

UK Stewardship Code Statement

April 2025

This UK Stewardship Code statement is applicable to all regulated investment management entities of the Impax Group, namely:

- Impax Asset Management Limited (“Ltd”)
- Impax Asset Management (AIFM) Ltd (“AIFM”)
- Impax Asset Management Ireland Ltd
- Impax Asset Management LLC

which are all collectively defined as “Impax” or the “Firm”.

UK STEWARDSHIP CODE PRINCIPLES FOR ASSET OWNERS AND ASSET MANAGERS

Purpose and governance

1. Purpose, strategy and culture
2. Governance, resources and incentives
3. Conflicts of interest
4. Promoting well-functioning markets
5. Review and assurance

Investment approach

6. Client and beneficiary needs
7. Stewardship, investment and ESG integration
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Engagement

9. Engagement
10. Collaboration
11. Escalation

Exercising rights and responsibilities

12. Exercising rights and responsibilities

Principle 1:

Signatories' purpose, investment beliefs, strategy and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

Founded in 1998, Impax Asset Management ("Impax" or the "Firm") is a specialist asset manager focused on investing in the transition to a more sustainable global economy.

We believe that:

- Capital markets will be shaped profoundly by global sustainability challenges, particularly climate change, environmental pollution, natural resource constraints, demographic, and human capital issues such as diversity, inclusion, and gender equity.
- These trends will drive growth for well-positioned companies and create risks for those unable or unwilling to adapt.
- Fundamental analysis which incorporates long-term risks, including environmental, social and governance ("ESG") factors, enhances investment decisions.

Impax invests in companies and assets that are well positioned to benefit from the transition to a more sustainable global economy. Impax seeks to invest in higher quality companies with strong business models and governance, that demonstrate sound management of risk whilst being able to adapt to changing conditions.

Impax offers a well-rounded suite of investment solutions to global investors, spanning multiple asset classes seeking strong risk-adjusted returns over the medium to long term. Impax manages funds and accounts in four areas: actively managed long-only equities, systematic equities, fixed income and private markets strategies.

Impax's proposition to clients reflects the firm's investment beliefs:

- Over 25 years of experience in designing and investing in strategies aligned with the transition to a more sustainable economy. This experience is valued by clients seeking to understand a complex rapidly evolving marketplace.
- Impax has a multi-disciplinary investment team of individuals with diverse backgrounds. The firm's exclusive focus on investing in the transition to a sustainable economy has resulted in the attraction of a specialized and motivated group of employees. Analysts and portfolio managers who understand sustainability risks and opportunities are naturally minded towards incorporating ESG and stewardship aspects into company analysis and portfolio construction decisions.
- Taking a longer-term view of trends within the global economy, particularly in the area of sustainability, aligns Impax's investment strategies with the time horizons of clients and ultimate beneficiaries of our clients' savings products.
- Stewardship through active engagement and proxy voting are fully integrated into the investment process at Impax. A fundamental research approach exploring areas of relevance to management teams enables analysts to build a level of trust with companies enabling more effective stewardship over the long term.
- Impax also undertakes dedicated research to understand policy and legislative drivers related to the transition to a more sustainable economy and advocate on behalf of and alongside our clients in the development of new regulation in the area of sustainable finance.

AUM & Strategy:

Impax's culture derives from our mission of investing in the transition to a more sustainable economy. This informs our core values which are derived from the firm's investment beliefs.

Our Mission statement: To generate strong risk-adjusted investment returns for clients by investing in the transition to a more sustainable economy. To provide a stimulating and inclusive workplace for our colleagues and to collaborate with others to contribute to the development of a sustainable society.

Our Values are:

- **Be the solution:** Impax's core focus and motivation is to offer solutions. It defines the investment approach Impax offers its clients, the contribution it makes to the broader global community and the attitude staff bring to work each day.
- **A passion for excellence:** Impax is passionate about its mission and its work. The Firm strives for excellence in everything it does. Impax's staff hold themselves to high standards and trust each other to share these aspirations and contribute to the results.
- **All voices valued:** Impax makes better decisions if it is diverse and inclusive. All voices are welcomed, and all voices are heard. Impax aspires to a dynamic culture that embraces change and inspires the evolution of new ideas.
- **Doing better together:** Impax believes it can do far more, far better, working together as a team. True collaboration means treating others as they would want to be treated. Impax's staff value and respect their colleagues, clients and partners, their families, and the wider community. Impax's staff are all interconnected and cannot hope to succeed alone.
- **Building a common future:** Impax has a responsibility to promote prosperity while protecting the planet. The Firm is committed to sustainable development, and to stewarding its environmental and societal impact for the benefit of current and future generations.

Impax is headquartered in London, United Kingdom and has offices in the United States, Hong Kong, Ireland and Japan. The firm has a collegial working culture, with an experienced team of c.300 staff with diverse backgrounds, bringing together complementary skills and experience.

As of 31 December 2024, Impax's total assets under management and advice was £34billion across active equities and fixed income strategies, systematic equities and private markets. All strategies are guided by proprietary Impax investment tools which translate the firm's belief in the transition to a more sustainable global economy into actionable investment ideas for portfolio managers, while also supporting the identification and analysis of material sustainability risks. All funds domiciled into the EEA for which an Impax entity acts as the sponsor and management company, are classified as either Article 8 or 9 under the Sustainable Finance Disclosure regulation.

During the Period we continued to pursue a strategy of diversifying our revenue by asset class and by client type. Our priorities centre on deepening our leadership in listed equities, while at the same time scaling up our fixed income and private markets propositions. While we will primarily achieve this growth organically, we will consider smaller acquisitions on an opportunistic basis, particularly in the latter two asset classes. Meanwhile, we will continue to focus on growing our direct channel distribution capabilities, deepening our partnership with selected third parties and continuing to build an efficient, scalable and agile operating model.

We made particularly significant progress in the expansion of our fixed income capabilities during the Period, announcing two acquisitions. We opened an office in Copenhagen and hired a Head of Nordics to lead business development in the region. Amid total net outflows, client redemptions were primarily made through our wholesale channel.

We continue to focus on providing an outstanding service to our clients. We produced a report for the Sustainable Markets Initiative to understand how asset owners integrate climate into their investment decisions. Working together with State Street, we interviewed the chief investment officers of 11 large asset owners, presenting the findings at Climate Week New York in September 2024. During the financial year 2024, Impax received a prestigious King's Award for Enterprise, in the Sustainable Development category. Morningstar named Impax as "best asset manager" in its 2024 Sustainable Investing

Awards, while Impax was named “Responsible Investor of the Year” in the Reuters Responsible Business Awards and “Boutique Manager of the Year” by Financial News.

There were no material, product related complaints in the reporting period.

Strategic Priorities

- Organically grow listed equities
- Build to scale in fixed income
- Grow private equity
- Enhance direct channel capabilities
- Deepen client partnerships and strengthen brand differentiation
- Continue to build an efficient scalable and agile operating model

Impax in the Community

We believe we have a responsibility to promote prosperity while protecting the planet. We are committed to sustainable development, and to stewarding our environmental and societal impact for the benefit of current and future generations. Impax partners with organisations that reflect our long-term goal of investing in the transition to a more sustainable economy. Our community network contains complementary organisations with coaligned aims and values, maximising our impact.

During the financial year 2024, we demonstrated a new commitment to giving, introducing an aim to donate 0.5%–1% of pre-tax profit to support our charitable partners. We expanded our community activity during this period, donating £563,074 to charitable causes (2023: £504,933). We focus our efforts on forming multi-year strategic partnerships with charities in education and developing skills in the green economy and during the Period supported 29,278 hours of learning time on this area.

We launched a new community partnership with the HOPE Program in New York City, and also maintained relationships with UK-based Ashden, Client Earth, Country Trust, and Groundwork UK; basis. point in Ireland, and Ceres and the Pax Scholarship programme in the US.

- **Country Trust**
We continued our partnership for the second year to support the charity to expand its “Food Discovery” programme, which connects primary-aged school children in the UK with food, sustainability and farming. The schools chosen on the Food Discovery programme have a higher-than-average percentage of children eligible for Free School Meals and children with special educational needs. The programme delivery includes farm visits, in-class sessions and playground markets. During financial year 2024, the Food Discovery programme supported by Impax helped 10 schools and 420 children to receive over 6,478 learning hours delivered across 118 sessions in Derby, Manchester, Liverpool, and London.
- **Groundwork UK**
Our partnership supports young people from underrepresented communities into work in the green economy in Leeds and Manchester, in cities with previously high carbon industry and high youth unemployment. The Impax Green Jobs pathfinder is the next step in the journey for trainees to explore future careers in a sheltered setting whilst receiving paid work on short to six-month contracts. They are placed in roles within local companies operating in different areas of the green economy, from delivering energy advice to low-income households to promoting the conservation of land and green spaces. The Groundwork programme supported by Impax placed ten participants, receiving 5,650 hours of training and support.
- **The HOPE Program**
Impax supports HOPE’s Sustainable South Bronx (“SSBx”) programme in New York City. The SSBx programme trains individuals for careers in green construction and maintenance. Participants learn about environmental justice; gain

carpentry, utilities, building mechanics, and energy auditing skills; and earn industry certifications to help them stand out in the job market. Impax's support helped expand the participants' weekly stipend, to further HOPE's goals of ensuring financial sustainability for participants, and to encourage a higher rate of 'completers' of each programme. Each participant who has completed the programme will receive 50% of the available funding, and an additional 50% is deposited to their account upon securing employment. At this time, they will work with the employment and alumni teams to receive financial counselling. During financial year 2024, 35 participants graduated from the SSBx programme and receiving 17,150 hours of training.

Volunteering and giving

All Impax employees are given paid leave to volunteer and are encouraged to use Impax's matched giving schemes, available globally, to give back to their communities. Impax's Community Cause of the Year aims to unite all colleagues globally around a single cause, with a local charity picked by colleagues in each office. Colleagues voted to continue volunteering for food scarcity and food waste, working with a relevant charity in each of our offices to combat the issue. In total, colleagues volunteered 540.5 hours during the financial year 2024. Impax colleagues globally have access to matched giving schemes. Impax has been awarded a Diamond Award from the UK's Charities Aid Foundation for its participation in the UK giving scheme – its highest accolade.

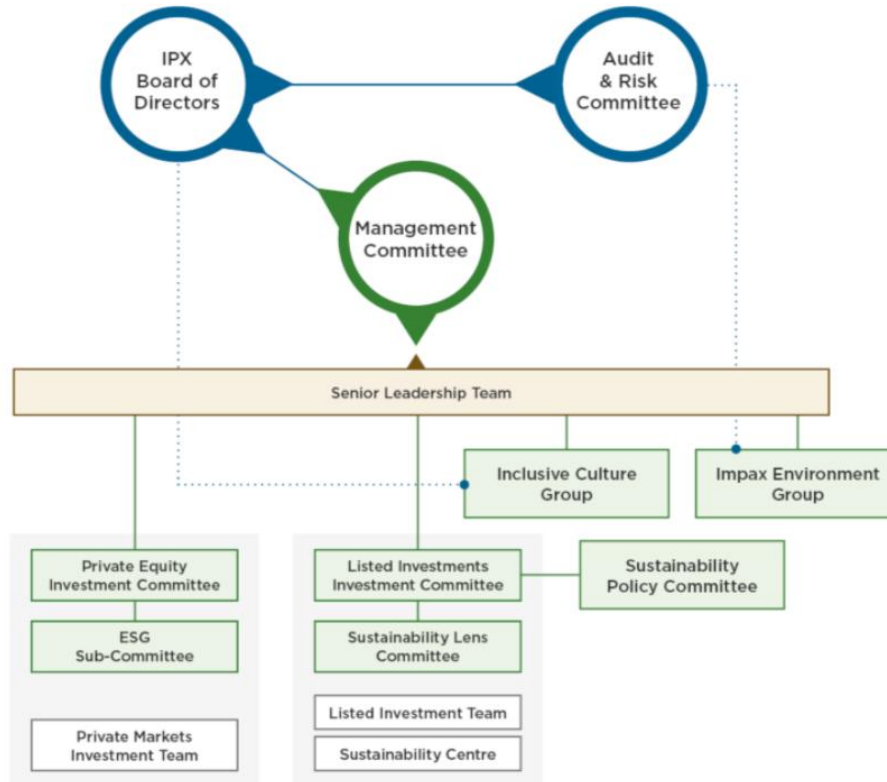
Principle 2:

Signatories' governance, resources and incentives support stewardship

Impax's investment strategies are focused on capturing the opportunities and mitigating the risks associated with the transition to a more sustainable economy. This approach to investing is at the core of Impax's strategy.

The Impax Sustainability Centre (SC) was established in 2023. The SC acts as a centre of excellence and provides services, tools and knowledge on investing in the Transition to a Sustainable Economy (TSE) to the firm and to our clients. The Sustainability Centre allows Impax to meet the growing expectations of clients, regulators and other stakeholders. The Sustainability Centre was formed by combining Impax's Sustainability & Stewardship and Policy & Advocacy teams.

The abridged governance chart illustrates the oversight of the key sustainability committees and groups that provide oversight functions for the Sustainability Centre and its activities.¹



The Board is responsible for governing and overseeing Impax’s strategy and providing an oversight, control and monitoring role of its operations and risks. In this function the Board also oversees investment and sustainability related risks and opportunities.

The Audit & Risk Committee (“ARC”), which is comprised of independent Non-Executive Directors of the Board, is responsible for the oversight of audit and risk management across Impax, including climate and sustainability risk management, on behalf of the Board. ARC is supported by the Enterprise Risk Committee, which is responsible for oversight of risk management across each of the regulated entities.

A dedicated Non-Executive Director of the Board is Board Sponsor of the employee-led Environment Group, which provides input and advice to support decision making on Impax’s operational climate policies, performance and targets. Management and monitoring of climate-related risks and opportunities is the responsibility of Impax’s Senior Leadership Team, who report to the Board and the Board Committees through the Chief Executive.

Equity, diversity and inclusion (“E,D&I”) is central to Impax’s philosophy, values and mission. The Inclusive Culture Group is responsible for Impax’s strategy in this area and reports to the Board. It is sponsored by both an Executive and a Non-Executive Director of the Board. The Inclusive Culture Group meets regularly to align on ideas, actions and progress, and to communicate feedback from colleagues. Impax’s has set and discloses its approach and goals annually.

¹ Dotted line denotes observer role of the Chair of Audit & Risk Committee on Environment Group, and the Board observer role on the Inclusive Culture Group.

The Compliance team oversees the monitoring of controls on the investment processes, and the Enterprise Risk team independently monitors risk management. The Product Governance and New Business Committee is responsible for ensuring that existing and new investment products adhere to client agreements as well as sustainable finance and investment regulations. These teams and committees have an oversight responsibility of sustainability and stewardship activities.

The Listed Investments Investment Committee oversees investment activities, performance, and risks, with a dedicated ESG and stewardship agenda item, including the reporting of, for example, key engagement projects and outcomes. The Listed investments' Investment Committee is Chaired by the firm's Co-CIOs who are Management Committee members. Regular updates are provided to the Management Committee and through to Impax's Boards. Additionally, a Service Level Agreement (SLA) has been established to define the responsibilities and the roles of the work and collaboration between the Listed Investments team and the Sustainability Centre. The SLA and the effectiveness of its delivery are reviewed periodically by an appointed Steering Group, consisting of senior leaders and stakeholders of the two teams.

The Private Markets Investment Committee oversees investment activities, performance, and risks, with a dedicated non-voting ESG Observer and is chaired by the firm's CEO.

The committees and groups dealing with sustainability, ESG and stewardship activities most directly are the "Impax Lens Committee", the "Sustainability Policy Committee" and the "Private Markets ESG Sub-Committee", as well as various working groups as part of the Sustainability Centre. The committees report key issues to the Investment Committees. The committees' and group's main activities are described below.

Impax Lens Committee (ILC)

All of Impax's investments and strategies are aligned with the transition to a more sustainable economy. The proprietary "Impax Sustainability Lens" identifies sustainability risks and opportunities across all economic activities and time horizons. Sub-sectors that have Low Sustainability Risks and High Sustainability Opportunities, are considered by Impax to be well-positioned to benefit from the transition to a more sustainable economy over a medium to long term horizon. These well-aligned areas of the economy are sought and prioritised for Impax's investments. The Sustainability Lens is a dynamic tool. The Impax Lens Committee convenes every quarter to assess emerging issues, risks and opportunities, and discuss the implications for the Lens scores of each sub-sector and the various economic activities. The ILC is chaired by Impax's co-CIO and the co-head of the Sustainability Centre. Through its "Sector Expert Group Reviews" and meetings, the ILC serves to shape how the firm views different activities, sectors, risks and opportunities, in identifying activities that are well-aligned to the transition to a sustainable economy. The outcomes and decisions from the ILC meeting are recorded internally and reported at the Investment Committee meeting to ensure all stakeholders, including portfolio managers, are informed. All ILC meetings are minuted and follow a set agenda, stated in its Terms of Reference.

Sustainability Policy Committee (SPC)

The SPC has been established to oversee, review, and approve Impax's ESG, sustainability and stewardship-related policies and positions. It convenes as required and has established a Terms of Reference. The committee reports significant policy developments to the Investment Committee.

ESG Sub-Committee - Private Markets (ESGSC)

The ESGSC meets periodically to discuss relevant topics, best practice, and new regulations. The ESGSC is responsible for governing the ESG Policy.

In order to ensure that there is sufficient focus and internal coordination to comply with the significant increase in sustainable finance client, regulatory and voluntary reporting requirements, Impax has a now well-established, firmwide working group, the "Sustainability Reporting Strategy & Delivery" working group. It is led by the Head of Sustainability Reporting and consists of representatives from compliance, legal, client services, marketing, technology and data architecture, as well as the Sustainability Centre and PE/Infrastructure teams, to coordinate client, regulatory, and voluntary sustainability and stewardship-related reporting work.

Processes and resources

Processes:

Impax has developed an integrated and proprietary approach to ESG-analysis and engagement for the active listed investments, equities and fixed income. The lead investment analysts are responsible for financial and ESG analysis, as well as the related engagements of the investee companies under their coverage. The Sustainability Centre team is responsible for the oversight and for providing peer-reviewing and scoring of the ESG analysis, coordination of focus areas of engagement and continuous further development of the ESG, sustainability and stewardship approaches and methodologies, further described in Principle 7.

There is an on-going exchange of sustainability-related information to the investment team to keep abreast of new sustainability or stewardship developments. There are standing agenda items for ESG, engagement, and policy developments at regular investment team meetings and the Investment Committee meeting.

The private markets investment team at Impax invests in renewable energy infrastructure, such as wind and solar farm development and construction. This team has a dedicated Head of Sustainability. Sustainability topics are standing items at the Private Equity/ Infrastructure (PE/ Infrastructure) team's Investment Committee meetings and are considered and integrated by the investment and asset management teams. The PE/ Infrastructure ESG sub-committee convenes periodically to discuss current issues, such as resourcing, research and reporting. The PE/ Infrastructure team uses an external system to collect ESG and impact data directly from its investee companies.

Impax is continuously assessing the effectiveness of sustainability, ESG and stewardship processes and procedures, both in terms of meeting internal and external requirements. As noted above, a "Service Level Agreement", SLA has been established to define the responsibilities and the roles of the work and collaboration between the Listed Investment team and the Sustainability Centre. The SLA and the effectiveness of its delivery are reviewed periodically by an appointed Steering Group, consisting of senior leaders and stakeholders of the two teams.

Resources:

Impax has c. 80 investment team members globally and the Sustainability Centre (SC) has 17 members specialised in sustainability research, ESG analysis, stewardship, and policy research and advocacy, working across four pillars within the Sustainability Centre. The Sustainability Centre members are based in London, UK, in Portsmouth, New Hampshire and in Hong Kong. The team has a broad set of backgrounds including investment, sustainability, policy and quantitative experience.

Impax has a Head of Stewardship, responsible for developing and implementing the stewardship strategy. The majority of the 17 members of the Sustainability Centre have stewardship responsibilities in their objectives, which include leading on engagement projects or themes, leading and coordinating engagement meetings, participating in the proxy voting process and reporting on stewardship. Importantly, the analysts in the Impax listed investment team are responsible for the engagements of the companies they are lead analyst on.

The Sustainability Centre team

The Sustainability Centre (SC) is a centre of excellence, providing services, knowledge, tools and expertise on investing in the transition to a more sustainable economy across the four pillars as outlined below:

- **Pillar 1 - Investment sustainability & stewardship**

Through this pillar, the SC provides leadership, advice and oversight of investment-related sustainability research, thematic and sustainable universe development, impact measurement, development of proprietary tools and methodologies, management of the fundamental and systematic ESG analysis and processes, and stewardship work including proxy voting and company-specific and thematic engagement, as well as policy insights for the investment process. The SC provides advice, coordination and peer review of ESG-analysis and company-specific engagement which are fully integrated in Impax's investment process and owned by the lead analysts of the companies.

- **Pillar 2 – Advocacy & outreach**

The focus of this pillar is to support policy makers who are working to create enabling environments that will accelerate the transition to a sustainable economy. Impax is active across a range of channels, from traditional reactive approaches such as working through industry associations, responding to consultations, and participating in issue-specific initiatives and sign-on letters - to more innovative pro-active interventions such as publishing Impax's perspectives and commentaries, funding research, piloting new approaches, partnering with clients, and bilateral discussions with policy makers. Impax's efforts around "systematic stewardship" fall under this pillar. Systemic stewardship combines company thematic engagement and policy advocacy as levers for accelerated change, with a goal of improving value for shareholders.

- **Pillar 3 – Thought leadership**

Through this pillar, the SC delivers thought-leadership content that supports the investment process, as well as content produced for external audiences. The SC's thought leadership output provides Impax's house view on important and evolving topics, supports research partnerships with academia and clients, and provides Impax's firm-wide sustainability training and development.

- **Pillar 4 – Client advisory & reporting**

Under the fourth pillar, the SC advises on sustainability in Impax's product development, sustainable finance regulatory responses and reporting including the metrics and methodologies used for client, regulatory and voluntary sustainability reporting. The SC develops Impax's firm-wide sustainability policies and is responsible for providing sustainability expertise and insights to Impax's clients.

Impax uses external research and service providers as an input in the sustainability research and ESG analysis of listed investments but has developed a proprietary methodology for analysing and scoring companies on ESG quality and does not rely on external research for ESG scores or ratings in our actively managed listed investments. However, external ESG scores are used as inputs to the investment process in some of our systematic equity strategies. In recent years, the reviews with research providers have mainly centred around the availability of data and the methodologies for the sustainable finance regulatory reporting requirements (e.g. the EU SFDR) and the methodologies for biodiversity research and data, for which Impax appointed a new research and data provider in 2024, NatureAlpha.

Both internal and external ESG and stewardship-data is stored in and accessed by the investment teams in Impax's proprietary data and research platform, called the "Portal".

There are 9 investment team members in the Private Equity/ Infrastructure team, supported by 9 members of the Asset Management team and a dedicated Head of Sustainability. Impax works with external advisers during the due diligence process to complete the proprietary methodology for analysing each investment from an ESG perspective, which is used to design a bespoke ESG strategy for each investment. The team uses an external service provider to gather ESG and impact data from its portfolios on an annual basis.

Incentive structures

The incentives of the senior management team and the members of the investment team are aligned to Impax's strategy of investments aligned with the transition to a more sustainable economy.

Employees at Impax have "Business / Functional Performance" and "Collaboration & Culture" categories as part of their annual objectives and compensation. Remuneration for all employees is governed by the Remuneration Committee whose purpose is to ensure that employees are fairly rewarded for their individual contribution to the overall performance of the company and the investment strategies, while ensuring that the remuneration packages provided do not promote undue risk taking.

All listed investment analysts and portfolio managers have three components to their remuneration: (1) fund performance (1, 3 and 5 years), following a "scorecard"; (2) stock/issuer analysis and coverage, quantitative with "stock tracker" for stocks covered and qualitative measurement in terms of idea generation and investment process effectiveness and (3)

collaboration, teamwork and inclusive culture. The second component explicitly references ESG analysis, sustainability-driven idea generation and effective engagement work with investee companies.

Impax's Sustainability Centre is responsible for overseeing and providing consistency in the ESG-analysis and scoring methodology, coordinating and supporting company engagements and proxy voting, and providing ESG and sustainability thought leadership, both internally and externally. All Sustainability Centre team members have performance metrics and goals, within these five elements in their annual objectives, but with different weights depending on their roles within the team.

- (1) Investment Sustainability & Stewardship
- (2) Advocacy & Outreach
- (3) Thought leadership
- (4) Client Advisory & Reporting
- (5) Internal work (team and firm-level collaboration, inclusive culture)

All members of the PE/Infrastructure team are responsible for integrating ESG through the investment lifecycle, from initial due diligence through to exit. Members of the team should have at least one outcome focused ESG objective as part of their annual performance goals. These goals are set annually and reviewed semi-annually.

Principle 3:

Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first.

Identification of conflicts

The Impax Board of Directors, in conjunction with Legal, Compliance and business unit heads, take responsibility for implementing systems and controls designed to prevent conflicts of interest. These are outlined in our Global Conflicts Register, which is updated as and when a new conflict is identified and reviewed overall on a periodic basis and at least annually, by both the Management Committee and the Board of Directors.

Impax is an international group of companies and, as such, these controls and the conflicts register take into account any circumstances which may give rise to a conflict of interest as a result of our structure or business activities in all operating jurisdictions.

Types of conflicts

When identifying conflicts of interest, our staff are trained to consider whether Impax:

- Is likely to make a financial gain, or avoid a loss, at the expense of a client (including the funds managed by the Firm and their investors);
- Has an interest in the outcome of a transaction carried out on behalf of a client, which is distinct from the client's interest in that outcome;
- Has a financial or other incentive to favour the interests of one client or group of clients over another;
- Carries out the same business as the client; or
- Receives or will receive an inducement from a person other than the client in relation to services provided to the client in the form of monetary or non-monetary benefits or services.

Conflict prevention

Where a potential conflict is identified, Impax will seek to organise its business activities in a manner that prevents the crystallisation of the conflict. This will include the appropriate segregation of functions and business lines such that a level

of independence may be achieved. To the extent appropriate to the size and scale of the business functions, this may involve:

- Information barriers to prevent or control the exchange of information between members of staff engaged in activities involving a risk of conflict of interest where the exchange of that information may harm the interests of one or more clients;
- Functional independence and separate supervision of relevant members of staff whose main functions involve carrying out activities or providing services for clients whose interests may conflict, or otherwise represent interests that may conflict;
- A review of remuneration arrangements in the Firm where these might give rise to conflicts of interest in relation to the activities or services provided by the relevant members of staff;
- Reassignment of members of staff to prevent or control the simultaneous or sequential involvement of relevant members of staff in separate services or activities where such involvement may impair the proper management of conflicts of interest; or
- Policies and procedures covering inducements and personal account dealing.

However, it is accepted that, despite the implementation of all appropriate controls to prevent the occurrence, the complete avoidance of all conflicts may not be feasible in a commercial environment.

Outside business interests

Staff members are required to obtain prior approval from Compliance before engaging in any employment outside of their employment with Impax. Staff members are also required to obtain the prior approval of Compliance before taking an interest in any outside business organisation, and in particular before becoming a director, an officer or adviser to a company or any other entity whether or not it is a paid position. Personal interests must not affect the ability of a member of staff to make judgements or decisions in the best interests of Impax and its clients.

Conflict management

Where conflicts are unavoidable, Impax will take appropriate measures to mitigate and manage such conflicts in a manner that seeks to ensure that the Group and its staff are not advantaged, and that no client is adversely affected. Our clients' best interests remain paramount.

Conflict disclosure

Where Impax is not reasonably confident that it is able to manage a particular conflict to adequately protect the interest of a client, the fact of/or sources of conflicts of interest will be clearly disclosed to the client before the Firm undertakes any business. In particular, the disclosure will detail:

- A specific description of the conflicts of interest;
- An explanation of the risks to the client that arise;
- That the organisational and administrative arrangements established by the Firm to prevent or manage that conflict are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of the client will be prevented; and
- Sufficient detail to enable that client to take an informed decision with respect to the service in the context of which the conflict of interest arises.

This disclosure will only be made as a matter of last resort. Further, the fact of the disclosure is not considered to be a mitigant. All the controls detailed in Impax's policy will continue to be applied, in respect of that conflict.

The disclosure will be made via the Terms of Business or periodic reports.

Conflicts training

All staff receive training in respect of conflicts of interest. In addition, all staff are required to give a periodic undertaking confirming their understanding of the Group's compliance requirements, including disclosing any personal conflicts such as their personal trading activities, the receipt of gifts, benefits or entertainment and outside business interests.

Examples of potential conflicts of interest and how they are addressed

- **Varying client objectives and interests**

Different clients may have different expectations, objectives, and priorities regarding stewardship and Impax has a number of investors who are highly focused on stewardship issues and have very specific priorities. At the very outset of the client relationship, it is determined how closely the stewardship (proxy voting and engagement) priorities are aligned between the client and Impax. We have a number of clients who have retained their voting rights, in order to follow their own specific stewardship objectives². For all other clients, we adhere to our voting guidelines, utilising our ESG analysis and knowledge of the companies and the local and regional corporate governance best practices. Relating to engagement, we follow our policies and processes to identify, prioritise and implement engagement systematically and can at times be in collaboration with our investors. Impax strives to be as transparent as possible regarding our guidelines and the resulting voting and engagement activity. Our ESG, engagement and proxy voting guidelines are available publicly and posted on our website, as is our firm-level proxy voting activity and engagement outcomes. Reporting at the fund and account level is available to our clients at least annually, with some clients requiring this as frequently as quarterly. Some of our clients have invested with us through separate accounts where their own specific responsible investment objectives are followed and expressed, for instance through specific exclusions.

- **Impax's shareholder interests**

Impax is owned by individuals and financial institutions, each having their own investment, financial and stewardship objectives, which could create conflicts of interest. Impax's investment process and stewardship activities are conducted following set and publicly disclosed policies.

- **Impax's specific client interests**

Impax could be managing investments for, for example, the corporate pension fund of a company that is also owned in one or several of Impax's funds, which could create conflicts of interest. Impax's investment process and stewardship activities are conducted following set and publicly disclosed policies and removed from any influence of specific clients.

- **Impax's employee interests**

An Impax employee could own shares or have an interest in a company that is also owned in one or several of Impax's funds, which could create conflicts of interest. Impax has strict checks, controls and reporting regarding trading and ownership of companies and shares by Impax staff. Impax's investment process and stewardship activities are conducted following set policies and removed from any influence of any employee interests.

- **Impax's corporate investments and interests**

Impax does not hold any proprietary positions or conduct any proprietary trading but may make a seed investment into a new Impax fund. When this is the case the fund and the investment is treated like any other client and is subject to the same policies and procedures regarding stewardship that any other client funds would be.

- **Impax's inter-departmental interests**

The Impax investment departments outside of the Listed Equities business, such as its Private Equity department, may have ownership or an interest in a company that is an investee company in an Impax Listed Equities fund. There are formal information barrier structures in place between the Impax Listed and Private Equity departments and

² Clients representing approximately 20% of AUM, have retained their voting rights.

Impax's investment process and stewardship activities are conducted following set policies and removed from any influence of any inter-departmental interests.

No specific or concrete instances of conflict of interest were identified during the year. However, we are mindful that we have a small number of clients who have more complex or time-consuming implementation processes for proxy voting. We have worked on setting-up processes in the Glass Lewis voting platform to ensure that voting time and attention is not unduly directed to any individual clients.

In the 2021 UK Stewardship Code statement, we first mentioned the emerging discussions regarding better alignment on voting between asset managers and asset owners, especially in the UK market, with a potential for emerging conflicts of interest in stewardship, in the form of "client-led voting", "split-votes" or "client expressions of wish" in proxy voting. This could potentially lead to reduced influence from voting on the underlying companies, the very tenet of stewardship and active ownership, an important trade-off to consider. But additionally, investors' influence and "expressions of wish" in relation to Impax's voting intentions could also lead to potential conflicts of interest between Impax's clients. We view it as important that Impax votes clients' shares clearly, consistently and transparently, following our publicly disclosed [Proxy Voting Guidelines](#). We note that this topic and debate was less active in 2025, compared to a few years ago.

Another potential emerging area of external conflicts of interest that we have discussed internally and externally during the reporting period, are the various existing and planned regional sustainable finance regulations. In the UK the SDR and in the EU the SFDR, which is currently under review. We are concerned about the potential lack of inter-operability of these regional regulations and how those could affect our clients differently in different countries, although they may be invested in the same Impax strategy. We have raised these concerns with regulators both directly and through consultations.

Each private markets fund has a Limited Partner Committee made up of a select number of investors who are notified when a conflict of interest in relation to a proposed transaction is identified. The Committee may provide comments to the fund's Investment Committee or in some cases, vote on whether they believe that the investment manager has sufficiently mitigated the conflict(s) in order to proceed with the transaction.

Principle 4:

Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.

Impax collaborates with clients, partners and industry organisations to promote the transition to a more sustainable and inclusive economy. Engagement with companies and policy advocacy are important parts of this work. This section will primarily describe Impax's policy advocacy work, while sections 9-11 will describe the engagement efforts.

[Impax's approach to policy advocacy](#)

The principal purpose of Impax's policy advocacy is to support policy makers in the creation of enabling environments which will accelerate the transition to a sustainable economy. We are active across a range of channels ranging from traditional reactive approaches - working through industry associations, responding to consultations and participating in issue-specific initiatives and sign-on letters, to more innovative pro-active interventions such as publishing Impax's perspectives and commentaries, funding research, piloting new approaches, partnering with clients, and bilateral discussions with policy makers.

Systematic Stewardship: Over the last few years, Impax has been broadening our use of systematic stewardship, where we combine company engagement, policy advocacy and thought leadership to drive change in challenging areas. In addition to our ongoing work on adaptation and resilience plans, we will be launching new systematic projects on corporate transition planning, AI and energy use and sectoral nature-related dependencies and impacts. More detail can be found about systematic stewardship in Principles 9 and 10.

Impax plays an active role in a wide range of industry association working groups addressing market-wide and systemic risks, many of which feature in the case studies summarised in the following section on "Advocacy activities during 2024".

Given the cross-cutting nature of many of these groups, we set out below key committees and working groups in which we were active during this reporting period, including those where we played leadership roles.

- Ceres: working groups on Accounting, Carbon Asset Risk, Paris Aligned Investment, Policy, SICS (Shareholder Initiative on Climate and Sustainability) and Valuing Water, Land Use and Climate
- Climate Financial Risk Forum: Adaptation Working Group (co-chair)
- Confederation of British Industry (CBI): Net Zero Committee (Chair), Net Zero Working Group and Sustainable Finance Working Group
- FAIRR: Policy Working Group
- Glasgow Financial Alliance for Net Zero (GFANZ): workstreams on: Mainstreaming Transition Finance and Real Economy Transition; Nature in Net-zero Transition Plans; and Public Policy
- Institutional Investors Group on Climate Change (IIGCC): Policy Advisory Group, UK Policy Working Group (co-chair) and EU Policy Working Group (co-chair)
- International Corporate Governance Network (ICGN): Financial Capital and Human Capital Committees.
- International Financial Reporting Standards (IFRS): Sustainability Reference Group
- Principles for Responsible Investment (PRI): Global Policy Reference Group, PRI Spring and Sustainable Systems Investment Managers Reference Group
- UK Sustainable Investment and Finance Association (UKSIF): Policy Committee

Impax's policy advocacy activities are led by Chris Dodwell, Global Head of Policy & Advocacy and co-Head of the Impax Sustainability Centre, who reports directly to Impax's CEO. Our policy advocacy work is delivered by the Impax Sustainability Centre principally through five subject matter experts based in the UK, USA and Asia, supported by other members of the Centre.

Stewardship and advocacy activities during 2024

During 2024, we completed the alignment of our policy advocacy activities and corporate engagement (described in sections 9-11) so that both areas are now using the following common themes and focus areas.

In 2024 these were:

- Climate
 - Net-zero alignment and transition planning (national and corporate)
 - Increasing resilience to physical climate risks
- Nature
 - Nature-related dependencies and impacts
 - TNFD adoption
- People
 - Human capital management
 - Leadership and workforce equity, diversity and inclusion
 - Human rights due diligence
- Governance
 - Board structure and independence
 - Executive compensation
 - Oversight of sustainability-related risks

For 2025 the four focus themes will remain the same, but the specific new focus topics within the themes will be e.g. AI-related issues (governance and climate), Corporate Culture, Deforestation risks and prevention and Sustainability reporting and assurance.

1. Climate

1.1. Net-zero transition planning (national and corporate)

- **National transition planning:** our core message for this workstream is that national governments should adopt ambitious national emission reduction goals, underpinned by sectoral pathways and dialogues with investors on detailed policies needed to attract private capital, and that these commitments and policy frameworks should be reflected in 'investable' Nationally Determined Contributions (NDCs) submitted to the UNFCCC;
 - **Energy Transitions Commission (ETC):** The ETC is a global coalition of leaders from across the energy landscape committed to achieving net-zero emissions by mid-century. Impax's CEO, Ian Simm, has been an ETC Commissioner since 2020 and we regularly contribute to the development of their reports tackling different aspects of the transition to net zero. In June 2024, the ETC published a report on [Credible Contributions: Bolder Plans for Higher Climate Ambition in the Next Round of NDCs](#) to which Impax was a significant contributor. The ETC called for industry and government collaboration to raise the ambition of the next round of Nationally Determined Contributions (NDCs) by COP30 by reflecting technical potential and reinforcing existing progress to set more ambitious targets with stronger links to national policies. We also provided inputs into ETC research into buildings decarbonisation and electricity grids, as well as its EU regional programme and its communications strategy.
 - **UK Net Zero Council:** Ian Simm, Impax's Chief Executive, has been a member of the UK Government's Net Zero Council since its inception by Energy Minister, Graham Stuart, in 2023. The Council is a partnership between government, business and finance, providing cross-cutting strategy across major business sectors to deliver the UK's net zero target. During 2024, the Council met quarterly to review sectoral roadmaps developed by 12 industry sectors, to identify cross-cutting challenges and to explore solutions to financial barriers to scaled up action. In December 2024, the new government relaunched the Net Zero Council to act as the primary stakeholder forum supporting its mission to make Britain a clean energy superpower, with Ed Miliband, Secretary of State for the Department of Energy Security and Net Zero, as co-chair and a broader membership including representation from civil society and local government. The Council will have 3 broad functions to provide expert insight, to drive action towards decarbonisation across the economy and communicate to the wider business community. Its work programme will be finalised in early 2025.
 - **Institutional Investors Group on Climate Change (IIGCC):** Impax is an active participant in the IIGCC's activities at a range of levels: our Chief Executive, Ian Simm, serves on the IIGCC board; under IIGCC's Policy Programme, members of our Sustainability Centre co-chair working groups on both UK and EU Policy; and as part of IIGCC's Corporate Programme, we participate in the Net Zero Engagement Initiative and Nature Action 100. Over the last 12 months, the main focus of our work with IIGCC has been on how the development of net-zero policy frameworks that provide the confidence and certainty needed to attract private investment. During this time, the IIGCC has published numerous sets of investor expectations and recommendations in this area including: 'calls to action' ahead of the UK General Election and the EU Parliamentary elections, recommendations on developing 'investable' NDCs ahead of COP29 and most recently a set of principles for developing sector decarbonisation roadmaps.
 - **UK Sustainable Investment and Finance Association (UKSIF):** Since 2021, Impax has been represented on UKSIF's Policy Committee by our Global Head of Policy and Advocacy, Chris Dodwell. Over the course of 2024, UKSIF released a set of policy research papers ahead of the UK General Election outlining key recommendations for the incoming UK Government 2024. The reports were aimed at unlocking the private investment needed to decarbonise the UK's three highest emitting sectors - Energy, Housing and Transport - and establishing the UK as the world leader in sustainable finance, set out in the final report on Financial Services.
- **Corporate transition planning:** the core aim of this workstream is to ensure that climate risks and opportunities are integrated into decision making by corporates and financial institutions including through effective implementation of the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations and the development of decision-useful transition plans in line with the IFRS S2 Climate-related Disclosures. Our work in this area focussed on the following groups:

- **Transition Plan Taskforce (TPT):** Impax is a strong supporter of the [Transition Plan Taskforce \(TPT\)](#)'s 'strategic and rounded' approach which recommends that a company's transition plan focuses not only on how to decarbonise its operations and value chain, but also how it will respond to climate-related risks and opportunities and accelerate the transition to a net-zero, climate-resilient economy. In 2023, the co-Head of the Impax Sustainability Centre, Chris Dodwell, co-chaired the working group developing the [TPT Asset Managers Sector Guidance](#), which was published in April 2024. The report provided tailored guidance for asset managers on how to prepare transition plans in line with the TPT's disclosure recommendations and provides links to a treasure trove of relevant third-party guidance. The AM guidance is intended to increase international regulatory alignment by implementing the TCFD, ISSB and CSRD frameworks and crucially incorporates expert inputs on how to start integrating adaptation, just transition and nature into transition plans. In October 2024, ownership of the TPT's disclosure materials was transferred to the IFRS representing a significant milestone in global efforts to harmonise transition plan disclosures and supporting companies around the world in implementing the transition plan-related aspects of IFRS S2 Climate-related Disclosures.
- **Ceres Avoided Emissions project:** During 2023, Impax initiated a project with Ceres on Avoided Emissions. The project involves conducting a landscape analysis of existing methods for calculating avoided emissions, the merits of specific methodologies to specific situations and understanding how avoided emissions may fit into corporate transition plans and investor climate action plans. The final report, [Investing in the Future: Unlocking Value Through Avoided Emissions](#), was issued in 2024, and Ceres recapped its major findings in investor working groups.
- **SMI Asset Owner/Asset Manager Taskforce:** During 2024, Impax Asset Management co-led a project as part of the Sustainable Markets Initiative to share lessons learnt from asset owners on how they allocate capital in the context of climate change. As part of the project, Impax invited Chief Investment Officers (CIOs) from eleven asset owners to discuss their approach to effectively manage climate risks and opportunities in their portfolios and business strategy. Findings from the interviews were amalgamated into a public report, which shares lessons all asset owners and managers can use as they plan their response to climate change. The project also brought together a CIO panel during New York Climate Week to discuss the report's findings and identify common barriers faced across the industry.

1.2 Physical climate risks and adaptation

During 2024, we continued to engage with policy makers and other stakeholders on the need to increase action to manage the physical impacts of climate change, in particular via the following groups:

- **SEC Climate Change Disclosure rule:** as mentioned in last year's submission, we have supported this rule (which would oblige companies to report certain information about climate risks, including emissions, physical risk and financial impacts of climate risks) since its inception. During its development we met with Chair Gensler and Commissioner Lee to discuss what we believed was most important for this rule prior to the proposed rule announcement, especially linked to physical climate risk and related strategic geo-location data disclosures. When the final rule came out in March 2024, the rule did include many of the things we mentioned in our letter, such as reporting on physical climate risks and geo-location disclosure requirements. The final rule cited Impax's letter 24 times.
- **California Air Resources Board:** In 2024, Impax responded to a request for comments from CARB on implementing California's climate disclosure regulations. Impax made a case that such disclosures are useful to investors and emphasised the need for reporting on value at risk from the effects of climate change (physical risk) and what is being done to adapt to those rising risks and for building resilience. Impax also noted that such reporting should apply to a broad range of companies, including important subsidiaries and foreign corporations. Our rationale for that is that any company operating in California might be eligible to participate in California's FAIR insurance plan, the alternative insurance scheme this state (and many others) provide when private insurance costs are rising fast, and many property and casualty insurers abandon the market when their own reinsurance costs become too burdensome.

- **UK Climate Financial Risk Forum (CFRF) Adaptation Working Group:** During 2024, Impax continued to co-chair the Adaptation Working Group (AWG) alongside the Green Finance Institute. In October 2024, the CFRF published the main output of the AWG entitled [Mobilising Adaptation Finance to Build Resilience](#) on which Impax's Chief Strategy Officer, Cath Bremner, was a lead author. The report provided guidance for the industry to assess physical risks they face and to facilitate increased levels of investment into climate adaptation to respond to those risks as an opportunity. To support effective decision making under uncertainty, the report recommended the use of the ABC framework of scenarios: *Aiming for 1.5C, Building and budgeting for 2C and Contingency planning for 2.5C by 2050*. The report also included a set of adaptation finance-focused case studies, a searchable database of hazard data sources and a searchable adaptation taxonomy database.

2. Nature

We believe that the financial sector can play a critical role in addressing environmental degradation by both influencing companies to stop depleting natural resources and by deploying capital into nature-based solutions. During 2024, our advocacy activities in this area focused on the following:

- **Taskforce on Nature-related Financial Disclosures (TNFD):** Impax has been a strong supporter of the TNFD since its inception. Following the launch of the final TNFD Recommendations launched in September 2023, Impax have endorsed them as an early adopter, committing to report on our own nature-related risks by 2026. We believe the recommendations play an essential role in aligning financial flows to a nature positive transition, by providing a risk management and disclosure framework for organisations to report on nature-related dependencies, impacts, risks, and opportunities. Impax continues to engage closely with the TNFD Secretariat through its UK Consultation Group including participating in regular UK asset manager peer to peer sessions to share lessons learned TNFD implementation.
- **Investor Policy Dialogue on Deforestation (IPDD):** Impax is an active member of the IPDD, an investor collaborative initiative that engages with public policymakers and industry associations on the issue of deforestation. We are particularly active in the Consumer Countries working group launched in 2023 which focuses on engagement with public institutions and industry associations in the countries that are the major consumers of commodities linked to deforestation and forest degradation, such as the United States, United Kingdom and the European Union. The working group is particularly focused on legislation requiring end-users of commodities to take action within their supply chains, such as the EU Deforestation Regulation and the UK Environment Act 2021.
- **Finance Sector Deforestation Action (FSDA):** Impax became a founding member of FSDA at its launch at COP26. Signatories to the FSDA have taken steps to reduce forest-risk agricultural commodity-driven deforestation activities at companies in investment portfolios through action to assess exposure to deforestation risk, establish investment policies addressing those risks and deepen engagement with highest risks holdings. As part of our commitments, Impax developed and published our [Approach to Nature, Biodiversity, and Deforestation](#), which sets out in more detail the actions we are undertaking relating to Nature and Biodiversity risk management. .
- **PRI Spring:** Impax was an early signatory to the PRI's new Spring initiative, launched in late 2023. Spring's ambition is to halt and reverse global biodiversity loss by 2030 by addressing the systemic risks of biodiversity loss. Many of the costs of deforestation do not necessarily affect the companies or entities responsible for it, but biodiversity loss can have significant impacts on societies and economies at large, which are under the umbrella of systemic risk. In many places, deforestation is still legal, and it is up to governments, NGOs and private sector enterprises to establish requirements or common expectations for the protection of existing forest biodiversity. Spring aims to engage these organisations to urge goal setting for deforestation, due diligence systems, map risks, report on progress toward no-deforestation goals and to publicly commit to align political engagement activities with the missions of the Global Biodiversity Framework.
- **GFANZ Nature in Transition Planning workstream:** As a member of this workstream, Impax helped develop a consultation paper on voluntary, supplemental guidance on how financial institutions can integrate nature considerations into net-zero transition planning which was published in October 2024 at COP16 in Colombia. Our

comments in response to the consultation suggested that there be additional clarity added to note that not all biodiversity initiatives were completely aligned with climate mitigation, and vice versa.

3. People

Impax continues to explore opportunities to use investor influence to push for positive social change, focussing in 2024 on human capital management and human rights due diligence. In 2024 we established a Social Impact and Engagement working group, which meets quarterly and includes members of our Investment Team and the Sustainability Centre, to improve the coordination of our internal and external activities in this area. A summary of key external activities is set out below:

- **Invest Ahead (formerly Thirty Percent Coalition):** Impax is a founding member of the Invest Ahead (2011) and has chaired the Institutional Investor Committee in the past. Invest Ahead encourages greater diversity on boards of directors and related disclosures at US companies and provides a forum to share ideas, insights and best practices. The multiyear institutional investors' "Adopt a Company" campaign has helped advance diversity on boards and improve board diversity policies and disclosures at public companies.
- **Board diversity, Japan:** Impax has been engaging with Japanese companies regarding gender diversity on Japanese company boards for many years. In 2023, a major step forward came with the announcement by the Japanese prime minister that the boards of all companies listed on the TSE Prime market should have 30% female directors by 2030. Later in 2023, we co-hosted a Diversity roundtable with ACGA in Tokyo to discuss ways of implementing the new requirements which over 70 Japanese companies, investors and regulators attended. During 2024, Nana Li, our Head of Sustainability & Stewardship for Asia-Pacific, contributed her expertise alongside other investors to author a groundbreaking book on gender diversity, with a focus on the Japanese market. Published in December 2024, this pioneering work is the first to address this topic from an investor's perspective, offering invaluable insights and practical strategies to drive positive change across industries.
- **Investors Against Slavery & Trafficking (APAC):** As a member of the IAST-APAC, Impax continues to drive meaningful progress through its active participation in the TSMC Working Group. Through focused dialogue and engagement, we have been collaborating with TSMC on enhancing its human capital management practices, including workforce development, diversity and employee well-being. Our efforts reflect a shared commitment to fostering long-term resilience and value creation within the company and across its industry.

4. Governance

In 2024, our areas of focus under this theme were: best practice on board composition and shareholder rights; executive compensation; and sustainability reporting and assurance. Our policy advocacy activities under the Governance theme were focussed on Asian markets as set out below:

- **Asian Corporate Governance Association (ACGA):** Impax is an active member of the Japan, Korea, India Working Groups and our Head of Sustainability and Stewardship (Asia-Pacific), Nana Li, is the chair of the China Working Group since 2019. In the past 12 months, we co-signed the letter to the Reserve Bank of India and the Financial Services Agency of Japan and participated in various meetings with regulators across Asia to make policy recommendations, focusing on improving corporate governance standards of Asian markets.
- **Capital Efficiency – regulatory consultations in Asia:** During 2024, we submitted consultations responses in Japan, Korea, mainland China and Hong Kong on how to improve the capital efficiency of companies by improving governance standards. Our responses addressed the following issues in particular: dividend policy of companies, the use of idle cash and cross-shareholding in the case of Japanese companies.
- **Shareholder Advisory Council (SAC):** the SAC was set up in early 2024 as a forum for stakeholder engagement by the International Auditing and Assurance Standards Board (IAASB) and the International Code of Ethics for Professional Accountants (IESBA), the two most important accounting standard setters in the world. Impax is one of two investors sitting on the SAC, which meets twice a year to discuss the most recent amendments of these

standards. During 2024, these discussions included proposals to make ISSA 5000 the sole standard for assurance of sustainability information.

- **IFRS Sustainability Reference Group:** The purpose of the Sustainability Reference Group is to provide technical input on research and standard-setting projects. During 2024, two Impax members of staff were appointed to the Group Lisa Beauvilain (Co-Head of the Sustainability Centre) and Nana Li (Head of Sustainability & Stewardship, Asia-Pacific). The first meeting in November 2024 focused on how to make SASB Standards more compatible with ISSB.
- **ISSB adoption – regulatory consultations in Asia:** During 2024, we submitted consultation responses in Malaysia, Singapore, Australia, mainland China, Hong Kong, India, Korea and Japan. Our responses welcomed the adoption of ISSB in different markets and make comments to the local adjustments, for example's China's inclusion of rural development including asking companies to disclose how they are taking steps to promote better wealth distribution in the regions in which they operate.

Regulatory Developments

During 2024, we submitted a number of responses to regulators on proposed regulations relating to sustainable finance. Given electoral cycles in the EU, UK and US, the bulk of our response were focused on Asian jurisdictions, including the following:

- Submitted consultation responses in Malaysia, Singapore, Australia, mainland China, Hong Kong, India, Korea and Japan on ISSB adoption.
- Co-signed letters from the Asian Corporate Governance Association to the Security and Exchanges Board of India (market practices), Reserve Bank of India (climate-related financial risks), and on strategic shareholdings in Japan.
- Contributed to the Roundtable Discussion on Audit Quality and Climate-integrated Audits in Hong Kong organised by the Accounting and Financial Reporting Council (“AFRC”) as one of the six investors invited

We also submitted responses to consultations on international standards for sustainable finance including:

- Net Zero Investment Framework 2.0: In April 2024, we responded to IIGCC’s consultation on the updated NZIF2.0 with particular attention to where nature and deforestation and biodiversity should be included.
- Taskforce on Nature-related Financial Disclosures: In May 2024, we responded to the TNFD’s consultation on its discussion papers on advanced scenario analysis and biodiversity footprinting approaches for financial institutions.

Thought leadership

For many years, Impax has published our perspectives and commentaries in reports, blogs and opinion pieces in order to raise awareness across a broad array of topics linked to sustainability and the transition to a more sustainable economy. Impax collaborates as relevant with expert organisations, academic partners and clients in development of these thought leadership publications.

Examples of thought leadership published in the reporting period in 2024:

[America should be the eagle, not the ostrich, of the clean energy transition \(February 2024\)](#)

With US jobs, leadership and investment returns at stake, we must embrace the transition to a cleaner, more resilient economy

[Electricity networks: the new pipelines of the global economy \(February 2024\)](#)

An expected doubling of the world’s grids by 2050 is creating compelling opportunities for companies with the materials and know-how to create a new backbone for the global energy system

[Investing to address biodiversity loss \(March 2024\)](#)

The scale of exposure to nature-related risks means investors must urgently understand the drivers of biodiversity loss and invest in ways to reduce them.

[Addressing PFAS: Solutions to the forever challenge \(March 2024\)](#)

We believe the urgent need to detect, treat and destroy ‘forever chemicals’ in the world’s water is creating investment opportunities that are broader and more valuable than many appreciate

[Anchoring a more inclusive economy: extending access to finance \(April 2024\)](#)

Digital tools and innovative products are enabling the financial sector to better serve evolving customer demands, especially in emerging markets where vast unmet needs remain

[The green arc of steel’s transition \(May 2024\)](#)

Emerging technologies are poised to reduce the steel industry’s environmental impact, creating compelling investment opportunities in the sector

[Reinsurers: placing an economic price on climate change \(June 2024\)](#)

Rising exposure to climate-related weather events supports growing demand for financial protection

[The dangers of creating an echo chamber for corporate management \(July 2024\)](#)

Three ways in which we believe Exxon’s recent lawsuit against its own investors is mistaken – and unwise

[Lifting the lid on impact bonds: 5 questions for investors \(July 2024\)](#)

In this Q&A, we explore nuances of the asset class and how rigour and expertise can help investors navigate an expanding opportunity set

[AI’s double-edged role in the sustainability revolution \(September 2024\)](#)

How should investors view the trade-offs between AI’s rising consumption of resources and its positive applications? Here we explore AI’s role in enabling climate solutions and how we should approach the challenge of its negative impact on the environment.

[Untangling the intangible asset of workplace culture \(September 2024\)](#)

The Impax Corporate Culture Indicator as a tool for alpha generation

[Seeking Resilience \(September 2024\)](#)

Highlights from Impax’s systematic stewardship on climate change physical risk, highlighting the need for better information on how companies are preparing to cope with a more volatile and dangerous climate future.

[The business case for diversity and inclusion \(October 2024\)](#)

Our annual update on research supporting wider, deeper pools of talent

[Systematic stewardship in action: Gender diversity in Japan \(October 2024\)](#)

A case study in long-term engagement with Japanese companies, regulators and policymakers to improve gender diversity on boards

[Mobilising finance to achieve a more resilient economy \(November 2024\)](#)

Introducing a framework that governments, companies and investors can use to mobilise finance and increase climate resilience

[2025 Outlook: Seizing opportunity amid disruptive change \(December 2024\)](#)

Looking into 2025, we share perspectives from our Listed Equities, Fixed Income and Private Markets teams.

External roles

During 2024, several of Impax’s senior staff held leadership roles or served on the boards of organisations with an objective to promote the transition to a more sustainable and inclusive economy.

- [Ian Simm \(Founder & Chief Executive\)](#) – Member of UK Government’s Net Zero Council and Net Zero Innovation Board; Board member of Institutional Investors Group on Climate Change (IIGCC); Commissioner with the Energy Transitions

Commission; Chair of Confederation of British Industry (CBI) Net-zero Committee; Commissioner with the Severn Estuary Commission

- Lisa Beauvilain (Global Head of Sustainability & Stewardship, Co-Head Impax Sustainability Centre) – Member of the Nominations Board, Kemira Oyj; Member of the “Mainstreaming Transition Finance and Real-economy Transition” work stream, Glasgow Financial Alliance for Net Zero (GFANZ); Member of the Sustainability Reference Group, International Financial Reporting Standards (IFRS); Member of the Human Capital Committee, International Corporate Governance Network (ICGN)
- Chris Dodwell (Global Head of Policy & Advocacy, Co-Head Impax Sustainability Centre) – Co-chair of the IIGCC UK Policy Working Group; Committee member of IIGCC Policy Advisory Group; Co-chair of Investor Policy Dialogue on Deforestation Consumer Countries working group; Steering group member of UK Climate Finance Accelerator; Climate Change Commissioner, London Borough of Hammersmith & Fulham
- Charlie Donovan (Principal Economist) – Adjunct Professor of Business Administration at the Tuck School of Business at Dartmouth College, Affiliate Professor of Practice for Sustainable Finance at the Foster School of Business at the University of Washington; Chairman, UW Climate Risk Lab; Founder and Honorary Fellow, Centre for Climate Finance and Investment, Imperial College London
- Ed Farrington (President of Impax North America) – Member of the Sustainable Advisory Board of the University of New Hampshire
- Julie Gorte, Ph.D. (SVP for Sustainable Investing) – Board chair of the Endangered Species Coalition, Clean Production Action and Sustainable Investments Institute; Board member of E4theFuture, and the Forum for Sustainable and Responsible Investment (US SIF); Member of the PRI’s Sustainable Systems Investment Managers Reference Group and Steering Committee of the Investor Environmental Health Network; serves on the Investment Committee of the Wallace Global Fund
- Darren Johnson, (Global Chief Operating Officer) – Trustee and Board member at St Mungo’s; Investment advisory board of Comic Relief; Co-founder of TalkAboutBlack; CIC board of the Diversity Project; Standing committee for Investment 20/20 (providing school leavers and graduates from non-traditional backgrounds with opportunities in asset management)
- Nana Li (Head of Sustainability & Stewardship, Asia Pacific) – Chair of the China Working Group at Asian Corporate Governance Association (ACGA); Member of the Stakeholder Advisory Council of the International Auditing and Assurance Standards Board (IAASB), the International Ethics Standards Board for Accountants (IESBA), the Financial Capital Committee at the International Corporate Governance Network (ICGN); Member of the ESG Committee at Women in Finance Asia (WiFA) and the Caixin China ESG30 Forum
- Chris Rooney (Head of Advisory Sales, North America) – Member of the Board for New Hampshire Businesses for Social Responsibility
- Leah Wood (Global Head of Marketing & Client Experience) – Member of Ceres President’s Council

Principle 5:

Signatories review their policies, assure their processes and assess the effectiveness of their activities

Impax is a fundamentally driven, active shareholder with a long-term investment horizon. Our objective is to build long-term relationships with our investee companies. The Impax listed companies’ investment process is focused on a comprehensive understanding of the character and quality of our companies, including material environmental, social and governance (ESG) issues as well as areas of potential improvement. We believe it is in the interest of our investors that we engage with our investee companies to minimise risks, protect and enhance shareholder value, promote greater transparency on material sustainability issues, and encourage companies to develop and become more resilient over time. We aim at having a well-

structured and resourced stewardship process that is integrating stewardship effectively, with clear responsibilities in the work of the Sustainability Centre and the investment team, as described below. Impax's stewardship approach is described in more detail in Principle 9.

Stewardship monitoring and reporting

Impax keeps in-house records of all stewardship activities. Company engagements are recorded in Impax's proprietary data and research platform, "Portal", including dates, issues engaged and discussed, name and title of the Impax and investee company representatives, the means of communication with companies, outcomes and next steps. All voting activity is also recorded and archived.

We report on engagement and voting activity at the firm-level annually in our [Stewardship and Advocacy report](#). Client, account and fund/strategy level reporting is available as frequently as quarterly, with the format and detail of reporting based on the preferences of our investors.

We seek to follow best practice when it comes to stewardship reporting and seek feedback from our clients and stakeholders on the format of stewardship reporting they find most useful. In general, we seek to focus on the following in stewardship reporting:

- The roles and responsibilities of stewardship activities
- Setting objectives, especially relating to company engagements
- Stewardship outcomes, rather than merely reporting the statistics of stewardship activities
- Seeking to identify which positive stewardship outcomes were driven in particular by Impax's stewardship efforts
- Providing stewardship examples, which demonstrate these elements

In recent years, we have enhanced our stewardship reporting to include these aspects. In particular, we pay attention to and try to specify where Impax was driving the change in companies, through our engagement efforts. This is not always easy to determine, but we try to get a sense of this from investee companies.

We publicly report on proxy voting on a quarterly and annual basis³. We have extended proxy vote reporting to all "significant votes", with an explanation of the votes cast against or abstain, to reflect the EU Shareholder Rights Directive II reporting requirements. We regularly receive client requests (especially from UK investors) for reporting on "significant votes", following the Pensions and Lifetime Savings Association (PLSA) vote reporting template⁴. This helps investors gather voting data and outcomes in a consistent and comparable format.

Since 2015 Impax has also been annually measuring and reporting on the positive environmental outcomes and impact generated by our investee companies through their products and services⁵. The impact measurement, including the methodologies, data and calculations are externally assured, following the ISAE 3000 limited assurance standard.

Reporting on sustainability, impact and stewardship is becoming increasingly important. The significant increase in sustainable finance reporting requirements, both regulatory, as well as voluntary, led to the establishment of a firmwide working group, the "Sustainability Reporting Strategy & Delivery" working group, some years ago. It is led by the Impax Head of Sustainability Reporting and consists of representatives from compliance, legal, client services, marketing, technology and data architecture, as well as the Sustainability Centre and PE/Infrastructure Team, to effectively coordinate sustainability and stewardship-related reporting work at Impax. We have recently established a new role, Head of Sustainability Reporting, to reflect the importance and magnitude of sustainability reporting today. We seek to continuously enhance both the efficiency and effectiveness of our reporting.

³ [Investment Sustainability & Stewardship - Impax Asset Management](#)

⁴ <https://www.plsa.co.uk/Portals/0/Documents/Policy-Documents/2020/IS-Asset-Managers-Template.pdf>

⁵ <https://impaxam.com/investment-philosophy/impact-reporting/>

Effectiveness of stewardship

Impax periodically assesses the effectiveness of engagements and its stewardship approach. Recently the focus of process improvements, has been on more effectively archiving engagement meetings and outcomes in Impax's engagement database, the Portal, for enhanced prioritisation of follow-up engagements.

We report on engagements and proxy voting activities and outcomes to the Investment Committee and through internal KPIs, as per the SLA described in Principle 2. Where engagement is not progressing, we will use our escalation processes, further described in Principle 11.

We are continuously evolving our engagement assessment and reporting approach to define and measure progress in its many forms.

General principles for effective engagements

***Tailored preparation:** know your company – its specific business model, geographic context, risk and opportunity exposures in its operations and value chain, maturity, recent achievements and challenges.*

***Setting clear objectives:** set clear step-by-step objectives to be achieved and approximate timelines (achieving positive outcomes typically takes longer than expected).*

***Clear business case:** why does the engagement topic matter and where needed provide academic and other empirical evidence of the "commercial imperative" or business case for why the engagement objectives makes sense for the firm.*

***Outcome focus:** strive for concrete changes and improvements, as set-out in the initial objectives.*

***Right tone:** clearly acknowledge progress achieved and look to next steps as opportunities for further improvements.*

***Learning curve:** work with step-by-step improvement models, starting with the more basic and fundamental issues and moving towards more demanding areas and all the way to best practices – track performance versus objectives set over time.*

***Constructive dialogue:** be a partner or "critical friend", offer ideas, information, education and solutions observed in the marketplace (peer companies, who are doing this well, how can it be done cost-effectively).*

***Follow-up process:** send follow-up materials promptly and calendarise follow-up meetings with appropriate time intervals.*

***Escalation:** if progress stalls, seek escalation; attempt to meet alternative executives at the company, alternative venues (e.g. conferences), collaborative interventions (shareholders, organisations, platforms), filing or co-filing shareholder resolutions.*

***Reporting:** clearly highlighting the link between objectives and outcomes, seeking clarity regarding engagements where positive outcomes were achieved mainly due to own interventions, not happening anyway or due to other shareholders' engagements (avoid potential outcome double-counting or simple "status updating").*

Impax firmwide policies

Impax' policies are reviewed and periodically updated and are maintained in a centralized repository available to all staff. The policy library is maintained by the global compliance team and assigned to owners throughout the business, as applicable. All Impax policies follow a standard format and review process.

There is a *Sustainability Policy Committee (SPC)*, whose role is to oversee, review and where applicable approve Impax's listed investment ESG, sustainability and stewardship-related policies and positions. Its members include representatives from the investment, sustainability, compliance, marketing and legal teams. It convenes as required and has established a Terms of Reference.

Impax's stewardship related policies are periodically reviewed by Impax's compliance team.

Impax's stewardship policy documents and outcome reports:

Global listed equities ESG, engagement and proxy voting policies:

[Investment Sustainability & Stewardship - Impax Asset Management](#)

Impax ESG policy:

[impax-esg-policy.pdf](#)

Impax Stewardship policy:

[impax-stewardship-policy.pdf](#)

Impax Proxy Voting Guidelines:

[Proxy Voting Guidelines](#)

Proxy voting activities and outcomes reporting:

Proxy Voting Activity - Significant Votes 2024:

[proxy-voting-activity-significant-votes-2024.pdf](#) [summary-voting-statistics-2024-q4.pdf](#)

Engagement activities and outcome reporting 2024:

[Advocacy & Outreach - Impax Asset Management stewardship-and-advocacy-report-us-2024.pdf](#)

Impact reporting

Impact Report 2024:

[Impact Report 2024 - Impax Asset Management](#)

Internal audit of ESG and sustainability processes

Impax has internal monitoring processes in place. In 2022, the Impax ESG and sustainability processes were reviewed by an internal audit process, a service which was outsourced to a third party, Grant Thornton. The scope of the internal audit focused on the governance and oversight of processes linked to Impax's ESG analysis and sustainability functions. The Audit Report noted a rating of "satisfactory" (highest possible rating), meaning *"the internal controls within the area under review adequately mitigate the key risks to the organisation, or where control weaknesses have been identified these only relate to minor risks to the organisation"*. The audit report included positive comments on the ESG analysis processes on the Impax's proprietary platform "Portal". Immaterial improvement points were noted under 3 headings, which have since been addressed.

Impax's UK-based listed equities operations, including the thematic universe maintenance process, proxy voting activities and more recently the ESG evaluation process are audited on the ISAE 3402 certification (International Standards for Assurance Engagement). It has received full certification every year since the fiscal year ending 30 September 2012.

Principle 6:

Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them

Impax is one of the largest and longest established investors dedicated to investing in the transition to a more sustainable economy. We manage assets for some of the world's largest asset owners. We are committed to outstanding levels of client service with comprehensive and transparent reporting.

Impax provides investment management and advisory services to a range of client types. This includes Impax's own funds (UCITS, US Mutual Funds, UK Investment Company and LPs), sub-advised third party funds distributed by partners as well as managed segregated accounts for institutional clients such as pension funds, endowments and sovereign wealth funds.

Account Type	Total AUM £m as of 31 December 2024
Pooled Vehicles	£ 29,559.32
Separate Accounts	£ 4,549.05
Total	£ 34,108.37

Impax's client base is dominated by EMEA, North America and UK/Ireland which mirrors the location of the investment research and distribution teams in London, Dublin and the United States. However, it should be noted that sub-advised pooled funds contracted via Luxembourg are also distributed within the Asia-Pacific region via distribution partnerships.

Region of Domicile	Total AUM £m as of 31 December 2024
EMEA	£ 15,734.95
North America	£ 9,878.41
UK	£ 7,389.80
Asia Pacific	£ 1,105.20
Total	£ 34,108.37

Clients are invested in listed equities (active), listed equities (systematic), fixed income strategies and private markets. The thematic equity strategies are the largest group and are based on the Impax Environmental Markets Taxonomy which was launched in 2002. This product group invests in companies delivering environmental products and services and offers clients the opportunity to allocate to positive environmental solutions. The second largest group of strategies are the Active Core Equity strategies (including Global Opportunities and US Small/Large cap equity strategies) which deploy the Impax Sustainability Lens. The Lens applies Impax's belief in the Transition to a more Sustainable Economy to the broader listed equities market. This enables clients to access core equity strategies in line with their sustainability preferences in core equity portfolios as well as in satellite allocations.

Impax's AUM per type of strategies and asset classes as at 31 December 2024:

Asset Class	Total AUM £m as of 31 December 2024	% of AUM
Core Equity		
Active	£10,853.81	31.8%
Systematic	£1,246.31	3.7%
Thematic Equity	£19,918.60	58.4%
Fixed Income	£1,477.12	4.3%
Private Markets	£601.44	1.8%
Other*	£11.09	0.0%
	£34,108.37	100.0%

*Includes 40% cash residual of Sustainable Allocation Fund, which is a fund of Impax funds.

The Thematic Equities and Sustainability Lens strategies represent the majority of Impax's AUM (95% as of 31 March 2025). These strategies are invested in companies globally, with a primary focus on North America, Europe and Asia. Investors in these strategies are predominantly institutional, based in North America, Europe and Asia Pacific. The systematic strategies and fixed income are invested globally in companies and issuers, with investors primarily intermediaries, based in the North America. Finally, the Private Markets investments are renewable energy infrastructure investments primarily in Europe, with a predominantly European institutional investor base.

Impax is also in the process of further expanding its capabilities within fixed income and will be well positioned to report on progress in next year's reporting cycle, covering 2025.

Impax's distribution model

Impax has a distribution team focused on professional investors in our home markets. Outside of these regions we have developed a partnership model for those looking to subcontract environmental and sustainability expertise within their own broader product range.



Products mentioned on this slide are distribution vehicles made up of different fund offerings. Investment offerings may not be available or suitable for investors in all regions. ¹Impax Funds are distributed by Foreside Financial Services, LLC. Foreside Financial Services, LLC is not affiliated with Impax Asset Management, Inc. or Impax Asset Management, LLC.

Client Service

Impax has a dedicated Client Service team to ensure that clients receive relevant investment information in a timely manner, and is supported by Impax's broader Marketing, Portfolio Services, and Compliance teams to provide day-to-day support and regular qualitative and quantitative reporting.

Partnership approach

Impax believes that adopting a partnership approach with its clients leads to stronger relationships and better outcomes for both parties. Partnership activity can cover a broad range of collaborations and draws upon the expertise from across Impax's diverse teams.

Examples of partnership services offered to clients:

- Providing important, emerging portfolio insights of opportunities and risks, including climate change
- Collaborative engagements projects and proxy voting
- Joint policy advocacy collaboration
- Dedicated client driven research projects
- Topical briefs on sustainability trends, engagement and stewardship norms/best practices, and sustainability-related governmental policies and regulations
- Insights into Impax's ESG research and sustainability themes
- Sharing insights into Physical Climate Risk models
- Educational presentations to key stakeholders of our clients, such as Trustees, Sustainability Teams/Committees, Boards of Directors or End Investors

- Other thought leadership
- Access to in-house experts/thought leaders to discuss topics listed above.

Client reporting

- **Standard Reporting:** Clients typically receive monthly updates on the performance and characteristics of their portfolio. On a quarterly basis, a more detailed Quarterly Investment Report is provided which includes a firm update, portfolio manager commentary, policy and advocacy news and additional portfolio metrics. Clients also have access to Impax's impact, engagement and ESG reports, topical white papers, newsletters and blogs, providing further insight into the Impax's investment thesis and areas of research.
- **Sustainability Reporting:**
 - *Impact:*
 - On an annual basis, clients receive both our [firm level Impact report](#), as well as a bespoke, account specific Sustainability Report which provides a comprehensive overview of the Impact and Engagement outcomes for their portfolio. This report enables more detailed discussions on the drivers of changes in impact metrics over the past year to enable deeper understanding of activities undertaken by investee companies towards GHG avoidance, water saved/treated/reused, waste recovered/recycled, renewable energy generated, etc. In 2024 for our 2023 year-end client reports, we enhanced client reporting by adding detail of portfolio alignment to Net Zero in-line with our commitment to the Net Zero Asset Managers alliance. Many clients use UN Sustainable Development Goal alignment as a proxy for positive impact. Impax has therefore mapped active equity strategies to this third-party framework to enable clients to review their portfolio / fund(s)/ within their broader portfolio of funds and investments.
 - *Stewardship:*
 - *Engagement & Proxy Voting:* We report engagement and voting activity to segregated accounts typically either quarterly or semi-annually, depending on client needs. Impax publishes an annual [Stewardship & Advocacy report](#) setting out the strategic initiatives of focus for the year as well as outcomes. Since 2020 this report has included updates on our policy advocacy programme which has focused on climate and biodiversity with the environmental space and pay equity and E,D&I within the social space. We also publish the proxy voting outcomes for pooled funds [on our website](#).
 - *Policy and Advocacy reporting:* As specialist investors in the transition to a sustainable economy, making our voices heard with policymakers has been an important part of Impax's work for decades. We believe it is crucial for investors to participate more closely in public policy design in order to accelerate this transition, including by reducing emissions and protecting natural resources. Our team is regularly consulted on the design and implementation of public policy. We strive to influence policy outcomes that support the growth of markets in solutions to environmental and social challenges. Through such advocacy, we can both maximize the effectiveness of policies and identify future investment opportunities. Our Firm level [Stewardship & Advocacy report](#) outlines Impax's global stewardship work, including engagement, proxy voting and policy advocacy activities and the impact of our work. In addition to the above, Impax works collaboratively with our peers to support the expansion of sustainable finance, our current memberships are listed [here](#).

We seek feedback from our clients and stakeholders regarding the format of stewardship reporting they find most useful. Clients consistently appreciate our product-level sustainability reports, which provide only data which is reflective of their investment with the firm, and synthesize the relevant information from each of our corporate reports (Impact, Stewardship & Advocacy and Climate report). Our last client survey was conducted in 2023, results of which were included in our 2024 UK stewardship code submission. We plan to do another survey within the next 12 – 18 months.

Collaborating with clients on Stewardship and Advocacy

Impax fosters partnerships with clients through regular engagement. This can take several forms:

- Presentations on topical subjects from members of Impax's Sustainability Centre during regularly scheduled due diligence meetings can spur conversation on specific client interests and result in further collaboration on topics of mutual interest. Recent examples include deep dives on best practices for engagement in Asia and how Human Rights are considered in ESG analysis.

- The Sustainability Centre has resources that are dedicated to responding to inbound inquiries from clients on topics they are focused on or interested in. Client inquiries span a large number of sustainability-related topics and can be detailed or very broad. Typically, email inquiries precede or are followed by meetings which deep dive into a particular topic of our clients' interest.
- Impax regularly hosts and sponsors/speaks at sustainability events and forums. Impax is often invited as a subject matter expert through its vast network of member organisations including speaker invitations including:
 - In February 2024 Lisa Beauvilain, Global Head of Sustainability & Stewardship, Co-Head Sustainability Centre, joined Tell Media for their hosted roundtable in Stockholm to discuss the current state and future direction of ESG and sustainable investing. Following the roundtable, Tell Media published a report on the conversation with Lisa and select Nordic investors.
 - Impax Asset Management sponsored the annual Phenix Capital Impact Summit in Europe, hosted in Amsterdam. A highly curated institutional investor conference that brings together thought leaders and practitioners in the impact investing space each year, with the aim to catalyse private institutional capital to support the financing of the UN Sustainable Development Goals. Amber Fairbanks, Portfolio Manager, led our Investor Connect sessions on the topic of social impact.
 - In April 2024, Chris Dodwell was invited to join The Bloomberg Sustainable Business Summit in London. Chris's panel focused on Navigating the Politicization of ESG where they explored the implications of the ESG culture wars and how these sentiments are shifting business strategies and policy priorities.
 - The UKSIF Conference 2024 took place in May and Shahbano Soomro, Deputy Head of Policy and Advocacy, was a panellist on the topic of sustainable food systems and the inefficiencies within our global food systems and how investors can play a pivotal role in reshaping the global food system towards sustainability.
 - During London Climate Action Week in June, Ian Simm, Chief Executive, was invited to join the IIGCC policy advocacy workshop to present case studies on our engagement efforts with policymakers on net zero related issues.
 - During New York Climate Week, Ian Simm joined Sustainable Markets initiative to discuss how climate has changed and how we are investing in the sustainable economy. During this conversation, Ian delved into what has worked and what has not when integrating climate risks and opportunities into investment decisions. By increasing awareness of the practical challenges which asset owners face, the panel will explore the solutions needed to scale up investment into a more sustainable global economy
 - In October 2024, Charlie Donovan, Principal Economist, was invited to participate in the UNPRI Sustainable Finance Policy Conference in Canada. Charlie's session was on the topic of "The place of regulation - best practices and challenges of policymaking in a global market".
- Impax also has experience partnering with clients and asset owners to co-author research or collaboratively engage on topics of mutual interest:
 - Impax has collaborated with Swedish public pension fund AP7 since 2018 to investigate how best to assess, measure and report on water impact. Together, Impax and AP7 have engaged with leading water companies and water organisations to identify existing gaps, to create case studies of water companies and water value chain experts. We also regularly co-author articles on material sustainability topics, including a March 2024 article on solutions to the systemic risks posed by 'forever chemicals': [Addressing PFAS: Solutions to the forever challenge - Impax Asset Management](#)
 - Impax has engaged with Japanese companies regarding gender diversity for many years to address persistently low levels of gender diversity, most recently in partnership with the Asian Corporate Governance Association (ACGA). Our engagement and progress is explained in this Insights blog from October 2024: [Systematic stewardship in action: Gender diversity in Japan - Impax Asset Management](#)
 - Impax collaborates with clients on stewardship, including company engagements. An on-going engagement collaboration is with Canadian NEI Investments, with a current focus on Nature and Net Zero as engagement themes.

Principle 7:

Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities.

All of Impax's assets under management across all asset classes and geographies integrate ESG analysis and stewardship as an important part of the investment process. This section will describe what ESG and stewardship entails for the various asset classes.

Impax has c. 80 investment team members globally and the Sustainability Centre (SC) has 17 members specialised in sustainability research, ESG analysis, stewardship and policy research and advocacy, working across the four pillars of the Sustainability Centre.

At Impax, the lead investment analysts are responsible for financial and ESG analysis, as well as the related engagements of the investee companies under their coverage, for the active listed investments. The Sustainability Centre team is responsible for the oversight and providing peer-reviewing and scoring of the ESG analysis, coordination of focus areas of engagement and continuous further development of the ESG, sustainability and stewardship approaches and methodologies.

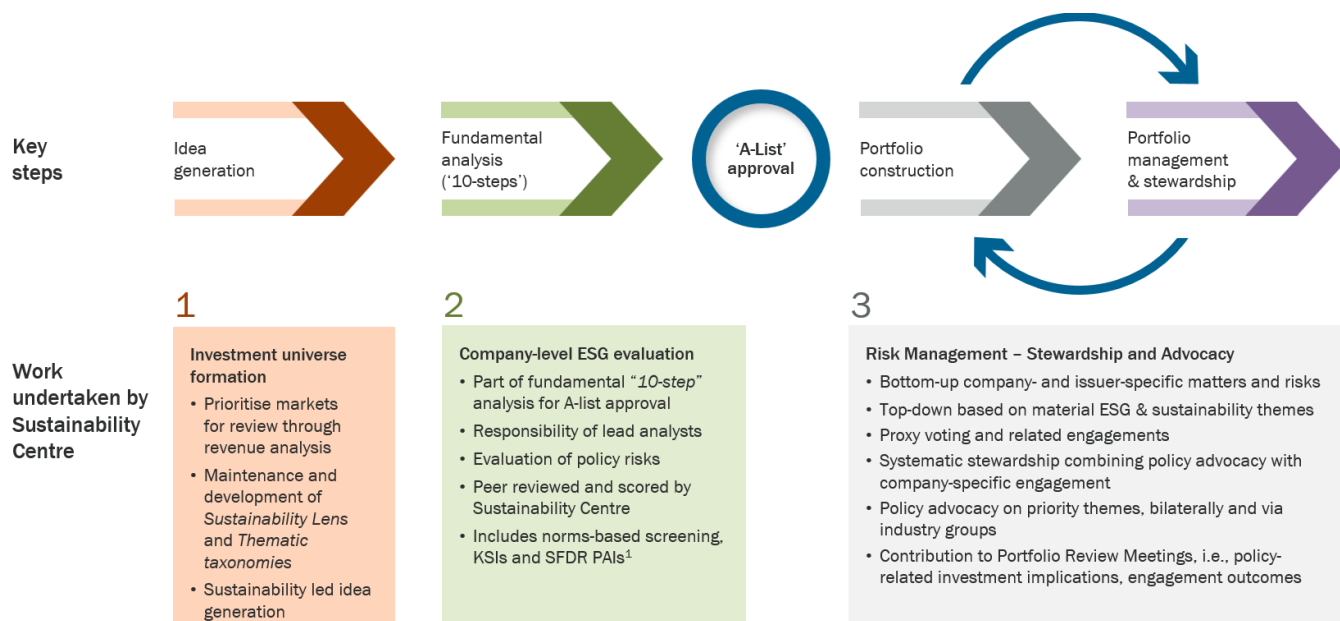
Impax uses external research and service providers as an input in the ESG analysis of listed investments but has developed a fundamental, proprietary methodology for analysing and scoring companies on ESG quality and does not rely on external research for ESG scores or ratings in our actively managed listed investments. However, external ratings are used as inputs in some of our systematic equity strategies.

As described in Principle 2, there is an on-going exchange of ESG-related information and insights from the Sustainability Centre (SC) to the investment team relating to ESG or stewardship developments. There are standing agenda items for ESG-analysis, engagement and policy developments at the investment team meetings and the Investment Committee meetings. In addition, the SC provides on-going sustainability training, including regular training as well as ad hoc training with the investment team and the broader firm, when new methodologies or approaches are being introduced.

In 2024, the new areas of work for which training sessions were organised were especially related to ESG and engagement related to Fixed Income. Impax developed a new "Fixed Income Sustainability Framework" in 2024, described in more detail later in this section, as well as an eight-module internal sustainability training program, covering areas such as company-level ESG-analysis, stewardship, policy advocacy, Net Zero and impact measurement. These training modules are available for all staff as recorded training modules on the Impax training and development platform.

The Sustainability Centre has as part of its "Thought-leadership" pillar, as objective to continuously develop a sustainability training and development programme at Impax. Additionally, the Impax Human Resources team offers training and development programs linked to sustainability, especially as part of the induction program of new employees.

Impax's sustainable investment approach – Listed Equities



1. Prioritising markets for review and investment

Impax's investments and strategies are aligned to the transition to a more sustainable global economy. Activities with lower sustainability risks and higher opportunities are set to benefit from a transition to a more sustainable, low-carbon economy and are well positioned for the long-term. The Sustainability Lens is Impax's proprietary tool to identify the areas and activities of the economy with higher and lower risks in the short and longer term and also to identify investment opportunities created by unmet societal needs. Impax prioritises activities and sub-sectors that have higher opportunities and lower risks, for our "Core Sustainability Lens" based strategies, which are strategies with broader, more unconstrained sector exposure.

In the reporting period, in 2024, specific topics analysed through the Lens, in addition to the quarterly *Sector Expert Reviews* of the main GICS sectors groups, on a rotational basis, the Impax Lens Committee reviewed for instance the impact of the increased geopolitical tensions on various sectors and the impact of GLP-1s on many consumer sectors. Additionally, we have undertaken a 10-year review of the Impax Sustainability Lens, the methodologies and the processes for potential enhancements. Small working groups will present their findings to the Impax Lens Committee (ILC). The ILC, led by the Impax's Sector Experts and the "Lens Scoring Committee", will propose potential changes to Lens scores that the ILC can approve.

Impax has a number of thematic environmental investment strategies, based on Impax's proprietary thematic environmental and social taxonomies or universes. These taxonomies and universes underpin Impax's thematic investment strategies, which represent the majority of Impax's assets under management. Impax has been investing in the environmental markets for more than 20 years.

Impax's proprietary tools for prioritising markets for investment:

Identifying sustainability transition-aligned opportunities



As part of our investment process, we develop and maintain large databases of our thematic investment universes, for example, the *Impax Environmental Markets Taxonomy* currently represents c. 2,500 companies. The companies in the universe must have at least 20% or 50% of revenues (or other business activity indicator) from six categories of environmental solutions, in order to be included in the universe. We review and update the percentage of revenue derived from the environmental or climate solutions and activities for each company on an annual basis. This process ensures that our investee companies are and continue to be part of the economy and sectors providing environmental and climate solutions and to further develop and expand our environmental investment universe.

More recently, Impax has developed a new Social solutions classification system or taxonomy. It includes companies that generate 20% or more of their underlying revenue by providing products and services to improve quality of life, to broaden economic participation and to meet basic needs.

2. Fundamental ESG analysis at the company level

After having identified and prioritised markets and activities for review, either within broader sustainable markets or thematic environmental or social markets, the next step is fundamental analysis at the company level, including ESG analysis. It is an integral part of the Impax investment process. The analysis enables a deeper and broader understanding of our companies, their corporate structures, oversight mechanisms, risk management capabilities, processes and transparency. We seek to understand the character of the companies through our proprietary ESG methodology. The insights from the ESG analysis are also utilised to establish the priorities for engagement with our companies.

Integrating ESG analysis into the investment process – across asset classes and strategies

Actively Managed Listed Equities: All companies must meet financial and ESG criteria before entering the Impax universe of investable companies. The investment team members are responsible for integrating ESG analysis into the investment process.

- 1. Norms-based screening.** Compliance with international standards and norms is an investment requirement. Global standards screening assesses the extent to which a company causes, contributes or is linked to violations of international norms and standards. This assessment covers the UN's Global Compact Principles (including human rights, labour rights, environment, and anti-corruption), as well as the OECD Guidelines for Multinational Enterprises, the International Labour Organization's (ILO) Conventions and the UN Guiding Principles on Business and Human Rights (UNGPs). Controversial weapons are outlawed in multiple jurisdictions and international treaties. Impax seeks to exclude companies with involvement in controversial weapons from investment. We source information about company compliance with international standards and norms and involvement in related controversies from external ESG research providers. If Impax determines a company is not compliant with international standards and norms, it will be excluded from investable

universe. Where a company is flagged for potential breaches, Impax will monitor and seek to engage, as appropriate. We also generally seek to review our company universe for compliance with international sanctions, as applicable.

2. **Proprietary ESG analysis.** We conduct a detailed, proprietary ESG analysis of new companies and issuers considered for the investable universe and review the ESG analysis on a periodic basis. Impax considers five main pillars within its ESG analysis:
- **Governance:** We analyse companies' governance structures, taking into account common and best practice in the areas of board structure, compensation, shareholder rights, internal controls and governance of sustainability.
 - **Material Environmental, Social, and Other Risks:** We analyse companies' and issuers' environmental and social policies, processes and disclosures, identifying the most material risks. Materiality is defined as the sustainability issues or risks that may most materially disrupt a company's operations through financial, physical, or reputational loss or disruption. These risks can include: Resource use and dependencies, biodiversity risks, waste and pollution externalities, health and safety, supply chain complexities, product liabilities including cyber risks and data privacy and bribery & corruption. We seek investments in companies or issuers that have addressed the material risks with robust policies, processes, management systems and incentives that are scaled appropriately to the importance of the risk.
 - **Climate Change:** Climate change is a systemic issue for all companies and this pillar assesses the preparedness, management, target-setting, performance and disclosures by companies in terms of both climate transition risks (and Net Zero alignment) and physical climate risks.
 - **Human Capital Management and E, D&I:** Human capital and E, D&I are systemic and critical issues for all companies. This pillar assesses the management, target-setting, performance and disclosures by companies for aspects of diversity in leadership (gender, racial/ethnic diversity in board and management teams), workplace equity (hiring/retention efforts, goals, targets, disclosures), and human capital (talent pipeline, compensation/benefits and employee engagement).
 - **Controversies:** This includes analysis of companies' past and ongoing controversies, seeking strong processes and management systems to address and avoid any repeat events. Analysis includes types of controversies or incidents (repeats, reputational, financial, operational), severity (widespread, systematic, isolated incident), and timeframe and status of issues (ongoing, closed, company has responded or addressed).

The insights and outputs from the evaluations and the ESG scoring include an understanding of the companies' character, quality and resilience, their trajectory of progress, engagement priorities and investment and portfolio implications.

For the analysis, company disclosures and reports are assessed and we use external ESG research as input and support in the analysis. The ESG analysis is the responsibility of the lead analysts and the Impax Sustainability Centre provides coordination, guidance, but also a peer review of all the evaluations, which includes confirming the overall ESG scores for the companies. Companies that do not have adequate levels of quality and resilience in their corporate governance structures, risk management approaches and transparency, are not eligible for investment.

As part of our analysis of new companies and their potential introduction to our investable universe, the "A-list", a detailed "10-step analysis" is conducted, which includes financial and operative analysis, the proprietary ESG analysis described above, but also an Impax **Key Sustainability Indicator (KSI) dashboard**, which provides an overview of a range of key internal sustainability, ESG and impact-related datapoints at the company level. KSIs complement the fundamental ESG analysis with metric-level evidence and information of investee companies' sustainability characteristics. KSIs include sustainability data points related to thematic and sustainability revenue exposures, positive impact metrics and SDG alignment, norms-based screening, climate and social metrics, as well as SFDR Principal Adverse Impact (PAI) indicators. The sustainability data collated into the dashboard supports investment decision-making, target setting for stewardship activities and monitoring of companies' progress.

As part of the fundamental ESG evaluation process, Impax monitors companies' performance on the **SFDR PAI** indicators, especially for those strategies subject to SFDR, using the KSI dashboard. Materiality and substantive underperformance on PAI indicators relative to respective sector averages are flagged in the "Portal", Impax's research and data platform.

Systematic strategies: We have developed two proprietary rating frameworks that employ a quantitative approach to ESG assessment. These frameworks are incorporated into portfolios that use quantitative optimization tools to manage risks relative to market benchmarks and target desired tilts in characteristics. These tilts involve integration of ESG ratings systematically alongside financial factors in portfolio construction through optimization.

1. **Impax Gender Score:** The Gender Score is a proprietary framework of gender leadership factors used to determine the constituents and weights of a global investment strategy designed to capture investment returns associated with gender diversity and women's leadership.
2. **Impax Systematic ESG Rating:** The Systematic ESG Rating is a proprietary, relative ranking framework designed to capture information regarding a company's management and performance related to material ESG issues. The framework is used to determine the constituents and weights in systematic portfolios.

Additionally, in order to manage and mitigate climate risks, all of our listed investment strategies have adopted a consistent [Fossil Fuel Policy - Impax Asset Management \(impaxam.com\)](#)

Managing climate risks

Climate risks are systemic risks for all companies, hence both transition and physical climate risks are assessed for companies as part of our proprietary ESG analysis. We assess companies' climate governance, policies, processes, strategies, incentives and target-setting to manage climate transition risks and GHG reduction in the real economy. We classify all our owned active listed companies into "aligned", "aligning" or "non-aligned" to Net Zero.

Physical climate risks are identified at the project level for assets within the Private Markets division and are considered as part of the site-specific design plans prior to commencing construction on all projects.

We are actively engaging with our investee companies on both transition and physical climate risks, a thematic focus area of our engagements, discussed in more detail in Principle 10.

Impax has published its first Impax Climate Report in 2024, aligning with both the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the recommendations of the Transition Plan Taskforce (TPT). Impax remains fully committed to our targets⁶ for the [Net Zero Asset Managers' initiative \(NZAM\)](#), for which engagement and proxy voting will be important elements for achieving the targets set.

3. Stewardship – engagement and proxy voting

Engagement process for listed equities

We view engagement as an important part of the investment process for listed equities. We engage with companies when we have identified specific ESG issues or concerns, when we require further information regarding an ESG aspect (that is not publicly disclosed) and/or to encourage improvement in companies' material sustainability policies, processes and disclosures. Companies' responses to engagements can also be highly informative of company character. Impax regularly collaborates with other investors and partners on engagements. Each year we also prioritise companies for engagement on critical top-down priority themes.

We engage with company management teams as part of regular meetings, through additional conference calls, or as part of other communications with the broader investment community. We may also file shareholder proposals to support these efforts. Increasingly, expert organisations also drive and coordinate investors' engagements on important issues and Impax takes part in these.

⁶ Aim for 100% of committed AUM being climate resilient and within the categories "transition aligned" or "transition aligning" related to climate management and processes by 2030.

We maintain an engagement database where engagement issues, objectives, actions, dates and outcomes are detailed. We review the status of our engagement dialogues regularly and follow up with companies or issuers as appropriate. Engagement is a process that often extends over years: as a long-term partner, Impax encourages companies to adopt best practices, improve disclosures and transparency, which improves overall corporate resiliency over time. The engagement dialogues often continue over years, with topics evolving as companies develop their sustainability processes and disclosures over time.

In cases where engagements are not progressing as anticipated, we will utilise our escalation policy, which includes seeking meetings with alternative contacts at investee companies, including board directors, seeking engagement together with other shareholders, combining policy advocacy with company engagement in so called “systematic engagements” and filing or co-filing shareholder resolutions.

The [Impax Stewardship policy](#) is disclosed on our website and every year we publish our [Stewardship and Advocacy Report](#). Impax’s engagement approach is described in more detail in Principle 9.

Proxy voting as part of the listed equities investment process

Proxy voting is a key component in the ongoing dialogue with the public companies in which we invest. Through implementation of our voting policy, we aim to enhance the long-term value of our shareholdings, foster corporate governance best practices and promote sustainability, accountability and transparency.

Impax’s proxy voting is predominantly related to governance issues such as the election of directors, board structures and management remuneration, but we also express our views on diversity, climate and sustainability management and reporting, through the vote of management and shareholder resolutions. We also maintain dialogue with investee companies throughout the year and frequently engage on proposed governance structures ahead of voting at an Annual General Meeting (AGM) or soon after. Proxy voting is an important driver of our engagements with our investee companies.

Impax has centralised its proxy voting. It is coordinated, researched and executed by members of the Sustainability Centre, for consistency of voting decisions, which are primarily informed by our [Proxy Voting Guidelines](#). However, resolutions that are of non-procedural financial or transactional nature, such as resolutions around capital structure, share issuance or M&A, but also of more contested or controversial nature, will be discussed and agreed with the company’s lead analyst.

This topic will be discussed in more detail in Principle 12.

Impax’s sustainable investment approach - Private Markets⁷:

Impax is one of the longest established fund managers in the energy transition sector. Impax follows an industrially focused value-add strategy, investing in renewable power generation and related assets.

The PE/Infrastructure team has a dedicated Head of Sustainability, who is also Head of Asset Management, ensuring comprehensive integration and monitoring of the ESG policy. The Head of Sustainability is an ESG Observer on the PE/Infrastructure Investment Committee, responsible for ensuring that investment decisions comply with the ESG policy and other relevant rules and regulations relating to ESG topics.

There is a PE/Infrastructure ESG sub-committee which convenes periodically to discuss relevant topics and is responsible for governing the ESG policy. The ESG sub-committee has representatives from the PE/Infrastructure team (Commercial, Technical and the Head of the Team), Compliance, Legal and the Sustainability Centre.

Beyond complying with the applicable laws and regulations in the relevant jurisdiction of the investment, the assessment and mitigation of ESG risks are an integral and necessary consideration during the due diligence process prior to the acquisition of each investment. Material risks are analysed under the following pillars; governance; E,D&I and human capital management; material environmental, social and other risks; and climate and presented to the Investment Committee. In addition, how the investment contributes to the sustainable investment objective and the principal adverse indicators (PAIs) are evaluated.

⁷ <https://impaxam.com/assets/pdfs/strategies/impax-new-energy-strategy-esg-policy-2023.pdf?pw=3014>

Breaches within any ESG parameters would prevent Impax from undertaking an investment and the Investment Committee must review all potential investments on these ESG parameters. The key risks and positive environmental and social opportunities identified by the ESG analysis described above are used to form the ESG strategy for the investment and good governance structures and company level policies and procedures are implemented as part of the transaction structuring process. This is possible as all investments are structured with control rights. Data is collected annually to assess the investments performance against the PAIs.

In 2024, Impax changed methodology for reporting GHG emissions. As such, we engaged with our supplier to get more in-depth information from our supply chains, particularly for components used during the construction phase, which is the most emissions-intensive stage in our investments. GHG emissions increased due to the change in methodology, which resulted in a material increase in scope 3 emissions.

Engagement process for private markets

Engagement with investee companies

Investments held by the Private Markets Funds are typically through majority stakes, but always with control rights. Impax takes an active role in managing all investments and having board representation. The team is responsible for identifying and then managing ESG-matters post-acquisition including:

- Effective control rights and alignment of interests,
- Establishing or developing existing policies and procedures in line with Impax's standards including HR, anti-bribery and corruption and vendor management, and
- Setting up communication and (financial, ESG and technical) reporting functions.

Business plans are agreed as part of the acquisition process and are updated annually. Key performance indicators (KPIs) are regularly reported, which are reviewed by Impax and the Board of Directors or Supervisory Board of all platform investments. We have regular communication via email, telephone and virtual and in person meetings with the local teams.

An example of this has been Impax's continued engagement with its investee companies and their suppliers to enhance the traceability of their supply chains, especially for solar equipment, where labour practices in supply chains are complex.

Engagement with external stakeholders

The Impax PE/Infrastructure team also engages with external stakeholders as follows:

- Engagement with local experts in order to understand issues relating to project design, and authorities and local stakeholders during approval process necessary to achieve approval.
- Direct engagement with suppliers, project finance providers and off takers for investee companies.
- Local stakeholder engagement including:
 - Engagement with local communities during development, construction and operation phases of the project development; and
 - Subcontracting work to local counterparties where appropriate.

Impax and investee companies' team members actively engage with local stakeholders during the permitting process for renewable energy projects we build. This engagement continues throughout the construction and operational phases of the projects. An example of this is where the teams involved in the development of solar parks in Ireland continue to communicate with and work alongside the landowners of the projects once they are in construction. The land for one of the solar farms was used for sheep to graze, prior to commencing construction. Safety measures such as protective fences surrounding electrical cables and voltage, to mitigate hazardous potential differences caused by faults or stray currents from the nearby substation, were installed to ensure that the sheep can safely return to the land once the project is in

operation. The team also liaised with the grid operator to find an appropriate solution for the risks caused by a nearby substation.

Impax sustainable investment approach – Fixed Income

Over the last year, Impax has been developing a new and proprietary sustainability framework for Fixed Income. It has four key components⁸:

1. Screening (norms, activities)

These screens include adherence to global norms, as for equities, as well as business activities such as controversial weapons, tobacco, oil & gas exploration and coal mining. These are monitored with the help of third-party data and internal screening, checks and controls.

2. Fixed Income Sustainability Tier System (sector-level)

Impax uses a proprietary Fixed Income Sustainability Tier System. This classification system uses proprietary inputs, including the Impax Sustainability Lens, to help categorise each fixed income sector (activity) into one of five tiers based on alignment with the transition to a more sustainable economy (TSE), with a focus on sustainability risks.

3. Fixed Income ESG Analysis (issuer-level)

Impax has developed a proprietary Fixed Income analytical methodology to identify environmental, social and governance issues that have the potential to affect credit quality, with an emphasis on risk management. The key sustainability indicators (KSIs) and scoring framework used in this research and analysis are important components of Impax's proprietary and repeatable fixed income investment process.

4. Stewardship & Issuer Engagement

Engagement is an important tool in monitoring and managing risk, and for influencing, encouraging and supporting investee companies and issuers to develop enhanced structures, processes and disclosures. There are similar drivers for engagement sourcing and prioritisation in fixed income, as for equities, i.e. engagements can be bottom-up, company and issuer-specific, top-down, based on themes, collaborative with other investors and/or organisations as well as systematic, combining policy advocacy and issuer-specific engagements.

Fixed income-specific engagement priorities

- Company-specific risks (from the Impax proprietary FI ESG analysis, especially those with weaker ratings)
- Sector-specific risks - Tier 4 issuers (hard to transition sectors)

Credit analysts at Impax are responsible for the integration of fundamental credit and ESG analysis and related issuer engagement. Impax views the integration of financial, sustainability and ESG analysis as critical for the effective inclusion of sustainability risks in the company valuations and in the investment process. Members of Impax's Sustainability Centre provide insights and advice to the credit analysts, as well as oversight of investment-related sustainability risks and characteristics of issuers and portfolios through the Fixed Income Risk Committee (FIRC).

Principle 8:

Signatories monitor and hold to account managers and/or service providers.

Impax uses external research and service providers as an input in the ESG analysis of listed investments but has developed proprietary methodologies and tools for assessing, analysing and scoring sectors companies on sustainability and ESG risks, opportunities, criteria and quality. Impax does not rely on external research for ESG scores or ratings in our actively managed listed investments. However, external ratings are used in some of our systematic equity strategies. External research and data are used when monitoring investee companies' behaviour and controversies. This relates both to normative controversies, such as human rights breaches and more common controversies, such as litigation or labour relations. We also use external

⁸ The Impax Sustainability Framework for Fixed Income does not yet apply to Sky Harbour, acquired in April 2025

research providers' data to monitor any potential controversial activities, such as revenue exposure to controversial weapons, fossil fuels or tobacco. We review external ESG research providers on an annual basis, to understand any changes to research methodologies, but also to understand areas of priority for the research providers. For proxy voting research and voting platform providers, we review the evolving voting policies by the provider, the voting outcomes and whether votes have been cast, on an on-going basis.

We also use external research providers' data and metrics for our regulatory reporting requirements, such as the EU SFDR's Principle Adverse Indicators (PAIs) and for the European ESG Template (EET).

While we do not use external ESG research extensively, we continuously meet with research providers to understand evolving methodologies, especially within more complex areas, such as biodiversity and physical climate risk data, highly location-specific risks, where corporate geo-location data is critical, but is often missing from corporate disclosures. We have recently hired NatureAlpha for biodiversity data and research. We are also in the process of reviewing external research providers for fixed income issuers, given Impax's strategic focus on Fixed Income.

The service and research provider we spend by far the most time engaging with is our proxy voting advisor, Glass Lewis, (GL). We regularly discuss operational issues in the proxy voting process, on the GL voting platform, Viewpoint, as well as vote reporting issues. We also assess their updated voting policies, however, we determine our voting based on Impax's [Proxy Voting Guidelines \(impaxam.com\)](https://impaxam.com), updated annually, most recently in January 2025. Once the annual guidelines have been updated, there are extensive discussions about capturing our guidelines correctly on the proxy voting platform and in the on-going voting process, so that our custom vote recommendations flag the issues that we have set out in our guidelines. We always engage with the proxy advisory firm when we believe the "Impax voting policy recommendation", following our voting guidelines, does not seem to be correctly reflected on the voting platform.

Impax reviews Glass Lewis at least annually, especially to discuss possible process and reporting efficiency improvements, but also to discuss any significant changes to the proxy voting policies of the service provider. In 2024, the review discussion focused mainly on developments in regional or type of diversity recommendations, particularly in the US, as well as changes to depth of coverage around ESG metrics in compensation and determination of auditor independence. We review the voting outcomes and whether votes have been cast, on an on-going basis

Most recently the review with Glass Lewis focused mainly on the changes in our 2025 Proxy Voting Guidelines. The key updates relate to Key Committee Issues (for eligible issues voting against the Chair of the relevant Board Committee vs voting against both the Board Chair and Chair of the relevant Board Committee), Board Diversity (clarifying regional expectations concerning gender balance on Boards), and Auditors (establishing expectations concerning auditor rotation).

For our private market investments, we have continued to work with an external service provider to help with the gathering and reporting of ESG-related data for the investments. External advisers are also used to support the due diligence processes, which are reviewed in line with our vendor management procedure.

Principle 9:

Signatories engage with issuers to maintain or enhance the value of assets

Impax invests in companies that we believe are well-aligned in the transition to a more sustainable economy. As an active shareholder with a longer-term investment horizon, our objective is to build long-term relationships with investee companies. The Impax investment process is focused on a comprehensive understanding of the character and quality of our companies and issuers, including material sustainability issues as well as areas of potential improvement. We believe it is in the interest of our investors that we engage with our investee companies and issuers, to minimise risks, protect and enhance shareholder value, promote greater transparency on sustainability issues, and encourage companies and issuers to develop and become more resilient over time.

Engagement as part of the investment process

Engagement is fully integrated in our investment process for listed equities and fixed income. Engagement is used both to mitigate risk and to enhance value and investment opportunities.

Engagement allows us to:

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

Engagements are conducted as part of our regular meetings with company management teams, or through additional conference calls, meetings, email exchanges or as part of joint communications with the investment community. Impax Investment Committee meetings have a monthly standing agenda item to continuously inform and discuss stewardship issues across the investment team. Members of the Sustainability Centre regularly attend Portfolio Review Meetings to discuss company-specific stewardship priorities and issues at the portfolio and strategy-level with lead analysts and portfolio managers.

Types of Engagement

Impax's stewardship work can be divided into the following types:

Bottom-up company- and issuer-specific engagement

As part of our ongoing, proprietary company and issuer-level ESG analysis, we identify company- and issuer-specific matters and risks and actively engage regarding these matters as part of monitoring and managing risks. We prioritise engagement with investee companies where we have identified more significant risk issues and/or have larger positions. In addition to risk management, bottom-up company specific engagement is also intended to enhance company value and improve the structures, processes and disclosures of investee companies.

Responsibilities: The lead analysts for the investee companies and issuers are responsible for bottom-up company engagement, with the Sustainability Centre assisting with coordination, preparation and research.

Proxy voting driven engagement

Proxy voting is predominantly related to governance issues such as the election of directors, board structures and management remuneration, but we also express our views on diversity, climate and material sustainability risk management. When Impax has voted against a significant resolution for companies in our active equity strategies, we reach out to the companies to explain our voting rationale and the enhancements we would like to see. We are also in dialogue with companies throughout the year to discuss and comment on proposed governance structures, sustainability processes and disclosures by companies.

Impax can also initiate or support shareholder proposals at annual shareholder meetings to encourage greater corporate transparency around a company's most significant environmental or social risks based on its sector and activities.

Responsibilities: In executing our proxy votes, Impax uses a peer review process, where one Sustainability Centre team member instructs votes and another team member verifies and executes the votes. For resolutions related to financial transactions, including share issuance and M&A or for more contested or controversial resolutions, the Sustainability Centre will engage with the company lead analyst.

Top-down thematic engagement

Every year we assess and outline our thematic engagement priorities. These priorities are based on market developments and emerging sustainability issues that are relevant and material for our companies and issuers. Where possible, we use

specific performance data related to the engagement themes, as well as the overall ownership in the companies, as parameters for prioritising companies and issuers for thematic engagements. Companies of all sizes are engaged, including larger companies, with the aim of promoting best practices throughout an industry peer group.

Our engagement themes are often of a long-term nature and do not necessarily change annually. The 2024 engagement themes are climate, nature, people and governance and are described in more detail in Principle 4.

Responsibilities: The lead analysts for the investee companies and issuers are part of thematic company engagements, but the work is driven and coordinated by the Sustainability Centre and its Head of Stewardship, with a lead for each engagement theme or topic.

Systematic engagement

Impax has identified critical and often hard-to-engage areas, with barriers to progress. To remove these impediments, we use 'systematic engagement,' which combines company engagement and policy advocacy with the aim of shaping companies' practices through regulatory or policy change. These areas often cover topics that companies may prefer not to disclose and are not mandatory, such as geolocation data for strategic company assets, but that investors need in order to fully understand companies' operations and risks.

Responsibilities: One member of the Impax Sustainability Centre is responsible for leading and coordinating the systematic engagement work, bringing together our company engagements and policy advocacy work. Company and issuer lead analysts are involved in these meetings as relevant.

Fixed Income engagement

In fixed income, Impax invests in companies and issuers that appropriately manage material risks arising from the transition to a more sustainable economy. In this context engagement is an important tool in monitoring and managing risk, and for influencing, encouraging and supporting investee companies and issuers to develop enhanced structures, processes and disclosures. There are similar drivers for engagement sourcing and prioritisation in fixed income, as for equities, i.e. engagements can be bottom-up, company and issuer-specific, top-down, based on themes, collaborative with other investors and/or organisations as well as systematic, combining policy advocacy and issuer-specific engagements.

Fixed income-specific engagement priorities⁹:

- Company-specific risks (from the Impax proprietary FI ESG analysis, especially those with weaker ratings)
- Sector-specific risks - Tier 4 issuers (hard to transition sectors)

Setting engagement objectives

An important characteristic of our engagement work is that our investee companies' business models, products and services are generally aligned with the transition to a sustainable economy. This means that our engagements are usually not focused on changing companies' strategies or business models, but rather seeking to influence how the companies operate and the structures, processes and disclosures they have in place.

For the bottom-up, company specific engagements, the objective is typically to solve or improve an issue that has been identified as part of ESG analysis and when that objective has been achieved, move to the next objective or pause the engagement. In Portal, we have also a summary page for each investee company, with key financial and ESG data for the company and a rating indicating the history and level of priority for engagement for the company in question.

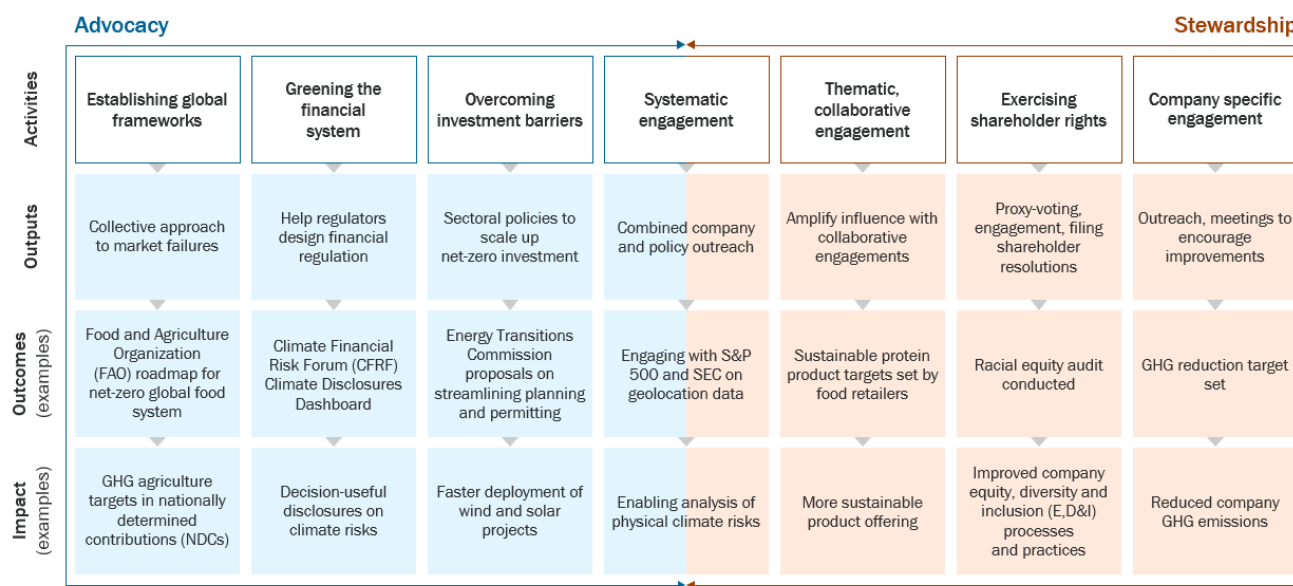
For the thematic engagement areas, we have set up specific steps as objectives that we seek to reach with the engagements. The thematic engagement topics have been identified as they are significant or systemic issues that require particular attention. In the Portal-database, it is noted for each engagement what the nature of engagement, the objective,

⁹ For more detail on the Impax Fixed Income Sustainability Framework: [Investment Sustainability & Stewardship - Impax Asset Management](#)

the outcome achieved and the next steps were. Additionally, new and significant thematic engagement topics are often identified, such as governance/oversight of AI, with the rapid developments in that area over the last few years.

Over the last few years, we have developed a stewardship and advocacy-framework, in the form of a stewardship *impact value chain*, identifying a more detailed articulation of the stewardship *inputs* (e.g. resources and working groups) and *actions* (research, collaborations, escalations) that will be most effective in achieving the *outcomes* set in our engagement objectives (e.g. company target-setting, capex investment) and observing the real-economy *impact* from this work, for instance GHG emissions reductions or improved diverse representation on boards. This is also at the core of Impax’s approach to Net Zero Asset Managers’ (NZAM) initiative and our target-setting; utilizing stewardship and advocacy for real economy change and impact in our investee companies. This was first presented in our 2023 [Stewardship and Advocacy Report](#) and illustrated in the table below.

Pursuing real-world outcomes and impact through stewardship and advocacy activities



Engagement activities and outcomes in 2024

Private Markets engagements

As outlined above in Principle 7, Impax has continued to engage with its investee companies and their suppliers to enhance the traceability of their supply chains, as well as engage with external stakeholders.

During the reporting year, three new investments were made. One of the investments established a joint venture with a large FTSE-100 company, whereas the other two investments were made into existing small companies. Control rights and alignment of interest and reporting channels were defined through the transaction documents. The requirement to implement the standards set in Impax’s framework anti-corruption and anti-bribery and HR policies, and the vendor management process were committed to in the transaction documents. These framework agreements set out minimum standards for working to prevent bribery and corruption as well as for the expected code of conduct, family-friendly practices, equal opportunities and anti-harassment, data protection, whistleblowing, grievance, and disciplinary procedures.

In-depth engagement with the major solar panel manufacturers was undertaken in 2024 to complete a review of their processes to monitor forced labour risks in their supply chains. A whitelist of approved suppliers that could provide evidence to demonstrate that the risk of forced labour is low in their own operations and supply chains was compiled. This was communicated to all investee companies involved in the procurement of solar panels, with guidance on documentation which should be requested when placing an order. Specific clauses were added to all new contracts, which includes

provisions on human and labour rights, to permit the completion of supply chain verification audits and to provide traceability documentation. This is supported through the vendor management procedure with a tailored approach to risks such as forced labour.

In 2024 Impax responded to the Solar Stewardship Initiative's ("SSI") consultation on the traceability audit process, which is now being implemented. The SSI Supply Chain Traceability Standard ensures a transparent traceability system in the solar value chain. It mandates an 'unbroken' Chain of Custody ("CoC") for SSI Manufacturer Members, documenting the physical and legal possession of materials. Key facets of CoC include a "Segregated Chain of Custody" which ensures materials from SSI-certified sites are not mixed with uncertified materials and a "Traceability System", which demonstrates a chain of entities supplying the material. This standard guarantees that materials meet SSI requirements and maintain their integrity throughout the supply chain. The first audits under this standard will be undertaken in 2025.

Finally, Impax also continued to engage with investee companies to improve reporting data on their emissions to water, hazardous and radioactive waste ratio, metrics relevant for EU SFDR reporting. There is very little, if any, hazardous waste or emissions to water from the renewable energy projects, until construction commences, or maintenance is undertaken. During this phase, third-party construction and maintenance companies are predominately responsible for providing these metrics. As such, we worked with our investee companies to incorporate standard clauses into all new construction and maintenance contracts which obligate contractors to report on this data. Thanks to the inclusion of these clauses and our engagement, data is now becoming easier to obtain, for the reporting of the Principal Adverse Indicators, (PAIs).

Fixed Income engagements

In 2024, the majority of fixed income engagements focused on People-related issues (see p.42), particularly monitoring issuer and company-specific responses to criticism levied against equity, diversity and inclusion initiatives and regulatory developments in the U.S. As outlined in Principle 7, broader fixed income-specific engagement activity also focused on addressing issuer-specific risks, particularly issuers with weaker sustainability risk management processes and disclosures. As we continue to scale our fixed income capabilities, issuer engagement will be an area of focus in 2025 and beyond.

Listed Equities engagements

Impax defines different types of engagement activity to include reporting on:

- **Outreach:** defined as targeted contact with a company on a specific sustainability issue. Outreach can be an effective means of raising awareness of Impax's perspective or expectations concerning a particular issue with a group of companies (a one-way communication). Outreach may also be used as a first step in establishing a dialogue with a company.
- **Dialogue:** defined as a discussion with, or response from, a company either by email or by meeting/call on a specific or range of sustainability-related issues.

2024 Outreach

Impax initiated **211 outreaches** with **188 companies** in 2024. Key topics addressed in outreach included: proxy voting (see Principle 12), board diversity, sustainability disclosure and net zero alignment.

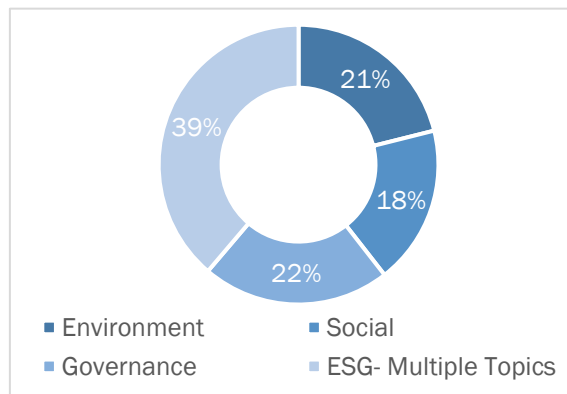
2024 Dialogues

Impax undertook **147 engagement dialogues** in 2024 with **120 companies**.

69% of total engagement dialogues in 2024 were conducted together by members of the Investment team (lead analysts and/or portfolio managers) and the Sustainability Centre, demonstrating the integration of stewardship activities within the investment process.

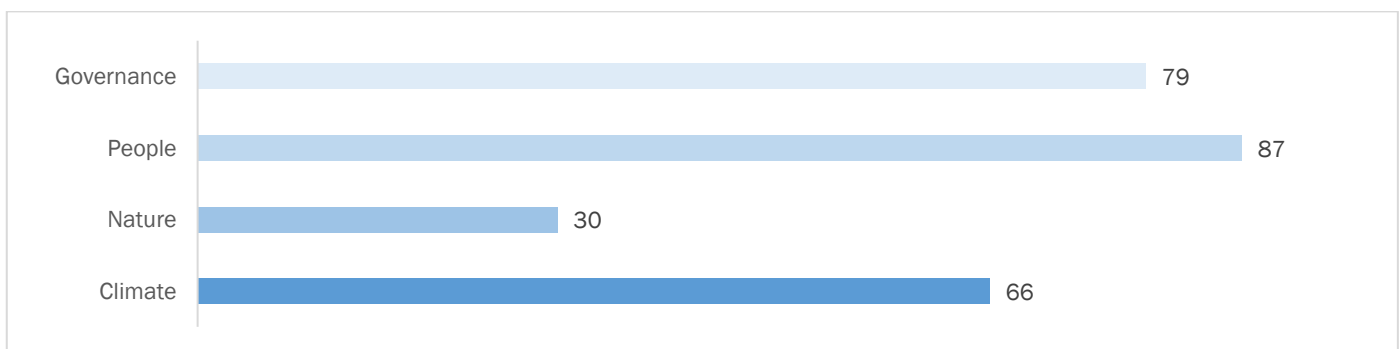
How we engaged in 2024 – engagement dialogue by ESG issue and theme

Similar to last year, nearly 40% of engagement dialogues in 2024 focused on **multiple ESG issues** (see below our discussion of themes addressed).



As discussed above, our top-down thematic engagement dialogues remained an important source of insight focusing on one or more of the engagement themes for the year. It is important to note that many individual engagement dialogues with investee companies in 2024 **covered more than one theme**, and therefore the sum of total engagement dialogues by theme, add up to more than the total number of 2024 engagement dialogues.

Number of engagement dialogues, by theme:



79 engagement dialogues addressed Corporate Governance issues

Engagements under this theme included dialogue with investee companies before, during, and after proxy season to discuss specific AGM-related proposals or broader governance structures. In 2024, the majority of governance-related objectives sought to improve board structures (Board, Chair or Sub-committee independence) or addressed issues with executive compensation (pay-for-performance misalignment, non-performance based incentive plans or lack of disclosure of performance metrics/targets).

87 engagement dialogues addressed People-related issues

Throughout 2024, Impax monitored company responses to criticism levied against firm equity, diversity and inclusion initiatives and regulatory developments in the U.S. Following outreach to specific companies who purportedly abandoned equity, diversity and inclusion efforts and resulting dialogues, we raised this topic in the vast majority of engagement discussions with U.S. companies in the later part of 2024. Through these engagements, Impax conveyed the importance of effective equity, diversity and inclusion initiatives to long-term business success and confirmed company commitments to continue their work in this area and provide public reporting.

30 engagement dialogues addressed Nature-related issues

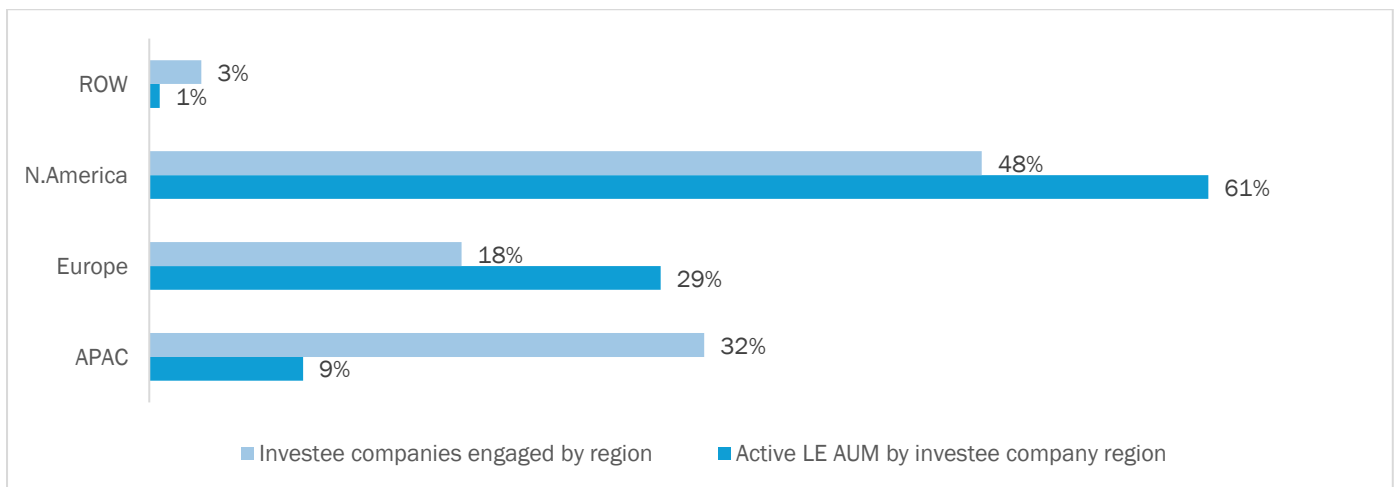
Given the relative nascency of company approaches to nature-related risks, we continued to pursue objectives focused on asking companies to assess their dependencies and impacts on nature or discussing the outcomes of their assessment, where undertaken; improving oversight of nature-related issues at board/executive level; and asking for improved

disclosure on nature-related governance, risk management, strategy and metrics/targets, in line with the TNFD requirements. This also covered engagements addressing waste, chemicals and pollution management.

66 engagement dialogues addressed Climate-related issues

Nearly 60% of climate-related engagements addressed objectives relating to companies transitioning to net zero, including improving GHG emissions disclosure, particularly Scope 3 emissions, setting science-based targets and developing or implementing transition plans. In line with our NZAM commitment, many of these engagements focused on investee companies currently assessed as “non-aligned” to the transition to net zero. Nearly one quarter of climate-related engagements specifically addressed adaptation and resilience to physical climate risks, particularly with utilities companies. The remainder of engagements addressed both transition and physical climate risks in the same engagement.

Where we engaged in 2024 by investee company region¹⁰



The predominance of engagement dialogues with North American companies reflects a greater proportion of our AUM in US companies in listed equities portfolios. Additionally, a widening divisive political climate in the US in 2024 and negative sentiment toward sustainability issues, particularly social issues, has underscored the importance of maintaining engagement and stewardship activities with US companies. Despite the challenging environment, we find that companies remain open to engaging with Impax.

In 2024 we continued to focus on engagement with Asian companies, especially relating to governance, social and the financial impact of sustainability-related issues, led by our Head of Sustainability & Stewardship, APAC. The proportion of engagements with APAC-based companies largely exceeds its relative positioning within our active LE AUM, given corporate governance practices and disclosures are less mature in Asia versus practices in Europe.

For our engagements in the last 12 months in Asia Pacific, we observed companies making progress in terms of setting targets and improving sustainability disclosures. However, the pace of each company depends on their performance as well as the regulatory environment of the market they are based in. Access to management teams at some companies remains a challenge but Asian companies increasingly seek pro-active discussions with investors on sustainability or governance-related issues. We have found that initiating engagement with Asian companies via collaborations, such as with the Asian Corporate Governance Association (ACGA), is effective in building rapport and establishing contacts, which facilitates our direct engagement over the longer term.

Impax recognizes that nuances in Asian markets require different stewardship strategies. For example, direct company engagement is effective in the Japanese market. In China, where sustainability efforts are often more compliance driven, a

¹⁰ Active Listed Equities AUM as at 31 December 2024.

systematic approach - combining advocacy with regulators and policy makers and engaging collaboratively with companies - remains most effective. Over the past year, various Asian markets are gradually adopting the ISSB reporting standards based on the timelines issued by local regulators, which Impax has actively responded to (see Principle 4).

The relatively smaller proportion of engagements with European companies reflects more advanced sustainability and governance practices and disclosures within the region.

Engagement outcomes

As discussed in Principle 5, we are continuously evolving our engagement assessment and reporting approach to measuring the effectiveness of our engagements and progress in its many forms.

In 2024, we began measuring how each engagement has influenced our overall view and conviction in a specific company:

- **29%** of total engagement dialogues resulted in a **more positive view**
- **62%** of total engagement dialogues resulted in a **neutral view**
- **9%** of total engagement dialogues resulted in a **more negative view**

Where an engagement resulted in a more negative view of a company, we seek to continue engagement and may consider the use of escalation activities (described in Principle 11) as appropriate.

In **24%** of engagements undertaken with companies, the primary objective focused on communicating Impax's view or ask, e.g. sharing our proxy voting guidelines, or where companies reached out directly to Impax for our feedback on sustainability disclosures, governance structures (particularly in advance of annual meetings) or materiality assessments. While we acknowledge that these types of engagements can be more introductory in nature, they are key for relationship building and longer-term engagement and may inform the development of further objectives.

Where our objectives focused on improving or implementing specific policies, practices or processes, or adopting goals or targets, we noted "progress" in **46%** of engagements undertaken with companies in 2024. This primarily included instances where:

- Company has **committed** to strengthen or adopt specific ESG policies, processes, targets or disclosures in a reasonable timeframe;
- Company has **taken interim steps** in support of the objective (e.g. systems or structures created/enhanced to measure performance)

These types of objectives typically require multiple dialogues with companies, often over many years; as a result, the largest proportion of our engagement outcomes fall under the category of "progress" towards specific objectives.

We "achieved" our objectives in **7%** of engagements undertaken with companies in 2024, often following multiple years of engagement. This includes instances where:

- Company **adopted or strengthened** sustainability-related policies, processes and/or targets
- Transparency is enhanced via **public disclosures** (e.g. CDP, TCFD, issue-specific)
- Measurable **improvement in performance** (e.g. board diversity, GHG emissions reduction)

We are committed to attempting to identify where Impax has specifically driven or contributed to improvements in companies' material sustainability processes and disclosures, through our stewardship efforts. We know this can be very difficult to measure and the most concrete cases tend to be linked to us filing shareholder resolutions and companies implementing changes as per the filing request or to deep, often longer-term engagements with smaller companies. In the reporting period this measurement or attribution was again difficult, but several companies, including **American Water Works, Amiad Water Systems** and **Sakata Seed Corp**, communicated to Impax that our feedback contributed to their sustainability disclosures being enhanced. We have also had positive progress with other companies but have found it

difficult to concretely attribute Impax's role with the improvements. Some of these companies are described in the engagement examples below. We remain committed to assessing our influence in our engagements and will continue to consider approaches to measure and attribute this, as it can be informative of engagement effectiveness.

Engagement examples for 2024:

Climate

Amiad Water Systems

Sector: Industrials

Geographic region: Israel

Engagement Theme: Climate

Engagement Type: Individual

Objective

1. Publicly disclose Scope 1+2 emissions (achieved, 2024)
2. Collect Scope 3 emissions data (in progress)
3. Adopt science-based reduction targets (not started)

Activities

Impax has engaged Amiad on climate risk management processes and disclosure for several years, with limited progress in advancing the disclosure of processes and performance data. In 2024, Impax voted against the election of the Board Chair and abstained from the Chair of the Audit Committee, directors responsible for overseeing climate-related risks. We communicated the rationale behind our voting decisions to company. The company noted that it has measured and reported Scope 1 and 2 emissions to the Israeli Environment Ministry (though the data was not publicly available) and detailed effort to reduce emissions such as beginning to upgrade the company's fleet from fuel to hybrid and electric vehicles, transitioning to a cleaner gas for its cooling systems, and achieving ISO 14001 certification.

Outcomes

In June 2024, Amiad publicly disclosed Scope 1 and 2 emissions for its Israeli sites in its Corporate Social Responsibility report. The company communicated that the disclosure was a result of Impax's previous engagement and request for emissions data. Amiad has also begun to disclose updated figures on water consumption and waste management and has set a high-level commitment to continuously reduce Scope 1 emissions.

Next Steps

As Amiad's focus on Scope 3 emissions and specific reduction targets has been limited to date, Impax will continue to engage the company and share best practices.

Nature

American Water Works Co Inc

Sector: Utilities

Geographic region: United States

Engagement Theme: Nature, People

Engagement Type: Collaborative

Objectives

1. Improve American Water's oversight and management of nature-related risk (partially achieved, 2023)
2. Assess and disclose American's Water's nature-related dependencies and impacts (not started)
3. Assess and disclose American Water's impact on members of local communities (in progress, 2024)

Activities

We have engaged with American Water in recent years on its sustainability disclosures and its management of Equity, Diversity and Inclusion (E,D&I) and human capital. Throughout 2023 and 2024, our engagement focused on understanding the company's assessment of its nature-related dependencies and impacts. Impax continued to engage on this issue in collaboration with an Impax client that is an American Water shareholder.

Impax has regularly communicated our proxy voting decisions to the company, and in 2022 and 2023, this included our support of a shareholder proposal requesting the company assess the racial impact of its policies, practices, products, and services. The proposal received support of 47% and 39% support, respectively.

Outcomes

American Water explained that biodiversity considerations are integrated into company operations and span capital planning, water use and efficiency, wastewater treatment and environmental grants. The company acknowledged it could improve its public reporting on biodiversity, and in its 2023 Sustainability Report (published July 2024), it included a section on biodiversity for the first time, specifically citing feedback from shareholders. The company continues to evaluate frameworks such as TNFD for potential disclosure in the future.

In 2024, the company also announced it would conduct an environmental justice assessment to support American Water in identifying, analysing, and measuring the potential impact of its business on the communities it serves. Previously, Impax voted in favour of a shareholder proposal on this topic at the 2022 and 2023 annual meetings, encouraging the company to conduct the assessment. The company selected a third-party to conduct the assessment, and the results will be published in its 2024 Sustainability Report (anticipated in summer 2025). Impax encouraged the company to consider whether there may be scope within the assessment to consider biodiversity aspects.

Next Steps

We will continue to monitor the American Water Works' biodiversity and nature-related disclosures and review the outcomes of its environmental justice assessment.

People

Shimano

Sector: Consumer Discretionary, Leisure Products

Geographic Region: Japan

Engagement Theme: People

Engagement Type: Individual and Collaborative

Engagement Objectives

1. Understand Shimano's investigation and response to allegations of forced labour (achieved, 2024)
2. Improve disclosure of human rights policies (partially achieved, 2024)
3. Improve supplier due diligence processes (in progress)

Activities

In late 2023, allegations of forced labour at Kwang Li Industry (KLI), a Malaysian Shimano supplier, surfaced. In collaboration with one of our clients, Impax engaged with Shimano throughout 2024 to better understand the nature of the allegations and the actions taken by the company in response, and to encourage stronger supplier due diligence and oversight.

Shimano launched an investigation into the allegations with an external third-party and expressed that workers should not be charged fees to work at KLI. It also reported that KLI had signed its Code of Conduct which prohibited the practice. During the investigation, Shimano spoke with workers and conducted surveys. The company reported that it required KLI to provide compensation to the employees who were affected by pay reductions and forced payment of recruitment agent

fees, though it declined to disclose the amount paid. Shimano also discussed the development of a grievance program and stated that it has conducted additional human rights due diligence since the incident was reported.

Outcome

Shimano has concluded the KLI investigation and ensured compensation for affected workers. It has established a Social and Ethics committee to oversee human rights-related issues, and published an updated human rights policy on its website. The company has also required all vendors to sign its Code of Conduct to protect human rights and committed to increasing the number of on-site inspections of overseas vendors.

Next Steps

Impax encouraged Shimano to disclose more detail about the outcome of the KLI investigation, remediation steps, improved due diligence processes and grievance mechanisms in its next annual report. Impax will continue to monitor the progress of Shimano's supplier audits and encourage the company to further strengthen its supply chain oversight. As a next step, we are following up with the company to understand which countries and vendors it has prioritised beyond Malaysia.

Governance

Autodesk

Sector: Information Technology

Geographic region: United States

Engagement Theme: Governance

Engagement Type: Individual

Engagement Objectives

1. Refreshment of executive management and the board of directors (partially achieved, 2024)
2. Strengthen board oversight of executive management (in progress)

Activities

In July 2024, Impax voted against 10 of 11 directors standing for election at Autodesk and against the advisory vote on compensation to express our disappointment with management's performance and the handling of an accounting irregularity. Previously, Autodesk had delayed the filing of its Form 10-K due to an internal accounting investigation triggered by the Audit Committee. The investigation determined that no restatement of any financials was necessary, but the company announced that the CFO would move to a new role as Chief Strategy Officer and the Audit Committee Chair would become interim CFO.

Following the vote, Impax had a call with Autodesk's Audit Committee Chair, also serving as interim CFO at that time, to explain our vote decisions. The Audit Committee Chair/Interim CFO conveyed that Board takes these issues seriously and committed to relaying Impax's perspective and feedback to the full Board. In early 2025, Impax had a follow-up call with the Board Chair who described the board evaluation and oversight processes in detail.

Outcome

In November 2024 and December 2024, the company announced the appointment of a new CFO and two new independent board directors, respectively. The new board members enhance the governance and technology industry expertise on the board. It is expected that the board size will be reduced in 2025 to reach an optimal size of 9-11 directors.

Next Steps

Impax will continue to monitor management performance and board composition, taking both aspects into consideration in our voting decisions at the 2025 annual meeting.

Additional engagement examples are provided in the sections below, particularly relating to collaboration and/or escalation activity.

Principle 10:

Signatories, where necessary, participate in [collaborative engagement](#) to influence issuers.¹¹

Collaborative engagements and joint representations with other institutions and investors are an important part of Impax's stewardship work. We initiate collaborative engagements where the engagement and outreach may particularly benefit from a larger group of shareholder involvement or in cases where an issue is being escalated, as discussed further in Principle 11. Collaborative engagements are conducted across a number of issues and specific sectors and companies. Impax will not participate in collaborative engagements that could be interpreted as investors acting in concert.

We will also consider systematic engagements, which may require or particularly benefit from simultaneous engagement with standard-setters, regulators or policy makers, in an effort to reduce barriers or impediments, preventing companies from developing more resilient processes and transparency.

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 maximizing return on investment.

Observations and outcomes from collaborative engagements

22% of engagement dialogues, with 28 investee companies in 2024, were undertaken collaboratively. This was incrementally higher than in previous years. Our collaborative engagement efforts in 2024 primarily focused on our engagement partnerships with key clients, as detailed in Principle 6. Following a comprehensive review in 2023 of our membership and participation in collaborative industry initiatives aligned to our thematic priorities, in 2024, we continued to focus our collaborative engagement activity with industry-led initiatives on themes relating to nature, climate, people and governance (see examples below).

In 2024, there was a continuation of the political "ESG-backlash" in the US with some political actors claiming collaborative engagements, especially on climate, as possible collusion. This is in stark contrast to other jurisdictions, such as the UK, where investor collaborations on systemic issues, such as climate, are welcome and not viewed as "anti-trust" or collusions. We do note that most if not all collaborative engagements and sign-on initiatives now include a statement that the participants are not working in concert.

Examples of collaborative, including systematic engagements across the four focus themes in 2024:

As systematic engagements combine company engagement and policy or regulatory advocacy.

Climate:

- **Physical Climate Risk:** As discussed in last year's submission, Impax, together with a New York-based public plan and other investors, has been engaging companies regarding their exposure to and preparedness for extreme climate events. Following the initial outreach to the S&P 500 in 2020 and smaller, focused engagements throughout 2021-2024, we have found that companies are now more likely to understand that physical risk can pose material risks to their business, but there remains a significant gap between what investors need to know and what companies are doing in evaluating physical risks. Many companies have adjusted their business continuity plans or conducted their own analyses of their value chain vulnerabilities, but this is very far from conducting the kind of analysis – including scenario

¹¹ 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.

analysis – needed to price physical risk. As detailed in Principle 4, an important element of this engagement initiative included Impax’s support for the development of the SEC Climate Change Disclosure rule.

In 2024, the engagement focused on utility companies and efforts to make their generation and transmission assets more resilient to extreme weather; utilities are often subject to litigation when their transmission lines start wildfires. We found that utilities vary widely in their perception of climate physical risk, and preparedness for it. Without exception, the companies best prepared to deal with future climate disasters have already been through at least one, such as a major wildfire incident, and that the lessons learned changed their planning processes.

In 2025, the investor group will focus on reinsurance companies and their efforts to support climate resilience and adaptation.

- **Climate Transition Risk:** Following our initial collaborative engagement with **Linde**, a U.S. industrial gas and engineering company, as part of the IIGCC Net Zero Engagement Initiative in 2023, the investor group continued its dialogue with the company in 2024.

Outcome: Linde demonstrated that it is making good progress against its science-based target to reduce absolute Scope 1 and 2 emissions by 35% by 2035 from a 2021 baseline (“35 by 35”), in part by initiating sizeable renewable and low carbon power contracts and executing large CCS projects. The company discussed progress on Scope 3 target setting and its current focus on supporting major suppliers to set their own reduction targets. It is on track to set Scope 3 SBTi targets in 2025-2026. The company has committed to investing USD \$3bn in decarbonisation projects by 2035, such as retrofitting steam methane reformers and existing hydrogen facilities with carbon capture technology.

Nature:

- **Nature Action 100:** Impax became a signatory to the Nature Action 100 initiative led by IIGCC and Ceres in 2023. The initiative established a set of six investor expectations pertaining to corporate ambitions, assessment, targets, implementation, governance, and engagement with stakeholders. In 2024, we participated in collaborative engagements with all five companies allocated to Impax. We have seen varying levels of company responsiveness and engagement with the initiative. As a co-lead on the engagement group with **Unilever**, we initiated an initial engagement meeting asking the company to undertake an in-depth assessment of its dependencies and impacts on nature.

Outcome: The company committed to disclosing and discussing the outcomes of this assessment with the group when complete, which was anticipated by end of 2024. Despite a positive first meeting, given multiple leadership changes and turnover at the company over the last 18 months, and resulting changes to their strategy, progress has been limited to date. The group was pleased to see the publication of Unilever’s updated Climate Transition Action Plan in April 2024, with a strong focus on regenerative agriculture and forest risk commodities and has scheduled a follow-up meeting in 2025 to discuss progress.

People:

- **Japan:** As described in Principle 4, Impax has been engaging with Japanese companies regarding gender diversity on Japanese company boards for many years. During 2024, Impax continued to advance gender diversity within the boards and management of investee companies, actively collaborating with firms to foster inclusive leadership structures. We are encouraged that following multi-year engagements, several companies have recently taken steps to improve female representation at the board level, including **Misumi** and **Daifuku**, where board gender diversity has improved to 22% and 18%, respectively, as of early 2025.
- **United States:** We continued our participation in initiatives that seek improved disclosure of board diversity, including the **Northeast Investors Diversity Initiative (NIDI)** and **Invest Ahead** (see Principle 4).

Governance

- Through our membership of the **Asian Corporate Governance Association (ACGA)**, Impax has been able to enhance its knowledge and understanding of Asian governance issues and more effectively engage with regulators and companies in the region regarding governance. During 2024, Impax continued its engagement with ACGA, with our Head of Sustainability & Stewardship, APAC, chairing the China Working Group, representing over 50 investors with more than US\$30 trillion in assets under management. The primary objective of the working group is to engage with regulators, companies and other stakeholders in China. See Principle 11, for information on our ongoing collaborative engagement with **BYD Co.**
- In April 2024, Impax co-signed a letter from ACGA to the Japan FSA about reducing strategic or 'cross-shareholdings' in Japanese companies. In this letter, ACGA provided key recommendations on divestment of cross-shareholdings in a manner that would advance governance practices and help companies achieve sustainable long-term growth. In December, Impax also submitted a response to the FSA on cross-shareholdings, sharing some concerns from our investee companies.
- In May 2024, Impax assisted in drafting a letter to the Securities and Exchange Board of India providing recommendations on governance-related issues such as executive compensation and independent board oversight.

The complete list of membership organisations that Impax is involved with, can be found in the Appendix.

Principle 11:

Signatories, where necessary, [escalate](#) stewardship activities to influence issuers.

When significant events occur, we may conduct ESG reviews more frequently and contact companies for further information and clarification. This may result in engagement, continued monitoring or even divestment. Impax has an escalation policy in place, in cases where the management of incidents is not progressing or where engagements are progressing more slowly than anticipated. Engagement progress can often be slow but causes for using escalation methods could be deteriorating access to management or their responsiveness or an investee company not acting on an improvement that was committed to.

If an investee company is unresponsive to engagement or we view, upon clarification with the management team, that the company is taking an approach that is significantly increasing shareholder risks and the company is unwilling to consider less risky approaches, we may escalate our activities as follows by:

- Seeking alternative or more senior contacts within the company
- Intervening or engaging together with other shareholders (collaborative)
- Intervening or engaging together with shareholders, industry organizations (multi-stakeholder)
- Advocating with standard setters or regulators (systematic)
- Highlighting the issue and/or joint engaging regarding the issue through institutional platforms
- Filing or co-filing resolutions at General Meetings

Ultimately, if the interventions are not successful and we consider that the risk profile of the company has significantly deteriorated or company strategy or governance structures have altered because of an incident, to a degree where the return outlook and the company's strategy and quality no longer meet our expectations, the company would be excluded from our investable universe and/or sold.

There are regional differences in the use of escalation methods, from a practical, cultural, and in some cases legal or regulatory perspectives. In the US market the preferred and well-established escalation method is filing shareholder resolutions and Impax has both filed and supported these for many years. This is much harder in Europe and Asia from a regulatory or legal perspective. Filing shareholder resolutions can be perceived as somewhat adversarial and a last resort method, especially from a non-US vantage point.

After witnessing an increase in supportive votes and approval rates of shareholder resolutions in the US in 2021 and 2022, a reversal in this trend continued in 2024. Declining levels of support reflect the ongoing polarisation of the US market as it relates to sustainability issues and a significant increase in the number of "negative" shareholder resolutions seeking to undermine, rather than strengthen, companies' sustainability processes and disclosures. Despite recent challenges, we

believe shareholder resolutions will remain an effective tool for making progress with engagements and escalations with companies on critical sustainability and governance issues.

In all regions, collaborative engagements can be helpful, but we are mindful that in certain Asian markets, long-term relations and trust may be the best basis for success in engagements and escalations.

Examples of escalations in 2024:

Escalation through seeking alternative company contacts or collaborative, multi-stakeholder engagement

People

- **LEM, Switzerland:** At the 2023 annual meeting, Impax voted against members of the Nominations Committee due to no female representation on the board, significantly below peers and the mandatory Swiss board diversity target of 30% by 2026.

Outcome: Impax shared our vote rationale following the annual meeting. During a follow-up engagement in November 2023, while the company acknowledged our concern on diversity, we escalated the conversation to board level, requesting a meeting with the Chair of the board (also Chair of the Nominations Committee) to discuss the director nomination process and diversity considerations. During the engagement in February 2024, the Chair confirmed that the board is actively searching for suitable female candidates, with relevant industry expertise, to be appointed at the 2024 annual meeting. In June 2024, shareholders approved the appointment of LEM's first female director to the board, bringing additional finance, commercial and executive experience from roles at international industrial companies.

Governance

Despite the difficulties of conducting engagements in Asia, we continue to seek opportunities to express our views through seeking alternative company contacts and meeting in-person:

- **Sakata Seed Corp, Japan:** Impax has engaged with Sakata Seed Corp across multiple material sustainability topics since 2017. Despite the receptiveness to engage with Impax, we had seen limited progress or commitments to provide additional disclosure on these topics. In June 2023, the company established a board-level sustainability committee, overseeing sustainability-related issues such as climate. Impax had raised the lack of sustainability oversight at Sakata during engagements for multiple years. The company disclosed its GHG emissions data to CDP in 2023. In October 2023, three directors from the company attended an Impax-ACGA roundtable on advancing gender diversity in the Japanese market.

Outcome: In 2024, Impax visited the company's headquarters, and we have seen significant progress and maturity in Sakata's approach to sustainability risk management over the last year. The company informed Impax of the publication of its first sustainability report in both Japanese and English. This demonstrated a step-change in Sakata's approach to sustainability risk management, which has matured from developing a basic policy to comprehensive management systems and disclosure of their material risks informing their strategy.

- **BYD, China:** Impax engaged with BYD several times in 2024 as a co-lead of the Asian Corporate Governance Association's (ACGA) China working group. In July 2024, Impax co-authored a letter to the chairman of BYD to express our concerns of the group's involvement in the e-cigarette business, in light of recently updated European Securities and Markets Authority (ESMA) rules. In October 2024, the subgroup was informed that BYD exited the e-cigarette business. We had a follow-up meeting with the company in the same month to confirm the change.

Climate

- **China Longyuan, China:** Impax has identified China Longyuan as "non-aligned" to a net zero pathway due to insufficient climate risk management processes and performance. In 2024, as part of the IIGCC-coordinated Net Zero Engagement Initiative, Impax and the investor group sent a letter seeking confirmation that the company has developed, or intends

to develop, a Net Zero Transition Plan including a commitment to net zero, setting science-based reduction targets and reducing its overall emissions.

In line with our voting guidelines, at the company's 2024 annual meeting, we voted against the Director's report for insufficient progress in developing robust climate risk management processes. In December 2024, we visited the company headquarters in Beijing and met with the management team to further discuss these issues.

Outcome: The company confirmed that it had sold one of its two coal plants and plans to sell the remaining plant in 2025. The company disclosed its Scope 1 and 2 GHG emissions for the first time in its latest ESG report and after our engagement, will consider disclosing a roadmap for achieving net zero in future reporting. The company has taken an initial step to strengthen its climate-related governance and oversight by establishing a Sustainability Committee at board level, which oversees climate-related risks. Impax will continue to monitor the progress on divestment of its remaining coal assets and support efforts to develop a comprehensive net zero transition plan.

Principle 12: Signatories actively exercise their rights and responsibilities

Proxy voting as part of the investment process

Proxy voting is the exercise of voting rights obtained by Impax in the course of its day-to-day investment activities in listed equities. It is a key component in the ongoing dialogue with the companies in which Impax invests. As such, proxy voting forms an important aspect of Impax's overall investment process and stewardship work.

Impax is committed to ensuring the consistent exercise of proxy voting. Through the implementation of the Impax Proxy Voting Guidelines¹², Impax aims to enhance the long-term value of its shareholdings, foster corporate governance best practices and promote greater accountability and transparency in the companies in which Impax has invested in. Impax aims to exercise voting rights on all shares held by Impax, where it is in the best interest of its clients and where excessive costs, or administrative burdens are not present.

Impax invests in companies in a variety of countries and markets around the globe. Each market has unique rules, regulatory requirements, reporting requirements, and sustainability practices and standards. Impax aims to stay abreast of new and emerging issues in these markets, and how they relate to global best practices for corporate governance structures and material sustainability processes and disclosures.

Main corporate governance principles expected from investee companies:

- Creating sustainable, long-term value for stakeholders
- Protecting shareholder rights
- Maintaining high integrity corporate behaviour
- Ensuring an independent and efficient board structure
- Aligning corporate incentive structures and remuneration with long-term interests of shareholders
- Disclosing accurate, timely and transparent financial and corporate governance information
- Ensuring strong environmental and social performance and disclosures.

Proxy Voting Processes

- Impax's proxy voting principles and guidelines are described in the Impax Proxy Voting Guidelines. The Proxy Voting Guidelines govern our voting activity and are informed by global governance best practices as well as external and internal sustainability and governance research. The Proxy Voting Guidelines are reviewed annually.

¹² Impax Asset Management Proxy Voting Guidelines: [Proxy Voting Guidelines \(impaxam.com\)](https://www.impaxam.com/proxy-voting-guidelines)

- Impax uses a third-party voting platform to facilitate our vote execution, reporting and record keeping. Impax also uses third-party service providers, including proxy advisor service and research providers, to help inform analysis of relevant proxy issues and proxy votes.
- Impax applies its voting principles and guidelines with full consideration to a company's circumstances, following internal analysis.
- Where Impax's proxy voting principles and guidelines or general corporate governance best practice principles are not met, Impax generally votes against a resolution and for companies in our active equity strategies, will reach out to explain our voting rationale and necessary enhancements.
- Impax carefully assesses shareholder resolutions and tends to vote for resolutions that are reasonable and would strengthen governance structures, shareholder rights or material sustainability objectives, processes, and disclosures.
- Votes are cast on shares where Impax does not consider legal, financial or technical constraints to be excessive or burdensome.

In Q2 2024, Impax identified an issue with our proxy voting workflow on our proxy voting service platform. Following the closure of a client account, Impax had instructed the proxy voting service provider to remove ballots associated with that account from our workflow. During this process, ballots for other Impax accounts were also deleted in error, including ballots that had been **voted** by Impax on the proxy service provider platform, but not yet submitted to Broadridge. Ballots for some meetings were resubmitted, but two meetings had already passed the voting cut-off time, resulting in both meetings being unvoted. This issue has been resolved and enhanced controls were implemented by the proxy voting service provider.

Global voting statistics in 2024

Impax Asset Management - Firm-wide Proxy Voting Statistics - Calendar year 2024		Impax total
Total number of meetings where it was possible to vote		773 ¹³
Number of meetings in which IAM voted		771 ¹⁴
Number of meetings in which IAM voted (as a percentage)		99.7%
Number of management resolutions in which IAM voted		10,273
Number of management resolutions in which IAM voted <u>against/abstain/withheld</u>		864
Percentage management resolutions in which IAM voted <u>against/abstain/withheld</u>		8.4%
Number of shareholder resolutions in which IAM voted		392
Number of shareholder resolutions in which IAM voted <u>for</u>		245
Percentage of shareholder resolutions in which IAM voted <u>for</u>		62.5%

Following a significant drop in support for sustainability-focused shareholder proposals in the US in 2023, support stabilized in 2024, averaging 20.6% (21.5% in 2023). While few shareholder proposals received majority support in 2024, proposals related to Scope 1 and 2 emissions disclosure, human capital (workers' rights) and political influence received relatively high levels of support. During the 2023 and 2024 proxy seasons, there was significant growth in "negative" proposals filed by a handful of proponents in the US, challenging companies' sustainability practices, particularly relating to 'people' issues.

Impax's overall support for shareholder proposals decreased in 2024 to 62.5% (67.5% in 2023). Of the 147 shareholder proposals we did not support, we categorized 42% as "negative" seeking to undermine rather than strengthen companies' sustainability processes and disclosures. While average support for these "negative" sustainability-related proposals was just 2.6%, mirroring 2023 results, we expect variations of these proposals again in 2025.

Proxy Voting Statistics by region – Calendar year 2024

Number / % of meetings voted

¹³ The number of meetings in which Impax was eligible to vote in 2024 decreased relative to 2023 due to a reduction in the number of holdings in one of our Systematic Strategies.

¹⁴ As described above, Impax identified an issue with our proxy voting workflow in Q2 that resulted in two unvoted meetings.

APAC	159	20.6%
Europe	223	28.9%
North America	365	47.4%
Rest of World ¹⁵	24	3.1%
TOTAL	771	100.0%

Proxy Voting Statistics by region – Calendar year 2024	Management Proposals		
	Total Voted	Votes Against Mgmt.	% Against Mgmt.
APAC	1,421	191	13.4%
Europe	4,406	311	7.1%
North America	4,204	300	7.1%
Rest of World	242	62	25.6%
TOTAL	10,273	864	8.4%

It is notable that votes against management resolutions are higher in Asia and Latin America (included in *Rest of World* above), a reflection of the relative immaturity of governance codes and structures in these regions. Here we note significant numbers of votes against board directors, due to lower levels of board independence, lack of diversity, director's over-commitment and participation in sub-committees that should be 100% independent, such as the audit committee.

Following the 2024 proxy season, Impax conducted outreach to **159** companies explaining our votes against management proposals. The outreach is an important component of our proxy voting process, providing an opportunity to highlight company-specific areas of concern (primarily relating to board composition and structure and executive compensation) and can also serve as the basis for longer-term engagements. The outreach, primarily intended as a one-way communication, yielded a **26%** response rate.

Examples of voting outcomes in 2024:

Management Proposals:

- In July 2024, Impax voted against 10 of 11 directors standing for election at **Autodesk** and against the advisory vote on compensation to express our disappointment with management's performance and the handling of an accounting irregularity. At the annual meeting, 5 directors received against votes of greater than 5% and the advisory vote on executive compensation was opposed by 17.6% of shareholders. As described in Principle 9, Impax engaged with the company several times following the meeting. Impax will continue to monitor management performance and board composition, taking both aspects into consideration in our voting decisions at the 2025 annual meeting.
- Impax is a significant shareholder in **Amiad Water Systems**. At the company's 2024 annual meeting, we voted against the Board Chair and abstained from the Audit Committee Chair due to limited progress on climate risk management processes and disclosures. We communicated our voting rationale to the company, which yielded additional engagement, and the company has since published Scope 1 and 2 emissions. Please see Principal 9 for further detail.

Shareholder Proposals:

- We supported relevant shareholder proposals across our priority themes including:
 - **33 climate**-related shareholder proposals covering topics such as transition plan reporting, emissions reductions targets, say on climate, clean energy financing, alignment with the Paris Agreement and just transition reporting
 - **60 people**-related shareholder proposals covering topics such as human rights, pay gap reporting, racial equity, ED&I Reporting, hiring practices, and health & wellness benefits.

¹⁵ Rest of World (ROW) includes Africa, MENA, Latin America and the Caribbean.

- 93 **governance**-related shareholder proposals covering topics such as executive compensation, board leadership structure and shareholder rights
- 9 **nature**-related proposals covering topics such as biodiversity assessments, plastic packaging and circularity
- At **Analog Devices'** 2024 annual meeting, 89.3% of shareholders, including Impax, supported a proposal requesting the company adopt a simple majority voting standard. In response, the company put forth a management proposal to eliminate supermajority voting requirements at the March 2025 annual meeting, which was approved by shareholders.

APPENDIX

Impax memberships

- **Asian Corporate Governance Association (ACGA):** An independent organisation dedicated to working with investors, companies and regulators in the implementation of effective corporate governance practices throughout Asia.
- **CDP:** An independent organisation holding the largest database of corporate climate change information in the world.
- **Ceres:** An organization working with investors and companies to build sustainability leadership and drive solutions throughout the economy. Ceres addresses topics climate change, water scarcity and pollution, and human rights abuses.
- **Climate Financial Risk Forum (CFRF):** Industry organisation Convened by the FCA and Bank of England/PRA to share best practice on climate risk.
- **Confederation of British Industry (CBI):** A membership organization for over 190,000 UK businesses.
- **Council of Institutional Investors (CII):** Promoting strong governance and shareholder rights standards at public companies.
- **Energy Transitions Commission (ETC):** Energy transition focused think tank with membership from industry and NGOs.
- **FAIRR:** Initiative promoting more sustainable farming and food production practices.
- **Financing a Just Transition Alliance (FJTA):** Identifies the role finance can play in connection action on climate change with inclusive development pathways.
- **Finance Sector Deforestation Action (FSDA):** Collaboration to unite organisations around a shared engagement approach to tackling deforestation and other climate and nature-related initiatives.
- **Glasgow Financial Alliance for Net Zero (GFANZ):** Unites net-zero financial sector-specific alliances from across the globe into one industry-wide strategic alliance.
- **Global Impact Investing Network (GIIN):** The largest global community of impact investors (asset owners and asset managers) and service providers engaged in impact investing.
- **Institutional Investors Group on Climate Change (IIGCC):** A forum for collaboration on climate change for European investors.
- **Interfaith Centre on Corporate Responsibility (ICCR):** Network of shareholders engaging companies on ESG issues.
- **International Corporate Governance Network (ICGN):** Advances the highest standards of corporate governance and investor stewardship worldwide in pursuit of long-term value creation, contributing to sustainable economies, societies, and the environment.
- **Investment Association:** The trade association and industry voice for UK investment managers
- **Investor Environmental Health Network (IEHN):** Conducts analysis and investor engagements on environmental topics.
- **Investor Policy Dialogue on Deforestation:** An investor-led engagement initiative that aims to halt deforestation in the most vulnerable biomes of the world.
- **Investors Against Slavery and Trafficking, Asia Pacific (IAST APAC) Initiative:** An investor-led, multistakeholder project to engage with companies in the Asia-Pacific region to promote effective action in finding, fixing and preventing modern slavery in operations and supply chains.
- **Nature Action 100 (NA100):** A global investor engagement initiative focused on driving greater corporate ambition and action to reverse nature and biodiversity loss.
- **Net Zero Asset Managers Initiative (NZAM):** An international group of asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 °C.
- **Northeast Investors Diversity Initiative (NIDI):** An organization working to achieve greater board diversity among companies headquartered in the US Northeast through collaborative engagements with institutional investors.
- **Principles for Responsible Investment (PRI):** Aims to help investors integrate ESG considerations into investment decision making and supports sharing best practice in active ownership.
- **Race at Work:** Part of BITC Business in the Community, The Prince's Responsible Business Network, the initiative seeks to accelerate change through five calls to action for organisations to improve equality of opportunity in the workplace.
- **ShareAction Investor Decarbonisation Initiative:** Investor initiative to accelerate corporate action on climate change.
- **ShareAction Long-term Investors in People's Health Initiative (LIPH):** Giving investors the tools to improve health outcomes by sharing best practices and creating opportunities to collaborate on corporate engagement.
- **Shareholder Rights Group:** Working to acquaint regulators and the public with the purpose and value of engagements.
- **Spring:** A PRI stewardship initiative for nature, convening investors to use their influence to halt and reverse global biodiversity loss by 2030.
- **Sustainable Investment Institute:** A non-profit organisation conducting research and publishing reports on organized efforts to influence corporate behaviour on social and environmental issues.
- **Sustainable Markets Initiative (SMI):** Founded by His Majesty King Charles III, the SMI facilitates actions between world leaders and CEOs to position sustainability at the heart of global value creation.
- **Taskforce on Climate-related Financial Disclosures (TCFD):** Develops voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers, and other stakeholders.
- **Taskforce on Nature-based Financial Disclosures (TNFD):** Initiative developing a framework for corporates and financial institutions to assess, manage and report on their dependencies and impacts on nature.
- **The Investing and Saving Alliance (TISA):** A not-for-profit membership organization with a mission to improve the financial wellbeing of UK consumers and help shape the future of UK financial services industry.
- **Thirty Percent Coalition:** Institutional investor initiative for improved US corporate Board diversity
- **Transition Plan Taskforce (TPT):** Aims to develop the gold standard for private sector climate transition plans.

- **UK Net Zero Council:** A partnership between government, business and civil society, providing strategic leadership to support delivery of the UK Government's Clean Energy Superpower Mission.
- **UK Stewardship Code:** The Code aims to enhance the quality of engagement between institutional investors and companies to help improve long-term returns to shareholders and the efficient exercise of governance responsibilities.
- **UK Sustainable Investment and Finance Association (UKSIF):** Provides services and opportunities to align investment profitability with social and environmental responsibility.
- **The US Forum for Sustainable and Responsible Investment (USSIF):** A US based membership association promoting sustainable, responsible and impact investment.
- **Women's Empowerment Principles:** A set of Principles offering guidance to business on how to promote gender equality and women's empowerment in the workplace, marketplace and community.
- **Women in Finance:** Commitment by the UK's HM Treasury to build a more balanced and fair industry, seeing to see gender balance at all levels across finance services firms.
- **World Benchmarking Alliance:** Represents organisations working at global, regional, and local levels to shape the private sector's contributions to achieving the SDGs.

This report has been reviewed and approved by:

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