

Impax Asset Management – Stewardship Code Principles Mapping (Japan)

Impax Asset Management Alignment with Japan’s Stewardship Code (2025 Revision)
Principles Mapping and Statement of Compliance

Introduction

Impax Asset Management (“Impax” or “the Firm”) has adopted Japan’s Stewardship Code (the “Code”) and applies its principles as part of our global stewardship framework.

Our stewardship activities are grounded in our fiduciary duty to clients and are fully integrated into our investment process. We focus on long-term value creation through active ownership, including engagement with investee companies, the exercise of voting rights, and policy advocacy.

This document sets out how Impax’s existing policies, processes and disclosures align with the eight Principles of the Code.

Principle 1: Institutional investors should have a clear policy on how they fulfil their stewardship responsibilities

Impax approach

Impax maintains a comprehensive Stewardship Policy which defines our approach to stewardship, including engagement, proxy voting, and escalation strategies.

Stewardship is embedded within our investment process, with engagement used to:

- manage risks
- enhance company analysis
- improve corporate practices and resilience over time

Our approach reflects a long-term investment horizon and a focus on sustainability-related risks and opportunities as financially material drivers of value.

Supporting disclosures

- Impax Global Stewardship Policy
- Impax Global Sustainable Investment Policy

Principle 2: Institutional investors should have a clear policy on managing conflicts of interest in fulfilling stewardship responsibilities

Impax approach

Impax operates within a robust governance framework designed to identify and manage potential conflicts of interest.

Key features include:

- separation of investment decision-making and operational functions
- formal policies governing conflicts of interest across the Firm
- oversight structures ensuring stewardship decisions are made in the best interests of clients

Proxy voting decisions are made independently, based on internal analysis and established guidelines, supported by external research where appropriate, but not determined by third parties.

Principle 3: Institutional investors should monitor investee companies so that they can appropriately fulfil their stewardship responsibilities

Impax approach

Monitoring of investee companies is conducted through our proprietary research framework, including Corporate Resilience Analysis.

This includes assessment of:

- corporate governance structures
- material environmental and social risks
- climate-related risks
- human capital and culture
- controversies and risk management

These assessments inform both investment decisions and stewardship priorities.

Engagement outcomes are tracked systematically and reviewed regularly as part of our investment process.

Principle 4: Institutional investors should seek to engage in constructive dialogue with investee companies

Impax approach

Constructive engagement is central to our stewardship philosophy.

We engage with investee companies through:

- company-specific (bottom-up) engagement
- thematic (top-down) engagement
- collaborative engagement with other investors
- systematic stewardship combining engagement and policy advocacy

Engagement is typically long-term and iterative, focused on improving governance, transparency and management of material risks.

We prioritise engagement based on materiality and exposure, and we seek to maintain constructive, ongoing dialogue with companies.

Principle 5: Institutional investors should have a clear policy on voting and disclosure of voting activity

Impax approach

Impax exercises voting rights in a consistent and transparent manner in line with its Proxy Voting Guidelines.

Voting is an integral component of our stewardship activities and is used to:

- support good governance practices
- address sustainability-related risks
- reinforce engagement objectives

We aim to vote all shares where practicable and disclose our voting approach and outcomes publicly.

Voting decisions are informed by:

- internal research and analysis
- Corporate Resilience Analysis
- engagement history with companies

We also conduct post-vote engagement where appropriate, particularly when voting against management.

Supporting disclosures

- Impax Proxy Voting Guidelines
- Proxy voting records and reporting

Principle 6: Institutional investors should report periodically on how they fulfil their stewardship responsibilities

Impax approach

Impax provides regular public reporting on its stewardship activities through its Stewardship and Advocacy Report.

This includes:

- engagement activities and outcomes
- proxy voting statistics and rationale
- policy advocacy initiatives
- thematic priorities and case studies

Our reporting reflects a commitment to transparency and continuous improvement in stewardship practices.

In 2024, for example, Impax conducted extensive engagement activities across multiple regions and themes, with a structured approach to tracking outcomes and impact.

Principle 7: Institutional investors should have in-depth knowledge of investee companies and their business environment

Impax approach

Impax develops in-depth knowledge of investee companies through its integrated investment and stewardship processes.

This includes:

- fundamental financial analysis
- sustainability-focused Corporate Resilience Analysis
- ongoing engagement and dialogue with company management
- monitoring of regulatory and market developments

Our investment teams and Sustainability Centre work closely together to ensure that stewardship insights are embedded in investment decision-making.

Principle 8: Institutional investors should engage with service providers and collaborate with other investors where appropriate

Impax approach

Impax actively collaborates with other investors, industry groups and stakeholders to enhance the effectiveness of stewardship activities.

This includes:

- participation in collaborative engagement initiatives
- involvement in industry associations and working groups
- engagement with policymakers and regulators
- contribution to thought leadership and public policy discussions

We also use external service providers, including proxy research providers, to support our analysis, while maintaining full independence in decision-making.

Additional disclosure: Policy on disclosure of shareholdings

Impax does not generally disclose detailed shareholding information to investee companies outside of applicable regulatory requirements.

This reflects considerations including:

- market sensitivity of holdings

- confidentiality obligations to clients
- regulatory disclosure frameworks in relevant jurisdictions

Where required, Impax complies with applicable regulations regarding ownership disclosure thresholds.

Conclusion

Impax believes that its existing policies, processes and disclosures are well aligned with the principles of Japan's Stewardship Code.

We will continue to review and enhance our stewardship practices over time, in line with evolving market standards and regulatory expectations, and to support sustainable corporate growth and long-term value creation for our clients.

If any questions, please contact:

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Disclaimer

Impax exercises its proxy voting rights and conducts its global stewardship activities on an independent basis on behalf and in the best interests of its clients, in accordance with Impax investment policies regarding good corporate governance applicable for all investee companies and not to foster a control transaction for any particular company. The application of these policies is predicated on the acquisition and ownership of securities in the ordinary course of business and were and are not acquired or held for the purpose of and do not have the effect of changing or influencing the control of the issuer of such securities, and such securities were and are not acquired in connection with or as a participant in any transaction having such purpose or effect.

Where Impax participates in collaborative engagement activities with other shareholders it does so on an independent basis and in accordance with its own policies. The purpose of such collaborative engagements is to facilitate an independent and free exchange of ideas and views among shareholders that relate to seeking improvement of the long-term performance of investee companies and/or changes in investee company practices, without the purpose of acquiring, holding or disposing of securities to effect or influence a change of control in investee companies or as a participant in any transaction having such purpose or effect.

While Impax may consult with other market participants on certain engagement efforts, Impax unilaterally determines whether and to what extent to engage with other stakeholders and all of

Impax's investment decisions are independent and based on its own, unilateral strategy for maximising return on investment.