

**Impax Asset Management Ireland Limited  
Shareholder Engagement Policy  
July 2021**

Owner: IAMI Board of Directors  
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## 1. Introduction

Impax Asset Management Ireland Limited (the “Company”) is a private company limited by shares, registered under Part 2 of the Companies Act 2014 under registration number 636531 on 25th October 2018. The Company has obtained authorisation from the Central Bank of Ireland (the “Central Bank”) to act as an Alternative Investment Fund Manager (“AIFM”) on behalf of alternative investment funds (“AIF”) in accordance with Directive 2011/61/EU (the “Alternative Investment Fund Managers Directive” or “AIFMD”) and the Central Bank’s AIF Rulebook and as a UCITS management company pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 as may be amended, supplemented or consolidated from time to time (the “UCITS Regulations”). The Company currently acts as UCITS management company to Impax Funds (Ireland) plc, an open-ended investment company with variable capital incorporated in Ireland with registered number 393658 established as an umbrella fund with segregated liability between sub-funds (the “Fund”).

This Engagement Policy (the “Policy”) describes how the Company addresses shareholder engagement in relation to the products/mandates it is responsible for where such products/mandates invest in companies that are listed on an EEA regulated market. It is being adopted to meet the requirements set out under Article 3g of the Shareholder Rights Directive II (2017/828) (“SRD II”), as transposed into Irish law by Section 1110H of the Companies Act 2014. SRD II aims to promote effective stewardship and long-term investment decision-making and, among other things, it may require the products/mandates the Company is responsible for to develop and publicly disclose an engagement policy or to explain why they have not done so.

The Company has delegated its investment management activities in respect of the Fund and each other product/mandate it is responsible for to Impax Asset Management Limited (the “Investment Manager” or “Impax”). The Investment Manager will have full discretion to make all of the investment decisions for the Fund, and each other product/mandate the Company is responsible for, which includes the ability to decide to invest in companies that are listed on an EEA regulated market. The Investment Manager itself has also adopted an engagement policy pursuant to SRD II, which the Company has reviewed and, given the nature of the role of the Investment Manager, deems it appropriate to adopt the Investment Manager’s engagement policy as its Policy in respect of the products/mandates it is responsible for.

## 2. The Policy

While the products/mandates it is responsible for will hold portfolio assets, the Company itself does not. The policy of the Company is that the products/mandates it is responsible for will adopt the policy and approach of the Investment Manager which is as follows:

### 2.1 Integrating Shareholder Involvement in the Investment Strategy

The Investment Manager invests in opportunities created by the transition towards a more sustainable global economy. Environmental, social and governance (“ESG”) analysis is an integral and integrated part of its investment strategy.

Shareholder involvement is a core part of the Investment Manager’s investment strategy and it firmly believes that fully integrating shareholder involvement in the investment strategy enhances the strategy and investor outcomes.

The Investment Manager actively engages with investee companies as part of the initial investment due diligence and on-going monitoring. Furthermore, it engages with investee companies to minimize risks, protect and enhance shareholder value, promote greater transparency on ESG issues and encourage companies to become more resilient over time. The Investment Manager identifies company- and issuer-specific matters and risks and actively engages with companies and issuers regarding these matters, as part of monitoring and managing risks.

## 2.2 Monitoring investee companies on relevant matters including strategy, financial and non-financial performance and risk, capital structure, social and environmental impact and corporate governance

The Investment Manager investment process is focused on thoroughly understanding the character and quality of investee companies, the risks and the areas of potential improvements on an on-going basis. Consequently, it constantly monitors investee companies regarding their on-going performance and developments. The Investment Manager also assesses how those companies are impacted by internal and external factors and events and the effects these have on the company's values and risks. It has procedures in place to escalate issues should the need arise.

The Investment Manager uses various tools for the purpose of monitoring investee companies regarding their financial, operational, strategic, sustainability and governance developments. These include a proprietary risk management tool to highlight and alert its investment teams regarding changes to investee companies' risks, financials and value. They also include using sell-side research to monitor and review investee companies. The Investment Manager assesses the disclosures of all investee companies (annual reports, proxy materials and sustainability data) to get an understanding of how each company manages material risks and operates on an on-going basis.

The Investment Manager conducts an ESG analysis to establish the quality of an investee company's corporate governance structures and management of material ESG risks. As part of its ESG analysis, the Investment Manager assesses and ensures that investee companies adhere to the relevant Governance Codes and has established processes and management systems to mitigate material risks. It then follows up by engagement any departures from Code and/or governance best practice that constitute material risks for the company unless the departure is purely temporary or fully understood or accepted by the Investment Manager's investment team.

The Investment Manager maintains an engagement database detailing the engagement issues, actions, timings, outcomes and current status. It reviews the database regularly and if an issue remains unresolved it follows-up with the relevant company. The Investment Manager has a long-term investment horizon and views it as important to encourage its investee companies to improve structures, processes and resilience through on-going dialogue and engagements.

## 2.3 Conducting dialogues with investee companies

As long-term investees, the Investment Manager understands the importance of conducting regular dialogue with the investee companies. The Investment Manager meets or is in contact with investee companies' management teams several times a year and closely follows their results, announcements and investor conference calls. Where the Investment Manager identifies material concerns or anomalies at an investee company, it will intervene and escalate matters in order to mitigate risks and preserve shareholder value. This includes immediately contacting the company's management team and where relevant and possible, members of the company board.

The Investment Manager uses proxy voting as an important element of its on-going dialogue with investee companies. It has also developed a proprietary cost-effective framework to advise investee companies on how to develop robust, materiality-based and cost-effective sustainability reporting.

## 2.4 Exercising voting rights and other rights attached to shares

The Investment Manager exercises voting rights and other rights attached to shares on behalf of the products/mandates the Company is responsible for. The Investment Manager's policy is to vote all shareholder meetings. It always endeavours to notify a company prior to AGM, or at least afterwards, if it has voted against or abstained on a resolution.

As set out above, the Investment Manager views proxy voting as an important element of its on-going dialogue with investee companies. Proxy voting is predominantly related to governance issues such as

the election of directors, board structures and management remuneration. The Investment Manager's proxy voting process is audited annually by an external auditor and it publicly discloses a summary of its proxy voting records on a quarterly basis.

## 2.5 Cooperating with other shareholders

The Investment Manager regularly engages with investee companies together with other investors or partners and conducts collaborative engagements and outreach where the relevant issue may particularly benefit from a larger group of shareholder involvement or where an issue is being escalated.

The Investment Manager may 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 sectors and activities.

## 2.6 Communicating with relevant stakeholders of the investee companies

The Investment Manager communicates with relevant stakeholders of the investee companies on behalf of the products/mandates the Company is responsible for. Among other things, it is an active member of a number of investor bodies and conducts collaborative engagements through many of them.

The Investment Manager also discloses its proxy voting records on its website on a quarterly basis and discloses examples of its engagement activities on its web-site on a semi-annual basis.

The Investment Manager has also disclosed details of its investment strategy and processes including in its Engagement Statement and its Stewardship Statement, which are available on its website

[https://impaxam.com/wp-content/uploads/2019/05/Impax\\_Engagement\\_Policy\\_2020.pdf](https://impaxam.com/wp-content/uploads/2019/05/Impax_Engagement_Policy_2020.pdf)

<https://impaxam.com/investment-philosophy/environmental-social-and-governance-risk-management/>

## 2.7 Managing actual and potential conflicts of interest in relation to its engagement

The Investment Manager has a comprehensive policy on identifying, recording, managing and disclosing conflicts of interest. Its investment process and stewardship activities are conducted following set and publicly disclosed policies and removed from any influence of specific clients, including the Company and/or the products/mandates the Company is responsible for.

## 2.8 Oversight of Investment Manager

The Company receives regular reports from the Investment Manager as part of its normal operations, including monthly and quarterly reporting.

The Investment Manager's listed equity operations, including its voting activities have been audited and received full ISAE 3402 certification (International Standards for Assurance Engagement) every year since the fiscal year ending September 30, 2012. The Investment Manager makes available the ISAE 3402 assurance report to clients upon request.

## 2.9 Review

This policy will be reviewed by the Company at least annually and will also be reviewed should any material changes in the Investment Manager's engagement policy be notified to it. The Investment Manager has committed to the Company to notify it immediately upon any material change to its engagement policy.