

The logo for IMPAX Asset Management, featuring the word 'IMPAX' in a large, bold, blue sans-serif font, followed by 'Asset Management' in a smaller, blue sans-serif font to its right.

IMPAX Asset
Management

Equity, Diversity & Inclusion Report

For the year ended 30 September 2022

A collection of several wooden rowing boats in various colors (red, blue, green, yellow) arranged on a blue background. The boats are viewed from a high angle, showing their internal structure and oarlocks. The background is a gradient of blue, with a white triangular shape in the top left corner.

**Specialists in
the transition to
a more sustainable
economy**



Our People – Equity, Diversity & Inclusion

E,D&I is central to Impax's philosophy, values, and mission

48%

of our employees are women¹

¹ As of April 2022.

Equity, diversity, and inclusion (“E,D&I”) is central to Impax’s philosophy, values, and mission. Impax’s view of diversity is intentionally broad and includes, but is not limited to, gender, race, ethnicity, sexual orientation, disability, culture, religion, age, and social background – as well as the importance of intersectionality across these dimensions. Impax has a deep appreciation of the positive impact that diversity in all its richness has on its people, the Company’s culture, organisational integrity and success, and its communities.

Impax’s E,D&I vision is to continue to build an inclusive, equitable culture where everyone 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. Impax has made strong progress in executing this strategy over the past year – key highlights are outlined overleaf.

GOVERNANCE AND ACCOUNTABILITY

Our E,D&I Group is responsible for Impax’s strategy in this area and reports regularly to the Board. It is sponsored by Ian Simm, Chief Executive, and Joe Keefe, President, Impax North America, with Lindsey Brace Martinez as its Non-Executive Director sponsor. The E,D&I Group meets regularly to align on ideas, actions and progress, and to communicate feedback from colleagues.

Impax has articulated two specific E,D&I goals for December 2025:

- That Impax’s overall workforce gender mix should be circa 50% (48-52%) women
- The representation of women and racial/ethnic minorities in senior management, portfolio management, and client-facing roles should meaningfully exceed relevant industry averages in Impax’s primary locations (UK and US)

We have also set E,D&I goals in managers’ objectives and performance evaluations.

TALENT ATTRACTION AND RETENTION

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, including subscribing to an AI tool to help identify bias in job descriptions and other HR materials
- Developed a set of questions across eight behavioural competencies to eliminate bias in the interview process to the extent possible
- Launched a GDPR-compliant applicant tracking system, allowing the Company to collect demographic information on candidates and track progress throughout the recruitment process

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 diverse talent to help Impax and our clients thrive, we are seeing diversity in advancement across the firm, and we are creating an inclusive workforce at all levels of our organisation. Impax conducts an annual demographic survey for all staff as well as collecting and reporting on data from new hires on an ongoing basis. We analyse these changes year-on-year and report to senior management and the Board on progress against our goals.

GENDER PERSPECTIVE

As at April 2022, based on a headcount of 235 employees, 48% of employees were women and 52% men. This compares to 46% women to 54% men in April 2021. Female representation has increased across all levels compared to the previous year and 65% of the promotions we made this year were women.

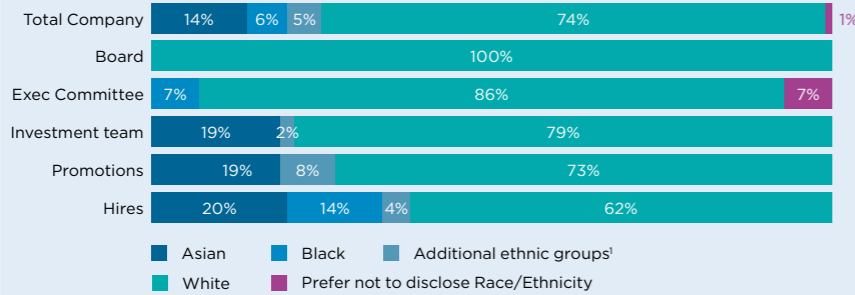
Our gender pay gap analysis, which compares median base pay of men and women across all positions in three groups – junior staff, mid-level staff and senior staff – shows that the median gaps at mid- (2.7%) and senior (1.9%) levels have reduced significantly year-on-year (12.7% and 16.1% respectively in 2021). This reflected several new female hires, particularly in the senior band. However, the median gender pay gap at the junior level (12.9%) has increased compared to the prior year (5.3%). While median junior salary levels have gone up overall, the median pay gap at this level has widened due to the higher proportion of men in higher-paying roles.

As part of our overall E,D&I strategy, we remain focused on increasing the number of women in our business, especially at senior levels, and to the continued examination of in-level pay differences, including using robust external pay benchmarking data.

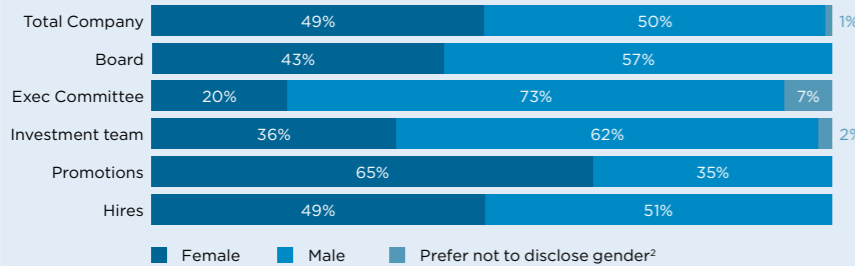


Our People – Equity, Diversity & Inclusion continued

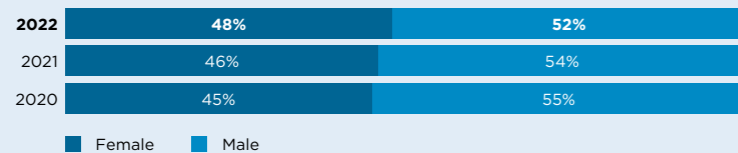
Ethnicity overview, 2022



Gender overview, 2022



Gender progression³



1 Self-reported, anonymous data collected after Period end in November 2022. Conducted by third party, with a 92% response rate. Due to Impax's size and our focus on protecting employees' privacy and individually identifiable data, Impax's 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, Middle Eastern, North African, Two or More Races or Mixed Heritage, and other identities that staff have self-identified.

2 Self-reported, anonymous data collected after Period end in November 2022. For the purposes of external data reporting 'Non-Binary' and 'Prefer not to disclose gender' have been combined.

3 Data as of April in the respective year.

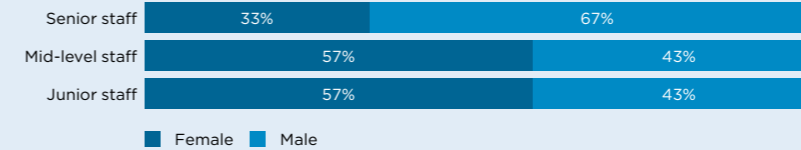
INCLUSION, EDUCATION AND ENGAGEMENT

Increasing inclusivity and communications around E,D&I is a top priority for Impax. As an example, in January 2022 Impax leveraged internal and external networks to launch a speaker series for employees to broaden E,D&I inclusion, education and awareness.

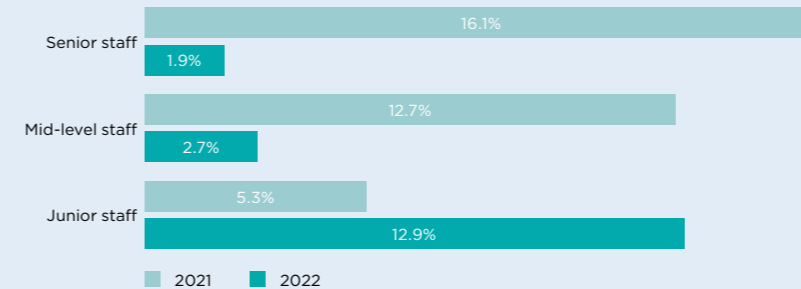
PARTNERSHIPS AND SOCIAL IMPACT

Impax partners with organisations that spotlight the unique challenges faced by women and minorities within the investment industry, and is an active member of the Diversity Project, which has led to the Company's sponsorship and participation in the City Hive and #TalkAboutBlack mentorship scheme, including the 10,000 Black Interns programme. These initiatives aim to help make progress towards addressing the gender and ethnicity gaps within the investment management industry and wider society.

Gender by job level¹



Gender pay gap – median base salary gap¹



1 Data as of April 2022.

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 equity, diversity and inclusion. Impax is a pioneer in gender lens investing.

E,D&I is a core part of Impax's investment and engagement process, through consideration of diversity indicators in the Company's fundamental ESG research, established track record of principled proxy voting, and successful company and public policy engagements on E,D&I issues. For example, Impax withholds votes from companies that it believes lack sufficient diversity on their boards, and the Firm engages with the companies in its investment portfolios to press for greater diversity on company leadership teams and equal pay for all staff.

65%
of promotions this year were women

LEAD SPONSORSHIP OF CITY HIVE CROSS COMPANY MENTORSHIP PROGRAMME

We announced our lead sponsorship of the City Hive Cross Company Mentorship Programme in association with #TalkAboutBlack in September 2021. In our role as a lead sponsor, we aim to make progress towards addressing the gender and ethnicity gaps within the investment management industry and wider society. Impax colleagues took part in the scheme and we funded four mentor/mentee places from other businesses in the investments and savings industry.



Our People – Equity, Diversity & Inclusion continued

Engagement Case Study:

The Walt Disney Co

In May 2022, Impax met with Disney to learn about recent human capital and equity, diversity and inclusion efforts at the company since our last engagement call in 2021. The engagement was held after the annual meeting, which saw a pay gap reporting shareholder proposal win majority support from shareholders. (This was also the topic of an Impax-sponsored shareholder proposal in 2020, which Impax withdrew after the company committed to publishing EEO-1 data and to assign accountability for workplace equity.) The meeting provided an opportunity to gain insight into the company's approach to returning to the office post-COVID and employee engagement, and the complexities of managing a large, diverse workforce. Impax provided feedback on new disclosures over the last year and considerations for future disclosures.

In September 2022, Disney published its adjusted pay data by race and gender for first time. Its analysis showed that women are paid nearly identical to men, and Asian, Black and Hispanic workers are all paid nearly the same as White workers. The company also committed to additional disclosure over time, including with respect to unadjusted pay data.



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