

## **Impax High Yield Bond Fund**

### **2024 Sustainability Report: Beyond Financial Returns – Q1 2025**





# Introduction

This is the third year Impax has provided portfolio specific sustainability reporting for our clients. While we will continue to enhance disclosure and introduce new metrics, our primary goal remains to offer clients a comprehensive overview of the sustainability profile of their investments.

We have found through the years that clients want to understand not just their portfolio's impact on the environment and society, but also Impax's impact on their portfolio, the environment and society. This report has been developed to provide our investors with a view into how we think about sustainability at Impax – holistically across both risks and opportunities and using the levers we have as investors. This includes how we identify the investment universe of our strategies, how we conduct research on and select securities, how we construct portfolios and engage with companies and policy makers – each step has intentionality and outcomes which we hope to bring to life in our reporting.

In addition to portfolio level reporting provided within, we report on Climate, Stewardship & Advocacy and Impact each year at the firm level. These reports dive deeper on each topic and showcase our commitment to transparency and to continually raising the bar on disclosure to our investors and the industry.

The table below highlights some sustainability metrics that are relevant to the portfolio:

2024 metrics (as of 12/31/2024)	Total Portfolio (US\$539mn)
Portfolio Weighted Average Carbon Intensity (WACI) <sup>1</sup> (Scope 1 & 2)	89.35
Weight of borrowers with carbon reduction targets in line with the Science Based Targets Initiative (SBTi)	17.30%
Weight of borrowers producing a TCFD annual report	37.28%

<sup>1</sup> For more information, refer to the "Definition of Impax's proprietary tools and taxonomies" page. For information on data availability, refer to the "Environmental impact and climate transition methodology" page.

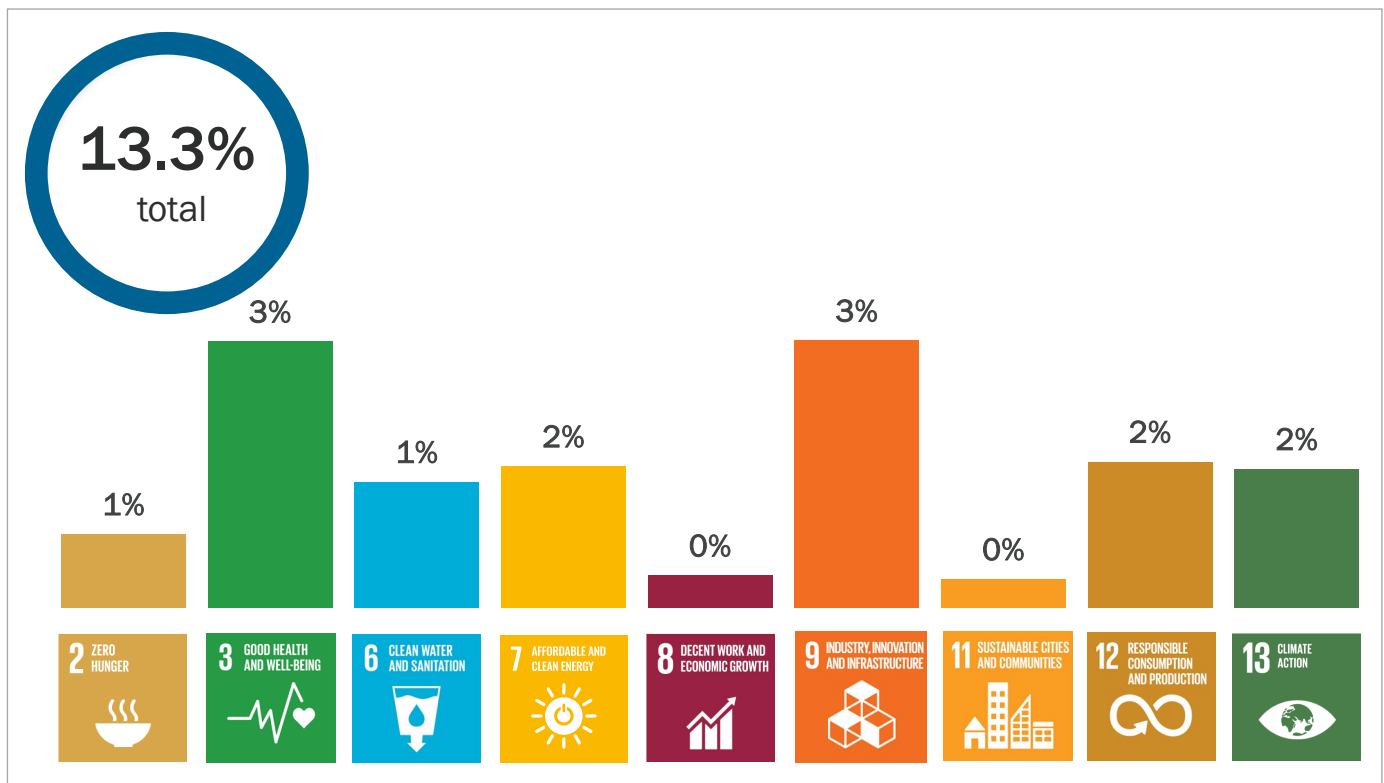
## UN Sustainable Development Goals alignment

The UN Sustainable Development Goals (SDGs) encompass 17 sets of targets to be met by the world's economies by 2030. The SDGs have been increasingly adopted by investors as a framework for evaluating funds' alignment to critical and often unmet activities necessary for a sustainable economy.

The nature of Impax's investment philosophy results in meaningful exposure to the SDGs as a consequence of the investment process, which is focused on investments enabling and benefiting from the transition to a more sustainable economy. The chart below summarizes portfolio company exposure to the UN SDGs for the portfolio, as at the end of 2023.

Impax's investment process does not analyze alignment with SDGs as an investment objective or component of portfolio construction. Instead, we use the SDG framework to understand which portfolio companies are involved in activities that contribute towards addressing these critical global challenges, as a mapping and reporting exercise. We evaluate alignment with this framework by identifying the proportion of portfolio companies' activities, measured in revenue percentages, that contribute to the achievement of the SDGs.

We focus on those SDGs where the underlying targets are relevant to private sector investment opportunities, rather than government-driven activities, such as public funding or policy or regulatory action. For example, we ascertain that our portfolio companies – even those held within the Climate strategy – have very little exposure to SDG 13, climate action. While this may seem counterintuitive given our focus on the transition to a more sustainable economy, this is because we consider most of the Goal's sub-targets to be aimed at, and implemented by, governments. Similarly, we do not have exposure to e.g. SDG17, Peace, Justice and Strong Institutions, responsibilities of governments. On the other hand, the sub-targets of e.g. SDG9, Industry, Innovation and Infrastructure, are implemented by private sector actors.



Source: Data as of 12/31/2024. The UN SDGs encompass 17 goals. For further information, please visit <http://www.un.org/sustainabledevelopment/sustainable-development-goals>. Figures above are based on Impax internal data. Impax's investment process does not identify alignment with SDGs as a specific objective. Instead, the nature of Impax's investment philosophy results in some meaningful revenue exposure within the Environmental Markets strategies and Sustainability Lens strategies, based on investee companies' eligible activities. Refer to the Methodology section at the back of the report for further details on methodology and summarized data that was available and estimated for companies in the portfolio.

## Stewardship and advocacy

As an investor focused on the transition to a more sustainable economy, stewardship and advocacy are the twin levers that we can pull to help our investee companies navigate risks and opportunities and to influence change in the real economy.

2023 marked an important milestone in the coordination of our stewardship and advocacy activities as our expanding Sustainability & Stewardship and Policy Advocacy teams combined to form the Impax Sustainability Centre. This centre of excellence enables us to be more effective stewards of our clients' investments and to better shape the market for an accelerated transition to a more sustainable economy. It also positions us to navigate the rapidly expanding range and depth of sustainability-related issues, and to meet the growing expectations of clients, regulators and other stakeholders.

Our stewardship and advocacy activities are focused on four overarching themes – Climate, Nature, People and Governance – around which we structure this part of this report.

### Engagement

The Impax investment process is focused on a comprehensive understanding of the character and quality of our investee companies and issuers. Engagement is used both to mitigate risk and to enhance value and investment opportunities. Engagement can help us to:

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

## Case study: IQVIA



**Company description:** IQVIA Holdings Inc. focuses on technology solutions and contract research services. The company offers a broad range of solutions which includes clinical development strategies, therapeutic expertise, predictive and prescriptive analytics, and patient retention services. IQVIA Holdings serves consumer health, biopharma, and medical technology industries globally.



### Engagement

#### Topics

Governance practices, including board structure, shareholder rights and executive compensation

#### Objectives

- Improve board structure including independence
- Improve board diversity
- Improve historically limited shareholder rights, declassify board
- Improve executive compensation

#### Period of engagement

Impax began engaging with IQVIA in 2018 and engagement with the company on shareholder rights and executive compensation is ongoing

#### Outcomes

Between 2020 and 2023, IQVIA improved board independence to 90% and board gender diversity to 40%. The company has begun the process of declassifying the board, which will be complete in 2025.

## Case study: Clean Harbors



**Company description:** Clean Harbors, Inc. provides a variety of environmental remediation and industrial waste management services to customers in the United States and Puerto Rico. The Company's services include treatment and disposal of hazardous and non-hazardous solid and liquid waste, surface remediation, groundwater restoration, and waste packaging, as well as analytical testing and consulting



### Engagement

#### Topics

Climate change – transition risk

#### Objectives

- Share our expectations for climate-resilient and transition-aligned management processes; enhance relevant disclosures

#### Period of engagement

Impax has been engaging with Clean Harbors since 2018 on various sustainability disclosures and engagement with the company is ongoing

#### Outcomes

Clean Harbors submitted its first CDP response in 2022. The company continued to evaluate Scope 3 emissions disclosures and goal setting in 2023.

# Systematic engagement

We believe that significant, positive real-world impact can be achieved through focused, well-structured stewardship and advocacy efforts. As an active shareholder with a long-term investment horizon, we believe it is in the interests of our clients that we proactively engage with a wide spectrum of stakeholders – including investee companies and regulators – in an effort to minimize risks, and to protect and enhance value for shareholders.

## Physical climate risks and adaptation

A growing body of research demonstrates the financial materiality of climate risks.<sup>1</sup> Yet few companies disclose the geo-locations of strategic physical assets that might face climate risks, nor those in their supply chains. This means that physical climate risks cannot be reliably anticipated by investors and financial markets. Also, few companies disclose their own estimates of their value at risk or plans for creating resilience to physical risks. Over the past four years, we have engaged with regulators, investors and companies, often in partnership with other shareholders, to address these risks.

## Engaging regulators and companies

We first petitioned the US Securities and Exchange Commission (SEC) in June 2020 to require that companies report the specific locations of assets whose loss or damage could be a material event. This petition was published in the Harvard Law School Forum on Corporate Governance to promote our activities.<sup>2</sup> In August 2020, we joined forces with the New York State Common Retirement Fund, one of the US' largest public pension plans. Together, we asked all constituents of the S&P 500 Index of large capitalisation US companies to report on the precise location of relevant physical assets whose loss or impairment would have a material financial impact. Just over 13% of the S&P 500 responded to our initial letter.<sup>3</sup> Of these, one-quarter reported that they already disclose locations of key assets. In some cases, however, reporting is at too distant a timeframe to be useful in physical risk assessment. Of all the companies we spoke to or heard from, we found just three that had seriously considered their liabilities due to physical risk and had plans for adapting to or mitigating those risks.

## Contributing to public discourse

We have published a series of thought leadership pieces on the theme of physical climate risks and their management. In our September 2020 report, *Designing a resilient response to the inevitable impact of climate change*, we explored the material and immediate physical climate risks facing companies and investors globally.<sup>4</sup> We noted that investors' tools for understanding physical climate risks were limited and imperfect, and recommended steps that investors should consider.

## Contributing to the SEC climate rule

Early 2022 marked an important step forward in our engagement with US regulators on this issue. Ahead of the SEC's publication of a proposed rule to enhance and standardize climate-related disclosures in March 2022, we met with the Chair and staff of the SEC to advocate for an ambitious and effective outcome.


In May 2022, we submitted a detailed response to the SEC's well-conceived proposals that included amendments we believed would strengthen the rule's implementation. This included a focus on reporting on physical climate risk and geo-location data. When the SEC adopted its final climate risk disclosure rule, in March 2024, Impax was cited 24 times. Although there were some disappointments – Scope 3 emissions disclosure by US companies is missing completely – the rule mandates that US companies must disclose physical climate risks that have any material impact on companies' strategies, business models and outlooks. Overall, we believe it will help provide decision-useful information on physical risks.

<sup>1</sup>Impax, 2023: *Climate change: the impact for investors*. <sup>2</sup>Harvard Law School Forum on Corporate Governance, June 2020: *Rulemaking Petition on Disclosure to Help Assess Climate Risk*. <sup>3</sup>Impax, 2021: *Seeking coordinates: A unique engagement on physical climate risk*. <sup>4</sup>Impax, 2020: *Physical climate risks - Designing a resilient response to the inevitable impact of climate change*

# Memberships

Impax works collaboratively with industry organizations and our peers to shape the markets needed for the transition to a more sustainable economy to accelerate.

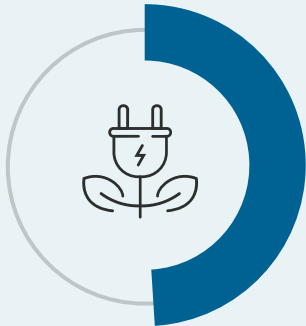
Here is a selection of our current memberships by theme:

 Climate	 Nature	 Governance
Carbon Disclosure Project (CDP)	Finance Sector Deforestation Action (FSDA)	Asian Corporate Governance Association (ACGA)
Ceres Investor Network	Investor Environmental Health Network (IEHN)	Council of Institutional Investors (CII)
Climate Financial Risk Forum (CFRF)	Investor Policy Dialogue for Deforestation (IPDD)	Confederation of British Industry (CBI)
Confederation of British Industry (CBI)	Natural Capital Investment Alliance (NCIA)	Global ESG Benchmark for Real Assets (GRESB)
Energy Transitions Commission (ETC)	Nature Action 100 (NA100)	Interfaith Center on Corporate Responsibility (ICCR)
Farm Animal Investment Risk and Return Initiative (FAIRRI)	Principles for Responsible Investment (PRI) Spring	UK Sustainable Investment and Finance Association (UKSIF)
Financing a Just Transition Alliance (FJTA)	Taskforce on Nature-related Financial Disclosures (TNFD)	International Corporate Governance Network (ICGN)
Glasgow Financial Alliance for Net-Zero (GFANZ)		Principles for Responsible Investment (PRI)
Global Impact Investment Network (GIIN)		Shareholder Rights Group
Institutional Investors Group on Climate Change (IIGCC)		The Investing and Saving Alliance (TISA)
Investment Association (IA)		UK Stewardship Code (UKSC)
Net Zero Asset Managers initiative (NZAM)		The US Forum for Sustainable and Responsible Investment (USSIF)
Principles for Responsible Investment (PRI)		
ShareAction investor Decarbonization Initiative		
Sustainable Investments Institute		
Sustainable Markets Initiative		
Task Force on Climate-related Financial Disclosures (TCFD)		
Transition Plan Taskforce (TPT)		
	 People	
	Investors Against Slavery and Trafficking, Asia Pacific (IAST APAC) Initiative	
	Northeast Investors Diversity Initiative (NIDI)	
	Race at Work	
	ShareAction: Long-term Investors in People's Health Initiative (LIPH)	
	Thirty Percent Coalition	
	Women's Empowerment Principles	
	Women in Finance	



# Impax Asset Management Sustainability highlights 2023

## Investments



**49%**

AUM invested in 'climate solutions'<sup>1</sup>



**92%**

AUM committed under NZAM targeting 'transition aligned/aligning' climate plans and processes<sup>1</sup>

## Operational



**97%**

electricity from renewable sources across Impax offices<sup>1</sup>



**2030 target is 100%**

## Stewardship & Advocacy



**25%**

of engagement dialogues focused on climate-related issues in 2023<sup>2</sup>



**91%**

climate-related shareholder proposals supported in 2023

**Early adopter**  
of TNFD  
recommendations

Became  
a member of  
**Nature Action 100+**

Contributed to  
**TPT asset management**  
sector guidance



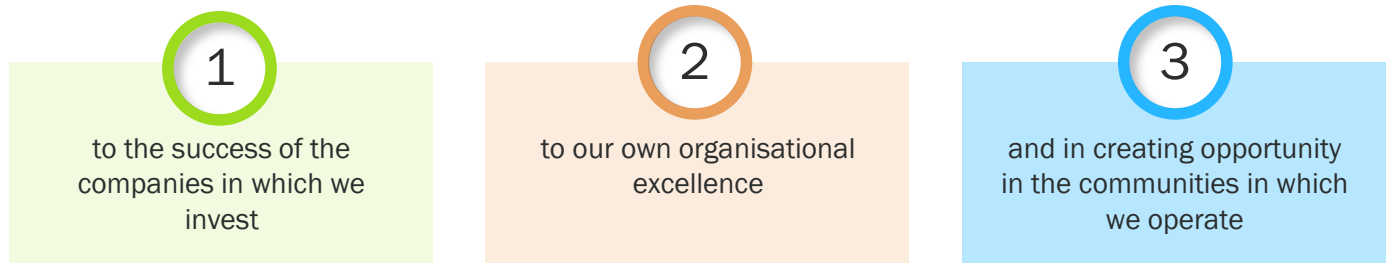
<sup>1</sup>As at 31 December 2023. See page 3 for our definition of 'transition aligned/aligning'. <sup>2</sup>Other areas of priority for stewardship and advocacy activities are Governance, Nature and People. See our Stewardship and Advocacy Report 2024 for details of our activities in 2023.

# Impax Asset Management

## Equity, Diversity & Inclusion 2023

We believe that the transition to a more sustainable economy is closely linked to the transition to a more equitable society.

Equity, diversity & inclusion are critical:



### Gender overview 2023<sup>1</sup>

	Female	Male	Prefer not to disclose
Total company	47%	52%	2%
Board	57%	43%	0%
Executive Committee	33%	67%	0%
Senior staff	36%	62%	2%
Investment team	33%	66%	1%
Promotions	54%	46%	0%
Hires	49%	51%	0%

Self-reported, anonymous data collected in August and September 2023. Conducted by Impax, with an 86% response rate.

### Ethnicity overview 2023<sup>1</sup>

	Asian	Black	Additional ethnic groups	White	Prefer not to disclose
Total company	15%	4%	6%	74%	2%
Board	0%	0%	0%	100%	0%
Executive Committee	0%	8%	0%	92%	0%
Senior staff	10%	1%	2%	85%	2%
Investment team	22%	1%	8%	67%	1%
Promotions	16%	2%	5%	77%	1%
Hires	14%	2%	9%	75%	0%

Self-reported, anonymous data collected in August and September 2023. Conducted by Impax, with an 86% response rate.

## Goals and objectives

Previously, Impax had 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)

Following good progress against these goals, we undertook a benchmarking exercise, analysing our current profile, the markets in which we operate, and comparing ourselves with our peers. This has informed our refined and updated E,D&I goals, which we believe are more transparent and measurable.

For December 2027, we aim that:

- Impax's overall workforce should be 48%-52% women
- Impax's overall workforce should be 28%-32% minority ethnic
- Impax's senior staff<sup>2</sup> should be 38%-42% women
- Impax's senior staff should be 14%-18% minority ethnic

<sup>1</sup>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' represents Hispanic or Latinx, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, Two or More Races or Mixed Heritage, and other identities that staff have self-identified. <sup>2</sup>Impax's corporate level of "Director" and above

# Impax Asset Management In the Community 2023

Impax's Value of "Building a common future" recognises that 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 supports a small number of strategic community partners which align to our mission as specialists in the transition to a more sustainable economy. These partners support issues related to the environment and social inclusion, with a particular focus on education and green skills.



We aim to donate 0.5% - 1% of our pre-tax profit to support our community partners and charitable activity. In our financial year 2023 we donated £504,933 to charitable causes (up from £287,382 in 2022).<sup>1</sup>

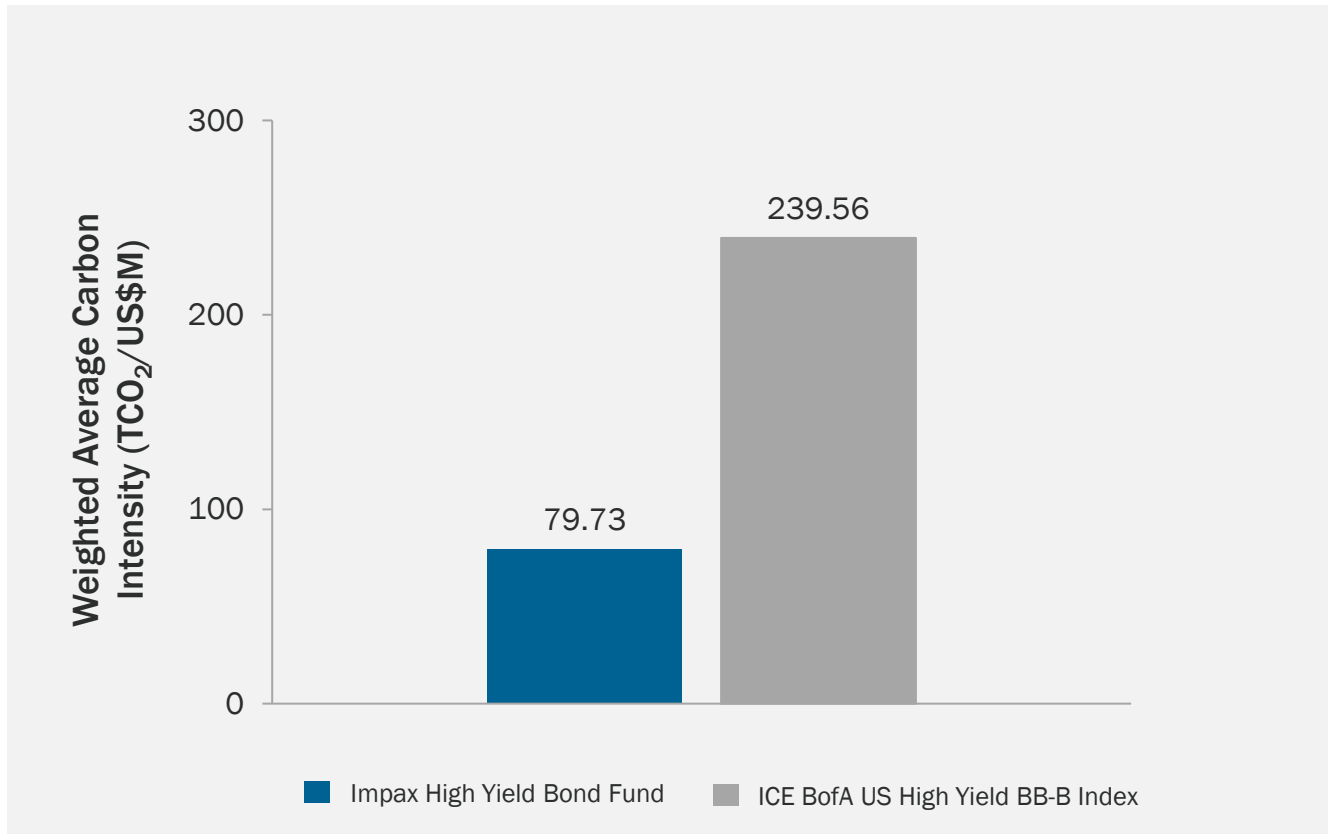
Impax's charitable partners include:

- Ashden is a London-based charity that champions applied, local energy solutions to reduce greenhouse gas emissions, protect the environment, combat poverty, and improve lives. Impax and Ashden have worked in partnership for a decade, with Impax sponsoring the Ashden Award for Climate Innovation in the UK. A team of Impax colleagues take part in the awards process each year, to help evaluate and judge award submissions, and provide ongoing mentoring and support to previous winners.
- Ceres is the leading US NGO addressing the world's greatest sustainability challenges through collaborations with leaders in business, government, and finance. Impax has partnered with Ceres for nearly a decade, providing programmatic support, grants, and in-kind assistance. This supports the team at Ceres in their research and analysis, and in ensuring their findings are heard by investment leaders and the public.
- Impax's support for ClientEarth is in its eighth year. As a non-profit environmental law organization, ClientEarth's team of lawyers fight the systems which restrict the planet's freedom, using the power of the law to create lasting impact and drive systematic change to protect the earth. They advise decision-makers on policy, train legal and judicial professionals and launch legal interventions.
- Groundwork is a federation of charities mobilizing practical community action on poverty and the environment across the UK. Our partnership supports 10 disadvantaged young people into jobs in the green economy in Yorkshire through the Green Jobs Pathfinder, aiming to create accessible pathways into entry-level green roles, increase the diversity of people pursuing green careers, and help 'left-behind' places to thrive through a green economy.
- Country Trust is one of the UK leading educational charities. The Impax Food Discovery Programme helps give 460 children in 10 schools the opportunity to get hands on with the living world, to learn practical skills, and to begin to discover where our food comes from, and how food, and food production is connected to health and sustainability.
- The Pax Scholarship Program honors our Pax World Funds heritage by awarding annual scholarships to three New Hampshire-based educational and non-profit institutions promoting sustainable finance, advancing women and girls, and fostering global peace. The programme aims to serve young leaders from around the world.

<sup>1</sup>UK Stewardship Code Statement, [uk-stewardship-code.pdf](#) ([impaxam.com](#)). As of 09/30/2023, we donated US\$677,166 to charitable causes (up from \$385,408 in 2022).

## Weighted Average Carbon Intensity (WACI)

Impax's approach to fixed income investing results in a portfolio with lower carbon intensity vs the high yield index<sup>1</sup>



<sup>1</sup>TCO<sub>2</sub>/US\$M Sales data as of 03/31/2025. Source: MSCI, FactSet. For more information on Weighted Average Carbon Intensity, please refer to the end of document. The ICE BofAMerrill Lynch US High Yield BB-B Index tracks the performance of BB-and B rated fixed income securities publicly issued in the major domestic or Eurobond markets, with total index allocation to an individual issuer limited to 2%. Investors cannot invest directly in any index.





# Appendix

## Impax proprietary tool definitions

The Impax Environmental Markets taxonomy is a classification system that supports the identification of investment opportunities in companies delivering solutions to environmental and resource efficiency challenges. This equity market classification is defined as companies whose businesses and technologies focus on environmental markets, including alternative energy and energy management & efficiency; transportation solutions; water infrastructure & technologies; environmental services & resources; resource efficiency & waste management; digital infrastructure; and sustainable food & agriculture. As determined by Impax, equity securities of companies that derive significant revenues (i.e., at least 20% of revenues) by sales of products or services in these areas are classified as environmental markets.

The Impax Sustainable Infrastructure taxonomy is a classification system that supports the identification of investment opportunities in companies that provide the infrastructure essential for the transition to a more sustainable economy. This equity market classification defines sustainable infrastructure in two broad categories: 1. Resource Infrastructure, which includes New Energy, Water, Waste & Resource Efficiency, and Food and Agriculture sub sectors. 2. Social and Economic Infrastructure which includes Communications & Data, Buildings & Facilities, Transportation, Healthcare, Education, and Finance sub sectors. Companies must generate a minimum of 20% of their revenues from infrastructure-related activities as defined by this taxonomy.

The Impax Social Leaders taxonomy is a classification system that supports the identification of investment opportunities in companies that provide products or services that address societal challenges. This equity market classification is defined as companies who 1. derive at minimum 20% of revenues from “social markets,” meaning meeting basic needs, such as food, water, and shelter, or essential services, such as transportation and utilities; broadening economic participation by enabling access to education, jobs, financial services and/or digital services; or improving quality of life through accessible and affordable health care and wellness; and 2. also demonstrate positive behaviours through policies and programs that foster diverse, inclusive and equitable workplace cultures.

The Impax Climate taxonomy contains companies identified as typically having 50% or more of revenues in Mitigation and Primary Adaptation solutions, plus a limited amount of Secondary Adaptation solutions according to Impax’s Climate Opportunities Taxonomy. The stock-level revenue content is determined by the analyst responsible for the respective stock and confirmed and documented by a member of the Listed Investments Team with the specific universe management role.

The Impax Sustainability Lens (“Lens”) is a proprietary investment tool that is used to assess economic opportunities and risks associated with the transition to a more sustainable economy, in order to help our portfolio managers weight their portfolios toward sub-industries that we believe offer higher opportunity and lower risk.

## Weighted average carbon intensity (WACI) methodology

The Weighted Average Carbon Intensity (Tons CO<sub>2</sub>/\$M Sales) is calculated using MSCI ESG Research company level research and measures a fund's exposure to carbon intensive companies. This figure represents the estimated greenhouse gas emissions per \$1 million in sales across the fund's holdings. This allows for comparisons between funds of different sizes. A portfolio's weighted average carbon intensity is achieved by calculating the carbon intensity (Scope 1 + 2 Emissions / \$M Sales) for each portfolio company and calculating the weighted average by portfolio weight.

At the company level, the carbon intensity (Scope 1 + 2 Emissions/\$M Sales) represents the company's most recently reported or estimated Scope 1 + Scope 2 greenhouse gas emissions normalized by sales in USD. MSCI ESG Research collects company-specific direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions data from company public documents and the Carbon Disclosure Project (CDP). If a company does not report GHG emissions, then MSCI ESG Research uses a proprietary methodology to estimate Scope 1 and Scope 2 GHG emissions. The data is updated on an annual basis. Scope 1 emissions are those from sources owned or controlled by the company, typically direct combustion of fuel as in a furnace or vehicle. Scope 2 emissions are those caused by the generation of electricity purchased by the company. For more information, visit <https://www.msci.com/index-carbon-footprint-metrics>.

Carbon Intensity scores are determined by taking the market value of each security and company-level data to calculate the weighted average score at the portfolio level. The Fund and Index weighted average carbon intensity numbers are calculated by and sourced from FactSet, using MSCI ESG Research company-level data. As of 03/31/2025, the Fund weighted average carbon intensity was 64.03 vs. 68.62 for the benchmark. Data availability for the Fund is 79.73% by weight, and 239.56% of the benchmark by weight. Data availability for the Fund and benchmark may not add up to 100% due to the limited data availability within emerging markets.

Data source: FactSet. As of 03/31/2025, top ten issuers of Impax High Yield Bond Fund . Holdings subject to change.

Stock	Weight (%)
CHARTER COMMUNICATIONS INC	2.63
CVS HEALTH CORP	1.75
FRONTIER COMMUNICATIONS	1.57
ALBERTSONS COS INC	1.43
HILTON WORLDWIDE HOLDINGS INC	1.35
HA SUSTAINABLE INFRASTRUCTURE	1.28
ALLIANT HOLDINGS LP	1.27
UNIVISION COMMUNICATIONS	1.25
AVANTOR INC	1.23
POST HOLDINGS INC	1.21

## SDG mapping methodology

The UN Sustainable Development Goals (SDGs) comprise a series of 17 sets of targets across a range of issues including poverty, inequality, climate change, clean water, gender inequality and other global challenges, to be met by the world's economies by 2030. Please refer to the SDGs for additional information. Impax Asset Management (Impax) uses the SDG framework to understand which current and potential portfolio companies are involved in activities that contribute towards addressing these critical global challenges.

Impax's methodology is based on identifying the portion of companies' revenues that relate to the targets and indicators within each Goal. Impax has mapped 51 categories (for a complete listing of the 51 revenue categories, please see p. 8 of the Impact @ Impax 2022 publication) of business activities linked to 11 of the 17 SDGs and their underlying targets and indicators. Impax focuses on those SDGs where the underlying targets of the Goal are relevant to private sector investment opportunities, rather than public funding or policy action.

Mapping of company revenues to the SDGs occurs annually at the end of each calendar year and is quantified based on portfolio company disclosures. The mapping is done on a global basis and does not differentiate between regions except in the case of financial services and telecom companies and their business activities relevant to SDG 8 (decent work and economic growth) and SDG 9 (industry, innovation and infrastructure) where Impax only focuses on company revenue generated in the least developed countries (LDCs). For business activities relevant to other SDGs the focus described by the SDG framework is predominantly 'global'. As such, Impax's methodology for measuring SDG-related revenue does not differentiate between geographic regions as the natural environment is regarded as a "global common."

Impax's investment process does not analyze alignment with SDGs as an investment objective or component of portfolio construction. Impax simply maps SDG-related revenue exposure for portfolio companies, which is instead a byproduct rather than a feature of the investment process.



# Environmental impact and climate transition methodology

The relevant environmental metrics for all portfolio issuers were measured where data was available or could be estimated. The analysis included all issuers in which the strategies were invested as of 12/31/2024. At the time of preparation, Impax aimed to obtain the most recently available and commonly collected environmental data from investee issuers. The percentage owned in each underlying issuer (calculated based on the proportion of shares owned) as of 12/31/2024 was applied to measure the environmental benefit attributable to the strategies. These included:

Carbon Intensity, Scope 1, and 2 (tCO<sub>2</sub>e/revenue)

Impax strives to be conservative with estimates in an effort to ensure that positive impact is not overstated, or in the case of GHG emissions, avoided emissions are not overstated.

The below table summarizes the data that was available and estimated for companies in the strategy. The total number of issuers in the portfolio as of December 31, 2024 was 165.

The environmental impact of investments will always depend on the mix of underlying holdings and are thus subject to change. The information contained in this report is therefore specific to the date listed herein.

Metric estimated/ disclosed	Percentage of issuers for which the metric was available
Carbon intensity (tCO <sub>2</sub> e/revenue) – Scope 1 & 2	79.27%



## Important information

### Risk:

The Fund can invest in “junk bonds” which are considered predominately speculative with respect to the issuer’s continuing ability to make principal and interest payments when due. Yield and share price will vary with changes in interest rates and market conditions. Investors should note that if interest rates rise significantly from current levels, bond fund total returns will decline and may even turn negative in the short term. There is also a chance that some of the fund’s holdings may have their credit rating downgraded or may default. The Fund is actively managed. The investment techniques and decisions of the investment adviser and the Fund’s portfolio manager(s), including the investment adviser’s assessment of a company’s ESG (Environmental, Social and Governance) profile when selecting investments for the Fund, may not produce the desired results and may adversely impact the Fund’s performance, including relative to other Funds that do not consider ESG factors or come to different conclusions regarding such factors.

Investment return and principal value will fluctuate so that you may have a gain or a loss when you sell your shares.

***This material must be preceded or accompanied by a prospectus. Please read it carefully before investing. Investment return and principal value will fluctuate so that you may have a gain or a loss when you sell your shares.***

You should consider a fund's investment objectives, risks and charges and expenses carefully before investing. Past performance is no guarantee of future results.

Impax Funds are distributed by Foreside Financial Services, LLC. Foreside Financial Services LLC is not affiliated with Impax Asset Management LLC.

Impax Asset Management makes its investment and related decisions pursuant to its independently determined policies and practices that seek to serve the risk management objectives and interests of its investors. Any and all engagement by Impax Asset Management with issuers and other market participants on sustainability issues are pursuant to, and consistent with, those independently determined policies and practices.

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