Stewardship and advocacy for real-economy impact

As an investor focused on the transition to a more sustainable global economy, Impax devotes great energy and resources to our relationships with investee companies, peers and policymakers. Stewardship and advocacy are the twin levers that we can pull to influence change and help address the systemic risks facing our investee companies and the real economy.

In our sixth annual Stewardship and Advocacy report, we summarize our engagement activities in 2022 and outline our focus areas looking ahead. We’ve included some of the report highlights below, and you can read the full piece at impaxam.com/stewardship-advocacy-2023.

How we engage

Company engagement
We meet with management teams when we see opportunities for companies to become more resilient and strengthen material environmental, social, and governance (ESG) processes, structures and disclosures.

Proxy voting
We view proxy voting as an important catalyst for dialogue on corporate governance best practice, both before and after companies’ annual general meetings.

Shareholder resolutions
We initiate or support shareholder proposals at annual shareholder meetings to encourage greater corporate transparency around a companies’ most significant environmental or social risks.

Thematic engagement
We identify the most important themes and topics to engage on every year and prioritize companies for the engagements.

Collaborative engagement
We collaborate with other investors and partners to catalyze progress on critical ESG issues across specific companies and sectors.

Systematic engagement
We seek to identify structural hurdles within sectors and industries and can engage both companies and policy makers to advocate for frameworks, policies or regulations that advance the transition to a more sustainable economy.

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Why we engage

Engagement helps us both mitigate risk and enhance value and investment opportunities. The Impax investment process relies on a comprehensive understanding of the character and quality of our investee companies including material environmental, social and governance (ESG) issues as well as areas of potential improvement.

Engagement can help enable us to:

Manage risks by proactively identifying and mitigating issues.

Understand a company’s character better, which lends insight about its quality and resilience.

Strengthen companies over time by improving quality, processes, transparency and resilience.

160 engagement dialogues in 2022

43% had positive outcomes¹

11% achieved ‘milestones’

13% of engagements had a positive outcome that we believe was largely driven by Impax’s efforts

¹ Positive outcomes are classified as “progress achieved” or “milestone achieved” as assessed by Impax against its engagement objectives
Proxy voting summary for 2022

1,094 meetings where Impax voted (99.5% where it was possible to vote)
10% management resolutions which Impax voted against (1,371/13,967)
75% shareholder resolutions which Impax supported (303/406)

Shareholder proposals have grown more sophisticated over recent years and general investor interest in proxy voting has increased significantly, a trend we believe will continue.

Urgent need for progress

Addressing the environmental and social challenges facing global society undoubtedly commands a growing sense of urgency among investors. Progress must accelerate and scale up if we are to mitigate the rising threats to ecological, social and financial stability. We are committed to continuing to address these challenges by taking action to reduce systemic risks through our stewardship and advocacy work now and in the future.
Escheatment/unclaimed property laws are in place so your state can act as custodian to lost assets until the rightful owner or heir requests their return. Mutual funds are required to attempt to notify account holders before turning over any assets to states. Escheatment laws require mutual funds to turn over uncashed checks and/or account shares if the owner cannot be located or doesn’t contact their mutual fund for a length of time determined by each state — typically between three and five years. Once assets are transferred, the owner must contact the state directly to claim them.

It’s important to know your state’s inactivity rules, but it’s even more important to keep your account active to prevent your assets from being transferred due to inactivity. Luckily, it’s easy to keep your account active — you can check your balance, update your contact information or place a trade, for example, simply by logging in to your account at impaxam.com/account or calling Investor Services at 800.372.7827.

If your account has been inactive and is in danger of escheatment, you will receive a letter from Impax Funds that offers step-by-step instructions on how to re-activate as soon as possible in order to prevent the transfer of your assets.