




The image shows two overlapping forms from the PRI LEA (Leadership Engagement) toolkit. The top form is LEA 02, titled 'Discretionary', and the bottom form is LEA 03, titled 'Mandatory'. Both forms are designed for recording engagement activities and are structured with columns for 'Type of engagement', 'Reason for interaction', and 'Outcome'. The forms are partially filled out with handwritten text.

Type of engagement	Reason for interaction	Outcome
Individual/ internal staff engagements	<input checked="" type="checkbox"/> To support investment decision-making in a company's investment <input checked="" type="checkbox"/> To enhance corporate transparency on ESG issues <input checked="" type="checkbox"/> To encourage corporate practice for identifying the need to enhance corporate <input checked="" type="checkbox"/> Other: specify	<input checked="" type="checkbox"/> To support investment decision-making in a company's investment <input checked="" type="checkbox"/> To enhance corporate transparency on ESG issues <input checked="" type="checkbox"/> To encourage corporate practice for identifying the need to enhance corporate <input checked="" type="checkbox"/> Other: specify
Collaborative engagements	<input checked="" type="checkbox"/> To support investment decision-making in a company's investment <input checked="" type="checkbox"/> To enhance corporate transparency on ESG issues <input checked="" type="checkbox"/> To encourage corporate practice for identifying the need to enhance corporate <input checked="" type="checkbox"/> Other: specify	<input checked="" type="checkbox"/> To support investment decision-making in a company's investment <input checked="" type="checkbox"/> To enhance corporate transparency on ESG issues <input checked="" type="checkbox"/> To encourage corporate practice for identifying the need to enhance corporate <input checked="" type="checkbox"/> Other: specify
Service provider engagements	<input checked="" type="checkbox"/> To support investment decision-making in a company's investment <input checked="" type="checkbox"/> To enhance corporate transparency on ESG issues <input checked="" type="checkbox"/> To encourage corporate practice for identifying the need to enhance corporate <input checked="" type="checkbox"/> Other: specify	<input checked="" type="checkbox"/> To support investment decision-making in a company's investment <input checked="" type="checkbox"/> To enhance corporate transparency on ESG issues <input checked="" type="checkbox"/> To encourage corporate practice for identifying the need to enhance corporate <input checked="" type="checkbox"/> Other: specify

RI TRANSPARENCY REPORT

2013/14

Henderson Global Investors



UNEP Finance Initiative
Changing finance, financing change



United Nations Global Compact

An investor initiative in partnership with UNEP Finance Initiative and UN Global Compact

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2013-14 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted. This results in some Principles not being explicitly highlighted. For instance, Principle 1 and 2 cannot be implemented without implementing Principle 3, but there are cases when Principle 3 is not explicitly highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
⌛	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

PRI disclaimer

This document is based on information reported by signatories and responses have not been independently audited by the PRI Secretariat, PRI working groups, or any other third party. While this information is believed to be reliable, no representations or warranties are made as to its accuracy and no responsibility or liability can be accepted for any error or omission.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	n/a							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	✓	Private							✓
OO 08	Breakdown of AUM by market	✓	Private							✓
OO 09	Additional information about organisation	✓	Public							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public						✓	
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Public							✓
OA 07	Governance, management structures and RI processes	✓	Private							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Private							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Private	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Private	✓						
OA 15	ESG issues for internally managed assets not reported in framework	✓	Private							✓
OA 16	ESG issues for externally managed assets not reported in framework	✓	Private							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Private							✓
OA 19	Internal and external review and assurance of responses	✓	Private							✓

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Public	✓						
LEI 02	Description of ESG incorporation	✓	Public	✓						
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Private	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Public	✓						
LEI 06	Types of screening applied	✓	Public	✓						
LEI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 08	Processes to ensure fund criteria are not breached	✓	Private	✓						
LEI 09	Types of sustainability thematic funds/mandates	✓	Public	✓						
LEI 10	Description of ESG integration	✓	Public	✓						
LEI 11	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 12	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 13	Aspects of analysis ESG information is integrated into	✓	Private	✓						
LEI 14	ESG issues in index construction	🔒	n/a	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
LEI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Private	✓						
LEI 17	Examples of ESG issues that affected your investment view / performance	✓	Private	✓						
LEI 18	Disclosure of approach to ESG incorporation	✓	Public		✓				✓	

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	🔒	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	🔒	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Private		✓					
LEA 13	Companies changing practices / behaviour following engagement	-	n/a		✓					
LEA 14	Examples of ESG engagements	-	n/a		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	✓	Private		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 19	Confirmation of votes	✓	Private		✓					
LEA 20	Securities lending programme	✓	Private		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Private		✓					
LEA 24	Shareholder resolutions	-	n/a		✓					
LEA 25	Examples of (proxy) voting activities	-	n/a		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private	✓						
FI 02	Breakdown of investments by credit quality	✓	Private							✓
FI 03	Description of ESG incorporation	✓	Private	✓						
FI 04	Percentage of each incorporation strategy	✓	Public	✓						
FI 05	Type of ESG information used in investment decision	✓	Private	✓						
FI 06	Types of screening applied	🔒	n/a	✓						
FI 07	Processes to ensure screening is based on robust analysis	🔒	n/a	✓						
FI 08	Processes to ensure fund criteria are not breached	🔒	n/a	✓						
FI 09	Types of sustainability thematic funds/mandates	✓	Private	✓						
FI 10	Description of ESG integration	✓	Private	✓						
FI 11	Review of ESG issues while researching companies/sectors	✓	Public	✓						
FI 12	Processes to ensure integration is based on robust analysis	-	n/a	✓						
FI 13	Incorporation of ESG issues into analysis and decision making	🔒	n/a	✓						
FI 14	ESG issues in index construction	🔒	n/a	✓						
FI 15	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
FI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	-	n/a	✓						
FI 17	Examples of ESG issues that affected your investment view / performance	✓	Private	✓						
FI 18	Disclosure of approach to ESG incorporation	✓	Public		✓				✓	
FI 19	Engagement with corporate issuers	✓	Private		✓					
FI 20	Engagement with government issuers	🔒	n/a		✓					

Direct - Property				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PR 01	Breakdown of investments by equity and debt	✓	Private							✓
PR 02	Breakdown of assets by management	🔒	n/a							✓
PR 03	Largest property types	✓	Private							✓
PR 04	Description of approach to RI	🔒	n/a	✓					✓	
PR 05	Responsible Property Investment (RPI) policy	✓	Public	✓					✓	
PR 06	Fund placement documents and RI	✓	Public	✓			✓		✓	
PR 07	Formal commitments to RI	-	n/a				✓			
PR 08	Incorporating ESG issues when selecting investments	✓	Public	✓						
PR 09	ESG advice and research when selecting investments	✓	Public	✓			✓			
PR 10	Examples of ESG issues in investment selection process	✓	Public	✓		✓				
PR 11	Types of ESG information considered in investment selection	✓	Public	✓		✓				
PR 12	ESG issues impact in selection process	✓	Public	✓						
PR 13	ESG issues in selection, appointment and monitoring of third-party property managers	🔒	n/a				✓			
PR 14	ESG issues in post-investment activities	✓	Public		✓					
PR 15	Proportion of assets with ESG targets that were set and monitored	✓	Public		✓	✓				
PR 16	Certification schemes, ratings and benchmarks	✓	Public		✓					
PR 17	Proportion of developments and refurbishments where ESG issues were considered	✓	Public		✓					
PR 18	Proportion of property occupiers that were engaged with	✓	Public		✓					
PR 19	Proportion of green leases or MOUs referencing ESG issues	✓	Public		✓					
PR 20	Proportion of assets engaged with on community issues	✓	Public		✓					
PR 21	ESG issues affected financial/ESG performance	✓	Public	✓	✓					
PR 22	Examples of ESG issues that affected your property investments	-	n/a	✓		✓				
PR 23	Disclosure of ESG information to public and clients/beneficiaries	✓	Public						✓	

Henderson Global Investors

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic Information

OO 01

Mandatory

Gateway/Peering

General

OO 01.1

Select the services you offer.

☒ Fund management

% of assets under management (AUM) in ranges

☐ <10%

☐ 10-50%

☒ >50%

☒ Fund of funds, manager of managers, sub-advised products

% of assets under management (AUM) in ranges

☒ <10%

☐ 10-50%

☐ >50%

☐ Other, specify

☐ Execution and advisory only services

OO 02

Mandatory

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

United Kingdom

OO 02.2

Indicate the number of countries in which you have offices (including your headquarters).

☐ 1

☐ 2-5

☐ 6-10

☒ >10

OO 02.3

Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

1000

OO 03

Mandatory

Descriptive

General

OO 03.1

Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- ☐ Yes
☒ No

OO 04

Mandatory

Gateway/Peering

General

OO 04.1

Indicate the year end date for your reporting year.

31/12/2013

OO 04.2

Indicate your total AUM at the end of your reporting year.

	trillions	billions	millions	thousands	hundreds
Total AUM		75	200	000	000
Currency	GBP				
Assets in USD		117	123	860	546

OO 04.3

Indicate the level of detail you would like to provide about your asset class mix.

- ☐ Approximate percentage breakdown to the nearest 5% (e.g. 45%)
☒ Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 06

Mandatory

Descriptive

General

OO 06.1

To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- ☒ Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	>50%	<10%
Fixed income – corporate	10-50%	0
Fixed income – government	<10%	0
Fixed income – other	<10%	0
Private debt	<10%	0
Private equity	<10%	0
Property	10-50%	0

Infrastructure	0	0
Commodities	<10%	0
Hedge funds	<10%	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Other (1), specify	0	0
Other (2), specify	0	0

○ Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OO 09	Voluntary	Descriptive	General
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OO 09.1	Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities.
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Our mission is to be a trusted global asset manager focused on delivering excellent investment performance and service to our clients as such we are committed to delivering sustainable growth that benefits all stakeholders. Part of that commitment is delivering on our Stewardship and PRI commitments.

Gateway asset class implementation indicators

OO 10	Mandatory	Gateway	General
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OO 10.1	Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.
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- ☒ We incorporate ESG issues into investment decisions on our internally managed assets
- ☒ We address ESG incorporation, engagement and/or (proxy) voting in our external manager selection, appointment and/or monitoring processes
- ☒ We engage with companies on ESG issues via our staff, collaborations or service providers
- ☒ We cast our (proxy) votes directly or via service providers
- ☐ None of the above

OO 10.2	Indicate if your combined internally and externally managed listed equities are 10% or more of your total AUM.
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- ☒ Yes, our total listed equities are 10% or more of our total AUM
- ☐ No, our total listed equities are less than 10% of our total AUM

OO 11	Mandatory	Gateway	General
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OO 11.1	Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.
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- ☒ Fixed income – corporate
- ☐ Fixed income – government
- ☐ Fixed Income – other
- ☐ Private debt
- ☐ Private equity
- ☒ Property
- ☐ Commodities
- ☒ Hedge funds
- ☐ None of the above

OO 12	Mandatory	Gateway	General
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OO 12.1	The modules and sections that you will be required to complete are listed below. They are based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. Note, you are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Direct - Fixed Income and Infrastructure are always voluntary.
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Core modules

- ☒ Organisational Overview
- ☒ Overarching Approach (including assets which do not have a separate module)

RI implementation directly or via service providers

	Direct - Listed Equity incorporation
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- ☒ Listed Equity incorporation

	Direct - Listed Equity active ownership
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- ☒ Engagements
- ☒ (Proxy) voting

	Direct - Fixed Income
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- ☒ Fixed Income - Corporate

Direct - Other asset classes with dedicated modules

☒ Property

RI implementation via external managers

Indirect - Selection, Appointment and Monitoring of External Managers

☐ Listed Equities

Closing module

☒ Closing module

Note: Please make sure your response to this indicator is complete and confirmed before you progress. Your response will determine which tailored modules and sections you will be presented with.

Henderson Global Investors

Reported Information

Public version

Overarching Approach

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Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
OA 01.1	Indicate if you have a responsible investment policy.		
<input checked="" type="radio"/> Yes <input type="radio"/> No			
OA 01.2	Indicate if you have other guidance documents or more specific policies related to responsible investment.		
<input checked="" type="radio"/> Yes <input type="radio"/> No			
OA 01.3	Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]		

Henderson's Responsible Investment Policy sets out our approach to ESG issues, including proxy voting policy, for our Investment Management business, which includes all our equities and fixed income teams.

We believe that in order to achieve long-term success, companies need not only to conceive and execute appropriate business strategies, but also to maintain high standards of corporate governance and corporate responsibility. We therefore expect companies to operate according to recognised national and international standards in these areas. Henderson seeks to enhance and protect value for clients through active management, integration of ESG factors into investment decision making, voting and engagement.

Henderson's Responsible Property Investment Policy sets out our approach to ESG issues for our Property business. We consider the good management of our environmental and social impacts to be central to our long term success. Through our Responsible Property Investment strategy we address sustainability risks and opportunities to help us anticipate and respond to changes in climate, energy price and supply, the investment market, occupier demand, legislative and fiscal regimes - identifying opportunities to protect and create value for all our stakeholders.

OA 02	Mandatory	Core Assessed	PRI 6
OA 02.1	Indicate if your responsible investment policy is publicly available.		
<input checked="" type="radio"/> Yes			
OA 02.2	Provide a URL to your responsible investment policy.		

	URL
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<http://www.henderson.com/henderson/content/responsible-investment>

☐ No

OA 02.3	Indicate if your other policies or guidance documents related to responsible investment are publicly available.
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☒ Yes

☒ Yes, all

☐ Yes, some

OA 02.4	List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.
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Policy or document name	URL
UK Stewardship Code Compliance Statement	http://www.henderson.com/henderson/content/responsible-investment
Responsible Property Investment Policy	http://www.henderson.com/sites/henderson/uk_property/responsiblepropertyinvestment.aspx

☐ No

OA 03	Mandatory	Core Assessed	PRI 1,2
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OA 03.1	Indicate the components/types and coverage of your responsible investment policy and guidance documents.
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Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input checked="" type="checkbox"/> Specific guidelines on environmental issues <input checked="" type="checkbox"/> Specific guidelines on social issues <input checked="" type="checkbox"/> Asset class-specific guidelines <input type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input type="radio"/> Applicable policies cover all AUM <input checked="" type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

OA 04	Mandatory	Core Assessed	General
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OA 04.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
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☒ Yes

OA 04.2	Describe your policy on managing potential conflicts of interest in the investment process. [Optional]
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The Henderson "Conflicts of Interest Policy" applies to Henderson Group PLC and its wholly owned subsidiaries. The objective of the policy is to ensure that where conflicts of interest arise within Henderson these are identified, recorded, managed appropriately and, where necessary, are disclosed in order to ensure the fair treatment of clients.

☐ No

Objectives and strategies

OA 05	Mandatory	Gateway/Core Assessed	General
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OA 05.1	Indicate if your organisation sets objectives for its responsible investment activities.
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☒ Yes

OA 05.2	Indicate how frequently your organisation sets or revises objectives for responsible investment.
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☒ At least once per year

☐ Less than once per year

OA 05.3

Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- ☒ Quarterly
☐ Biannually
☐ Annually
☐ Every two years or less
☐ It is not reviewed
☐ No

OA 05.4

Additional information. [Optional]

Responsible Investment objectives are set by our Responsible Investment Committee for equities and fixed income and our Responsible Property Investment Steering Group for Property. Each asset group has developed its own responsible investment strategy, although there is some overlap between fixed income and equities. Henderson's Responsible Investment Committee oversees the integration and implementation of the responsible investment policy across both asset groups.

OA 06	Voluntary	Descriptive	General
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OA 06.1

List your three main responsible investment objectives you had set for the reporting year. For each, indicate any key performance indicators you set to measure your progress and also indicate your progress towards achieving your objectives.

- ☒ Add responsible investment objective 1

Objective 1	Integrate ESG risk measures into monthly investment risk reports.
Key performance indicators	Production of ESG risk reports for all funds / inclusion of ESG risk reports on agenda for fund review meetings
Describe the progress achieved	Objective was achieved in full with ESG risk reports launched in mid-2013 and included on the agenda for all fund review meetings where relevant.

- ☒ Add responsible investment objective 2

Objective 2	Further improve the availability and integration of specialist ESG research for our fixed income fund managers and analysts.
Key performance indicators	Production of ESG sector reports for Analysts on a quarterly basis.
Describe the progress achieved	Objective was achieved with report format finalised and process for production of reports completed by the end of 2013.

☒ Add responsible investment objective 3

Objective 3	Improve data collection processes for tracking stewardship and RI issues.
Key performance indicators	Quantity of examples of stewardship related company engagement recorded.
Describe the progress achieved	The Henderson Research Hub has been developed to improve data collection and has contributed to an increase in recorded company engagements from fund managers.

OA 06.2	List your three main objectives for responsible investment implementation for the next reporting year and indicate any key performance indicators you intend to use to measure your progress.
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☒ Add responsible investment objective 1 for the next reporting year

Objective 1 for the next reporting year	Improve the provision of ESG data to fund managers by including ESG data on investment platforms
Key performance indicators	Completion and roll out of the ESG pages on our main investment research platform.

☒ Add responsible investment objective 2 for the next reporting year

Objective 2 for the next reporting year	Further deepen our involvement in collective engagement activities through the ABI Investor Exchange, the UNPRI Clearinghouse and other forums.
Key performance indicators	Number and quality of collaborative engagements undertaken.

☒ Add responsible investment objective 3 for the next reporting year

Objective 3 for the next reporting year	Establish a top-quartile Corporate Sustainability policy and implementation programme for TH Real Estate
Key performance indicators	Performance in independent surveys and assessments.

Governance and human resources

OA 08	Mandatory	Gateway/Core Assessed	General
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OA 08.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.
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	Roles present in your organisation
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- ☒ Board members or trustees
- ☒ Oversight/accountability for responsible investment
 - ☐ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
- ☒ Oversight/accountability for responsible investment
 - ☐ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Other Chief-level staff or head of department, specify
- Heads of business units**
- ☒ Oversight/accountability for responsible investment
 - ☐ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Portfolio managers
- ☒ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Investment analysts
- ☒ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Dedicated responsible investment staff
- ☒ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ External managers or service providers
- ☒ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Other role, specify
- ☐ Other role, specify

OA 08.2	Indicate the number of dedicated responsible investment staff your organisation has. [Optional]
---------	---

	Number
--	--------

4

Promoting responsible investment

OA 10	Mandatory	Core Assessed	PRI 4,5
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OA 10.1

Indicate if your organisation is a member of and/or participant in any collaborative organisation or initiatives that promote responsible investment.

☒ Yes

OA 10.2

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

☒ Asian Corporate Governance Association

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
☒ Moderate
☐ Advanced

☐ Association for Sustainable & Responsible Investment in Asia

☐ Australian Council of Superannuation Investors

☒ CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
☐ Moderate
☒ Advanced

☒ CDP Forests

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
☐ Moderate
☒ Advanced

☒ CDP Water

Your organisation's role in the initiative during the reporting period
(see definitions)

- ☐ Basic
- ☐ Moderate
- ☒ Advanced
- ☐ CFA Institute Centre for Financial Market Integrity
- ☐ Council of Institutional Investors (CII)
- ☐ Eumedion
- ☒ Extractive Industries Transparency Initiative (EITI)

Your organisation's role in the initiative during the reporting period
(see definitions)

- ☐ Basic
- ☒ Moderate
- ☐ Advanced
- ☐ Global Investors Governance Network (GIGN)
- ☐ Global Real Estate Sustainability Benchmark (GRESB)
- ☒ Institutional Investors Group on Climate Change (IIGCC)

Your organisation's role in the initiative during the reporting period
(see definitions)

- ☐ Basic
- ☒ Moderate
- ☐ Advanced
- ☐ Interfaith Center on Corporate Responsibility (ICCR)
- ☐ International Corporate Governance Network (ICGN)
- ☐ Investor Group on Climate Change, Australia/New Zealand (IGCC)
- ☐ Investor Network on Climate Risk (INCR)/CERES
- ☐ Local Authority Pension Fund Forum
- ☒ Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period
(see definitions)

- ☐ Basic
- ☐ Moderate
- ☒ Advanced
- ☒ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- UKSIF and Eurosif

	Your organisation's role in the initiative during the reporting period (see definitions)
--	--

- ☐ Basic
☒ Moderate
☐ Advanced

- ☐ Shareholder Association for Research and Education (Share)
☒ United Nations Environmental Program Finance Initiative (UNEP FI)

	Your organisation's role in the initiative during the reporting period (see definitions)
--	--

- ☐ Basic
☒ Moderate
☐ Advanced

- ☐ United Nations Global Compact
☒ Other collaborative organisation/initiative, specify

National Association of Pension Funds

	Your organisation's role in the initiative during the reporting year (see definitions)
--	--

- ☐ Basic
☒ Moderate
☐ Advanced

- ☐ Other collaborative organisation/initiative, specify
☐ Other collaborative organisation/initiative, specify
☐ Other collaborative organisation/initiative, specify

☐ No

OA 11	Mandatory	Core Assessed	PRI 4
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OA 11.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
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☒ Yes

OA 11.2	Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.
---------	--

- ☒ Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
☐ Provided financial support for academic or industry research on responsible investment
☒ Encouraged better transparency and disclosure of responsible investment practices across the investment industry
☒ Spoke publicly at events and conferences to promote responsible investment
☒ Wrote and published in-house research papers on responsible investment
☒ Encouraged the adoption of the PRI
☐ Other, specify

☐ No

Henderson Global Investors

Reported Information

Public version

Direct - Listed Equity Incorporation

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

LEI 01

Mandatory to Report Voluntary to Disclose

Gateway/Peering

PRI 1

LEI 01.1

Provide a breakdown of your internally managed listed equities by passive, quantitative, fundamental and other active strategies. For strategies that account for less than 10% of your internally managed listed equities, indicate if you would still like to report your activities.

Strategies

☒ Passive

% of internally managed listed equities

☒ <10%

Report on your strategies that represent <10% of listed equities

☐ Yes

☒ No

☐ 10-50%

☐ >50%

☐ Active – quantitative (quant)

☒ Active – fundamental and other active strategies

% of internally managed listed equities

☐ <10%

☐ 10-50%

☒ >50%

LEI 02

Voluntary

Descriptive

PRI 1

LEI 02.1

Provide a brief overview of how you incorporate ESG issues in listed equity investments.

Fund managers are ultimately responsible for the integration of ESG issues into investment decision making and engagement as part of their investment processes. To help facilitate this we subscribe to a wide range of specialist external ESG research and broker research to complement in-house research and engagement. This research is made directly available to all investment teams.

Fund managers receive detailed ESG investment risk reports on a monthly basis highlighting companies in their portfolio considered to be relatively high risk according to ESG criteria. These reports are formally reviewed and discussed at regular risk oversight meetings.

The core internal resource comprises the Governance and Responsible Investment team, which is made up of two full time staff with combined experience of over 18 years. The team acts as a specialist resource to support our fund management teams on both corporate governance issues (including voting) as well as wider ESG issues. The team makes use of a wide range of external specialist ESG research, including MSCI, EIRIS, GMI, BoardEx and broker research. In advance of company meetings, the CGRI team works to screen companies for significant issues. The team also operates a range of ESG screens that are applied across all active holdings, with the aim of identifying material ESG issues that can be fed into the engagement and/or investment processes.

ESG incorporation in actively managed listed equities

Implementation processes

LEI 03**Mandatory****Gateway/Core Assessed****PRI 1****LEI 03.1**

Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies.

ESG incorporation strategy (select all that apply)

- ☐ Screening alone (i.e. not combined with any other strategies)
- ☐ Thematic alone (i.e. not combined with any other strategies)
- ☐ Integration alone (i.e. not combined with any other strategies)
- ☐ Screening + Integration strategies
- ☐ Thematic + integration strategies
- ☐ Screening + thematic strategies
- ☒ All three strategies combined

Percentage of actively managed listed equities to which each strategy or combination of strategies is applied (estimate +/- 10%)	<div> <div></div> <div>%</div> </div> 100
--	---

☐ No incorporation strategies applied

Total actively managed listed equities
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100%

LEI 03.2	Describe your primary reasons for choosing a particular ESG incorporation strategy.
-----------------	---

The core ESG incorporation strategy we pursue is integration. This strategy is fully consistent with the requirements of our clients base across all mandates. We also pursue thematic and screening strategies for a relatively small number of mandates, for example in our SRI funds, to meet the requirements of a specific clients' base or market requirements.

LEI 05	Voluntary	Additional Assessed	PRI 1
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LEI 05.1	Indicate if your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.
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☒ Engagement

- ☒ We have a systematic process to ensure the information is made available.
- ☐ We occasionally make this information available.
- ☐ We do not make this information available.

☒ (Proxy) voting

- ☒ We have a systematic process to ensure the information is made available.
- ☐ We occasionally make this information available.
- ☐ We do not make this information available.

LEI 05.2	Additional information. [Optional]
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Our internal research HUB is used to store information derived from our ESG engagement and proxy voting activities and to disseminate this information across the investment floor. ESG related information is made available to fund managers through the main investment platform, Bloomberg. In addition, our in-house Governance and Responsible Investment team works to systematically flag issues to fund managers, for example ahead of company meetings.

(A) Implementation: Screening

LEI 06

Mandatory

Descriptive

PRI 1

LEI 06.1

Indicate and describe the type of screening you apply to your internally managed active listed equities.

Type of screening

☒ Negative/exclusionary screening

Screened by

- ☒ Product
- ☒ Activity
- ☐ Sector
- ☒ Country/geographic region
- ☒ Environmental and social practices and performance
- ☐ Corporate governance

Description

Comprehensive screening is in place for our SRI funds across a wide range of ethical investment issues. Screening is also used to meet specific client or regulatory requirements.

☐ Positive/best-in-class screening

☒ Norms-based screening

Screened by

- ☒ UN Global Compact Principles
- ☒ Universal Declaration of Human Rights
- ☒ International Labour Organization Conventions
- ☒ United Nations Convention Against Corruption
- ☒ OECD Guidelines for Multinational Enterprises
- ☐ Other, specify

Description

The Henderson Governance and Responsible Investment team have a bespoke in-house methodology for identifying those companies that fall below a certain threshold of acceptable ESG risk; this threshold is defined using a combination of the information from external ESG research providers, publicly disclosed information and internal analysis.

The threshold is based chiefly around clear violations of global norms such as the UN Global Compact and local standards such as the UK corporate governance code. Controversies identified through this process are analysed by the Governance and Responsible Investment Team and on the basis of materiality / risk and the adequacy of the company response, the issues are flagged to the relevant fund manager(s); fund managers will form their own view on the investment implications. Whilst divestment is always an option, this is a decision for each individual fund manager to make as part of their investment process. Our more likely course of action is to seek to engage with the company concerned, both to improve our understanding of the issues and to push for improved ESG performance.

This process / screen is used not only as a tool for monitoring and highlighting those companies in the portfolio that have potential ESG related risks or concerns and therefore a candidate for engagement but also as a flag (and not a screen per se) for deeper analysis during the pre-investment process.

LEI 06.2	Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.
----------	---

Screening criteria for our SRI funds are established as part of the core investment parameters of the fund, and are implemented based on external data and subject to internal review. The screening criteria are subject to regular review, and would change based on a survey of client preferences. The screening processes operated by Governance& Responsible Investment team are overseen by the Responsible Investment Committee.

LEI 07	Mandatory	Core Assessed	PRI 1
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LEI 07.1

Indicate which processes your organisation uses to ensure that screening is based on robust analysis.

- ☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- ☒ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- ☒ Company ESG information/ratings are updated regularly to ensure that portfolio holdings comply with fund policies
- ☒ A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- ☒ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Other, specify
- ☐ None of the above

(B) Implementation: Thematic**LEI 09****Mandatory****Descriptive****PRI 1****LEI 09.1**

Indicate the type of sustainability thematic funds or mandates that your organisation manages.

- ☐ Environmentally themed funds
- ☐ Socially themed funds
- ☒ Combination of themes

(C) Implementation: Integration of ESG issues**LEI 10****Voluntary****Descriptive****PRI 1****LEI 10.1**

Describe how you integrate ESG factors into investment decision making processes.

Fund managers are ultimately responsible for the integration of ESG issues into investment decision making and engagement as part of their investment processes. Henderson's portfolio managers, sector analysts, ESG and corporate governance personnel maintain regular dialogue with companies. This dialogue allows the firm to monitor the development of companies' businesses, including areas such as overall strategy, business planning and delivery of objectives, capital structure, proposed acquisitions or disposals, corporate responsibility and corporate governance. We subscribe to a wide range of specialist external ESG research to complement in-house research and engagement. This research is made directly available to all investment teams, as well as being used by the Governance and Responsible Investment Team to screen for ESG issues of concern. In addition, fund managers receive detailed ESG investment risk reports which are discussed at regular risk review meetings.

LEI 11	Mandatory	Core Assessed	PRI 1
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LEI 11.1	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.
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ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

LEI 12	Voluntary	Descriptive	PRI 1
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LEI 12.1	Indicate which processes your organisation uses to ensure that ESG integration is based on a robust analysis.
----------	---

- ☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- ☒ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ Company information and/or ratings on ESG are updated regularly
- ☒ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Other, specify
- ☐ None of the above

LEI 12.2	Describe how ESG information is held and used by your portfolio managers.
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- ☒ ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ☒ ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- ☐ Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- ☐ Other, specify
- ☐ None of the above

Communication

LEI 18	Mandatory	Core Assessed	PRI 2,6
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LEI 18.1	Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.
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- ☒ We disclose it publicly

Provide URL

<http://www.henderson.com/henderson/content/responsible-investment>

LEI 18.2	Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.
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- ☒ Yes

LEI 18.3	Indicate the information your organisation proactively discloses to clients/ beneficiaries and the public regarding your approach to ESG incorporation.
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- ☒ Broad approach to ESG incorporation
☐ Detailed explanation of ESG incorporation strategy used

LEI 18.4	Indicate how frequently you typically report this information.
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- ☐ Quarterly or more frequently
☒ Between quarterly and annually
☐ Less frequently than annually
☐ Other, specify
- ☐ No
- ☐ We disclose it to clients and/or beneficiaries only
☐ We do not proactively disclose it to the public and/or clients/beneficiaries

Henderson Global Investors

Reported Information

Public version

Direct - Listed Equity Active Ownership

PRI disclaimer

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Engagement

Overview

LEA 01	Voluntary	Descriptive	PRI 2
LEA 01.1	Provide a brief overview of your organisation's approach to engagement.		

We take an active approach to communicating our views to companies and seeking improvements where we believe there are shortcomings in performance, or a company has failed to apply appropriate standards, or to provide adequate disclosure. We will continue our dialogue with the company over an extended period if necessary. Escalation of our engagement activities will depend upon the company's individual circumstances. Actions may include communications through the company's brokers, direct engagement with the chairman or non-executive directors or joint intervention with other shareholders, and where appropriate, voting against board proposals.

We recognise that in many instances joint action by shareholders or bondholders has the potential to be more effective than acting alone. This is especially so where they have a clear common interest, such as in times of corporate distress. Our policy is to pursue opportunities for collaborative engagement in such circumstances.

Henderson is an active participant in a number of organisations that facilitate collaborative engagement, such as the NAPF and the UNPRI Clearinghouse.

LEA 02	Mandatory	Gateway	PRI 1,2,3
LEA 02.1	Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.		

Type of engagement	Reason for interaction
Individual/Internal staff engagements	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via service providers

Process

Process for engagements run internally

LEA 03	Mandatory	Core Assessed	PRI 2
LEA 03.1	Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.		

☉ Yes

LEA
03.2

Describe how you identify and prioritise engagements.

The Henderson Responsible Investment Committee is ultimately responsible for directing high level engagement priorities. The Governance and Responsible Investment Team operate a number of formal processes for identifying and prioritising engagement activities. These include:

- Regular screening of significant holdings for major ESG controversies using independent external research.
- Pre-company meeting screening for ESG engagement issues
- Monthly review of ESG risk reports to identify companies of high concern and therefore engagement priorities

In addition, the Governance and Responsible Investment Team work closely with fund managers and analysts on an ad-hoc basis to identify potential engagement targets.

☐ No

LEA 04

Mandatory

Core Assessed

PRI 2

LEA
04.1

Indicate if you define specific objectives for your engagement activities.

☒ Yes

- ☐ Yes, for all engagement activities
- ☒ Yes, for the majority of engagement activities
- ☐ Yes, for a minority of engagement activities

☐ No

LEA
04.2

Indicate if you monitor the actions that companies take following your engagements.

☒ Yes

- ☐ Yes, in all cases
- ☒ Yes, in the majority of cases
- ☐ Yes, in the minority of cases

**LEA
04.3**

Describe how you monitor and evaluate the progress of your engagement activities.

Henderson's research Hub allows Portfolio Managers and Analysts as well as the Governance and Responsible Investment team to capture and store engagement activities. The Hub facilitates the monitoring of engagement activity and developments at the company level. Engagement conducted by the Governance and Responsible Investment team is recorded on the Hub together with engagement objectives and any progress achieved. The Team meet regularly to review engagement work and on a quarterly basis review all engagement activity as part of our client reporting process.

☐ No

Process for engagements conducted via collaborations

LEA 05

Mandatory

Core Assessed

PRI 2

**LEA
05.1**

Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements.

☒ Yes

**LEA
05.2**

Describe how you identify and prioritise collaborative engagements.

Collaborative engagement is a core part of the work of the Governance and Responsible Investment team. Most collaborative engagement work is linked to the memberships we have with various organisations such as the Extractives Industry Transparency Initiative (EITI), the CDP, Asian Corporate Governance Association (ACGA), the ABI, NAPF, and the PRI Clearinghouse.

We prioritise collaborative engagement with those companies in which we have an active holding and where there are clear ESG issues that need addressing. We have engaged collaboratively on a wide range of issues including remuneration, climate change and carbon disclosure, bribery and corruption, and corporate governance issues.

Whilst we do not have a formal limitation on the scope of issues we may collaboratively engage upon, in practice we prioritise key areas for collaborative engagement on an annual basis as part of our overall engagement strategy.

☐ No

LEA 06**Mandatory****Core Assessed****PRI 2****LEA
06.1**

Indicate if the collaborative engagements in which you are involved have defined objectives.

☒ Yes

☒ Yes, for all collaborative engagement activities

☐ Yes, for the majority of collaborative engagement activities

☐ Yes, for a minority of collaborative engagement activities

☐ No

**LEA
06.2**

Indicate if you monitor the actions companies take following your collaborative engagements.

☒ Yes

☒ Yes, in all cases

☐ Yes, in the majority of cases

☐ Yes, in the minority of cases

**LEA
06.3**

Describe how you monitor and evaluate the progress of your collaborative engagement activities.

Our approach to monitoring and evaluating progress on collaborative engagement is similar to our process for internal engagements. However, in practice this depends upon the specific collaborative engagement initiative and the processes agreed upon by the group.

☐ No

General processes for all three groups of engagers

LEA 09	Voluntary	Additional Assessed	PRI 1,2
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**LEA
09.1**

Indicate if the insights gained from your engagements are shared with your internal or external investment managers as input for consideration in investment decisions.

Type of engagement	Insights shared
Individual/Internal staff engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
Collaborative engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 10	Mandatory	Gateway/Core Assessed	PRI 2
---------------	------------------	------------------------------	--------------

**LEA
10.1**

Indicate if you track the number of companies you engage with.

Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input type="radio"/> Yes, we track the number of our engagements in full <input checked="" type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
Collaborative engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements

LEA
10.2

Additional information. [Optional]

Henderson's internal research HUB allows Portfolio Managers and Analysts as well as the Governance and Responsible Investment team to report on engagement activities. This allows Portfolio Managers to monitor engagement activity and developments in relevant companies. It also facilitates the tracking of engagement work.

Across our equity teams we hold in excess of 3,000 company meetings per year; our investment teams frequently engage with senior management about issues financial, non-financial and ESG issues. Fund Managers report on those engagements that are considered by them to have dealt with exceptional issues.

Communication

LEA 15

Mandatory

Core Assessed

PRI 2,6

LEA
15.1

Indicate whether your organisation proactively discloses information on its engagements.

☒ We disclose it publicly

please provide URL

<http://www.henderson.com/henderson/content/responsible-investment>

LEA
15.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

☐ Yes

☒ No

LEA
15.3

Indicate what engagement information your organisation proactively discloses to clients/beneficiaries and/or the public.

<div>Reporting to the public</div> <div>Engagement information disclosed</div> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Details of the selections, priorities and specific goals of engagement <input checked="" type="checkbox"/> Number of engagements <input checked="" type="checkbox"/> Breakdown of engagements by type/topic <input type="checkbox"/> Breakdown of engagements by region <input type="checkbox"/> An assessment of the current status of the engagement <input type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information 	<div>Reporting to clients/beneficiaries</div> <div>Engagement information disclosed</div> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Details of the selections, priorities and specific goals of engagement <input checked="" type="checkbox"/> Number of engagements <input checked="" type="checkbox"/> Breakdown of engagements by type/topic <input type="checkbox"/> Breakdown of engagements by region <input type="checkbox"/> An assessment of the current status of the engagement <input checked="" type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information
--	--

LEA 15.4	Indicate how frequently you typically report engagements information.
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<div>Reporting to the public</div> <ul style="list-style-type: none"> <input type="radio"/> Disclosed continuously (prior and post engagements) <input type="radio"/> Disclosed quarterly <input checked="" type="radio"/> Disclosed annually <input type="radio"/> Disclosed every two years or less <input type="radio"/> Other, specify 	<div>Reporting to clients/beneficiaries</div> <ul style="list-style-type: none"> <input type="radio"/> Disclosed continuously (prior and post engagements) <input checked="" type="radio"/> Disclosed quarterly <input type="radio"/> Disclosed annually <input type="radio"/> Disclosed every two years or less <input type="radio"/> Other, specify
---	--

- ☐ We disclose it to clients and/or beneficiaries only
- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries.

(Proxy) voting and shareholder resolutions

Process

LEA 17	Mandatory	Descriptive	PRI 2
LEA 17.1	Indicate how you typically make your (proxy) voting decisions and what this approach is based on.		

	Approach
--	----------

- ☐ We use our own research or voting team and make our own voting decisions without the use of service providers.
- ☒ We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.

	Based primarily on
--	--------------------

- ☐ the service provider voting policy signed off by us
- ☒ our own voting policy
- ☐ our clients requests or policy
- ☐ other, explain
- ☐ We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.
- ☐ We hire service provider(s) which make voting decisions on our behalf.

LEA 21	Mandatory	Core Assessed	PRI 2
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LEA 21.1	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.
----------	---

- ☐ Yes, in most cases
- ☒ Sometimes, in the following cases:
- ☒ votes in selected markets
- ☒ votes on certain issues (all markets)
- ☒ votes for significant shareholdings (all markets)
- ☐ other, explain
- ☐ No
- ☐ Not applicable as we and/or our service providers do not abstain or vote against management recommendations

Outputs and outcomes

LEA 22	Mandatory	Core Assessed	PRI 2
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LEA 22.1	For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
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- ☒ We do track or collect this information

	Votes cast (to the nearest 1%)
--	--------------------------------

	%
--	---

95

	Specify the basis on which this percentage is calculated
--	--

- ☒ of the total number of ballot items on which you could have issued instructions
- ☐ of the total number of company meetings at which you could have voted
- ☐ of the total value of your listed equity holdings on which you could have voted

LEA 22.2	If there are specific reasons why you did not vote certain holdings, explain these, and if possible, indicate the percentage of holdings affected by these factors. [Optional]
-----------------	--

Where there are specific market impediments such as shareblocking or excessive requirements to have Power of Attorneys in place; we will not vote these meetings. This impacts less than 10% of our holdings.

- ☐ We do not track or collect this information

Communication

LEA 26	Mandatory	Core Assessed	PRI 2,6
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LEA 26.1	Indicate if your organisation proactively discloses information on your voting activities.
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- ☒ We disclose it publicly

	provide URL
--	-------------

<http://www.henderson.com/henderson/content/responsible-investment>

LEA 26.2	Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.
-----------------	---

- ☐ Yes
- ☒ No

LEA 26.3	Indicate the voting information your organisation proactively discloses to the public and/or to clients/beneficiaries.
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Reporting to the public		Reporting to clients/beneficiaries	
<div>Indicate how much of your voting record you disclose</div> <ul style="list-style-type: none"> <input checked="" type="radio"/> All voting decisions <input type="radio"/> Some voting decisions <input type="radio"/> Only abstentions and opposing vote decisions <input type="radio"/> Summary of votes only 		<div>Indicate how much of your voting record you disclose</div> <ul style="list-style-type: none"> <input checked="" type="radio"/> All voting decisions <input type="radio"/> Some voting decisions <input type="radio"/> Only abstentions and opposing vote decisions <input type="radio"/> Summary of votes only 	
<div>Indicate what level of explanation you provide</div> <ul style="list-style-type: none"> <input type="radio"/> Explain all voting decisions <input type="radio"/> Explain some voting decisions <input type="radio"/> Only explain abstentions and votes against management <input checked="" type="radio"/> No explanations provided 		<div>Indicate what level of explanation you provide</div> <ul style="list-style-type: none"> <input type="radio"/> Explain all voting decisions <input checked="" type="radio"/> Explain some voting decisions <input type="radio"/> Only explain abstentions and votes against management <input type="radio"/> No explanations provided 	

LEA 26.4

Indicate how frequently you typically report voting information.

Reporting to the public	Reporting to clients/beneficiaries
<ul style="list-style-type: none"> <input type="radio"/> Continuously (primarily before meetings) <input type="radio"/> Continuously (soon after votes are cast) <input type="radio"/> Quarterly or more frequently <input checked="" type="radio"/> Between quarterly and annually <input type="radio"/> Less frequently than annually <input type="radio"/> Other, specify 	<ul style="list-style-type: none"> <input type="radio"/> Continuously (primarily before meetings) <input type="radio"/> Continuously (soon after votes are cast) <input type="radio"/> Quarterly or more frequently <input checked="" type="radio"/> Between quarterly and annually <input type="radio"/> Less frequently than annually <input type="radio"/> Other, specify

- ☐ We disclose it to clients/beneficiaries only
- ☐ We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

Henderson Global Investors

Reported Information

Public version

Direct - Fixed Income

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

ESG incorporation in actively managed fixed income

Fixed Income - Corporate

Implementation processes

FI 04	Mandatory	Gateway/Core Assessed	PRI 1
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FI 04.1

Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed corporate fixed income investments; and, (2) the breakdown of your actively managed corporate fixed income investments by incorporation strategy or combination of strategies.

ESG incorporation strategy (select all that apply)

- ☐ Screening alone (i.e. not combined with any other strategies)
- ☐ Thematic alone (i.e. not combined with any other strategies)
- ☐ Integration alone (i.e. not combined with any other strategies)
- ☐ Screening + Integration strategies
- ☒ Thematic + integration strategies

Percentage of active corporate fixed income to which the strategy is applied (estimate +/- 10%)	<div> <div></div> <div>%</div> </div>
	100

- ☐ Screening + thematic strategies
- ☐ All three strategies combined
- ☐ No incorporation strategies applied

Total actively managed fixed income - corporate

100%

FI 04.2

Describe your primary reasons for choosing a particular incorporation strategy.

Our investment process begins with the investment analysts, who have sector responsibilities. All fixed income funds will generally be aligned to the analyst view except where portfolio mandate restrictions preclude this. We have therefore chosen to integrate the ESG process into the sector analyst level, essentially at the beginning of the process and in-line with other fundamental credit analysis that we would expect to drive credit spreads.

FI 04.3

If assets are managed using a combination of ESG incorporation strategies, describe briefly how these are used in combination. [Optional]

Analysts are expected to assess ESG factors that impact the business as part of the credit analysis process. These are now documented by the analyst in new issue notes and any substantive research that is produced internally. They are also expected to contribute to an ESG log each quarter, at which they can provide additional examples of thematic or company-specific ESG issues across their sectors.

In combination with this, our systems produce a quarterly ESG report on a sector-by-sector basis, which includes ESG rating information (data provided by MSCI and GMI), overlaid with the analysts current fundamental rating. This gives the analyst the ability to flag any notable discrepancies (e.g. low ESG ratings where the analyst has an overweight recommendation). The analyst is then provided the backing ESG report from MSCI / GMI which provides the logic and reasoning behind a particular credit's ESG score. The analyst can then use this as the basis for any further research on a given credit.

(C) Implementation: Integration of ESG factors

FI 11**Mandatory****Core Assessed****PRI 1****FI 11.1**

Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.

ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

FI 11.2**Additional information. [Optional]**

For S&G factors, all analysts will systematically review their sector credits via our quarterly scoring data, as well as review of these issues on an on-going basis as part of their core credit analysis. Any issues that may have a material impact on credit spreads will be explored further.

Analysts also systematically review Environmental issues but these are more likely to be impacted in certain sectors only (Utilities, Industrials, Basic Materials) and therefore receive a greater systematic focus from these respective sector analysts. Outside of these sectors, the environmental impact will have less of a material impact and be reviewed occasionally.

Communication

FI 18**Mandatory****Core Assessed****PRI 2,6****FI 18.1**

Indicate if your organisation proactively discloses information on your approach to ESG incorporation in all fixed income investments.

- ☐ We disclose it publicly
- ☒ We disclose it to clients/beneficiaries only

FI 18.3

Indicate the information your organisation proactively discloses to clients/beneficiaries regarding your approach to ESG incorporation.

- ☐ Broad approach to ESG incorporation
- ☒ Detailed explanation of ESG incorporation strategy used

FI 18.4

Indicate how frequently you typically report this information.

- ☐ Quarterly or more frequently
- ☒ Between quarterly and annually
- ☐ Less frequently than annually
- ☐ Other, specify
- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries

Henderson Global Investors

Reported Information

Public version

Direct - Property

PRI disclaimer

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Overview

PR 05	Mandatory	Core Assessed	PRI 1-6
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PR 05.1 Indicate if your organisation has a Responsible Property Investment (RPI) policy.

☒ Yes

PR 05.2 Provide a URL if your RPI policy is publicly available. [Optional]

<http://www.henderson.com/getdoc.ashx?id=14862>

☐ No

PR 05.3 Additional information. [Optional]

We also have a Responsible Property Development policy (<http://www.henderson.com/documents/library1/institutional/property/responsibleinvestment/policy-rpd.pdf>) and Procurement policy (<http://www.henderson.com/documents/library1/institutional/property/responsibleinvestment/policy-procurement.pdf>). The high level commitment to our RPI policy covers all Henderson Property's direct property investment activity in the UK and Europe, including several governance processes such as our pre-acquisition RPI Review. We then actively apply our Responsible Property Management and Development programmes to 10 UK funds and 2 pan-European funds. The RPI implementation programme has not yet been actively rolled out to our US or Asian investment activities (14% AUM) but Henderson Property's commitment to sustainability and responsible property investment is wholeheartedly upheld by the entire senior management team and is a core value running throughout the Property business.

Fundraising of property funds

PR 06	Mandatory	Core Assessed	PRI 1,4,6
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PR 06.1 Indicate if your fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.

☒ Yes

PR 06.2

Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:

- ☒ Policy and commitment to responsible investment
 - ☒ Always
 - ☐ In a majority of cases
 - ☐ In a minority of cases
- ☒ Approach to ESG issues in pre-investment processes
 - ☒ Always
 - ☐ In a majority of cases
 - ☐ In a minority of cases
- ☒ Approach to ESG issues in post-investment processes
 - ☒ Always
 - ☐ In a majority of cases
 - ☐ In a minority of cases

PR 06.3

Describe how your organisation refers to responsible investment for property funds in fund placement documents (PPMs or similar). [Optional]

We use standard frameworks, namely the INREV questions which cover:

- Our policies on the environmental, social, governance, corruption and bribery issues
- How we incorporate these issues into the company strategy
- Identification of individuals responsible for coordinating the monitoring of ESG issues at company level
- Description of the process and frequency used to report ESG issues into senior management and to the organisation
- Details of our Environmental Management System (EMS)
- Reporting standards used: INREV Sustainability Reporting Recommendations and GRI CRESS
- Confirmation of the scope of our sustainability policies and management system

☐ No

Pre-investment (selection)

PR 08**Mandatory****Gateway****PRI 1****PR 08.1**

Indicate if your organisation typically incorporates ESG issues when selecting property investments.

☒ Yes

PR 08.2

Provide a description of your organisation's approach to incorporating ESG issues in property investment selection. [Optional]

A number of ESG and sustainability provisions are included in Henderson's deeds of appointment for building surveyors in relation to pre-acquisition due diligence. The provisions were approved by Henderson's Director of Commercial Property Development and cover a number of key RPI features and potential risk areas including EPC (and DEC) rating, BREEAM / LEED / other sustainability certification, flood risk, climate change risk, local waste recycling facilities, potential for installing renewables, potential exposure to environmental taxes, operation of an Environmental Management System. Our Head of Investment Management is responsible for raising questions around ESG / sustainability / RPI risks and issues during our Property Investment Committee, to ensure that the Fund manager considering the property investment selection has considered the downside risk and value creation opportunities and incorporated that assessment of implications into the investment decision / offer price / cap ex budget / asset business plan. ESG issues are differentiated in different sectors (e.g. proximity to public transport nodes is more important for town centre offices than out of town retail parks) and in different geographic regions (e.g. flood risk is more important for certain parts of the UK than others, and environmental legislation and regulatory requirements vary from country to country).

☐ No

PR 09	Voluntary	Descriptive	PRI 1,4
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PR 09.1

Indicate whether your organisation typically uses ESG advice and research sourced internally and/or externally when incorporating ESG issues into the property investment selection process.

☒ Internal staff

☒ Specify role

Director of Responsible Property Investment

☒ Specify role

Research team

☒ Specify role

Head of Investment Management

☒ External resources

☒ Environmental advisors

☒ Social advisors

☒ Corporate governance advisors

☒ Regulatory and/or legal advisors

☐ Other, specify type of advisors/roles

☐ No use of internal or external advice on ESG issues

PR 09.2	Additional information.
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We have used Upstream Sustainability Services at JLL as external advisors for a number of years, and their consultancy has included training and awareness raising for our investment teams on sustainability issues that should be analysed and taken account of during investment decision-making, in order to ensure that we identify potential risks and value creation opportunities. We also employ specialists such as are required by the potential property and issue in question e.g. flood risk assessors, environmental consultants, EPC assessors, engineers, legal counsel, property managers.

PR 10	Mandatory	Core Assessed	PRI 1,3
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PR 10.1	Indicate which E, S and/or G issues are typically considered by your organisation in the property investment selection process and list up to three examples per issue.
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ESG issues

☒ Environmental

List up to three typical examples of environmental issues

Energy performance certification and rating
Flood risk
Age and condition of building fabric and plant

☒ Social

List up to three typical examples of social issues
--

Occupier turnover and satisfaction
Analysis of catchment area e.g. demographics, local crime issues

☒ Governance

List up to three typical examples of governance issues
--

N/A - we do not hold stakes in property management companies.

PR 11	Voluntary	Additional Assessed	PRI 1,3
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PR 11.1	Indicate what type of ESG information your organisation typically considers during your property investment selection process.
----------------	--

- ☒ Raw data from the target property asset/company
- ☒ Appraisals/audits
- ☐ Benchmarks/ratings against similar property asset
- ☐ Country level data/benchmarks
- ☒ Data aligned with established property reporting standards, industry codes and certifications
- ☒ International initiatives, declarations or standards
- ☐ Data from engagements with stakeholders (e.g. tenants and local community surveys)
- ☒ Information from external advisers
- ☐ Other, specify
- ☐ We do not track this information

PR 12	Voluntary	Additional Assessed	PRI 1
--------------	------------------	----------------------------	--------------

PR 12.1	Indicate if ESG issues impacted your property investment selection process during the reporting year.
----------------	---

- ☒ ESG issues helped identify risks and/or opportunities for value creation
- ☒ ESG issues led to the abandonment of potential investments
- ☒ ESG issues impacted the investment in terms of price offered and/or paid
- ☐ ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ☒ ESG issues were considered but did not have an impact on the investment selection process
- ☐ Other, specify
- ☐ We do not track this potential impact

Post-investment (monitoring and active ownership)

Overview

PR 14	Mandatory	Gateway	PRI 2
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PR 14.1	Indicate if your organisation, and/or property managers, considers ESG issues in post-investment activities relating to your property assets.
----------------	---

☒ Yes

PR 14.2

Indicate whether your organisation, and/or property managers, considers ESG issues in the following post-investment activities relating to your property assets.

- ☒ We consider ESG issues in property monitoring and management
- ☒ We consider ESG issues in property developments and refurbishments
- ☒ We consider ESG issues in property occupier engagements
- ☒ We consider ESG issues in community engagements related to our properties
- ☐ We consider ESG issues in other post-investment activities, specify

☐ No

Property monitoring and management

PR 15**Mandatory****Core Assessed****PRI 2,3****PR 15.1**

Indicate the proportion of property assets for which your organisation, and/or property managers, set and monitored ESG targets (KPIs or similar) during the reporting year.

- ☐ >90% of property assets
- ☒ 51-90% of property assets
- ☐ 10-50% of property assets
- ☐ <10% of property assets

(in terms of number of property assets)

PR 15.2

Indicate ESG issues for which your organisation, and/or property managers, typically sets and monitors targets (KPIs or similar) and provide examples per issue.

ESG issues

- ☒ Environmental

List up to three example targets per issue

Energy consumption

Water consumption

Waste management and recycling rates

- ☒ Social

List up to three example targets per issue

Charitable donations, including in kind (staff time, space)

Community engagement activities e.g. providing opportunities for improving skills and work experience

Occupier engagement e.g. establishing green building management group

- ☒ Governance

List up to three example targets per issue

Individual nominated at each managing agent organisation to be responsible for coordinating the delivery of Henderson's Responsible Property Management programme

All third party staff working on the Henderson account should be fully briefed on our Responsible Property Management policy, targets and requirements.

Consider having environmental management system certified e.g. to ISO14001

☐ We do not set and/or monitor against targets

PR 15.3

Additional information. [Optional]

We have a document entitled Responsible Property Management Requirements of Managing Agents, which sets out our Environmental Management System and expectations of our property managers with regards sustainability. The Requirements cover governance of the RPM programme, energy and water monitoring, waste management and recycling, occupier engagement, data reporting, compliance with legislation (such as the CRC Energy Efficiency Scheme) and a requirement to comply with our RPI policy and improve energy, water, waste and responsible management practices across our portfolio.

Going beyond legal compliance, the RPM programme includes items including:

- quarterly reporting of energy, water, waste and recycling performance data
- quarterly reporting of initiatives undertaken in all aspects of our RPM programme including energy efficiency, water efficiency, waste management and recycling, occupier engagement and training, biodiversity and ecology, green travel, green procurement, engagement with suppliers and contractors, charity and community engagement etc.
- provision of data for benchmarking including BBP/JLL Real Estate Environmental Benchmark and GRESB
- quarterly meetings with Henderson's Head of Responsible Property Investment to review performance and monitor progress towards targets and annual objectives
- agreement to comply with our RPI policy and take part in our RPM programme, improving energy, water, waste and responsible property management practices across or portfolio.

The monitoring is the same for all managing agents working on the 9 UK Funds and 2 European funds which are covered by the RPM programme. Annual targets are set for individual assets and then aggregated to Fund and House level. The timeframes for energy/water/waste targets are generally two years (currently working to an end-of-2014 target against a 2012 baseline). Compliance with our RPM Requirements and successful implementation of improvement programmes is part of the assessment of our managing agents' performance.

PR 16

Voluntary

Additional Assessed

PRI 2

PR 16.1

List the certification schemes, ratings and/or benchmarks your property assets are assessed against and what proportion of your property assets they apply to.

☒ Add certification scheme, rating and benchmark 1

Specify	BREEAM (new construction & in-use)
Proportion of property assets these apply to	<input type="radio"/> >90% of property assets <input type="radio"/> 51-90% of property assets <input type="radio"/> 10-50% of property assets <input checked="" type="radio"/> <10% of property assets (in terms of number of property assets)

☒ Add certification scheme, rating and benchmark 2

Specify	IPD EcoPAS
Proportion of property assets these apply to	<input type="radio"/> >90% of property assets <input type="radio"/> 51-90% of property assets <input checked="" type="radio"/> 10-50% of property assets <input type="radio"/> <10% of property assets (in terms of number of property assets)

☒ Add certification scheme, rating and benchmark 3

Specify	Real Estate Environmental Benchmark (REEB)
Proportion of property assets these apply to	<input type="radio"/> >90% of property assets <input type="radio"/> 51-90% of property assets <input checked="" type="radio"/> 10-50% of property assets <input type="radio"/> <10% of property assets (in terms of number of property assets)

PR 16.2	Additional information.
---------	-------------------------

We also submitted 8 Funds to the Global Real Estate Sustainability Benchmark (GRESB) in 2013 and a number of assets to the Better Buildings Partnership's pilot Landlord Energy Rating project.

Property developments and refurbishments

PR 17	Mandatory	Core Assessed	PRI 2
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PR 17.1	Indicate the proportion of active property developments and refurbishments where ESG issues have been considered.
----------------	---

- ☐ >90% of active developments and refurbishments
- ☒ 51-90% of active developments and refurbishments
- ☐ 10-50% of active developments and refurbishments
- ☐ <10% of active developments and refurbishments
- ☐ N/A, no developments and refurbishments of property assets are active

(by number of active property developments and refurbishments)

PR 17.2	Indicate if the following ESG considerations are typically implemented and monitored in your property developments and refurbishments.
----------------	--

- ☐ Minimum environmental site selection requirements
- ☒ Minimum environmental site development requirements
- ☒ Sustainable construction materials
- ☒ Minimum water efficiency requirements
- ☒ Minimum energy efficiency requirements
- ☐ Energy generation from on-site renewable sources
- ☒ Waste management plans at sites
- ☒ Health and safety management systems at sites
- ☒ Construction contractors comply with sustainability guidelines
- ☐ Other, specify

PR 17.3	Additional information. [Optional]
----------------	------------------------------------

Our Responsible Property Development policy states (with more detail): The strategic management of our environmental and social impacts is central to our future success, and we believe that we can enhance the value of our business by addressing these issues from the earliest design and specification stages, always ensuring that all steps taken are economically viable. We will ensure that RPD considerations are at the heart of all our development and refurbishment activities by engaging with stakeholders and partners to ensure their collaboration and assistance with delivering our objectives. We will seek to reduce our environmental impacts at all stages of the development and refurbishment process. We will have due consideration to the social aspects of any new development or major refurbishment project we undertake, and require all development teams to adhere to the Considerate Construction Scheme.
<http://www.henderson.com/documents/library1/institutional/property/responsibleinvestment/policy-rpd.pdf>

Occupier engagement

PR 18	Mandatory	Core Assessed	PRI 2
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PR 18.1	Indicate the proportion of property occupiers your organisation, and/or your property managers, engaged with on ESG issues during the reporting year.
----------------	---

- ☐ >90% of occupiers
☒ 51-90% of occupiers
☐ 10-50% of occupiers
☐ <10% of occupiers

(in terms of number of occupiers)

PR 18.2	Indicate if the following practises and areas are typically part of your, and/or your property managers', occupier engagements.
----------------	---

- ☐ Distribute a sustainability guide to occupiers
☒ Organise occupier events focused on increasing sustainability awareness
☒ Deliver training on energy and water efficiency
☒ Deliver training on waste minimisation
☒ Provide feedback on energy and water consumption and/or waste generation
☒ Provide feedback on waste generation
☐ Carry out occupier satisfaction surveys
☐ Other, specify

PR 18.3	Additional information. [Optional]
----------------	------------------------------------

This is an area we have been involved with for some time. We established our first 'green building management groups' two years ago, along the lines set out by the Better Building Partnership toolkit (we are a member of the Owner Occupier Relationship working group, which produced the Green Lease and Green Building Management toolkits). We chose our Central London Office portfolio as the first focus for establishing these tenant groups, and worked together with our property managers and their sustainability consultants to set them up. The groups consist of a representative from each tenant, the building manager, managing agent, and sometimes landlord representative and sometimes a visiting organisation such as the waste management provider. We also require our managing agents to include sustainability as an agenda item on all their regular tenant meetings, and to share performance data with tenants as far as possible, in order to raise awareness of e.g. energy consumption within a building, what we as landlords are doing to improve efficiency, and share ideas of what occupiers could do within their own demises to improve whole building performance. We introduced green lease clauses as standard on new leases from the beginning of 2011, in line with the Better Building Partnership toolkit.

PR 19	Voluntary	Additional Assessed	PRI 2
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PR 19.1	Indicate the proportion of all leases signed during the reporting year that used green leases or the proportion of Memoranda of Understandings (MoUs) with reference to ESG issues.
----------------	---

- ☐ >90% of leases or MoUs
- ☐ 51-90% of leases or MoUs
- ☒ 10-50% of leases or MoUs
- ☐ <10% of leases or MoUs
- ☐ 0% of leases or MoUs
- ☐ N/A, no leases or MoUs were signed during the reporting year

(in terms of number of leases or MoUs)

PR 19.2	Additional information.
----------------	-------------------------

'Green' clauses were introduced in January 2011 in the UK. Our green lease clauses are based on the Better Building Partnership toolkit and cover environmental performance (energy, water, waste, resources), tenants alterations, regulations relating to environmental performance, waste management requirements, cooperation and data sharing between landlord and tenant, target setting and performance monitoring. We also have green leases ("annexes environnementales") in our French assets, in line with the Grenelle legislation, but we do not currently collect data on this. Towards the end of 2013 we rolled out green leases in Germany, in line with 'Der grüne Mietvertrag für Deutschland', and we are taking advice on doing so in Spain.

Community engagement

PR 20	Voluntary	Additional Assessed	PRI 2
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PR 20.1	Indicate in respect of what proportion of property assets your organisation, and/or your property managers, engaged with the community on ESG issues during the reporting year.
----------------	---

- ☐ >90% of property assets
- ☐ 51-90% of property assets
- ☒ 10-50% of property assets
- ☐ <10% of property assets

(in terms of number of property assets)

PR 20.2	Indicate if the following areas and activities are typically part of your, and/or your property managers', community engagement.
----------------	--

- ☒ ESG education programmes for the community
- ☒ ESG enhancement programmes for public spaces
- ☐ Research and networking activities focusing on ESG issues
- ☒ Employment creation in communities
- ☒ Supporting charities and community groups
- ☐ Other, specify

PR 20.3	Additional information.
----------------	-------------------------

We require our managing agents to monitor and report community investment (cash and in-kind) and encourage all participating portfolios to undertake at least one community event/initiative during the year. We monitor progress and discuss any community projects or initiatives undertaken in our quarterly meetings with the managing agents and share ideas across the portfolios to stimulate best practice. Shopping centre assets tend to offer the most opportunity in this area. Examples of programs include: - offering vacant units for local charities or NGOs to use - coordinating tenant representatives to undertake e.g. gardening / painting projects on local schools and community centres, including tenants offering products where helpful (e.g. paint) - retail assets offering work experience to local young people - public education campaigns around waste and recycling - joint projects with police, local residents and other businesses to tackle crime - sponsoring educational material for local school children - hosting tours by school groups to on-site honey bee hives to learn about bees, biodiversity etc. - funding social enterprise initiatives.

Outputs and outcomes

PR 21	Voluntary	Additional Assessed	PRI 1,2
PR 21.1	Indicate whether your organisation measures how your approach to ESG issues in property investments has affected financial and/or ESG performance.		
	Financial performance		

- ☒ We measure how ESG issues affect financial performance

PR 21.2

Describe the measures your organisation uses to assess the impact of your approach to ESG issues on your property investments' financial performance.

We are a founder participant in IPD EcoPAS, which was established as a risk management tool to assess exposure to those ESG factors which can have a direct impact on investment performance. We also monitor operating expenses e.g. utilities costs to demonstrate the impact of our energy and water use reduction initiatives, and monitor the ratio between energy spend and service charge.

☐ We do not measure how ESG issues affect financial performance

ESG performance

☒ We measure changes in ESG performance

PR 21.3

Describe the measures your organisation uses to assess the impact of your activities on your property investments' ESG performance.

We monitor energy, water and waste performance quarterly in order to track the impact of initiatives taken as a result of our Responsible Property Management programme. We also track occupier and community engagement, travel, biodiversity and ecology initiatives on a quarterly basis.

☐ We do not measure changes in ESG performance

Communication

PR 23

Mandatory

Core Assessed

PRI 6

PR 23.1

Indicate if your organisation proactively discloses ESG information on your property investments.

☒ Disclose publicly

provide URL

http://www.henderson.com/sites/henderson/uk_property/getdoc.ashx?id=14826

provide URL

<http://www.henderson.com/getdoc.ashx?id=20410>

PR 23.2

Indicate if your organisation uses property specific reporting standards to disclose information related to your property investments' ESG performance.

- ☒ Global Reporting Initiative (GRI) Construction & Real Estate Sector Supplement (CRESS)
- ☒ Other property reporting standards, specify
INREV Sustainability Reporting Recommendations
- ☐ No property specific reporting standards are used

PR 23.3

Indicate if the level of ESG information you provide to the public is the same as the level you provide to your clients/beneficiaries.

- ☐ Yes
- ☒ No

PR 23.4

Indicate the type of ESG information that your organisation proactively discloses to the public and/or your clients/beneficiaries.

Public	Clients/beneficiaries
<input type="checkbox"/> ESG information on how you select property investments	<input checked="" type="checkbox"/> ESG information on how you select property investments
<input checked="" type="checkbox"/> ESG information on how you monitor and manage property investments	<input checked="" type="checkbox"/> ESG information on how you monitor and manage property investments
<input checked="" type="checkbox"/> Information on your property investments' ESG performance	<input checked="" type="checkbox"/> Information on your property investments' ESG performance
<input type="checkbox"/> Other, specify	<input type="checkbox"/> Other, specify

PR 23.5

Indicate your organisation's typical frequency of disclosing ESG information to the public and/or your clients/beneficiaries.

Public	Clients/beneficiaries
<input type="radio"/> Quarterly or more frequently	<input checked="" type="radio"/> Quarterly or more frequently
<input type="radio"/> Semi annually	<input type="radio"/> Semi annually
<input checked="" type="radio"/> Annually	<input type="radio"/> Annually
<input type="radio"/> Every two years or less frequently	<input type="radio"/> Every two years or less frequently
<input type="radio"/> Ad-hoc, specify	<input type="radio"/> Ad-hoc, specify

- ☐ Disclose to clients/beneficiaries only
- ☐ No proactive disclosure to the public or to clients/beneficiaries