

Equity, Diversity & Inclusion Report

For the year ended 30 September 2024

Equity, Diversity & Inclusion

Equity, diversity, and inclusion (“E,D&I”) is central to Impax’s philosophy, values and mission.

Impax’s E,D&I vision is to continue to build an inclusive, equitable culture where every colleague feels they belong, are valued as an individual, and can thrive – bringing all aspects of themselves to work. Impax remains focused on increasing the diversity of its employees, especially at senior levels, and committed to pay equity, including by gender and ethnicity.

E,D&I continues to be central to our investment and engagement process, incorporated through consideration of diversity indicators in our fundamental research, and through our established track record of principled proxy voting, successful company engagements and collaborative public policy engagements on E,D&I issues. Impax aims to work with firms across the value chain that share our principles and are actively participating in the transition to a more sustainable economy, including our investee companies and companies with which we engage, as well as our partners, vendors and suppliers.

GOVERNANCE AND ACCOUNTABILITY

Our E,D&I Group is responsible for Impax’s strategy in this area and reports regularly to the Senior Leadership Team and the Board. It is sponsored by Ian Simm, Chief Executive, with Julia Bond as its Non-Executive Director sponsor. The E,D&I Group meets monthly to align on ideas, actions and progress, and to communicate feedback from colleagues. It is supported by employee-run sub-groups, which are responsible for implementing the Group’s priority initiatives.

GOALS AND OBJECTIVES

This year we introduced new aspirational E,D&I goals, following a benchmarking exercise, which analysed our demographic profile, the markets in which we operate, and comparing ourselves with our peers.

Progression against E,D&I goals (%)

	2022	2023	2024	December 2027 goal
Total company: female	49%	47%	48%	48–52%
Total company: Asian, Black and additional ethnic groups	25%	25%	25%	28–32%
Senior staff: female ¹	34%	36%	37%	38–42%
Senior staff: Asian, Black and additional ethnic groups ¹	11%	13%	14%	14–18%

¹ Senior staff defined as Corporate Level of Director and above

DEMOGRAPHICS AND PROGRESSION

Understanding our demographics and sharing this information with our stakeholders is a key pillar of our E,D&I strategy to make sure that we are finding and retaining diverse talent to help Impax, and our clients thrive.

We are advancing diversity across the firm and creating an inclusive workforce at all levels of our organisation.

Since last year we have started to collect demographic information using our own HR system; the data is reported on an anonymous basis and with the individual agreement of each colleague. We analyse these changes year-on-year and report to senior management and the Board on our progress against our aspirational goals.

56% of promotions and 62% of new hires during the Period were women. This represents good progress compared to equivalent figures of 54% and 49% in 2023.



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Equity, Diversity & Inclusion continued

DEMOGRAPHICS AND PROGRESSION CONTINUED
Gender overview 2024

	Female	Male	Prefer not to disclose gender
Total Company	48%	52%	1%
Board	43%	43%	14%
Senior Leadership Team	38%	63%	0%
Senior staff ¹	37%	61%	2%
Investment Team	25%	74%	1%
Promotions	56%	44%	0%
New hires	62%	38%	0%
Leavers	63%	30%	7%
Equity participation	42%	57%	1%

¹ Senior staff defined as Corporate Level of Director and above
Self-reported, anonymous data collected in September 2024. Conducted by Impax, with a 90% response rate

Ethnicity overview 2024

	Asian	Black	Additional ethnic groups	Asian, Black and additional ethnic groups	White	Prefer not to disclose race/ ethnicity
Total Company	14%	6%	5%	25%	74%	1%
Board	0%	14%	0%	0%	86%	0%
Senior Leadership Team	6%	6%	0%	13%	88%	0%
Senior staff ¹	8%	3%	3%	14%	85%	2%
Investment Team	18%	1%	11%	30%	68%	1%
Promotions	14%	3%	8%	25%	75%	0%
New hires	5%	16%	5%	27%	73%	0%
Leavers	23%	10%	3%	37%	60%	3%
Equity participation	14%	4%	4%	22%	77%	1%

¹ Senior staff defined as Corporate Level of Director and above
Self-reported, anonymous data collected in September 2024. Conducted by Impax, with a 90% response rate. Due to Impax's size and our focus on protecting employees' privacy and individually identifiable data, Impax's gender identity and race and ethnicity categories with relatively few respondents have been aggregated for the purposes of external data reporting. As such, "additional ethnic groups" represent Hispanic or Latinx, American Indian or Alaska Native, Middle Eastern, Native Hawaiian or Other Pacific Islander, North African, Two or More Races or Mixed Heritage, and other identities that staff have self-identified

However, women also accounted for a majority of leavers (63%) during the Period and 42% of equity participants, or shareholders of the Company. These are two measures that we include in this report this year for the first time.

25% of promotions and 27% of new hires during the Period were colleagues who identify as Asian, Black and from additional ethnic groups. This is down from 31% of promotions in 2023 and a lift in the proportion of new hires (25%) in 2023. 37% of leavers during the Period and 22% of equity participants identify as Asian, Black and from additional ethnic groups.

As at September 2024, 43% of the Board members are female and 14% of the Board identify as Asian, Black or from additional ethnic groups.



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Equity, Diversity & Inclusion continued

DEMOGRAPHICS AND PROGRESSION CONTINUED

Gender progression

	Female	Male	Prefer not to disclose gender
2024	48%	52%	1%
2023	47%	52%	2%
2022	49%	50%	1%

2024 and 2023 data as at September in the respective year, 2022 data as at November in that year. Numbers may not add up to 100 due to rounding

Ethnicity progression

	Asian	Black	Additional ethnic groups	Asian, Black and additional ethnic groups	White	Prefer not to disclose race/ethnicity
2024	14%	6%	5%	25%	74%	1%
2023	15%	4%	6%	25%	74%	2%
2022	14%	6%	5%	25%	74%	1%

2024 and 2023 data as at September in the respective year, 2022 data as at November in that year. Numbers may not add up to 100 due to rounding

Gender pay gap – median base salary gap

	2022	2023	2024
Senior staff	1.9%	7.1%	11.5%
Mid-level staff	2.7%	5.6%	7.4%
Junior staff	12.9%	21.7%	9.2%

Data as of April in the respective year

GENDER PAY GAP

Our gender pay gap analysis, measured in April 2024, compares median base pay of men and women across all positions in three groups – junior staff, mid-level staff and senior staff.

At the junior level, the median pay gap decreased significantly by 12.5 percentage points, from 21.7% in 2023 down to 9.2% in 2024. This improvement was due to the change in gender composition at the junior level where there has been a fall in female headcount in some support-level roles, which had a significant impact on the gap at this level last year.

The mid-level pay gap has increased by 1.8 percentage points to 7.4% due to slight increases in the proportion of men. The senior level pay gap has also increased by 4.4 percentage points, influenced by a proportional rise in the number of men above Director level.

As part of our overall E,D&I strategy, we remain focused on increasing the number of women in our business, and are focused particularly on promotion pathways to the senior staff (Director) level as articulated in our E,D&I goals, and to the continued examination of in-level pay differences, including using robust external pay benchmarking data.



Equity, Diversity & Inclusion continued

TALENT

To ensure Impax is seeking candidates from all backgrounds and objectively evaluating the Company's processes to understand and monitor trends throughout the hiring process, Impax has:

- Ensured a solid foundation is in place for reducing bias in the recruitment process by examining language in job descriptions.
- Provided training materials for the HR team to reduce unconscious bias in the recruitment process.
- Developed a set of questions for hiring managers to eliminate bias in the interview process where possible.
- Launched a GDPR-compliant applicant tracking system, allowing the Company to collect demographic information on candidates.
- Ensured that hiring practices and instructions to recruitment firms include, where practicable, female and/or racial/ethnic minority candidates for every open role.

Our focus on talent development and promotion pathways includes the following:

- Enhanced career and talent development programmes to promote, where appropriate, the progression of current Impax employees from female and minority racial and ethnic groups to senior levels.
- This year we have signed up to two focused mentorship programmes for underrepresented groups and to the Diversity Project's Pathway programme for developing female investment professionals into portfolio managers and traders.
- During the Period we ran training for all people managers on neurodiversity in the workplace as well as offered a masterclass for all colleagues on neurodiversity. We also offered training for our new Diversity Champions.

INCLUSION, EDUCATION AND ENGAGEMENT

Increasing inclusivity and communications around E,D&I is a top priority. Much of this activity is coordinated by the employee-run Impax Inclusion subgroup. This subgroup has continued to run a regular speaker series during the Period to broaden E,D&I inclusion, education and awareness.

PARTNERSHIPS AND SOCIAL IMPACT

Impax partners with organisations that spotlight the unique challenges faced by women and minorities within the investment industry, and is a member of the Diversity Project, Women in Finance and Race at Work. See the "About us" section of the Impax website for a list of our memberships and our charters.

INVESTMENTS

Impax invests in companies that are well positioned to benefit from the transition to a more sustainable economy, including companies that are leaders on human capital issues such as E,D&I. Impax is a pioneer in gender lens investing and has recently launched a Global Social Leaders strategy. This latter strategy uses the Impax Corporate Culture Indicator, a proprietary framework that seeks to assess workplace factors to help evaluate broader corporate culture.

'People', which includes E,D&I, is also one of Impax's four firm-wide thematic engagement priorities. Impax believes it is important to focus on the drivers that can improve and build diverse representation in a company's talent pipeline over time through programmes, initiatives and goal setting. Impax focuses on diversity related to gender representation, especially in Asian and some

European companies, and diversity policies, disclosures and goals in many US companies.

We believe that diversity and equitable workplace systems and processes are key to long-term company performance and risk management. We also view human capital management and E,D&I as systemic issues for all companies. This perspective is grounded in decades' worth of studies linking corporate diversity with financial performance.

In the calendar year 2023, we supported 77% of total People-related shareholder proposals, where we were eligible to vote. This included topics such as human rights, pay gap reporting, racial equity, E,D&I reporting, hiring practices, and health & wellness benefits.

THOUGHT LEADERSHIP

Impax continues to publish thought leadership pieces related to E,D&I. This included an article on "Opportunities in advancing more inclusive careers" in October 2023, a paper introducing the Impax Corporate Culture Indicator in September 2024, and, after the end of the Period, an examination of "The business case for diversity and inclusion" in October 2024.



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