



CLIMATE TRANSPARENCY REPORT 2019

Impax Asset Management

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2019 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2019 Reporting Framework response. The full Public Transparency Report is available here (https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-3AEB985F-3FC8-4FA1-9B6A-1FAF401711D8/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C*complete*%7C*public*/Merged/). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2019 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.1	✓	Public				
SG 01.2	✓	Public				
SG 01.3	✓	Public				
SG 01.4	✓	Public				
SG 01.5	✓	Public				
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	✓	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 01.11 CC	-	Public				
SG 01.12 CC	✓	Public				
SG 02.2	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	✓	Public				
SG 07.7 CC	✓	Public				
SG 07.8 CC	-	Public				
SG 13.1	✓	Public				
SG 13.2	✓	Public				
SG 13.4 CC	✓	Public				
SG 13.5 CC	✓	Public				
SG 13.6 CC	✓	Public				
SG 13.7 CC	✓	Public				
SG 13.8 CC	✓	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.4	✓	Public				
SG 14.5	-	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	-	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	✓	Public				
SG 15.1	✓	Public				
SG 15.2	✓	Public				
SG 15.3	✓	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
Name	Impax Asset Management
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ 10 - 29.99 billion AUM
Main Asset Class	>50% Listed Equity Internally Managed
Signed PRI Initiative	2008
Region	Europe
Country	United Kingdom
Disclosure of Voluntary Indicators	100% from 38 Voluntary indicators

Impax Asset Management

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Other, specify (1) Governance policy for Chinese companies <input checked="" type="checkbox"/> Other, specify(2) UK Stewardship Code statement	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and its relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)

Other description (1)

Region specific ESG policy, China/Hong Kong-based companies: For HK/China-based companies, we have established "Governance Analysis", considering specific regional governance circumstances and challenges. We have identified five governance parameters that companies must have in place, to enter our investable universe and other engagement issues with companies.

- Other RI considerations, specify (2)

SG 01.4

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

Impax's investments are based, among other things, on our strong conviction that population dynamics, resource scarcity, inadequate infrastructure and environmental constraints will profoundly shape global markets, creating investment risks and opportunities. We expect that these trends, reflecting the transition towards a more sustainable global economy, will drive earnings growth for well-positioned companies. Our proprietary investment framework identifies the rising risks and expanding opportunities from this transition and guides our search for investments that will deliver long-term outperformance. ESG-analysis is an integral part of the investment process. We analyse companies' governance structures, environmental, social and other *material* risks and how well these are managed as well as controversies encountered and managed by companies. As part of the ESG-analysis, we aim to understand companies' "character" and assign a proprietary ESG-score. We engage actively with companies on ESG-issues for risk monitoring and to encourage improvement in governance structures and sustainability processes and transparency.

SG 01.5

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

The ESG policy contains the following elements:

- Overall approach, integrating ESG in the investment process
- Rationale for integrating ESG

Main tools and processes for ESG integration:

1. Normative Screen, UN Global Compact
2. Impax Proprietary ESG-analysis & scoring
3. China / Hong Kong Governance-analysis

Integrating ESG in the investment process, the materiality framework:

- Governance (country-based KPIs)
- Environmental and Social (company-specific, most material KPIs)

- Controversies
- Proprietary ESG scoring methodology

Active Stewardship:

- Engagement as part of the investment process
- Proxy voting as part of the investment process
- Impax RI Memberships (platforms for RI dialogue and active stewardship)

No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

SG 01 CC	Voluntary	Public	Descriptive	General
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SG 01.6 CC	Indicate the climate-related risks and opportunities that have been identified and factored into the investment strategies and products, within the organisation's investment time horizon.
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All Impax's investments and strategies are gaged through the proprietary "Impax Lens", which contains and captures sustainability risks and opportunities across time horizons (short to long-term). It includes climate change both as a risk (transition and physical) and as an opportunity (mitigation and adaptation). Sub-sectors that have low Lens risks and high Lens opportunities, are set to benefit from a transition to a sustainable economy and are well positioned for the long-term.

Impax specialises in investments providing environmental and climate solutions, (energy efficiency, renewable energy, water, waste management and recycling and sustainable food and agriculture) through our thematic listed equity strategies (environmental), private equity funds (renewable infrastructure) and fixed income (green bonds).

Across all strategies and asset classes, whether thematic or unconstrained, the Impax Risks and Opportunities Lens is applied.

Throughout Impax's investments and strategies climate and other material risks are thoroughly analysed through integrated ESG analysis. We also actively engage with our investee companies to encourage improved climate risk management, processes and disclosures, across the four TCFD pillars. We are signatories to the TCFD initiative.

Impax's TCFD commitment: <https://www.impaxam.com/sites/default/files/TCFD.pdf>

SG 01.7 CC	Indicate whether the organisation has assessed the likelihood and impact of these climate risks?
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Yes

SG 01.8 CC	Indicate the associated timescales linked to these risks and opportunities.
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Impax is a long-term investor and our view is that the opportunities arising from investing in companies and sectors benefiting from the transition to a sustainable and lower carbon economy span over the shorter and longer terms. We use the Impax Lens to identify sectoral risks and opportunities. Companies and sectors that are well aligned to sustainability and are less likely to be disrupted by adverse changes in regulation, societal and consumer preference changes will benefit also in the longer term. In our thematic environmentally-focused strategies we typically invest with a 5-year investment horizon, but in many cases own companies for much longer than that.

In terms of climate risks, we are assessing both 1. transition risks (policy risks) and 2. physical climate risks.

1. Transition risks. We have developed a framework (Smart Carbon™) with scenario analysis spanning 5 years, followed by a terminal value (or time), for the probabilities and magnitudes of a carbon price or tax affecting carbon intense sectors.

2. Physical climate risks. We have accelerated our focus on physical climate risks. Partly because of observed changes and much more frequent extreme climate events, but also because companies that provide environmental and climate solutions - and that typically would not be adversely affected by e.g. carbon policy risks - are not shielded from possible physical climate risks. We have not set a specific time horizon for this, but rather are using the IPCC "B2" climate scenarios of 1.5 and 5.5 degree increases. Engagement is a major element in this analysis, in understanding the companies' exposures (physical assets and facilities), understanding and preparedness (scenario analysis conducted, use of insurance, plans for improving resilience etc).

No

SG 01.9 CC	Indicate whether the organisation publicly supports the TCFD?
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Yes

No

SG 01.10 CC	Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.
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Yes

	Describe
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In 2017, Impax became one of the initial signatories to the TCFD recommendations. There is a Board director designated as responsible for climate risks and opportunities, relating to Impax and its investments and the four TCFD pillars. Climate management processes are implemented by the Impax Environment Committee.

Impax's investments are based on our strong conviction that population dynamics, resource scarcity, inadequate infrastructure and environmental constraints will profoundly shape global markets, creating investment risks and opportunities. We expect that these trends, reflecting the transition towards a more sustainable global economy, will drive earnings growth for well-positioned companies. Our proprietary investment framework identifies and calibrates the rising risks and expanding opportunities from this transition and guides our search for investments that will deliver long term outperformance.

In terms of climate risks, we are assessing organisation-wide: 1. transition risks (policy risks) and 2. physical climate risks.

1. Transition risks. We have developed a framework (Smart Carbon™) with scenario analysis spanning 5 years, followed by a terminal value (or time), for the probabilities and magnitudes of a carbon price or tax affecting carbon intense sectors.

2. Physical climate risks. We have accelerated our focus on physical climate risks. Partly because of observed changes and more frequent extreme climate events, but also because not even companies that provide environmental and climate solutions (e.g. in the Impax environmental thematic strategies) - that typically would not be adversely affected by e.g. carbon policy risks - are not shielded from possible physical climate risk. We have not set a specific time horizon for this, but rather are using the IPCC "B2" climate scenarios of 1.5 and 5.5 degree increases. Engagement is a major element in this analysis, in understanding the companies' exposures (physical assets and facilities), understanding and preparedness (scenario analysis conducted, use of insurance, plans for improving resilience etc).

No

SG 1.12 CC	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.
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- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

SG 02	Mandatory	Public	Core Assessed	PRI 6
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
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- Policy setting out your overall approach

	URL/Attachment
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- URL

	URL
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{hyperlink:https://www.impaxam.com/sites/default/files/Impax_ESG_Policy_2019_0.pdf}

- Attachment (will be made public)

- Formalised guidelines on environmental factors

	URL/Attachment
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- URL

	URL
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{hyperlink:https://www.impaxam.com/sites/default/files/Impax_ESG_Policy_2019_0.pdf}

- Attachment (will be made public)

- Formalised guidelines on social factors

	URL/Attachment
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- URL

	URL
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{hyperlink:https://www.impaxam.com/sites/default/files/Impax_ESG_Policy_2019_0.pdf}

- Attachment (will be made public)

- Formalised guidelines on corporate governance factors

URL/Attachment

URL

URL

{hyperlink:https://www.impaxam.com/sites/default/files/Impax_ESG_Policy_2019_0.pdf}

Attachment (will be made public)

Attachment

[File 1:Impax UK Stewardship Code Statement 2019 Final.pdf](#)

Asset class-specific RI guidelines

URL/Attachment

URL

URL

{hyperlink:https://www.impaxam.com/sites/default/files/Impax_ESG_Policy_2019_0.pdf}

Attachment (will be made public)

Sector specific RI guidelines

Screening / exclusions policy

URL/Attachment

URL

URL

{hyperlink:https://www.impaxam.com/sites/default/files/Impax_ESG_Policy_2019_0.pdf}

Attachment (will be made public)

Engagement policy

URL/Attachment

URL

URL

{hyperlink:https://www.impaxam.com/sites/default/files/Impax_Engagement_Policy_2019_0.pdf}

Attachment (will be made public)

(Proxy) voting policy

URL/Attachment

URL

URL

{hyperlink:https://www.impaxam.com/sites/default/files/Impax_Proxy_Voting_Policy_2019_0.pdf}

Attachment (will be made public)

Other, specify (1)

Other, specify (1) description

Governance policy for Chinese companies

URL/Attachment

URL

URL

{hyperlink:https://www.impaxam.com/sites/default/files/Impax_ESG_Policy_2019_0.pdf}

Attachment (will be made public)

Other, specify (2)

Other, specify (2) description

UK Stewardship Code statement

URL/Attachment

URL

URL

{hyperlink:https://www.impaxam.com/sites/default/files/Impax_UK_Stewardship_Code_Statement_03_2019_0.pdf}

Attachment (will be made public)

We do not publicly disclose our investment policy documents

SG 02.2

Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

URL

URL

{hyperlink:https://www.impaxam.com/sites/default/files/Impax_ESG_Policy_2019_0.pdf}

Attachment

File Attachment

{hyperlink:Impax_UK_Stewardship_Code_Statement_2019 Final.pdf [197KB]}

Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment

URL

URL

{hyperlink:https://www.impaxam.com/investment-philosophy/impact-reporting}

Attachment

File Attachment

{hyperlink:Impax_Impact_Environmental_Impact_Report-2018 (1).pdf [1649KB]}

Time horizon of your investment

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

{hyperlink:https://www.impaxam.com/sites/default/files/Impax_UK_Stewardship_Code_Statement_03_2019_0.pdf}

Attachment

ESG incorporation approaches

URL/Attachment

URL

URL

{hyperlink:https://www.impaxam.com/sites/default/files/Impax_ESG_Policy_2019_0.pdf}

Attachment

Active ownership approaches

URL/Attachment

URL

URL

{hyperlink:https://www.impaxam.com/sites/default/files/Impax_Engagement_Policy_2019_0.pdf}

Attachment

File Attachment

{hyperlink:Impax_UK_Stewardship_Code_Statement_2019_Final.pdf [197KB]}

Reporting

URL/Attachment

URL

URL

{hyperlink:https://www.impaxam.com/investment-philosophy/environmental-social-governance-risk-management}

Attachment

File Attachment

{hyperlink:Impax_Stewardship_Reporting_2018_0.pdf [222KB]}

Climate change

URL/Attachment

URL

URL

{hyperlink:https://paxworld.com/sustainable-investing/how-pax-addresses-climate-change/}

Attachment

File Attachment

{hyperlink:White-paper-Impaxs-SmartCarbonTM-strategy.pdf [1691KB]}

Other RI considerations, specify (1)

Other description (1)

Investing in Environmental Markets.

URL/Attachment

URL

URL

{hyperlink:https://www.impaxam.com/investment-philosophy/ftse-environmental-markets}

Attachment

We do not publicly disclose any investment policy components

SG 02.3

Additional information [Optional].

Across all Impax strategies we focus on the risks and opportunities arising from the transition to a more sustainable global economy. The analysis of environment, social, and governance (ESG) issues is complementary to our focus on risk management and quality and is integrated into the investment process of each of our strategies and portfolios.

Governance and human resources

SG 07 CC	Voluntary	Public	Descriptive	General
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**SG 07.5
CC**

Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

Board members or trustees

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other Chief-level staff or head of department

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investment analysts

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

SG 07.6 CC	For board level roles for which have climate-related issues oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.
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One director on the Impax Asset Management plc board has specific climate responsibility and will attend twice a year as an observer the Impax Environmental Committee meetings. The Environmental Committee implements among other things climate risk and management issues, including any TCFD recommendations. The Impax director will then report back to the Impax board on climate issues and gain approval and steer from the Board to the Environmental Committee, to achieve effective and timely implementation and oversight of climate risk management.

SG 07.7 CC	For the management-level roles that assess and manage climate-related issues, provide further information on the structure and process involved.
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Impax is an investment manager dedicated to investment in environmental markets and companies that stand to benefit from the transition to a more sustainable and low carbon economy. Therefore, climate-related issues, whether risks or opportunities are key priorities for the management team at Impax. Impax's investment strategies include environmental solutions and opportunities and all investment strategies are focused on activities that stand to benefit from the transition to a more sustainable and low carbon economy. As part of our ESG-analysis we assess all our investee companies' exposures to climate-related risks, whether policy-related or physical.

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1	Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).
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- Yes, to assess future ESG factors
- Yes, to assess future climate-related risks and opportunities

Describe

Impax has developed a methodology that enables investors to assess and manage the risk of the value of their assets by an introduction of carbon prices. Investors can use this tool to adjust their portfolios and hedge against upcoming carbon policy-related risks, based on scenario analysis.

- No, not to assess future ESG/climate-related issues

SG 13.2

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify

ESG is key in the Impax Environmental Markets classification system, Impax Sustainability Risk and Opportunity Lens and the Pax World Gender Lens Index.

- We do not consider ESG issues in strategic asset allocation

SG 13.3

Additional information. [OPTIONAL]

Impax has developed a methodology that enables investors to assess and manage the risk of the value of their assets by an introduction of carbon prices. Investors can use this tool to adjust their portfolios and hedge against upcoming carbon policy - related risks. The methodology is based on scenario analysis.

The Smart Carbon™ methodology:

<https://www.impaxam.com/sites/default/files/white-paper-Impaxs-SmartCarbonTM-strategy.pdf>

Pax Ellevate Global Women's Leadership Fund (GWLF):

Fund based on Pax's Global Women's Leadership Index (GWLI), an index of companies around the world that are leaders in advancing women through gender diversity on their boards of directors and in management, and through other policies and programs.

<https://paxworld.com/funds/pax-ellevate-global-womens-leadership-fund/>

SG 13 CC	Voluntary	Public	Descriptive	General
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SG 13.4 CC

Describe how the organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, the results and any future plans.

- Initial assessment

Describe

PHYSICAL CLIMATE RISK APPROACH

Physical risk scenario analysis is a complex area that is not yet fully developed and Impax is working on a methodology to assess our investee companies' physical risks and opportunities through a multi-faceted approach below. Existing climate scenario tools such as PACTA are not relevant for the types of companies Impax invests in.

The approach is qualitative, analysing companies following a climate scenario approach by the IPCC. The IPCC pathways include carbon concentration scenarios leading to physical climate conditions (incl. different temperatures and distributions of extreme weather events) under different economical and societal circumstances (Storyline).

The goal is to understand the risks and opportunities that each company may face in a 1.5D and a 5.5D world. We will focus on the impact on company physical assets due to Mitigation(Transition) and Adaptation(Physical).

Indicators for physical climate risks used:

Key exogenous indicators (external vulnerability, can not be controlled):

4. Water risks (drought, flooding, sea level rise)
5. Heat risks (wild fires, land degradation, human health issues, heat-related)
6. Extreme weather event risks (storms, hurricanes, typhoons)

Key endogenous indicators (internal exposure, can be controlled to an extent):

7. Geographic location of plants, facilities, operations (direct assets)
8. Geographic location of and dependency on supply chains (indirect exposures)
9. Land and resource risks (agricultural and natural raw materials, crop yield exposures)

An important consideration and one of the data gaps is related to geographic locations of companies' facilities, operations, plants and supply chains. This is data we are seeking from our companies through engagement.

The physical asset location data provided by companies such as 427.com, are not directly applicable to our investee companies.

Climate scenarios used, IPCC:

In order to understand the overall physical risks and to better understand its connection to other assumptions, we will use the "B2" IPCC scenario as a framework (brief below).

The B2 scenarios are of a world that is more divided, but more ecologically attuned, with better data availability. The B2 scenarios are characterised by:

- Continuously increasing population, but at a slower rate than in A2.
- Emphasis on local rather than global solutions to economic, social and environmental stability.
- Intermediate levels of economic development.
- Less rapid and more fragmented technological change than in A1 and B1.

Full details: <http://www.ipcc.ch/ipccreports/sres/emission/095.htm>

The aim is to understand and be able to express the levels of physical climate risks and opportunities across portfolios, under different climate scenarios. The approach requires qualitative analysis and company engagement.

- Incorporation into investment analysis

	Describe
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Information about companies' physical climate risk exposures, preparedness and management received through the scenario analysis and ensuing engagements are part of our proprietary ESG reviews and inform the companies' ESG scores, hence can have portfolio construction and sizing implications.

The aim is to understand and be able to express the levels of physical climate risks and opportunities across portfolios, under different climate scenarios. The approach requires qualitative analysis and company engagement.

- Inform active ownership

	Describe
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This analysis informs which companies we need to prioritise for physical climate risk analysis and for engagement. But engagement is also part of the physical climate risk analysis, in confirming among other things where companies' physical assets and facilities are based, how well the companies understand the challenges, what their preparedness and management of (physical) climate risks are.

- Other

**SG 13.5
CC**

Indicate who uses this analysis.

- Board members, trustees, C-level roles, Investment Committee
- Portfolio managers
- Dedicated responsible investment staff
- External managers
- Investment consultants/actuaries
- Other

**SG 13.6
CC**

Indicate whether the organisation has evaluated the impacts of climate-related risk, beyond the investment time-horizon, on the organisations investment strategy.

- Yes

Describe

Yes, the IPCC climate scenarios used in this framework, go well beyond our typical investment horizon of c. 5 years.

In order to understand the overall physical risks and to better understand its connection to other assumptions, we will use the "B2" IPCC scenario as a framework (brief below).

The B2 scenarios are of a world that is more divided, but more ecologically attuned, with better data availability. The B2 scenarios are characterised by:

- Continuously increasing population, but at a slower rate than in A2.
- Emphasis on local rather than global solutions to economic, social and environmental stability.
- Intermediate levels of economic development.
- Less rapid and more fragmented technological change than in A1 and B1.

Full details: <http://www.ipcc.ch/ipccreports/sres/emission/095.htm>

The aim is to understand and be able to express the levels of physical climate risks and opportunities across portfolios, under different climate scenarios. The approach requires qualitative analysis and company engagement.

- No

**SG 13.7
CC**

Indicate whether a range of climate scenarios is used.

- Yes, including analysis based on a 2°C or lower scenario
- Yes, not including analysis based on a 2°C or lower scenario
- No, a range is not used

**SG 13.8
CC**

Indicate the climate scenarios the organisation uses.

Provider	Scenario used	
IEA	<input type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)	
IEA	<input type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario	
IEA	<input type="checkbox"/> Sustainable Development Scenario (SDS)	
IEA	<input type="checkbox"/> New Policy Scenario (NPS)	
IEA	<input type="checkbox"/> Current Policy Scenario (CPS)	
IRENA	<input type="checkbox"/> RE Map	
Greenpeace	<input type="checkbox"/> Advanced Energy [R]evolution	
Institute for Sustainable Development	<input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP)	
Bloomberg	<input type="checkbox"/> BNEF reference scenario	
IPCC	<input type="checkbox"/> Representative Concentration Pathway (RCP) 8.5	
IPCC	<input type="checkbox"/> RPC 6	
IPCC	<input type="checkbox"/> RPC 4.5	
IPCC	<input type="checkbox"/> RPC 2.6	
Other	<input checked="" type="checkbox"/> Other (1)	<div style="background-color: #cccccc; padding: 2px;">Other (1) please specify:</div> IPCC, B2-scenario.
Other	<input type="checkbox"/> Other (2)	
Other	<input type="checkbox"/> Other (3)	

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 14.1

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)

other description (1)

Environmental policy and regulatory developments, including carbon and climate policy.

- Other, specify(2)

other description (2)

Infrastructure deficit (developed and developing markets).

- None of the above

SG 14.2

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

	trillions	billions	millions	thousands	hundreds
Total AUM		14	742	049	327
Currency	USD				
Assets in USD		14	742	049	327

Specify the framework or taxonomy used.

- **Impax's active listed equity investments** follow the **Impax Sustainability Lens** approach, which highlights sectors and activities with low sustainability risks and high opportunities. It is a framework that directs our investments to sectors and companies that benefit from a transition to a sustainable economy.
- **Impax's thematic investments** follow the **Environmental Markets classification system** across environmental areas of:
 10. New energy (energy efficiency and renewable energy)
 11. Water
 12. Waste management and recycling
 13. Sustainable food

- **Impax's real assets investments** are in the **Renewable Energy infrastructure** area.

- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify

other description

Actively seeking and investing in companies that benefit from a transition to a more sustainable, low-carbon economy and those providing environmental solutions.

- None of the above

SG 14.3 Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify

other description

Impax thematic active equity strategy investments in environmental solution providers; measuring and disclosing the net positive environmental impacts from investee companies, including net carbon emissions.

- None of the above

SG 14.4 If you selected disclosure on emissions risks, list any specific climate related disclosure tools or frameworks that you used.

- **Impax Impact Report 2018** (measuring positive environmental impact):

<https://www.impaxam.com/media-centre/white-papers/environmental-impact-report-2018>

- **Impax Pax World Sustainability Report:**

<https://paxworld.com/pax-world-impact-report/>

SG 14 CC	Voluntary	Public	General
SG 14.6 CC	Please provide further details on these key metric(s) used to assess climate related risks and opportunities.		

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Climate-related targets	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Climate, emissions and resource exposures and risk mitigation	GHG emissions, energy, water reduction targets	Reported
Weighted average carbon intensity	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Identifies companies to prioritise for climate risk engagement.	CO2e / \$M revenue	Used for engagement prioritisation.
Carbon footprint (scope 1 and 2)	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Identifies companies to prioritise for climate risk engagement.	tons, equivalent	Net carbon emissions ideally measured.
Portfolio carbon footprint	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Montreal Pledge.	tons CO2e / \$M invested	Net carbon emissions ideally measured at the portfolio level, tons CO2e / \$M invested.
Total carbon emissions	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Measuring "net carbon emissions"	tons CO2e	Net carbon emissions ideally measured.
Carbon intensity	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Assessing carbon exposures	tons, equivalent / \$m revenue	Reported or estimated by peer groups
Exposure to carbon-related assets	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets			
Other emissions metrics	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	Assessing other metric avoidance	N0x, S0x, S02	Reported or estimated by peer groups. Data availability issues.

SG 14.7
CC

Describe in further detail the key targets.

Targettype	Time Frame	Description	Attachments
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			

**SG 14.8
CC** Indicate whether climate-related risks are integrated into overall risk management and explain the risks management processes for identifying, assessing, and managing climate-related risks.

- Process for climate-related risks is integrated into overall risk management

Please describe

In 2017, Impax became an early signatory to the TCFD recommendations. There is a Board director designated as responsible for climate risks and opportunities relating to Impax and its investments and the four TCFD pillars. Climate management processes are implemented by the Impax Environment Committee.

Impax assesses climate risks including adverse effects on physical office locations and facilities and possible climate policies.

Impax's investments are based on our strong conviction that population dynamics, resource scarcity, inadequate infrastructure and environmental constraints, including climate change, will profoundly shape global markets, creating investment risks and opportunities. We expect that these trends, reflecting the transition towards a more sustainable global economy, will drive earnings growth for well-positioned companies. Our proprietary investment framework identifies and calibrates the rising risks and expanding opportunities from this transition and guides our search for investments that will deliver long term outperformance.

Impax's TCFD commitment: <https://www.impaxam.com/sites/default/files/TCFD.pdf>

- Process for climate-related risks is not integrated into our overall risk management

**SG 14.9
CC** Indicate whether the organisation undertakes active ownership activities to encourage TCFD adoption.

- Yes

Please describe

Engagement is undertaken across the 4 TCFD pillars. We find that the framework is very useful for all companies, no matter how exposed to climate risks a company is or where in the "journey" of managing climate risks a company is. The pillars provide a framework from basic, but fundamental aspects (climate governance, strategy) to very advanced and complex aspects (scenario analysis and modelling).

The climate analysis informs which companies we need to prioritise for physical climate risk analysis and

for engagement. Engagement is also part of the physical climate risk analysis in confirming where companies' physical assets and facilities are based, how well companies understand the challenges and the level of preparedness and management of climate risks and opportunities.

No, we do not engage

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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Yes

SG 15.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.
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	%
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77

SG 15.3	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.
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	Area
--	------

Energy efficiency / Clean technology

	Asset class invested
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Listed equity

	% of AUM
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25

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Inclusive finance

	Brief description and measures of investment
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Impax Asset Management is a leading investment manager dedicated to investing in the opportunities created by the scarcity of natural resources and the growing demand for cleaner, more efficient products and services, through listed thematic environmental strategies and private equity strategies.

Impax's thematic environmental listed equity strategies seek out mis-priced companies that are set to benefit from the long-term trends of changing demographics, urbanisation, rising consumption, and the resultant increases in resource scarcity. Investment is focused on a small number of deeply researched global equity strategies across alternative energy, energy efficiency, water, waste,

sustainable food and agriculture related markets.

- Renewable energy

Asset class invested

- Listed equity

% of AUM

5

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity

% of AUM

100

- Inclusive finance

Brief description and measures of investment

Impax Asset Management is a leading investment manager dedicated to investing in the opportunities created by the scarcity of natural resources and the growing demand for cleaner, more efficient products and services, through both listed and private equity strategies.

Impax's thematic environmental listed equity strategies seek out mis-priced companies that are set to benefit from the long-term trends of changing demographics, urbanisation, rising consumption, and the resultant increases in resource scarcity. Investment is focused on a small number of deeply researched global equity strategies across alternative energy, energy efficiency, water, waste, sustainable food and agriculture related markets.

Impax's private equity infrastructure funds follow an operationally focused, value-add strategy, investing in renewable power generation and related assets throughout Europe.

- Green buildings
- Sustainable forestry
- Sustainable agriculture

Asset class invested

- Listed equity

% of AUM

6

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Inclusive finance

Brief description and measures of investment

Impax Asset Management is a leading investment manager dedicated to investing in the opportunities created by the scarcity of natural resources and the growing demand for cleaner, more efficient products and services, through both listed and private equity strategies.

Impax's environmental thematic listed equity strategies seek out mis-priced companies that are set to benefit from the long-term trends of changing demographics, urbanisation, rising consumption, and the resultant increases in resource scarcity. Investment is focused on a small number of deeply researched global equity strategies across alternative energy, energy efficiency, water, waste, sustainable food and agriculture related markets.

- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health
- Water

Asset class invested

- Listed equity

% of AUM

30

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Inclusive finance

Brief description and measures of investment

Impax Asset Management is a leading investment manager dedicated to investing in the opportunities created by the scarcity of natural resources and the growing demand for cleaner, more efficient products and services, through both listed and private equity strategies.

Impax's thematic environmental listed equity strategies seek out mis-priced companies that are set to benefit from the long-term trends of changing demographics, urbanisation, rising consumption, and the resultant increases in resource scarcity. Investment is focused on a small number of deeply researched global equity strategies across alternative energy, energy efficiency, water, waste, sustainable food and agriculture related markets.

Impax includes companies with revenues of at least 20% from water infrastructure, water treatment and water utilities (provision), into the water universe.

Other area, specify

Gender investing

Asset class invested

Listed equity

% of AUM

2

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Inclusive finance

Brief description and measures of investment

The Impax Global Women's Leadership Index is the first broad-market index of the highest-rated companies in the world in advancing women's leadership, as rated by Pax World Gender Analytics, and that meet key environmental, social and governance (ESG) standards, as rated by MSCI ESG Research.

The Pax Ellevest Global Women's Leadership Fund seeks investment returns that closely correspond to or exceed the price and yield performance, before fees and expenses, of the Pax Global Women's Leadership Index, an index of companies around the world that are leaders in advancing women through gender diversity on their boards of directors and in management, and through other policies and programs. This Fund is the first of its kind - a broadly diversified mutual fund that invests in the highest-rated companies in the world for advancing women's leadership.

No