

Impax Asset Management Limited

Section 172 Statement for the year ended 30 September 2024

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, and markets these products predominantly to larger investors who can deploy a significant quantity of capital. To achieve these objectives, Impax 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; 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
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. Impax Asset Management Group plc’s governance was further developed in the reporting period, resulting in the repositioning of Impax Asset Management Limited’s board and committees, including the Management Committee and Senior Leadership 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>

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	<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>
Clients	<p>We provide a wide range of investment products and solutions, including 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.</p> <p>We focus on four broader areas 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 period for the Group:</p> <ul style="list-style-type: none"> - The branch of our Irish affiliate, Impax Asset Management Ireland Limited, opened a new Copenhagen office. - We are now offering fixed income products on Impax Asset Management Ireland Limited's European fund platform for the first time. - We produced a report for the Sustainable Markets Initiative to understand how asset owners integrate climate into their investment decisions. Working together with State Street, we interviewed the chief investment officers of 11 large asset owners, presenting the findings at Climate Week New York in September 2024. <p>This year we celebrate a decade of measuring and reporting the impact of our investments beyond financial returns. We have expanded our account and fund level reporting this year. Meanwhile, in our Impact Report 2024, we introduced three additional social impact metrics.</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&I"). We value individuals and seek to understand our peoples' perspectives and to reflect their views. 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.</p> <p>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 for the Group during the period include:</p> <ul style="list-style-type: none"> - Our group headcount grew to 315 at the end of the Period, compared to 300 a year earlier. - 86 points employee engagement score and 95% aligning with Impax's mission, culture and values. - During the period we updated the Company's conduct framework. - We maintain a low staff turnover for the group relative to peers at 10%. (2023: 10%). - We made good progress against our aspirational E,D&I goals. As at year end, across the group 48% of colleagues are female and 25% are minority ethnic. 37% of senior staff are female and 14% of senior staff were minority ethnic. 48% of the Board are female and 14% are Black, Asian or additional ethnic groups. - During the period, we signed up to two cross company mentorship programmes run by Moving Ahead, in association with 30% Club, focused on supporting the development of women and underrepresented groups, with 30 colleagues participating in total. - There was further progress on succession planning and talent development plans, which is a key focus for the Board and the HR Team.
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:</p> <ul style="list-style-type: none"> - We took part in 158 engagement dialogues in 2023, with 63% progress against objectives and 24% objectives achieved. - We combine our 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. - We were successful signatories to the UK Stewardship Code.
Distribution partners	<p>We have developed strong relationships with other asset managers who distribute our white-label funds through their networks.</p> <p>This enables the Company to distribute its 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 for the Group during the period:</p> <ul style="list-style-type: none"> - We added new distribution partners in Spain and Italy. - In the US the US Leaders Strategy Is now being offered as a Separately Managed Account at two of the largest wealth management firms in country. - Our Global Social Leaders strategy is now being distributed via our Canadian partner, NEI.
External service providers	<p>We engage proactively with service providers and have an established framework that governs our approach to selection, onboarding, and oversight. We provide an anonymous whistleblowing hotline for external parties.</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 Audit & Risk Committee reviews the Company's material outsourced providers annually.</p> <p>Highlights during the period for the Group:</p> <p>We implemented a number of new systems, working closely with service providers. This included:</p> <ul style="list-style-type: none"> • strategic automation initiatives, improving operational efficiency and data processing capabilities • strengthening the security and resilience of our operational data transfer infrastructure, ensuring stronger protection of portfolio information transmitted by third parties • a new HR system and UK payroll system implemented • new cybersecurity detection methods; increased staff education
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 & 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.</p> <p>Highlights during the period for the Group:</p>

	<ul style="list-style-type: none"> - As at 31 December 2023, 58% of Impax's group AUM were invested in assets that we assess to be 'climate solutions'. - In our Climate Report 2024 we describe how we manage climate-related risks and identifying climate-related opportunities in line with the recommendations of the Task Force on Climate-related Financial Disclosures as well as the Transition Plan Taskforce. - We have set a target to source 100% of our electricity from renewable sources across all Impax offices by 2030. At the end of the calendar year 2023, the figure stood at 97%. - The Board agreed a new aim to donate 0.5%– 1% of pre-tax profit each year for the group to support our charitable partners. This was achieved as the group donated £563,074 (2023: £504,933) of which £342,340 (2023: £363,623) was paid by the Company to charitable causes. - We supported 29,278 hours of learning hours through our community partnerships. - We developed new community partnerships with the Hope Program in New York.
Industry wide groups	<p>We believe that working together with like-minded organisations we can be more effective in bringing about change.</p> <p>During the period we participated in a number of industry initiatives. We continue to combine our company engagement and our policy advocacy activities through the work of the Impax Sustainability Centre, seeking to shape company practices through regulatory or policy change.</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>Highlights during the period for the Group:</p> <p>We provided comments to regulators on a range of regulatory proposals and rules including:</p> <ul style="list-style-type: none"> - Submitting consultation responses in Malaysia, Singapore, Australia, mainland China, Hong Kong, India, Korea and Japan on ISSB adoption. - Co-signing letters from the Asian Corporate Governance Association to the Security and Exchanges Board of India (market practices), Reserve Bank of India (climate related financial risks), and on strategic shareholdings in Japan. - Contributing to the Roundtable Discussion on Audit Quality and Climate-integrated Audits in Hong Kong organised by the Accounting and Financial Reporting Council ("AFRC") as one of the six investors invited.