

**Impax Asset Management (AIFM) Limited**  
**Section 172 Statement for the year ended 30 September 2023**

**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. 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 range of investment products and solutions and private assets 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 and social impact reporting; policy and advocacy; and publishing research.</p> <p>Our client teams build long-term relationships and have 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>We have data breach procedures in place and use external security operations to monitor our network.</p> <p>Highlights during the year for the Group include:</p> <ul style="list-style-type: none"> <li>• We have continued to advance our impact reporting. This includes a new metric for healthy and nutritious food. We are also developing metrics related to social impact and biodiversity.</li> <li>• We engaged a third-party organisation to carry out our first client survey, with 90% of clients reporting a positive view of Impax.</li> </ul>

**Impax Asset Management (AIFM) Limited**  
**Section 172 Statement for the year ended 30 September 2023**

	<ul style="list-style-type: none"> <li>• After the period end we launched the Impax Sustainability Centre, which brings together our Sustainability &amp; Stewardship and Policy &amp; Advocacy teams to focus the Company’s resources in this area.</li> <li>• We’ve expanded our distribution resources in Australia, the Nordics, Latin America, the US and Canada and opened a new office in Japan.</li> </ul>
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.</p> <p>We invest by seeking price inefficiencies in high growth markets and are focused on managing a small number of highly scalable investment strategies.</p> <p>The governance and management of the Company is driven by the Board and senior management team.</p> <p>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.</p> <p>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 for all employees, to ensure we have the skills needed to develop the business.</p> <p>We are committed to equity, diversity and inclusion (“E,D&amp;I”). We value individuals and seek to understand our peoples’ perspectives and to reflect their views. Lindsey Brace Martinez is the Board Sponsor of the Company’s E,D&amp;I activities. We remain focused on addressing the gender pay gap at all levels of the Company.</p> <p>We are signatories of Women in Finance and Race at Work.</p> <p>We learn from and act on the feedback from our colleagues.</p> <p>We promote openness in our culture and regularly provide training on conduct and the values of responsibility and integrity. This includes reminding colleagues of the different ways that they can raise any concerns of a more serious nature, including formal processes and via an anonymous whistleblowing hotline that is readily accessible 24 hours a day and provided by an external supplier.</p> <p>Highlights during the period for the Group:</p>

**Impax Asset Management (AIFM) Limited**  
**Section 172 Statement for the year ended 30 September 2023**

	<ul style="list-style-type: none"> <li>• 90% employee engagement score and 97% aligning with Impax’s mission, culture and values.</li> <li>• We maintain a low staff turnover (10%) relative to peers.</li> <li>• We undertook a benchmarking exercise, refined and updated our E,D&amp;I goals, including gender and ethnicity, for the total Company and at Senior level.</li> <li>• As at year end, 47% of staff are female, close to our 2025 target of 48% - 52%. 25% are minority ethnic. 54% of promotions and 49% of new hires during the period were women. 23% of promotions and 25% of new hires were minority ethnic.</li> <li>• We ran our first global ‘Impax Values Awards’ to recognise and celebrate colleagues’ success and cement Impax’s culture.</li> <li>• We implemented a new HR system to support recruitment, talent development and performance evaluation and to assist in the management of personal data. Introduced new development tool provided by LinkedIn Learning.</li> </ul> <p>We supported the City Hive Cross Company Mentorship Programme in association with #TalkAboutBlack.</p>
Investee companies	<p>We are long-term investors and develop strong relationships with many of our holding companies. We conduct deep, ongoing 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>Highlights for the Group during the period include:</p> <ul style="list-style-type: none"> <li>• We took part in 160 engagement dialogues in 2022, with 43% positive outcomes.</li> <li>• We were a successful applicant to the UK Stewardship Code.</li> <li>• We have recently started combining company engagement and our policy advocacy activities, seeking to shape company practices through regulatory or policy change and focusing our activities on four pillars: climate, nature, people and governance.</li> </ul>
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>

**Impax Asset Management (AIFM) Limited**  
**Section 172 Statement for the year ended 30 September 2023**

<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 &amp; 3.</p> <p>We are members of the Net Zero Asset Managers Initiative.</p> <p>Impax partners with organisations aligned with our focus on the transition to a more sustainable economy, focusing on green skills and education.</p> <p>We facilitate charitable giving by our staff via numerous schemes and match many of the contributions. We also encourage staff to volunteer both as individuals and on Company organised initiatives. Our aim is that by the end of 2025, we would donate 1% of after-tax profits to charitable causes.</p> <p>Highlights during the period for the Group:</p> <ul style="list-style-type: none"> <li>• As of 31 December 2022, 64% of Impax’s AUM were invested in assets that we assess to be ‘climate solutions’.</li> <li>• We significantly expanded our community activity during the period, donating £504,933 (2022: £287,382) to charitable causes.</li> <li>• Developed new community partnerships with Country Trust and Groundwork UK.</li> </ul>
<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 participated in a number of collaborative initiatives. We have also recently started combining company engagement and our policy advocacy activities, seeking to shape company practices through regulatory or policy change. See Impax Stewardship and Advocacy Report 2023 for full details.</p> <p>We recently launched the Impax Sustainability Centre to coordinate our activity in this area.</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"> <li>• The FCA’s consultation paper on Sustainable Disclosure Requirements and investment labels and the FCA’s discussion paper ‘Finance for positive sustainable change: governance, incentives and competence in regulated firms’.</li> </ul>

**Impax Asset Management (AIFM) Limited**  
**Section 172 Statement for the year ended 30 September 2023**

	<ul style="list-style-type: none"><li>• The Taskforce for Nature-related Financial Disclosures proposed framework for nature-related disclosures.</li><li>• The European Supervisory Authorities' review of proposed regulatory technical standards on disclosures under the Sustainable Finance Disclosure Regulation.</li></ul>
--	---