

UN Global Compact Communication on Progress 2020



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STATEMENT OF CONTINUED SUPPORT FOR THE UN GLOBAL COMPACT

I am pleased to confirm that Impax Asset Management LLC (Impax), the North American division of Impax Asset Management Group and adviser to the Pax World Funds, reaffirms its support of the Ten Principles of the United Nations Global Compact (UNGC) in the areas of Human Rights, Labor, Environment and Anti-Corruption. In this Communication on Progress, we identify actions we have taken during the reporting period to implement the UNGC principles.

Sincerely,

Joseph F. Keefe

President

Impax Asset Management LLC

This report covers the activities of Impax Asset Management LLC for calendar year 2020 and not those of our parent company or affiliated entities. Throughout this report, we refer to Impax Asset Management LLC as “Impax.”



DESCRIPTION OF ACTIONS: HUMAN RIGHTS (PRINCIPLES 1-2)

Assessment, Policy & Goals

Impax embraces the values of responsibility, respect, honesty, compassion and fairness throughout our interactions with shareholders, employees, business partners and our community. We believe this includes the basic human rights of our employees and other stakeholders.

Implementation

Impax has developed policies and procedures to ensure our employees are provided with a safe work environment and are protected from workplace harassment and discrimination, including sexual harassment, physical violence and bullying. These policies are extended to our external partners, including suppliers, clients and other communities of place and interest who are affected by our work.

In addition, human rights issues are also recognized as a material issue across our investment universe and their consideration is incorporated into our investment process.

Measurement of Outcomes

In 2020, all staff were required to participate in awareness training titled “Combating Slavery & Human Trafficking.” The training included a status update about slavery in the modern age and what we as individuals can do to identify common signs of trafficking and slavery when dealing directly with people and suppliers.



Assessment, Policy & Goals

Impax strives to provide its employees a friendly, collegial, professional work environment. We embrace diversity as a guiding principle as well as an investment concept.

Implementation

Impax is an equal opportunity employer and follows a policy of administering all employment decisions and personnel actions without regard to age, sex, gender identity and expression, sexual orientation, race, color, marital status, pregnancy, physical or mental disability, genetics or genetic information, family health history, religion, national origin, or veteran status, or any other category protected under applicable federal, state or local law.

In advancing this belief, the company strives to take affirmative actions to enhance the job opportunities for minority group members and women. To that end, we have a policy about diversity in the hiring process requiring that, absent unusual circumstances, all open job positions must have at least two (2) women and/or minorities in the finalist pool and that all interviews for the finalist pool of candidates must have at least two (2) women and/or minority interviewers.

Further, there is evidence that family-friendly workplaces can deliver good financial results, as well as simply being the right way to conduct business. Impax now offers 16 weeks of paid parental leave. The policy includes paid leave for new parents, which applies to maternity, paternity, adoption and foster care placement. The leave may be taken any time during the child's first year of life (or adoption, or foster placement) and may be taken intermittently so that our employee, and their partner/spouse, can organize time off in a way that maximizes their time with their child.

Finally, as part of our investment process, labor, or human capital, is recognized as a material issue across our investment universe. Specifically, we consider diversity, equal opportunity, gender empowerment, workplace health and safety, and employee relations when considering new and re-evaluating existing holdings in our investment portfolios. This also extends to our engagement efforts, where human capital development, including diversity, equality and inclusion is one of our four strategic priorities. Additionally, one of our thematic investment strategies was the first broadly diversified mutual fund that invests in the highest-rated companies in the world for advancing women through gender-diverse boards, senior leadership teams and other policies and practices. Research indicates that companies with more women in leadership have higher returns on capital, greater innovation, increased productivity and higher employee retention and satisfaction.

Measurement of Outcomes

Impax has made the health and safety of its employees' paramount during the COVID-19 pandemic. We have taken numerous actions, including the formation of a special committee and the creation of office guidelines consistent with CDC protocols. Employees are encouraged to work from home whenever possible and not to travel for business. Impax also amended its Flexible Spending Plan (FSA) to allow employees more flexibility due to COVID-19 and has established clear and regular communication with employees to help ensure their mental and physical health during the pandemic.

We believe that gender inequality is one of the most significant human capital issues of our time. In 2020, we set up an Equality, Diversity, and Inclusion (ED&I) group, chaired by Impax Chief Executive Ian Simm and Joe Keefe, President, of Impax North America, with Lindsey Brace Martinez as the Non-Executive Director sponsor of this group. The group has a mandate to recommend how we can strengthen our capabilities and results in this area.

In 2020, all staff were required to participate in awareness training titled "Discrimination & Harassment Awareness for Employees." Impax is committed to a work environment in which all individuals are treated with dignity and respect. Each individual has the right to work in a professional atmosphere that promotes equal employment and advancement opportunities and prohibits unlawful discriminatory practices, including harassment. To that end, this training session aimed to help foster a work environment free of discrimination and harassment.

In 2020, we increased the number of paid weeks of parental leave from 12 to 16 weeks.

Information about gender diversity and gender pay equity is now reported at the parent company level and can be found in our [Strategic Report](#) for the year ended 30 September 2020, pages 46 through 49.

Assessment, Policy & Goals

Impax recognizes the importance of environmental stewardship throughout our business. Understanding that our own operations impact the communities and environments in which we operate, we conduct business in a way that minimizes our environmental footprint while enhancing stakeholder value for our customers, employees, suppliers and communities.

Impax supports and encourages recycling programs (office waste, electronic waste, food waste, for example), water conservation and energy conservation. All employees are expected to actively participate in the organization’s conservation activities.

Implementation

In addition to being a material issue integrated in our investment process, Impax will endeavor to:

- ✓ Measure, analyze and reduce our contributions to global climate change and consumption of resources, including energy, water and materials
- ✓ Offset our energy and water use to aid in the development of alternative energy and the restoration of freshwater ecosystems
- ✓ Procure goods and services from suppliers who demonstrate sound environmental practices
- ✓ Support initiatives and public policies that seek to promote the long-term conservation of our natural resources
- ✓ Engage employees on reducing their environmental impact at work, at home and while traveling for business purposes
- ✓ Communicate progress on environmental initiatives to stakeholders
- ✓ Monitor emerging environmental issues as they pertain to our operations and adjust our environmental strategy as needed

Measurement of Outcomes

In November 2020, Impax signed a contract with Sunwave, an independent electricity supplier that sources renewable energy from wind farms, to source 100% renewable electricity for our Portsmouth, NH, office. Previously, only about 13% of our electricity came from renewable sources such as wind and solar, which reflects the fuel mix of the New England electric grid.

As an effort to make local decisions that can have a global impact, and to ensure our internal operations are demonstrating leadership in the transition to a more sustainable global economy, in 2020, Impax developed a policy to guide our approach to meals and catering for our business and clients. The policy encourages low-carbon eating, vegetarian and vegan options, as well as organic, seasonal and local ingredients and sustainable packaging wherever possible. Further, as an effort to shift away from foods that are more carbon-intensive, Impax has made the decision not to offer beef and lamb when we are providing prepared/catered meals.

Information about our carbon emissions is now reported at the parent company level and can be found in our **Strategic Report** for the year ended 30 September 2020 on pages 54 through 55.

Assessment, Policy & Goals

Impax is committed to the highest standards of ethics, business integrity and corporate governance. As the adviser to Pax World Funds, we have a fiduciary responsibility to the funds' shareholders. To that end, Impax's corporate governance practices are designed to establish and preserve accountability and transparency while avoiding conflicts of interest (or even the appearance of conflict). Although the interests of our shareholders always come first, we also believe that we have a moral and ethical obligation to our employees, suppliers and the communities in which we operate.

Impax has established policies about anti-money laundering (AML), insider trading, communications (social media and public correspondence), whistleblowing and the so-called "pay-to-play" rule, which refers to various arrangements by which investment advisers may seek to influence the award of advisory business by making or soliciting political contributions to the government officials charged with awarding such business.

Implementation

In support of these policies, Impax will periodically review all relevant policies with Impax employees, including but not limited to policies regarding AML, insider trading, communications (social media and public correspondence), whistleblowing and the so-called "pay-to-play" rule.

Measurement of Outcomes

Impax conducts required annual and ongoing compliance training for all employees, including the following sessions in 2020:

- ✓ All staff were required to participate in compliance and cybersecurity training, including training related to business continuity and managing conflicts of interest.
- ✓ In May 2020, employees were required to complete a series of training sessions about insider trading, bribery and corruption, combating market abuse, and countering terrorist financing.



You should consider a fund's investment objectives, risks, and charges and expenses carefully before investing. For this and other important information, please obtain a fund prospectus by calling 800.767.1729 or visiting www.impaxam.com. Please read it carefully before investing.

An investment in the Pax World Funds involves risk, including loss of principal.

Impax Asset Management LLC, formerly Pax World Management LLC, is investment adviser to Pax World Funds. Separately managed accounts and related advisory services are provided by Impax Asset Management LLC, a federally registered investment adviser. Foreside Financial Services, LLC is not the distributor for Impax Asset Management's separately managed accounts.

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