI data have identified inaccuracies.

UN GC signatory

Flags if the company is a signatory to the UN Global Compact.



Coverage rates

Portfolio:	**100.00%**
MSCI ACWI IT:	**99.58%**
MSCI ACWI:	**98.85%**

Data source: MSCI

Greenhouse gas emissions

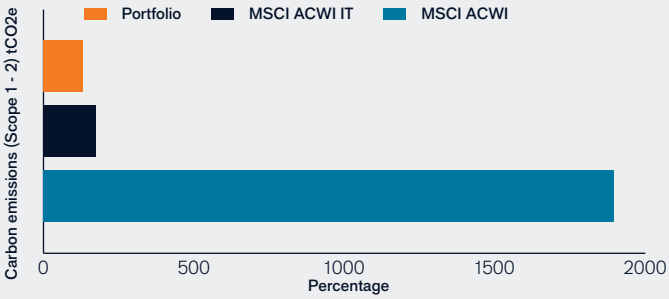
Greenhouse gas emissions are categorised into three groups or 'Scopes' by the most widely-used international accounting tool, the Greenhouse Gas (GHG) Protocol. This dataset represents a company's Scope 1, Scope 2 and Scope 3 greenhouse gas emissions as reported (if available) or estimated via Institutional Shareholder Services (ISS).

Scope 1 emissions: direct emissions from owned or controlled sources.

Scope 2 emissions: indirect emissions from the generation of purchased electricity, steam, heating and cooling used by the reporting company.

Scope 3 emissions: indirect emissions that occur in a company's value chain.

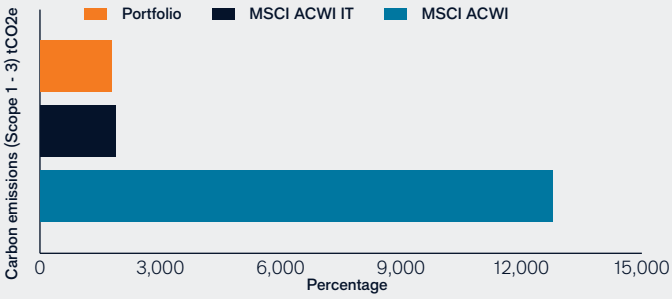
Carbon emissions (Scope 1-2) tCO_2e



Coverage rates

Portfolio:	**100%**
MSCI ACWI IT:	**99.79%**
MSCI ACWI:	**99.74%**

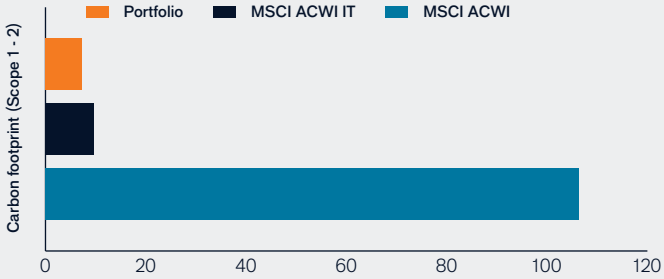
Carbon emissions (Scope 1-3) tCO_2e



Coverage rates

Portfolio:	**100%**
MSCI ACWI IT:	**99.89%**
MSCI ACWI:	**99.76%**

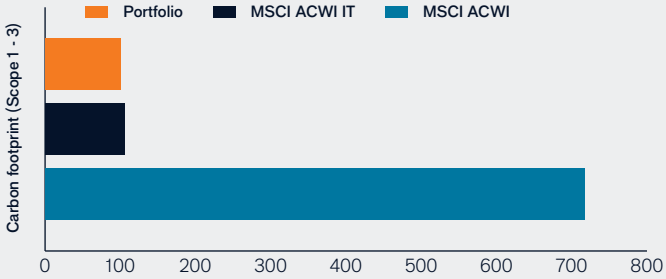
Carbon footprint (Scope 1-2) (tCO_2e/invested)



Coverage rates

Portfolio:	**100%**
MSCI ACWI IT:	**99.79%**
MSCI ACWI:	**99.74%**

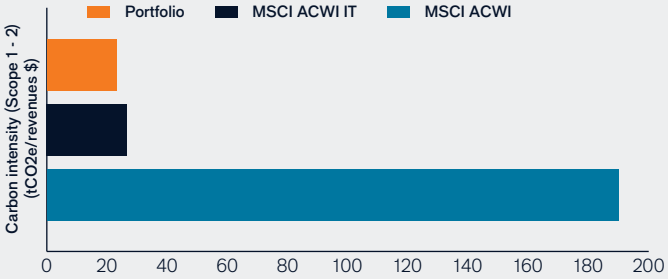
Carbon footprint (Scope 1-3) (tCO_2e/invested)



Coverage rates

Portfolio:	**100%**
MSCI ACWI IT:	**99.89%**
MSCI ACWI:	**99.76%**

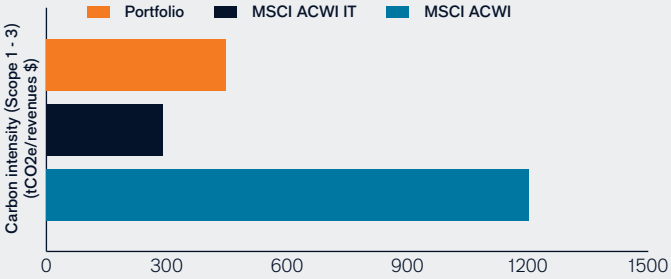
Carbon intensity (Scope 1-2) (tCO_2e/revenues $)



Coverage rates

Portfolio:	**100%**
MSCI ACWI IT:	**99.79%**
MSCI ACWI:	**99.74%**

Carbon intensity (Scope 1-3) (tCO_2e/revenues $)



Coverage rates

Portfolio:	**100%**
MSCI ACWI IT:	**99.89%**
MSCI ACWI:	**99.76%**

1. Source for all absolute carbon emissions data is ISS FY2020. Calculations based on USD Market Cap weighted. Internal checks against ISS data have identified inaccuracies and we are engaging on this.
2. Financial data including revenue and market cap as at 30 September 2022 (Source: Bloomberg).
3. The portfolio (cash excluded) compared to MSCI ACWI IT and MSCI ACWI (normalised).
4. Carbon coverage rates apply to ISS data only.
5. EU SFDR Principle Adverse Indicators (PAIs) were considered as ESG KPIs, for example, water, waste and unadjusted gender pay gap. Data coverage for the Strategy is extremely low (at 6%, 29%, and 11%, respectively) due to insufficient company disclosure. We believe our ongoing engagement on this topic may improve in future leading to further analysis.

POSITIVE IMPACT CASE STUDY: TE CONNECTIVITY

Why do we own TE Connectivity?

TE Connectivity (TEL) is a global leader in connectors and sensors. The company designs and manufactures devices that connect and protect the flow of power and data for a wide range of industrial and consumer products. TEL provides products that are key facilitators of decarbonisation through electrification, as well as more intelligent and connected processes. TEL enables its customers to make products that are more reliable, safe, sustainable, productive and efficient, improving people's lives. Driven by innovation, the company has more than 15,000 patents. The company works alongside its customers in approximately 140 countries, with more than 85,000 employees, including over 8,000 engineers, driving innovation both globally and locally.

What is a connector?

An electrical connector is an electromechanical device used to create an electrical connection between parts of an electrical circuit, or between different electrical circuits, thereby joining them into a larger circuit. This is necessary when connecting different equipment. For example, in a car it can connect the audio system with power, and feed information back to the dashboard. The brakes can provide signals that are transported to the lights, switching them on bright during an emergency halt.

TE Connectivity fits into several of the SFT Strategy's sustainability themes including Sustainable Transport, Tech Health and Clean Energy Tech given its essential role in electrification and digitalisation. A large proportion of TEL's revenues match to our themes given the company's products are used in electric vehicles (EVs), renewable energy, medical technology aka medtech (aging demographics and the rise in elective interventional procedures), faster data/compute/networking and industrial automation, as well as smart cities.

TEL is a market leader in the EV and datacentre space and has grown market share in both the connector and sensor space through its superior offerings.

We view TE Connectivity as having a high-quality management team, diversified revenue and geographic base and a shareholder-friendly capital allocation framework. The company's shares have historically performed well relative to its peers and the sector. The drivers of TEL's potential for growth include EVs, autos recovery and industrial uplift, as well as strategic merger and acquisition, shareholder returns and supply chain/inventory normalisation.

TE Connectivity has three main business segments:

1. **Transportation solutions** c60% of 2021 revenues (we see this increasing over time). Largest end markets are passenger vehicles, agriculture vehicles and trucks.
2. **Industrial solutions** c26% of 2021 revenues. End markets include medical, aerospace, industrial equipment, factory automation, heating, ventilation and air conditioning (HVAC) and rail.
3. **Communications solutions** c.14% of 2021 revenues. Split between data and devices (mainly datacentres) and appliances (washers, dryers, industrial refrigerators).

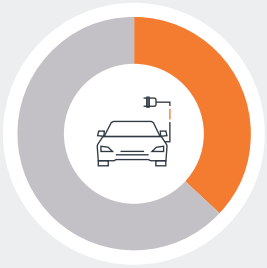
What is a sensor?

Nowadays, we are surrounded by sensors, they make our lives easier, turning on lights, adjusting the room temperature, detecting smoke or fire, control blood sugar and insulin levels and many other tasks. Sensors measure and record certain inputs, translating this into useful data. It is a device that converts signals from one energy domain (for example electromagnetic, vibrational, thermoelectric, etc.) to electrical domain, assessing temperature or position. Intelligent sensors are able to self-test, self-validate, self-adapt, and self-identify. Sensors can have many positive impact use cases – from monitoring environmental conditions to improve farming outcomes or understanding pollution levels to improved diagnostics for medical outcomes.

TEL's product range from terminals, connector systems and components, sensors, antennas, relays, application tooling, to wire and heat shrink tubing. TEL manufactures 192 billion electrical components and electronic parts annually across 15 broad product categories and more than 130 subcategories. They provide both generic and tailor-made solutions, as well as providing engineering design, install talent and product installation education.

We exclude aerospace and defence, oil and gas and energy (fossil-fuel related) exposure from our revenue mapping (part of industrial solutions and sensors). We also exclude devices from the communications solutions business.

HOW DOES THIS MAP TO OUR THEMES?



SUSTAINABLE TRANSPORT

37%

of total revenues 2022A

Contribution from products and/or services

Why is Sustainable Transport important and who does it benefit?

Electrification

Electrification is one of the main pillars of decarbonisation. According to the International Energy Agency, electricity's share of primary energy needs to rise from c.20% today to c.50% by 2050 to meet climate targets. However, electrification is only effective when paired with reductions in the emissions intensity of electricity generation and incorporating circular economy principles into the value chain of products.

The outlook for a low-carbon transition within transport is positive. Countries have pledged to decarbonise the transport industry – currently approx. 25% of global emissions – with a wide variety of tools, for example the ban of internal combustion engines (ICEs) from 2030 onwards or committing the auto industry to reduce their CO2e/km travelled. On average, replacing a gas-powered car with an EV in the United States will slash carbon pollution by about two-thirds when calculated over the car's life.

GHG emissions of EVs can be split into 1) battery manufacturing, 2) vehicle manufacturing, 3) operation/usage (which includes electricity usage, car wear and tear) and 4) end of life. Analysis results vary, but generally agree that electrification of road transport leads to an overall reduction in emissions. EVs have a higher GHG footprint when it comes to manufacturing, but this can be typically offset within 6-16 months of average driving. However, the data on end of life, and GHG emissions type, is still limited and requires more studies, as most EVs are still on the road, and circular economy practices such as battery recycling or reuse are still in their infancy.

Apart from the battery – the powertrain of an EV at 30% of a car's weight, affects car usage emissions significantly (however, this only equates to 10% of emissions in the manufacturing phase).

TE Connectivity is strongly exposed to the powertrain. Within charging, TEL offers temperature sensors, connectors, cables, and current sensors. Within battery performance, TEL offers battery disconnect units, high voltage connectors, relays and contactors, and resistors. For electric motors, TEL offers multi-coil resolvers, resolver rotary position sensors, temperature sensors, cable assemblies, and connectors.

Transportation

Auto production has been suppressed due to automaker strikes, COVID, supply chain issues (inflation, freight/transport and energy costs) and recession fears. The lack of supply resulted in higher second-hand auto prices and sales. We believe that as supply factors normalise production should rebound. EV adoption will accelerate as costs decrease and charging infrastructure improves. In developed markets the number of cars per household is expected to decline given the shift to public transport, bikes, and ride sharing. However, this could be offset by increases in auto ownership in developing markets. Demographics are key – on the EV side, millennials (vs boomers), are more likely to purchase an EV, a second-hand car or rely on no car at all. This is slightly different in emerging markets where car usage remains low [8-10].

How does TE Connectivity contribute to Sustainable Transport?

We consider around 2/3 of TEL's Transportation Solutions segment is exposed to the theme of Sustainable Transport – promoting electrification, higher efficiency, higher connectivity, higher levels of safety, and direct exposure to EVs and hybrids, which will increase over time. We also map rail from the industrial solutions segment to sustainable transport, as its electrification and optimisation/efficiency gains of public transport has both positive environmental and social benefits.

In the short term (next five years) the transition to EVs and hybrid has a positive mix shift and requires more of TE Connectivity's products, raising the content per vehicle (CPV) at 2x for EVs and 1.5x for hybrids.

Historically, internal combustion engines have represented ~15% of TEL's CPV, ~85% of connectors and sensors are associated with the low voltage architecture.

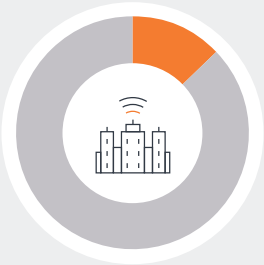
The standardisation of Advanced Driver Assistance Systems (ADAS) applications and the rise of safety regulations, as well as the push for more sustainable and cloud connected vehicles, also increases CPV.

TEL has worked to miniaturise its automotive products and reduce weight and space. Miniaturisation increases efficiency, by allowing more electronic components (such as safety and navigations systems) into the same amount of space

Product examples include:

- **EV powertrain:** Focusing on quick, reliable, safe, energy efficient interconnections and charging inlets, while reducing the products weight and making them more durable, being able to withstand the increased power ratings and higher thermal and vibration requirements that design engineers demand in next generation vehicles. A variety of custom-built sensors and connectors are required for this.

- **Vehicle safety:** These opportunities include, for example, weight sensors used in seats to determine whether airbags should deploy, integrated systems to control ABS, impact sensors, automatic battery disconnect switches, and smart antenna technology used to automatically communicate with emergency responders in the event of an accident.
- **Rail & Metro power solutions:** Megatrends like urbanisation, digitisation and globalisation, plus demographic changes driving increased demand for mobility, rail transport activity is expected to more than double by the year 2050. Safety, electrification, smart connectivity and efficiency is key. This requires high-performing, durable connectivity solutions, that help minimize power failures and service interruptions with quick and seamless installation, and on-demand maintenance support during the least impactful window of time, as well as mitigating fire risk and not harming the environment and surrounding wildlife. For example: over 25% of all power outages are caused by wildfire, wildlife and vegetation interfering with electrical equipment. TE Connectivity worked with the national railway company of Austria to insulate 50km of affected power poles to protect raptors from fatal electric shocks.
- **Heavy trucks, agriculture, and construction:** Specialised sensors and connectors that can handle more extreme weights and working conditions.



SMART CITIES
13%
of total revenues
2022A

Why is Smart Cities important and who does it benefit? How does TE Connectivity contribute to smart cities?

We map TE Connectivity's industrial equipment within Industrial Solutions and Industrial Sensors, as well as the appliances part of Communications Solutions division, to Smart Cities. The former focuses on the theme of factory automation, lighting and HVAC, the latter on smart, electrified consumer appliances, home devices ranging from fridges to washers, dryers, water heaters, and more.

Electrification of the industrial sector is a high priority as industries still represent 18% of global CO2 emissions.

The move towards intelligent, connected and automated homes and factories, the industrial Internet of Things (IoT) and Internet 4.0, increases TE Connectivity's presence. Examples include using sensors for predictive maintenance, detecting safe operating levels or enabling cloud-based artificial intelligence and machine learning to optimise workflows and working conditions, enabling robotics and advanced data analysis, improving productivity, energy efficiency and control. Data availability, cost, connectivity, electrification, efficiency requirements, and edge computing are driving this forward.

We have also mapped TEL's communications solutions data & devices sub-segment (excluding devices, including cloud and

hyperscale 2/3 of segment). This supplies connectors, terminals, relays, and antennas to datacentres, private cloud and hyperscalers, making them more efficient, reliable, safe, driving connectivity and helping to lower their carbon footprint, both directly with their products and indirectly by enabling wider usage of low carbon tech and infrastructure such as the cloud. Shifting to cloud alone can enable energy reductions of businesses up to 96% by increasing utilisation rates and using more efficient infrastructure, powered by renewable energy. This is being driven by high-speed data and AI.

Product examples include:

- **Industrial cobots:** Sensors are important for safe human to robot interactions. For example, torque sensors measure the mechanical torque at the rotational joint on a cobot that detects fault or overload conditions and prevents injuries and potential cobot failures. In addition, sensors can be used in equipment such as light curtains, which stop machines when people enter critical areas and Avalanche photodiodes (APDs) can act as artificial eyes in laser scanners. Sensors can also be used to monitor a robot's surroundings for object detection and to monitor load capacity as well as grip forces that help to ensure safe, reliable, and efficient operation in the workplace.
- **Climate and health friendly advanced materials:** TEL is developing mechano-bactericidal material surfaces that kill bacteria on contact, used as anti-bacterial plastic wrapped around the handle of train railing.

- **Autonomous vehicles:** To truly operate without a driver's control, a vehicle needs 360-degree visibility to detect what's happening around it, interpret the meaning of those signals, and calculate an appropriate action that takes into consideration conditions such as speed, weather conditions and surrounding obstacles. And those calculations need to happen in milliseconds. TE Connectivity sensor technology for these systems already exists. The real challenge is computing capabilities and human behaviours.
- **Power systems for data centres:** Every minute of downtime impacts commercial performance, the average cost per outage is estimated to $9,000 in lost revenue per minute and outages in hospitals, schools etc. can be especially detrimental. <80% of annual operating costs can be for energy. TE Connectivity focuses on connectivity, metering, switchgears, transformers, insulation enhancement, sealing systems and sensoring for substations.

TECH HEALTH

4%

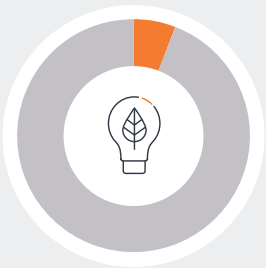
of total revenues 2022A

Why is Tech Health important and who does it benefit? How does TE Connectivity contribute to Tech Health?

Medical sales within TEL's Industrial Solutions segment (and sensors) we map to our theme, Tech Health. Tech is integrating itself deeply into health journeys, promoting benefits with better diagnostics, more accurate results, improved access, real time analysis, tailored patient treatment & education, proactive and preventative care, the possibility of home treatments, remote/portable devices, and automated medication. TE Connectivity is reducing the cost, the environmental & social footprint, and improving access of these technologies. Medical growth is helped by rising number of interventional and elective procedures, as well as the integration into consumer appliances and shifting demographics and attitudes. TEL's Medical subsegment serves various end markets such as cardiovascular, endoscopy, and neurovascular therapies.

Product examples include:

- **Miniaturised, high compact, high-performance sensors for minimally invasive surgeries:** The benefits of minimally invasive techniques include more precise incisions and reduced hospitalization time. Force, pressure, temperature, and other sensors allow for accurate, reliable measurements so the equipment can perform as expected. Not only do these sensing technologies monitor the medical equipment but they also have the capability to be placed within the patient's body to physically monitor vital information and relay that data to medical professionals. For both, the packaging of the sensor must be durable to withstand any harsh medical matter that it will encounter.
- **Surgical robots:** Robot-assisted surgery is used to perform minimally invasive medical procedures providing a solution to issues like lack of surgeons geographically and human issues like fatigue. Sensors are the foundation of robot-assisted surgery since they collect the data needed to perform the precise robotic arm movements needed to carry out successful surgeries. Torque sensors in surgical robots are used for safety and to improve the manual arm positioning of the surgical robot. Force sensors are used in surgical robots for haptic feedback to improve a sense of touch for controls to the surgeon while position sensors are used in surgical robots for table and console positioning.



CLEAN ENERGY TECH

6%

of total revenues 2022A

Why is Clean Energy Tech important and who does it benefit? How does TE Connectivity contribute to Clean Energy Tech?

We map the Energy segment of Industrial Solutions (and sensors) to Clean Energy Tech. TE Connectivity's products are critical for renewable energy and modern grid infrastructure. This is because renewable energy requires a lot more data and intelligent insights to be able to handle energy fluctuations, decentralised power sources and matching changing energy needs and capacities. The role of utilities and grids are changing in accordance. The passing of the US Infrastructure Bill should further boost energy enhancements via grid & charging infrastructure investment, battery storage & funds for clean energy transformation.

Product examples include:

- Smart grid monitoring and hardening solutions enable utilities and industrial facilities to pinpoint faults and weak connections in the grid, manage extreme weather, while providing an effective tool for power monitoring and asset management, making the grid more flexible, reliable and safer
- Wind and solar solutions
- Charging infrastructure connector solutions

Contribution from operations

Responsible business

Environmental

In 2010 TE Connectivity was one of the first companies in its sector to set a carbon reduction target, which it beat in 2020. In 2020, TEL achieved a 37% reduction in energy intensity, which surpassed its early 2010 goal of 35%. Management set a new, more ambitious target off the back of this: to reduce absolute Scope 1 and 2 greenhouse gas emissions by more than 40% by 2030 (against FY2020 baseline). In 2021 the company already reduced its Scope 1 and 2 footprint by 30%. This was driven by implementing renewable energy sourcing at approximately 35 sites and energy-efficiency operating standards at all sites. TEL is also undertaking Scope 3 measurements and reporting on certain sub-categories with ambitions to improve disclosure and targets, working closely with its supply chain and customers.

Governance

TE Connectivity has had a strong, long-term track record of capital allocation that benefits shareholders. The company has a strong free cash flow (FCF) generating operating model, even in times of industry turbulence. Management has remained committed to returning 2/3 of its FCF to shareholders via share buybacks and dividends and using the remaining 1/3 towards mergers and acquisitions (M&A). Management has been active in portfolio reshaping with the goal of migrating its portfolio towards products and end markets that grow more quickly than the economy and industry (e.g. electrification, connectivity). This has involved acquisitions as well as significant divestures particularly in the communication solutions segment when it exited its consumer electronics business.

TEL's 2030 net zero targets cover a range of UN Sustainable Development Goals (UN SDGs), from product lifecyle to waste, accidents, and education. Company and industry recognitions range from global innovator to best workplace and ethical company.

TE Connectivity has been a UN Global Compact signatory since 2011, pioneering in this space, providing detailed annual disclosures, incorporating efficient company processes and demonstrating strong commitment to policies.

TEL is also expanding governance efforts across the value chain – with detailed supplier code of conduct, self-assessment questionnaire and audit ambitions.

Social

Employees

Volunteering is actively encouraged. Employees who volunteer log their hours on TE Community Connection and earn credit toward a "Cause Card," which can be redeemed as a donation to a charitable cause of the employee's choice.

Community

TEL's products make social contributions to benefit wider communities. In 2020 as part of a World Bank project in Cameroon to increase the electrification rate from 5% to 67%, the company was selected to provide 370,000 insulating piercing connectors for a project that will connect 1.5 million people to the grid.

United Nations Sustainable Development Goals

We believe TE Connectivity addresses the following UN SDGs with its products, services and operations.

UN SDGs: 1,3,4,5,6,7,8,9,10,11,12,13,14,16,17

Potential risks to TE Connectivity' positive impact?

- **Electrification and transition:** May not be as green as expected, also has social risks involved in production and metal mining. Lack of circular economy and end-of-life treatment.
- Regulation
- **Competition**
- Supply chain disruption
- Risk of stranded assets
- Employee and talent shortage
- **Recession, macro-economic conditions**

Further engagement areas to improve TE Connectivity position as an ESG leader

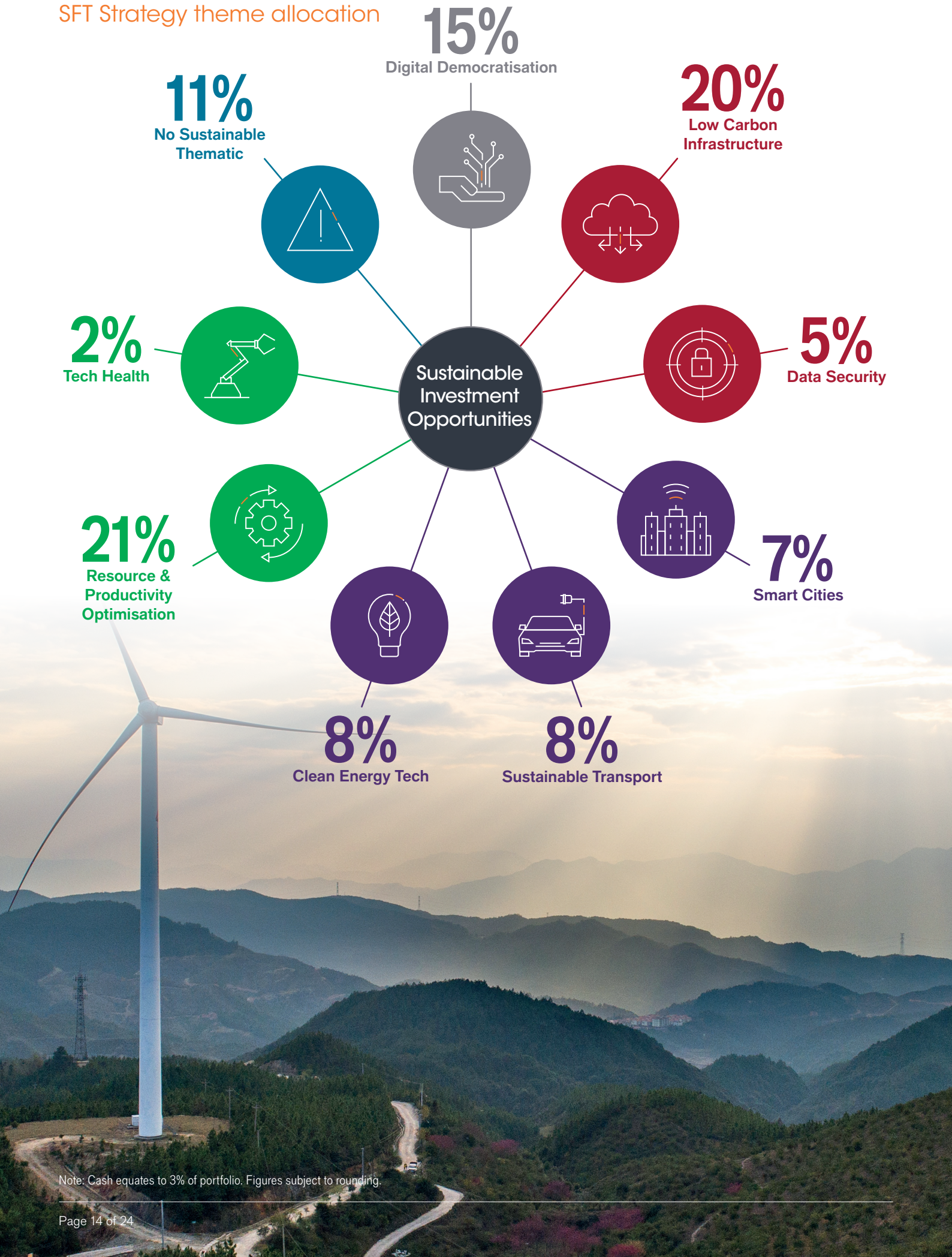
- **Environmental:** Carbon target, Scope 3 (disclosure and ambitions), Life Cycle Analysis (Cradle to Grave impacts of products, incorporated into assessment and design), manufacturing, supply chain, emissions to water disclosure, exposure to conflict minerals and wider controversial metals, material traceability, reformulation progress
- **Social:** Diversity targets, employee turnover rates, health & safety
- **Governance:** R&D/capex spend, M&A, pay linked to sustainability, board responsibilities and structure, sustainability teams

Footnotes

1. Comparative Environmental Life Cycle Assessment of Conventional and Electric Vehicles - Hawkins - 2013 - Journal of Industrial Ecology - Wiley Online Library
2. The role of transport electrification in global climate change mitigation scenarios - IOPscience
3. https://iopscience.iop.org/article/10.1088/1748-9326/ab6658/meta
4. On the role of electric vehicles towards low-carbon energy systems: Italy and Germany in comparison - ScienceDirect
5. [EXECUTIVE SUMMARY] from Cleaner Cars from Cradle to Grave: How Electric Cars Beat Gasoline Cars on Lifetime Global Warming Emissions on JSTOR
6. End-of-life (EOL) issues and options for electric vehicle batteries | SpringerLink
7. How clean are electric vehicles? Evidence-based review of the effects of electric mobility on air pollutants, greenhouse gas emissions and human health - ScienceDirect
8. decarbonisation-pathways-all-slideslinks-29112018-h-4484BB0C.pdf (eurelectric.org)
9. Has the world passed "peak car"? Here's the evidence. | Grist
10. Why Are Millennials Refusing To Buy Cars? – Social Trends (psu.edu)
11. The not so new generation – 17-24 year olds open to buying a new or used car - News hub - Press centre - Auto Trader Group plc
12. How electric vehicles are reshaping the car buying journey

The Slavery & Trafficking Risk Template (STRT), is the free, open-source industry standard template used to assist companies in their efforts to comply with human trafficking and modern slavery legislation and improve their supply chain-related public disclosures. The STRT helps companies and their suppliers work together to build socially responsible supply chains by facilitating accurate data collection. https://www.socialresponsibilityalliance.org/strt/

SFT Strategy theme allocation



Note: Cash equates to 3% of portfolio. Figures subject to rounding.

Positive mapping

COMPANY	DESCRIPTION	THEMATIC MAPPING & WEIGHTS	REVENUE (CURRENT, OR FUTURE UP TO MAX 5 YEARS)*
ADOBE INC	Adobe is a leading global provider of SaaS and Cloud Software covering three key areas. Firstly content creation within its Digital Media division, secondly content publication through its Publishing division and finally marketing automation software through its Digital Experience division. Adobe's low carbon software infrastructure helps to drive the creation of ideas, the exchange of information and also drives productivity in areas such as automation of content creation, eSignature and marketing automation. One of Adobe's largest end markets is education. The shift to digital media also enables customers to reduce waste and save natural resources. Adobe is transforming its business to a cloud-based subscription model, this shift has a beneficial environmental impact due to Adobe's policy of using renewable energy to power its datacentres, thereby enabling customers to reduce the energy intensity of their operations and therefore their carbon emissions.	▪ 41% Low Carbon Infrastructure ▪ 55% Resource & Productivity Optimisation	Current
ADYEN NV	Adyen is a leading global payments solutions provider with a modern payments stack. Its solutions enable merchants to process payments on-line and in-store providing a seamless multi-channel payments experience.	▪ 92% Digital Democratisation	Current
AMBARELLA INC	Ambarella is a leader in low-power computer vision providing an intelligence layer to video camera inputs both for advanced driver assistance systems (ADAS) and autonomous driving, helping to reduce the million plus fatalities and multiple times that of injuries per annum on roads. Computer vision is also required to help make cities smarter reducing congestion and automating processes. Also by providing intelligence at the edge, less data needs to be transferred and stored centrally reducing carbon emissions.	▪ 40% Smart Cities ▪ 50% Sustainable Transport	Future, 3 years
ANALOG DEVICES INC	Analog Devices is a leader in analogue semiconductors, which convert real world inputs such as heat, pressure and voltage into digital signals or ones and zeroes that digital semiconductors can compute. This is a foundational technology to all automation providing more efficient, more productive, smarter and safer outcomes. The company is also a leader in battery management systems enabling the transition to electric vehicles. An ESG leader in semiconductors with a commitment to carbon neutrality by 2030 and is a UN Global Compact signatory.	▪ 15% Low Carbon Infrastructure ▪ 49% Resource & Productivity Optimisation ▪ 22% Sustainable Transport	Future, 3 years
APTIV PLC	Aptiv, headquartered in North America, is a leader in the automotive technology industry. Large scale electrification of the transportation sector creates one of the greatest opportunities for reducing carbon emissions and mitigating climate change. Aptiv has content in over half of all EV/ BEVs sold. Aptiv also has a crucial role in the development of Active Safety. Aptiv is unique in being able to offer auto manufacturers complete solutions, comprising both hardware and software, to develop smart vehicle architectures. We anticipate exposure to both our sustainable transport and smart cities themes to grow meaningfully as Aptiv transitions.	▪ 81% Sustainable Transport ▪ 7% Smart Cities ▪ 12% Resource & Productivity Optimisation	Current
ASM INTERNATIONAL NV	ASMI is a leader in atomic layer deposition (ALD) equipment. The ability to deposit materials down to one atom thickness uniformly is fundamental to the preservation of Moore's Law and delivering more performance in the same power envelope. The transition to the next generation gate all around (GAA) transistor architecture will require a major leap in ALD adoption. The company is committed to 100% renewable energy usage by 2024 and net zero by 2035.	▪ 35% Smart Cities ▪ 50% Low Carbon Infrastructure ▪ 5% Sustainable Transport	Future, 3 years
AUTODESK INC	Autodesk is a global leader in design software used by architects and engineers worldwide and is a provider of software to product designers. Autodesk's solutions aim to empower customers to optimise the environmental and social impacts of their designs. This can encompass producing designs that dramatically reduce energy needs, provide resilient and environmentally-sustainable infrastructure, or allow new approaches to product development and manufacturing. Customised goods that are created locally with less materials waste are of benefit to a sustainable economy.	▪ 5% Smart Cities ▪ 10% Low Carbon Infrastructure ▪ 60% Resource & Productivity Optimisation	Current
BE SEMICONDUCTOR INDUSTRIES	BESI is a leader in hybrid bonding equipment. As Moore's Law slows down notably Dennard scaling, (power density) increasingly advanced packaging is required rather than just shrinking transistors. Hybrid bonding is a direct copper-to-copper very high-speed interface enabling high performance, low-power datacentre chips hence is a key enabler of low carbon infrastructure. The company also has significant carbon reduction targets.	▪ 54% Low Carbon Infrastructure ▪ 6% Smart Cities ▪ 4% Sustainable Transport	Future, 3 years

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COMPANY	DESCRIPTION	THEMATIC MAPPING & WEIGHTS	REVENUE (CURRENT, OR FUTURE UP TO MAX 5 YEARS)*
BROADCOM INC	Broadcom is a leader in datacentre connectivity semiconductors. Their Tomahawk 4 ethernet switches reduce power consumption by 75% and are a key enabler of low carbon infrastructure. The company is also a leader in wifi and 5G connectivity enabling smarter cities, while its Symantec cybersecurity business protects many of Fortune 500 companies. Broadcom is currently working on setting ambitious environmental goals that will be published early 2023.	▪ 29% Smart Cities ▪ 55% Low Carbon Infrastructure ▪ 12% Data Security ▪ 4% Resource & Productivity Optimisation	Future, 3 years
CALIX INC	Calix is a leading provider of broadband access infrastructure, which allows carriers to deploy copper- and fibre-based broadband services to residential and commercial customers. Calix offers a portfolio of products, both for access network infrastructure as well as customer premise equipment. Calix also provides a number of applications/services that run over the platforms. These are collectively called Calix Cloud.	▪ 77% Digital Democratisation	Future, 3 years
CELLNEX TELECOM SA	Cellnex is a highly acquisitive European tower company that primarily operates and constructs mobile sites for telecom companies. Most sites are acquired through sale and lease-back deals. The company also builds and operates new towers for its existing carrier customers through build-to- suit arrangements.	▪ 100% Low Carbon Infrastructure	Current, valid for all
CIENA CORP	Ciena is a market leader in optical transport technology that enables the critical networks that power the internet, including 5G and fibre broadband, to send data at light-speed. It enjoys a strong position with leading telecoms service providers and US cloud hyperscalers. Ciena has materially lowered the cost and power required to send data across networks with each new generation of its technology. In the last 10 years it has achieved a ~90% reduction in power consumption per bit for optical data transmission. This makes Ciena a key enabler in the development of smart cities and low carbon infrastructure. The company aims to be carbon neutral by 2024, reports its greenhouse gas (GHG) footprint including Scope 3 and is seeking to set science-based targets in time.	▪ 75% Smart Cities ▪ 25% Low Carbon Infrastructure	Future, 3 years
DELTA ELECTRONICS INC	Delta Electronics is a leader in switching power supplies focused on higher efficiency and driving lower power consumption across infrastructure and renewables. Delta is also a leader in onboard EV chargers. The company is a member of RE100 climates initiatives platform, committed to 100% renewable energy by 2030.	▪ 15% Low Carbon Infrastructure ▪ 20% Resource & Productivity Optimisation ▪ 15% Sustainable Transport ▪ 50% Clean Energy Tech	Future, 3 years
DROPBOX INC	DropBox started life as a "file sync and share" software utility solution but has developed into a platform which enables individuals and teams to work together more efficiently. DropBox operates a freemium model with more than 700m registered users globally and around 16.5m users paying to access premium features. The DropBox platform enables collaboration, content management, secure sharing, project management, analytics, eSignature and content backup. DropBox's freemium model had a positive impact through COVID19 as organisations needed to discover a new way of working and collaborating remotely and doing so in a secure manner. Operationally DropBox is committed to being a "force for good" and operates a series of social impact ventures such as "DropBox for Good" an employee-led group encouraging Dropboxers to use their skills and time to serve their communities and the DropBox Foundation, which seeks to partner with organisations to defend human rights around the world.	▪ 10% Data Security ▪ 90% Resource & Productivity Optimisation	Current
ENPHASE ENERGY INC	Enphase is a microinverter technology company that is crucial in turning sunlight into a reliable source of energy. Intelligent microinverters work with all solar panels. Enphase is also developing smart batteries to enhance reliability. The app and software component of the business give high visibility into energy management, energy source and reliability. The key focus is speed and ease of installation, which commands a premium price. Enphase's focus is the residential solar market.	▪ 100% Clean Energy Tech	Current, valid for all
EQUINIX INC	Equinix is a leading provider of colocation, interconnection, and managed services to a variety of enterprises, content companies, system integrators, and telecom network service providers. The company operates Internet Business Exchange (IBX) data centres in North America, Europe, and Asia-Pacific.	▪ 100% Low Carbon Infrastructure	Current, valid for all

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COMPANY	DESCRIPTION	THEMATIC MAPPING & WEIGHTS	REVENUE (CURRENT, OR FUTURE UP TO MAX 5 YEARS)*
EVOQUA WATER TECHNOLOGIES CO	Evoqua Water Technologies is a water technology company, with a sole focus on water treatment. Its core technologies are focused on purification, ie. removing impurities from water, rather than neutralising them through the addition of chemicals. It serves municipal and industrial customers, and its solutions span the entire water life cycle from extraction and purification to waste treatment and reuse. Evoqua's treatment systems and services enable customers to achieve lower costs from the more efficient use of water, as well as ensuring their ability to meet regulatory compliance requirements and environmental sustainability objectives.	▪ 100% Clean Energy Tech	Current, valid for all
FIDELITY NATIONAL INFORMATION	FIS is a global provider of financial technology solutions for merchants, banks and capital markets customers. FIS' solutions enable merchants to accept multiple forms of payment both in-store and online, helping to increase acceptance and reduce fraud. Its banking solutions also enable access to financial services and drive payment digitisation. There are many benefits to the electrification of payments including security, convenience and economic development and financial inclusion.	▪ 51% Digital Democratisation ▪ 20% Low Carbon Infrastructure ▪ 20% Resource & Productivity Optimisation	Current
FISERV INC	Fiserv is a global provider of financial technology solutions for merchants, banks and consumers. Fiserv's solutions enable merchants to accept multiple forms of payments both in-store and online, helping to increase acceptance and reduce fraud. Its banking and Payments & Network solutions also enable access to financial services and drive payment digitisation. There are many benefits to the electrification of payments including security, convenience and economic development and financial inclusion.	▪ 60% Digital Democratisation ▪ 17% Low Carbon Infrastructure ▪ 17% Resource & Productivity Optimisation	Current
GLOBAL PAYMENTS INC	Global Payments is a global provider of financial technology solutions for merchants and banks. Global Payments' solutions enable merchants to accept multiple forms of payments both in-store and online, helping to increase acceptance and reduce fraud. Its Issuing solutions also enable access to financial services and drive payment digitisation. There are many benefits to the electrification of payments including security, convenience and economic development and financial inclusion.	▪ 83% Digital Democratisation ▪ 9% Low Carbon Infrastructure ▪ 9% Resource & Productivity Optimisation	Current
IMPINJ INC	Impinj is a leader in RFID, which is a battery-less low power, low cost asset tracking technology enabling superior inventory visibility and efficiency. This reduces overstocking, transportation, wastage and counterfeiting as well as enabling self-checkout, certification and loss prevention. Protected mode in the tags protects consumer privacy. Currently RFID is mainly utilised by the retail and logistics industries but is seeing early adoption in food and medicine where provenance, standard and testing certification are more important. Ultimately, RFID will help enable the circular economy as recycling and end of life information can be embedded in the tag.	▪ 100% Resource & Productivity Optimisation	Future, 3 years
INFINEON TECHNOLOGIES AG	Infineon is a leader in power semiconductors, which are key enablers of a lower carbon future enabling EVs and renewables. New technologies such as silicon carbide (SiC) and gallium nitride (GaN) also provide step change power efficiency. The company also provides secure mobile payments technology. Infineon is a member of RE100 and committed to 100% renewable energy by 2025.	▪ 11% Digital Democratisation ▪ 39% Clean Energy Tech ▪ 50% Sustainable Transport	Future, 3 years
INTUIT INC	Intuit is a provider of software solutions globally helping individuals and small businesses to automate accounting and tax return completion. Recent acquisitions have added solutions to automate other small business functions and also to help individuals to make better financial decisions.	▪ 16% Digital Democratisation ▪ 40% Resource & Productivity Optimisation ▪ 40% Low Carbon Infrastructure	Current
INTUITIVE SURGICAL INC	Intuitive Surgical is a pioneer in the field of soft-tissue robotic assisted surgery and currently enjoys a market leading position. In developing its healthcare technology, the company is guided by the "Quadruple Aim" to enhance patient's healthcare experience, improve the work life of healthcare professionals, reduce healthcare costs and advance population health. In addition to its surgical robots, systems and accessories, Intuitive Surgical has developed a comprehensive digital platform that offers simulation training, surgery planning and post-procedure analytical insights. All aim to increase surgeon performance, decrease the variability of surgeries and deliver better outcomes for patients.	▪ 100% Tech Health	Current, valid for all

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COMPANY	DESCRIPTION	THEMATIC MAPPING & WEIGHTS	REVENUE (CURRENT, OR FUTURE UP TO MAX 5 YEARS)*
JABIL INC	Jabil is a manufacturing solutions provider relied upon by Apple, Tesla, Amazon and Johnson & Johnson among others to provide a breadth of technical and design capabilities, manufacturing know how, supply chain management and product management. In the team's view, Jabil are a manufacturer whose operational expertise is its competitive advantage with its sustainable alignment benefiting its clients. The company has been recognised in Forbes green list, Newsweek responsible companies list and its blue-chip client list a reflection of its standards of manufacturing. It's end product manufacturing aligns with our themes of low carbon infrastructure, tech health and sustainable transport. Over the next 5 years we expect that autos could become a key growth driver as automakers become more like technology (original equipment manufacturers) OEMs and look to find alternative sources of manufacturing. Over 1.5m EVs or hybrids have been built with Jabil's powertrain.	▪ 39% Low Carbon Infrastructure ▪ 9% Tech Health ▪ 7% Sustainable Transport	Current, valid for all
JUNIPER NETWORKS INC	Juniper Networks is a global leader in networking technologies. It has a broad portfolio of high-performance product and service offerings including routing, switching, Wi-Fi, network security, AI-enabled enterprise networking operations and software defined networking. Juniper is a key partner to the largest telecoms service providers, cloud providers and enterprises globally. In the last 10 years it has achieved a ~96% improvement in the watts-to-gigabit ratio and aims to be carbon neutral by 2025.	▪ 40% Smart cities ▪ 25% Low carbon infrastructure ▪ 10% Digital Democratisation	Current
LYFT INC	Lyft is a leading North American ride hailing platform. Ride hailing and transportation as a service is more efficient than individual car ownership and has the potential to enable cheaper, safer, democratised transportation. The company is committed to 100% electric or zero emission vehicles on its platforms by 2030. The company is also driving forward with a safer, cheaper autonomous driving future via its joint venture with Motional and Waymo and Ford/Argo partnerships.	▪ 100% Sustainable Transport	Future, 3 years
MARVELL TECHNOLOGY INC	Marvell is a leader in low-power datacentre and 5G connectivity and compute enabling lower carbon infrastructure. Their new Octeon 5nm networking processors offer 3x the performance at 50% lower power versus prior generations. The company is also a leader in auto ethernet, the next generation networking architecture for cars enabling ADAS (advanced driver assistance systems) and autonomous driving. The company is committed to being net zero emissions and will be publishing science-based targets soon.	▪ 82% Low Carbon Infrastructure ▪ 5% Sustainable Transport ▪ 4% Resource & Productivity Optimisation	Future, 3 years
MASTERCARD INC	Mastercard operates a global payment processing network in more than 200 countries around the world. Its mission is to make payments safe, simple, and smart and it is regarded as a leader in the field of electronic payments innovation. There are many benefits to the electrification of payments including security, convenience and economic development and financial inclusion. Mastercard has numerous initiatives around the world focused on providing affordable financial services and programmes to promote inclusive growth.	▪ 80% Digital Democratisation ▪ 10% Data Security	Current
MICROSOFT CORP	Microsoft is a leading global software provider, its whole solutions span a wider range of use cases. It leads the market in terms of its PC and server operating systems and also for its comprehensive suite of productivity tools and business process software that is universal, easy to use and multi-purpose. These solutions improve efficiency and reduce barriers to entry for computing. Its carbon-neutral Azure cloud solution is one of the leading public cloud hyperscalers, which enables business customers to decarbonise their energy intensive computing resources.	▪ 8% Digital Democratisation ▪ 30% Low Carbon Infrastructure ▪ 7% Data Security ▪ 30% Resource & Productivity Optimisation	Current
NVIDIA CORP	nVidia is a leader in graphics processors units (GPUs). Traditionally used for gaming, GPUs have now proved to be a key technology in cloud acceleration and artificial intelligence (AI). GPUs are much more power efficient at performing these workloads than traditional Intel processors. nVidia estimates their A100 systems can deliver the same performance as Intel at 1/20th of the power. nVidia is also a leader in visualisation enabling more efficient designs as well as in autonomous driving.	▪ 51% Low Carbon Infrastructure ▪ 7% Resource & Productivity Optimisation ▪ 3% Sustainable Transport	Future, 3 years
NXP SEMI-CONDUCTORS	NXP is a leader in automotive semiconductors, notably microcontrollers, battery manageemnt systems and radar, enabling the transition to safer more sustainable transport. The company also has a krey role to play in smart cities and lower carbon infrastructure via its edge processors and connectivity including ultra wide band and 5G infrastructure power while its secure mobile wallets enable digital democratisation.	▪ 11% Digital Democratisation ▪ 11% Low Carbon Infrastructure ▪ 25% Smart Cities ▪ 38% Sustainable Transport	Future, 2024

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*Note: Investments in the portfolio must derive at least 50% of current or future revenues up to a maximum of five years from the investment team's sustainable technology themes.

COMPANY	DESCRIPTION	THEMATIC MAPPING & WEIGHTS	REVENUE (CURRENT, OR FUTURE UP TO MAX 5 YEARS)*
PALO ALTO NETWORKS	Palo Alto Networks is a leading global security solutions provider. Initially focussed on providing next generation network security solutions, Palo Alto has extended into areas such as the Cloud with its Next Generation Security (NGS) offerings.	▪ 100% Digital Security	Current
QUALCOMM INC	Qualcomm is a dominant connectivity company globally and a key enabler of smarter cities and safer cars. The company is creating an intelligent edge and a true internet of things (IoT) providing data for analysis to make smarter decisions. Qualcomm is committed to net carbon zero by 2040.	▪ 80% Smart Cities ▪ 5% Sustainable Transport	Future, 3 years
S&P GLOBAL INC	S&P Global is a data company, providing data and analytics across a variety of industries and end-markets to enable its customers to make better decisions and improve the efficiency of their business models. This data covers a variety of end-markets including financials, energy and financial markets.	▪ 8% Smart Cities ▪ 10% Low Carbon Infrastructure ▪ 35% Resource & Productivity Optimisation ▪ 8% Sustainable Transport	Current
SALESFORCE.COM INC	Salesforce.com is a leading provider of cloud-based SaaS solutions for the front-office. Its Sales, Service, Marketing and Data Cloud offerings combine to give its customers a comprehensive view of its customers in order to service them more efficiently and effectively. Salesforce prides itself in its strong culture and the carbon neutrality of its cloud solutions.	▪ 18% Digital Democratisation ▪ 55% Low Carbon Infrastructure ▪ 27% Resource & Productivity Optimisation	Current
SERVICENOW INC	ServiceNow is a leading global cloud software platform enabling organisations to optimise and automate their workflows. ServiceNow started in IT Service Management (ITSM) and has grown across IT Workflows and into other areas across a modern organisation including Employee Workflows, Customer Workflows and Creator Workflows with solutions specifically tailored for different industries. The ServiceNow platform is flexible and has been used in a variety of positive ways through COVID19 in areas such as Vaccine Management and Emergency Response. ServiceNow provided a suite of Emergency Response apps free of charge between the outbreak of COVID19 and September 2020.	▪ 100% Resource & Productivity Optimisation	Current
SHOALS TECHNOLOGIES GROUP	Shoals Technologies are one of the leading supplier of EBOS (Electrical Balance Of Systems) for the Utility Scale Solar market and now expanding their product range and expertise in to the Energy Storage and eMobility (EV charging) segments. Their products encompass all the electrical components necessary to carry the electric current produced at a solar panel to an inverter e.g. wireless monitors, junction boxes, recombiners, fuses, cable assemblies, splice boxes, transition boxes etc. Their products have a compelling value proposition offering a 43% reduction in installation costs and 20% lower material costs for utility scale solar projects. EBOS is required for every solar project regardless of size, location or technology, and Shoals solution is technology agnostic.	▪ 100% Clean Energy Tech ▪ 95% Clean Energy Tech / 5% Sustainable Transport (3 years) ▪ 90% Clean Energy Tech / 10% Sustainable Transport (5 years)	Current
SOLAREDGE TECHNOLOGIES INC	Microinverters that help convert sunlight into energy are the core business for SolarEdge. SolarEdge invented the intelligent inverter system and its solution helps to maximise individual photovoltaic modules and lower the cost of a solar system. The company is also developing a battery and monitoring solution.	▪ 100% Clean Energy Tech	Current, valid for all
SYNOPSYS INC	Synopsys is a leading provider of technology solutions to the global semi-conductor industry. Synopsys provides market leading Electronic Design Automation (EDA) software, a broad portfolio of silicon IP (Intellectual Property) and a suite of application security tools for customers globally.	▪ 55% Low Carbon Infrastructure ▪ 6% Smart Cities ▪ 3% Sustainable Transport	Current
TE CONNECTIVITY LTD	Large scale electrification of the transportation sector poses one of the greatest opportunities for reducing carbon emissions and mitigating climate change. TE is global industrial technology leader with a broad range of connectivity and sensor solutions for a variety of harsh environments - enabling transportation, medtech, energy and comms applications. Operationally the company has been named as one of Fortunes most admired companies, as well as in the Ethisphere world's most ethical companies list and is a member of the Dow Jones Sustainability index.	▪ 39% Sustainable Transportation ▪ 19% Smart Cities ▪ 4% Tech Health ▪ 5% Clean Energy Tech	Current, valid for all
TELUS CORP	Telus is a leading Canadian telecom company committed to social capitalism. As well as supporting less affluent, at risk and marginalised demographics the company also donates a portion of its annual profits to charitable causes. Telus has also created the largest tech health platform in Canada and one of the largest agri tech businesses in the world. The company is committed to climate neutrality by 2030.	▪ 70% Digital Democratisation ▪ 8% Tech Health ▪ 6% Smart Cities	Future, 3 years

References made to individual securities do not constitute a recommendation to buy, sell or hold any security, investment strategy or market sector, and should not be assumed to be profitable. Janus Henderson Investors, its affiliated advisor, or its employees, may have a position in the securities mentioned.

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COMPANY	DESCRIPTION	THEMATIC MAPPING & WEIGHTS	REVENUE (CURRENT, OR FUTURE UP TO MAX 5 YEARS)*
TENABLE HOLDINGS INC	Tenable is a leader in the vulnerability management category of security software, and its products manage and measure cyber exposure across a range of traditional IT assets, such as networking infrastructure, desktops, and on-premises servers, as well as modern IT assets, such as cloud workloads, containers, web applications, and Internet of Things and operational technology assets.	▪ 100% Data Security	Current, valid for all
TRIMBLE INC	Trimble products are focussed on improving productivity, compliance, and safety, to moving goods and services, to helping feed the word in a more efficient manner. The company is now predominantly software and services. The building & Infrastructure division helps provide smarter, safer and more resource efficient buildings, mapping to our themes of smart cities and resource and productivity ortimisation. The Geospatial Division maps to resource and productivity optimisation, as this includes Global Navigation Satellite systems for land surveying, management and mapping, providing for example satellite imagery for Caribbean coral high resolution mapping to conserve coral reef. The Resources & Utilities division's 20% of revenues also maps to resource and productivity optimisation), enabling 30% increase in agriculture yield with a 90% reduction in herbicides and water usage. The Transportation division maps to our sustainable transport theme providing data analytics, mapping, navigation, maintenance and routing to improve fuel efficiency up to 20% and increase utilisation by up to 30% while enhancing driver safety with better scheduling. Operationally the company has won a variety of awards for diversity and skills management. The company has won Responsible Business Alliance 2021 award, Business Daily 50 best ESG companies, WSJ top 250 best managed companies.	▪ 40% Smart Cities ▪ 40% Resource & Productivity Optimisation ▪ 20% Sustainable Transport	Current, valid for all
UNIVERSAL DISPLAY CORP	Universal Display is a pioneer in organic light emitting diode (OLED) displays. These displays utilise phosphorescent materials and do not require a backlight so are therefore much more power efficient than liquid crystal displays LCD). The company recently announced they will be commercialising their blue phosphorescent material creating a full red, green and blue stack driving even greater power efficiency just in time for the proliferation of displays in smarter cities and connected cars.	▪ 50% Smart Cities ▪ 5% Sustainable Transport	Future, 3 years
VERTIV HOLDINGS CO	Vertiv is primarily a hardware company that focuses on data centres, enabling uninterrupted power supply and thermal management that can help with the shift to lower carbon connectivity in data centres.	▪ 100% Low Carbon Infrastructure	Current, valid for all
VISA INC	Visa operates a global payment processing network in more than 200 countries around the world. Visa connects consumers, businesses, banks and governments around the world and is regarded as a leader in the field of electronic payments innovation. There are many benefits to the electrification of payments including security, convenience and economic development and financial inclusion. Visa is committed to having a positive social impact, advancing inclusive, equitable and sustainable economic growth for everyone, everywhere.	▪ 95% Digital Democratisation ▪ 3% Data Security	Current
ZEBRA TECHNOLOGIES CORP	Zebra is a global leader in asset intelligence, enabling asset tracking, designing and marketing printers, devices and mobile compute and RFID to enable companies to better manage and move resources. The company operates at the edge of the enterprise and serves a wide variety of verticals from retail and ecommerce to transportation, healthcare and hospitality. By enabling companies to understand where goods are and how they are moved, costs and emissions are reduced. Several companies are benefiting from Zebra's products and service to reduce costs and enable the circular economy by reducing waste and reusing materials. The company has made several acquisitions in recent years to shift the business towards software. While hardware in itself is not resource aligned - the difference is that Zebra products are tougher, ruggedised, and are for commercial and enterprise use with a longer life cycle.	▪ 75% Resource & Productivity Optimisation	Current, valid for all
ZOOMINFO TECHNOLOGIES INC	Zoominfo is a provider of SaaS software solutions designed to help sales and marketing teams to be more efficient and drive automation. ZoomInfo's solutions enable better targeting of sales prospects, which both drives sales efficiency and reduces unnecessary business travel, which has a positive environmental impact.	▪ 100% Resource & Productivity Optimisation	Current

These are the manager's views as of 30 June 2022. Past performance does not predict future returns.

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Positive screening: Sustainable themes

Stock examples aligned to investment themes

Theme	Digital Democratisation	Tech Health	Low Carbon Infrastructure	Data Security	Smart Cities	Sustainable Transport	Resource & Productivity Optimisation	Clean Energy Tech
Technology	▪ AI ▪ Data Analytics ▪ Fintech ▪ Edtech ▪ Platforms ▪ Data Access	▪ Medtech ▪ AI ▪ Data Analytics ▪ Platforms	▪ Datacentres ▪ Moore's Law ▪ 5G Infrastructure ▪ Platforms ▪ Software	▪ Network Security ▪ Secure Cloud ▪ Identity Protection ▪ Data Privacy	▪ 5G Mobility ▪ IoT ▪ Edge Compute ▪ Smart Comms ▪ Sustainable Ag + Food	▪ EV's ▪ Computer Vision ▪ Sensors ▪ Battery Management ▪ Navigation ▪ Platforms	▪ Digital Design & Productivity ▪ Collaboration Tools ▪ AI ▪ Asset Tracking ▪ Circular Economy	▪ Renewable Energy Technology ▪ Battery Technology ▪ Smart Grids ▪ Smart Power

**Min 50% of revenues (current or future up to max 5 years) must be mapped to our 8 sustainable tech themes.

1. **Digital democratisation:** A growing and ageing population beset by rising poverty and inequality requires technological innovation to enable access to quality education and promote financial inclusion.
   For example: Ensuring decent work, adequate living standards and wellbeing, inclusive and sustainable societies & communities, providing access to transport, telecommunications & internet, clean electricity, financial inclusion, education, housing, food, water, healthcare, and improving safety & quality of life.
2. **Tech Health:** A growing, and ageing population beset by rising poverty and inequality requires technological innovation to enable access to quality healthcare and improved outcomes.
   For example: Ensuring decent work, adequate living standards and wellbeing, inclusive and sustainable societies & communities, providing access to healthcare, and improving safety & quality of life.
3. **Low carbon infrastructure:** Compute proliferation drives an exponential leap in power consumption, a climate change and resource constraint challenge that requires the transition to low carbon cloud and 5G architecture.
   For example: Promoting climate change adaption & mitigation, transition to a circular economy, ensuring decent work, adequate living standards and wellbeing, inclusive and sustainable societies & communities, providing access to transport, telecommunications & internet, clean electricity, financial inclusion, education, housing, food, water, healthcare, and improving safety & quality of life.
4. **Data Security:** A digital and AI world built on big data and analytics in the cloud requires secure and fair data usage to protect our fundamental human right to privacy and our digital identities.
   For example: Ensuring decent work, adequate living standards and wellbeing, inclusive and sustainable societies & communities, providing access to transport, telecommunications & internet, clean electricity, financial inclusion, education, housing, food, water, healthcare, and improving safety & quality of life.
5. **Smart cities:** Sustainable cities need to be smarter to meet the challenges of a growing and ageing population, resource constraints and climate change necessitating digital transformation and greater connectivity.
   For example: Promoting climate change adaption & mitigation, sustainable use & protection of marine/water resources, pollution prevention & control, protect & restore biodiversity & ecosystems, transition to a circular economy, ensuring decent work, adequate living standards and wellbeing, inclusive and sustainable societies & communities, providing access to transport, telecommunications & internet, clean electricity, financial inclusion, education, housing, food, water, healthcare, and improving safety & quality of life.
6. **Sustainable transport:** Technology to enable the transition to zero emission vehicles, ride hailing, autonomous driving and automated logistics with the goal of safety and climate change adaptation & mitigation.
   For example: Promoting climate change adaption & mitigation, sustainable use & protection of marine/water resources, pollution prevention & control, protect & restore biodiversity & ecosystems, transition to a circular economy, ensuring decent work, adequate living standards and wellbeing, inclusive and sustainable societies & communities, providing access to transport, and improving safety & quality of life.
7. **Resource and productivity optimisation:** A growing and ageing population, resource constraints and climate change require technological innovation to boost productivity and to optimise the efficient use of scarce resources.
   For example: Promoting climate change adaption & mitigation, sustainable use & protection of marine/water resources, pollution prevention & control, protect & restore biodiversity & ecosystems, transition to a circular economy, ensuring decent work, adequate living standards and wellbeing, inclusive and sustainable societies & communities, improving safety & quality of life.
8. **Clean energy technology:** Innovative technological solutions designed to reimagine the most carbon intensive areas of the economy meeting the challenge of resources constraints, population growth and climate change.
   For example: Promoting climate change adaption and mitigation.

Taxonomy alignment to our sustainability themes

We define a tech company as one that has proprietary technology, either hardware or software, that is core to its franchise and its right to make money. The SFT Strategy is benchmark agnostic (investment decisions are not made relative to a benchmark) and we do not use an index to define what a technology company is. A technology company for us has hardware or software at the core of its products and revenue generation.

Reporting

The intention of this document is to describe our investment process, rather than evidence our results in the context of sustainability. Documents that cover this will be published and made available on www.janushenderson.com

Voting and engagement report

A quarterly report detailing corporate engagement and proxy voting policy and activity.

Investment principles

The report provides details of the Strategy's investment philosophy, environmental and social avoidance criteria, ESG integration, company engagement, as well as voting and engagement approach.

Glossary

Barriers to entry are factors hindering the ease of entering of an industry or business area such as high start-up costs, patents, brand loyalty etc.

Brundtland Report, also called Our Common Future, is a publication released in 1987 by the World Commission on Environment and Development (WCED) that introduced the concept of sustainable development and described how it could be achieved. Sponsored by the United Nations (UN) and chaired by Norwegian Prime Minister Gro Harlem Brundtland, the WCED explored the causes of environmental degradation, attempted to understand the interconnections between social equity, economic growth, and environmental problems, and developed policy solutions that integrated all three areas.

Capital expenditure
Spending on fixed assets such as buildings, machinery, equipment and vehicles in order to increase the capacity or efficiency of a company.

CDP
The not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.

Digital democratisation is the process by which access to technology rapidly continues to become more accessible to more people. Drivers include new technologies and improved user experiences, increasing participation in the development of products, more affordable user-friendly products as a result of industry innovation and user demand.

ESG

Environmental, Social and Governance (ESG) or sustainable investing considers factors beyond traditional financial analysis. This may limit available investments and cause performance and exposures to differ from, and potentially be more concentrated in certain areas than the broader market.

EUROSIF Transparency Code: asset manager signatories should be open and transparent, and disclose accurate, adequate and timely information to enable stakeholders, in particular retail investors, to understand the policies and practices of a given Sustainable and Responsible Investment fund.

EV/EBITDA

Enterprise Value/Earnings Before Interest, Taxes, Depreciation & Amortisation (EV multiple). The enterprise multiple is a company valuation metric taking into account a company's debt and cash levels in addition to its stock price, and relates that value to the firm's cash profitability.

Free cash flow (FCF)

Cash that a company generates after allowing for day-to-day running expenses and capital expenditure. It can then use the cash to make purchases, pay dividends or reduce debt.

GRI (Global Reporting Initiative) is the independent, international organization that helps businesses and other organisations take responsibility for their impacts, by providing them with the global common language to communicate those impacts.

Moore's Law refers to Intel co-founder Gordon E. Moore's (1965) suggestion that the number of transistors that can fit onto a microchip would double every two years. Thus we can expect the speed and capability of computers to increase every couple of years, and at lower cost. Another tenet of Moore's Law asserts that this growth is exponential.

Net zero refers to cutting greenhouse gas emissions to as close to zero as possible to avert the worst impacts of climate change and preserve a liveable planet. To keep global warming to no more than 1.5°C – as called for in the Paris Agreement, emissions need to be reduced by 45% by 2030 and reach net zero by 2050.

OECD Multinational Guidelines for Multinationals (OECD MNE) reflect the expectations from governments to businesses on how to act responsibly. They cover all key areas of business responsibility, including human rights, labour rights, environment, bribery, consumer interests, as well as information disclosure, science and technology, competition, and taxation.

The Sustainability Accounting Standards Board (SASB) is an independent non-profit, whose mission is to develop and disseminate sustainability accounting standards that help public corporations disclose material, decision-useful information to investors.

The Science-Based Targets initiative (SBTi) drives ambitious climate action in the private sector by enabling companies to set science-based emissions reduction targets. The SBTi is a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

SFDR PAI's

The EU's Sustainable Finance Disclosure Regulation (SFDR) requires financial market participants to make a 'comply or explain' decision as to whether they consider principal adverse impacts (PAIs) of investment decisions on sustainability factors in accordance with a specific regime outlined in SFDR.

The **UN Global Compact's (UNGC)** Ten Principles are derived from the Universal Declaration of Human Rights at Work, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development and the United Nations Convention Against Corruption. For further information, visit https://www.unglobalcompact.org/what-is-gc/mission/principles. For more information on issues covered visit https://www.unglobalcompact.org/library.

UN SDG, the 17 Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity.

FOR MORE INFORMATION, PLEASE VISIT **JANUSHENDERSON.COM**

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INVESTORS

Important Information

In accordance with the Sustainable Finance Disclosure Regulation, Portfolios within this strategy are classified as Article 9 and have sustainability as their objective.

All data sourced from Janus Henderson Investors (as at September 2022), unless otherwise stated.

Past performance does not predict future returns. Marketing communication. The value of an investment and the income from it can fall as well as rise and investors may not get back the amount originally invested. There is no assurance the stated objective(s) will be met. Nothing in this document is intended to or should be construed as advice. This document is not a recommendation to sell, purchase or hold any investment.

There is no assurance that the investment process will consistently lead to successful investing. Any risk management process discussed includes an effort to monitor and manage risk which should not be confused with and does not imply low risk or the ability to control certain risk factors.

Various account minimums or other eligibility qualifications apply depending on the investment strategy, vehicle or investor jurisdiction. We may record telephone calls for our mutual protection, to improve customer service and for regulatory record keeping purposes.

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