



Stewardship and advocacy for real-world impact

At Impax, we believe that significant, positive real-world impact can be achieved through focused, well-structured stewardship and advocacy efforts.

As an active shareholder with a long-term investment horizon, we believe it is in the interests of our clients that we proactively engage with a wide spectrum of stakeholders – including investee companies and regulators – in an effort to minimize risks, and to protect and enhance value for shareholders.

How we engage

Bottom-up company- and issuer-specific monitoring and dialogue.

Top-down thematic engagements based on material sustainability-related themes.

Proxy voting engagement both before and after companies' annual meetings.

Policy advocacy on priority themes bilaterally and via industry groups.

Systematic engagement combining policy advocacy with company-specific engagement.

Why we engage

Engagement can help us to:

- Manage risks by proactively identifying, monitoring and mitigating issues.
- Enhance company analysis – how companies respond to engagement is informative of their character.
- Strengthen investee companies over time; improving quality, processes, transparency and resilience.

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Priority themes for stewardship and advocacy

Each year we assess and outline the priorities of our activities for the next 12 months. These are based on market developments and emerging sustainability-related issues that are relevant and material to our companies and issuers.

Engagement dialogues by theme in 2023

Climate



25%

- Net zero alignment and transition plans
- Physical climate risk disclosure, adaptation plans and resilience

Nature



14%

- Dependencies and impacts on nature, and best practice management
- Taskforce for Nature-related Financial Disclosures (TNFD) adoption

People



32%

- Human capital management
- Leadership and workforce equity, diversity and inclusion
- Human rights due diligence

Governance



29%

- Board structure and independence
- Executive compensation
- Oversight of sustainability-related risks

Our efforts are becoming more coordinated and cross-cutting, especially through what we call ‘systematic engagements’ to drive change in areas that have historically proven challenging. We combine company engagement, policy advocacy and thought leadership with the aim of shaping companies’ practices through regulatory or policy change.

Read our full seventh annual Stewardship and Advocacy report at impaxam.com/SAR2024.

Outreach activities and engagement dialogues

For our bottom-up, company specific engagements, the objective is typically to solve or improve an issue that has been identified as part of our analysis and when that objective has been achieved, move to the next objective or pause the engagement.

Outreach

Targeted contact with a company on a specific sustainability issue. Outreach can be an effective means of sharing our perspective or expectations concerning a particular issue

93 companies with whom we initiated outreach in 2023

Dialogues

A discussion with, or response from, a company either by email or by meeting/call on a specific or range of sustainability-related issues

158 engagement dialogues undertaken in 2023 (with **115** companies)

63% progress against objectives¹

24% objectives achieved²

Proxy voting is a key component in the ongoing dialogue with investee companies

Through voting on management and shareholder proposals, we aim to enhance the long-term value of our shareholdings, foster clear corporate governance best practices and promote greater accountability and transparency in our investee companies.

Proxy voting summary for 2023

Targeted contact with a company on a specific sustainability issue. Outreach can be an effective means of sharing our perspective or expectations concerning a particular issue

990³ meetings where Impax voted (100% of possible total)⁴

10% management resolutions which Impax voted against (1,264/13,277)

67% shareholder resolutions which Impax supported (274/406)

- ¹ 'Progress against objectives' includes instances where the investee company has: acknowledged relevance/materiality of issue being raised; demonstrated growth in understanding of an issue; committed to strengthen or adopt specific sustainability-related policies, processes, targets or disclosures in a reasonable timeframe; taken interim steps in support of the objective.
- ² 'Objectives achieved' includes instances where: a company has adopted or strengthened sustainability-related policy, processes and/or targets; transparency is enhanced via public disclosures (e.g. CDP, TCFD, issue specific); there has been a measurable improvement in performance (e.g. board diversity, GHG emissions).
- ³ The number of meetings in which we were eligible to vote in 2023 decreased, relative to 2022, due to a reduction in the number of holdings in our Systematic investment strategies.
- ⁴ At the meeting level, we voted 100% of meetings in 2023. However, proxy votes representing the Impax Ireland Funds plc UCITS fund range were not executed at any shareholder meetings between August 2023 and January 2024 due to an issue with the submission and receipt of ballots between Impax, the Impax Ireland Funds plc UCITS funds' custodian and our proxy voting service provider. This issue has been resolved and an enhanced control framework is being implemented.

Keep your account active and prevent asset transfer

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. 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. Mutual funds are required to attempt to notify account holders before turning over any assets to states. 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 either online or by phone with Investor Services.

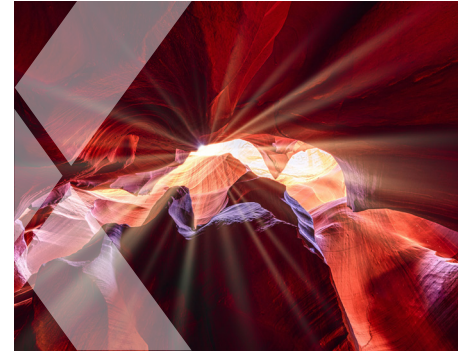
If your account has been inactive and is in danger of escheatment, you will receive a letter from Impax Funds that offers step-by-step instructions on how to re-activate to prevent the transfer of your assets.

To ensure you receive these letters, as well as other important notifications from Impax Funds, and to prevent escheatment of your account, we ask that you log in to your account at impaxam.com/account or call our Investor Services at **800.372.7827** to review your contact information – including mailing address, email and phone numbers, and make any necessary updates.

For further information on how the escheatment process works and how to reclaim any assets that

may have been turned over your to state, you may visit the Securities and Exchange Commission's (SEC) website at www.sec.gov/answers/escheat.htm. **X**

Insights from Impax



For the latest thought leadership from Impax experts on topics like **AI, climate themes and investing**, visit us at impaxam.com/insights.

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An investment in Impax Funds involves risk, including loss of principal. Past performance does not guarantee future results.

Management Risk – The investment techniques and decisions of the investment adviser and the Fund's portfolio manager(s), including the investment adviser's assessment of a company's ESG (Environmental, Social and Governance) profile when selecting investments for the Fund, may not produce the desired results and may adversely impact the Fund's performance, including relative to other Funds that do not consider ESG factors or come to different conclusions regarding such factors.

ESG criteria are a set of standards for a company's operations that sustainable investors use to screen potential investments. Environmental criteria consider how a company performs as a steward of nature. Social criteria examine how it manages relationships with employees, suppliers, customers, and the communities where it operates. Governance deals with a company's leadership, executive pay, audits, internal controls, and shareholder rights.

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