

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; and
- 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. References to the Board herein shall be deemed to refer to the board of Impax Asset Management Group plc unless the context otherwise requires.

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 & 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"> • Continued strong investment performance; • Significant new mandate wins; • We continue to focus on managing our capacity and have significant headroom within our existing strategies; • We have evolved our impact reporting to include three additional strategies, including a fixed income strategy, and additional metrics on social, water, and nature-related impact; and • Thought leadership highlights included a report on the investment case for sustainable infrastructure and articles on the implications of US policy developments, including the Inflation Reduction Act.

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Shareholders	<p>Our shareholder and parent company is Impax Asset Management Group plc, whose shareholders are institutional and individual investors. We share full details of the Company’s performance with the parent company. 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.</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 equity, diversity and inclusion (E,D&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 for the Group:</p> <ul style="list-style-type: none"> • We now conduct our global employee engagement survey annually. This year we achieved an overall engagement score of 89% – up 1 percentage point from 2021 and 7 points ahead of the industry benchmark – based on a 95% employee response rate; • During the Period we had an employee turnover of 10%, while 11% of the team celebrated a promotion; • Our “Impax 2025” project was a significant cross-company initiative to integrate the contribution and plans of all teams as part of our broader strategy; and • We undertook a review of our existing compensation framework. We made good progress on our E,D&I strategy and metrics. 49% of the Group is female, including 43% of the parent company Board, 20% of the Executive Committee and 36% of the Investment Team. 65% of promotions were women.
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>

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	<p>During the period we prioritised four strategic areas of engagement: climate; corporate governance; human capital management; and sustainability risk management, and were a successful applicant to the UK Stewardship Code.</p>
<p>Distribution partners</p>	<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> <ul style="list-style-type: none"> • Our growing relationship with St James’s Place in the UK led to £1.1 billion in net inflows; and • We saw positive flows via other distribution partners in the US, Europe and Australia.
<p>External service providers</p>	<p>We engage proactively with our service providers through regular communication from employees and have an established framework that governs our approach to selection, on-boarding, and oversight, across our key suppliers.</p> <p>Our Supplier Code of Conduct sets out the high standards we expect from our suppliers, covering social inclusion, sustainability and the environment. We engage specialist external service providers to supplement our own infrastructure and staff so that we can deliver key services more cost effectively.</p> <p>The Group’s Audit & Risk Committee reviews the company’s material outsourced providers.</p> <p>Highlights during the period:</p> <ul style="list-style-type: none"> • We invested in our corporate services functions, including systems to enhance our third-party oversight, alongside our automation, data management and reporting capabilities; and • We continue to strengthen the areas of risk management, compliance, business resilience and IT infrastructure for hybrid working.
<p>Community and the environment</p>	<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 & 3.</p> <p>Impax partners with organisations aligned with our focus on the transition to a more sustainable economy: Ashden, Ceres, Client Earth, Diversity Project and Toigo.</p> <p>We facilitate charitable giving by our staff via numerous schemes and match many of the contributions and encourage staff to volunteer both as individuals and on Company organised initiatives.</p> <p>Highlights during the period for the Group:</p> <ul style="list-style-type: none"> • In November 2021 Impax joined the Net-Zero Asset Managers Initiative. Our aim is for 100% of committed AUM for the Group to be

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	<p>within the “transition aligned” or “transition aligning” categories, related to climate management and processes, by 2030. At least 50% of committed AUM for the Group will be classified as aligned.</p> <ul style="list-style-type: none"> • As of 31 December 2021, 59% of total investment-related AUM for the Group was invested in companies and assets providing climate solutions. Full details on climate-related disclosures are in our TCFD report, within the Strategic Report section on pages 53 to 75 of the Annual Report of our parent company, Impax Asset Management Group plc. • We published our Nature, Biodiversity & Deforestation Policy. • Impax colleagues volunteered over 923 hours with charitable organisations. We launched our Community Cause of the Year. Globally, we matched £56,361 of colleagues’ charitable giving. In total, we gave £287,382 to charitable causes during the Period.
<p>Industry wide groups</p>	<p>We believe that working in collaboration with like-minded organisations can be more effective in bringing about change.</p> <p>During the Period we have focussed on the following themes: financing net-zero emissions (e.g. CBI’s Financing the Transition white paper); greening the financial system (e.g. GFANZ guidance on finance institution net-zero transition plans); nature and biodiversity loss (e.g. Finance Sector Deforestation Action initiative); and human capital (e.g. Financing the Just Transition Alliance).</p>
<p>Financial industry regulators</p>	<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 provided comments to regulators on a range of regulatory proposals and rules including:</p> <ul style="list-style-type: none"> • the FCA’s Sustainable Disclosure Requirements and investment labels (including a cost benefit analysis); • the update to the UK Government’s Green Finance Strategy • the ISSB’s international standards for sustainability- and climate-related disclosures.