

## Impax Asset Management Limited

### Section 172 Statement for year ended 30 September 2021

#### Corporate strategy

Impax Asset Management Limited (“Impax” or “the Company”) is a specialist asset manager investing in the transition to a more sustainable global economy and seeks to be the leading investment manager in this area. Impax establishes and seeks to grow a small number of scalable products and to sustain excellent investment performance. Impax markets these products predominantly to larger investors who can deploy a significant quantity of capital. To achieve these objectives, the Company recognises the importance of attracting outstanding investment talent and retaining a core senior management team whose interests are aligned with those of shareholders.

#### Creating and promoting value for all stakeholders

Section 172 of the Companies Act 2006 requires the Board to act in the way that they consider would most likely promote the success of the Company for the benefit of all stakeholders. In turn the Directors ensure that they, and the management team, have regard, amongst other matters, to:

- The likely consequences of any decisions in the long term.
- The interests of the Company’s staff.
- The need to foster the Company’s business relationships with suppliers, customers, distribution partners and others.
- The need to grow the value of the business for our shareholders.
- The impact of the Company’s operations on the community and the environment.
- The desirability of the Company maintaining a reputation for high standards of business conduct.
- The need to act fairly as between members of the Company.

The table below sets out our key stakeholders and how we have engaged with them in the period. Further details are provided in the Annual Report of our parent company, Impax Asset Management Group plc.

Stakeholder	Approach to stakeholder engagement
Clients	<p>We provide a wide range of investment products and solutions to our clients who are predominantly institutional investors and pension funds.</p> <p>We are focused on ensuring that we are managing all our funds and accounts in line with clients’ investment objectives and within a framework that is fully compliant with applicable regulations and policies.</p> <p>We seek to deliver consistent outcomes for our clients and superior financial returns over the longer term.</p> <p>We conduct fundamental analysis which incorporates long-term risks, including Environmental, Social &amp; Governance (“ESG”) factors.</p> <p>We focus on four areas broader beyond financial returns: corporate engagement and stewardship; environmental impact reporting; policy and advocacy; and thought leadership.</p> <p>Our client teams build long-term relationships and a deep understanding of our clients’ needs and expectations.</p>

	<p>Informed by our dialogue with clients we develop new products to provide client solutions and invest our own balance sheet as seed capital.</p> <p>Highlights during the period:</p> <ul style="list-style-type: none"> <li>• Continued strong investment performance.</li> <li>• Significant new mandate wins.</li> <li>• We continue to focus on managing our capacity and have significant headroom within our existing strategies.</li> <li>• Thought leadership highlights included a report on water impact.</li> </ul>
Shareholders	<p>Our shareholder is Impax Asset Management Group plc, whose shareholder are institutional and individual investors. We share full details of the Company's performance with the parent company.</p> <p>The governance and management of the Company is driven by the Board and Executive Committee. We seek to adhere to high standards of corporate governance and reporting.</p> <p>We manage and optimise a scalable platform for growth, including systems, processes, and infrastructure. We balance tight costs control with the needs of an expanding business. We have strong cost controls and a rising operating margin.</p> <p>Via our parent company we are committed to full disclosure and clear communications with institutional and private shareholders and hold meetings throughout the year.</p>
Colleagues	<p>We seek to offer a stimulating, collaborative, and supportive workplace for our people.</p> <p>We are focused on integrating our one-team culture, expanding our global presence, ensuring business resilience through scalability, and sustaining a high-performing environment.</p> <p>We prioritise investment to empower our colleagues to reach their full potential. This includes both professional and personal development training to ensure we have the skills needed to develop the business.</p> <p>We are committed to equality, diversity and inclusion (E,D&amp;I). We value individuals and seek to understand our peoples' perspectives and to reflect their views.</p> <p>We remain focused on addressing the gender pay gap, particularly at senior management level.</p> <p>We learn from and act on the feedback from our colleagues.</p> <p>Highlights during the period:</p> <ul style="list-style-type: none"> <li>• We launched a "behavioural competency" framework, which sets out the standards we expect from colleagues on a day-to-day basis.</li> <li>• We consulted with our colleagues before updating our post-lockdown HR policies. We remain an office-based business, with extra flexibility for colleagues that require it.</li> <li>• Our employee engagement survey revealed an 88% engagement score, 14 points ahead of the industry benchmark.</li> <li>• We focused on five E,D&amp;I priorities under Leadership, Talent &amp; Attraction, Data &amp; Benchmarking, Awareness, and Social Impact. We have set goals at an organisational level and in managers' objectives and performance evaluations.</li> </ul>

	<ul style="list-style-type: none"> <li>We became members of the Diversity Project, lead sponsors of the City Hive mentorship scheme and participated in the 100 Black Interns Programme for a second year.</li> </ul>
Investee companies	<p>We are long term investors and develop strong relationships with many of our holding companies. We conduct deep, on-going research into all areas of their businesses.</p> <p>We engage with companies to minimise risks, protect shareholder value, promote greater transparency and encourage companies to become more resilient over time.</p> <p>We take a supportive rather than activist approach and often work in collaboration with other asset managers or organisations.</p> <p>During the period we prioritised four strategic areas of engagement: climate, with focus on physical climate risk; human capital development; sustainability management; and corporate governance.</p>
Distribution partners	<p>We have developed strong relationships with other asset managers who distribute our white-label funds through their networks. This enables the Company to distribute our products to a much wider network of clients.</p> <p>Our senior management team, investment professionals and client relationship managers meet our distribution partners regularly and we have strong reporting systems in place.</p> <p>We are deepening the level of reporting that we provide to our clients via our distribution partners.</p> <p>Highlights during the period:</p> <p>We developed further our relationship with BNP Paribas Asset Management by signing a new distribution agreement on very similar terms to the Memorandum of Understanding that has been in place since 2007.</p> <p>We signed a new distribution agreement with Fidante Partners Limited for it to be Impax's exclusive distribution partner in Australia and New Zealand.</p>
External service providers	<p>We engage specialist external service partners to supplement our own infrastructure so that we can deliver key services more cost effectively.</p> <p>The Audit &amp; Risk Committee reviews the Company's material outsource providers annually.</p> <p>We expect our suppliers to reflect our values around social inclusion, sustainability, and the environment.</p> <p>We seek to develop deep relationships and regularly engage with our external suppliers. We seek to develop deep relationships and regularly engage with our external suppliers.</p> <p>Highlights during the period:</p> <ul style="list-style-type: none"> <li>We invested in our corporate services functions, including risk, compliance and IT.</li> <li>We are focusing particularly on improving our data capabilities, managing cyber risk, and increasing our operational resilience.</li> </ul>
Community and the environment	<p>We are committed to operating to the highest standards of corporate responsibility, recognising our responsibility to the community in which we operate, and to a wider society.</p> <p>We support a low-carbon economy, primarily through our investment decisions, company engagement, our collaboration with clients and stakeholders and policy advocacy. We are committed to reducing our operational emissions; Scope 1, 2 &amp; 3.</p>

	<p>Equality Diversity &amp; Inclusion is central to Impax’s philosophy, values, and mission. This informs the way we operate; our investment and engagement process; and how we measure our collaboration with partners and our social impact.</p> <p>We facilitate charitable giving by our staff via numerous schemes and match many of the contributions.</p> <p>We also encourage staff to volunteer both as individuals and on Company organised initiatives.</p> <p>Highlights during the period:</p> <ul style="list-style-type: none"> <li>• A significant number of colleagues take part in our matched charitable giving scheme (GAYE). This year we were awarded a Diamond Quality Mark by GAYE as an outstanding participant.</li> <li>• In November 2021 we joined the Net-Zero Asset Managers Initiative.</li> </ul>
Industry wide groups	<p>We believe that working in collaboration with like-minded organisations can be more effective in bringing about change.</p> <p>We have focused on the real economy transition (e.g. Investor Agenda COP26 Investor Statement); physical climate risk (e.g. IIGCC Investor Perspectives on Physical Climate Risk); and biodiversity (e.g. preparation work for Taskforce on Nature-related Financial Disclosures).</p>
Financial industry regulators	<p>Impax is a global business which has a strong focus on ethical conduct and compliance with applicable requirements in all jurisdictions where we operate.</p> <p>We are committed to regulatory reporting and disclosures which benefit market transparency and integrity.</p> <p>We seek to contribute positively to evolving regulatory standards and actively advocate for sustainable regulatory policies relevant to our activities and clients.</p> <p>We have participated in the Climate Financial Risk Forum (FCA/Bank of England) and the Bank of England Productive Finance Working Group.</p>