RI TRANSPARENCY REPORT

2019

Impax Asset Management
About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the PRI website, ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation’s response to the PRI during the 2019 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a Principles index which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six Principles for Responsible Investment. It can be used by stakeholders as an ‘at-a-glance’ summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the ‘General’ column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

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Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.
Principles Index
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IFD 08</td>
<td>Support financial services beyond credit, compulsory savings and/or compulsory insurance</td>
<td>✔️</td>
<td>Public</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IFD 09</td>
<td>Support the introduction of services tailored to the ‘poor’, ‘very poor’ and ‘low income’</td>
<td>✔️</td>
<td>Public</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IFD 10</td>
<td>Technical assistance to investees</td>
<td>✔️</td>
<td>Public</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IFD 11</td>
<td>Public endorsement of the Client Protection Principles</td>
<td>✔️</td>
<td>Public</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IFD 12</td>
<td>Provide training and assistance for investees implementing the Client Protection Principles</td>
<td>✔️</td>
<td>Public</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IFD 13</td>
<td>Include the Client Protection Principles in investment policies</td>
<td>✔️</td>
<td>Public</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IFD 14</td>
<td>Investment in local currency</td>
<td>✔️</td>
<td>Public</td>
<td>✓</td>
<td></td>
<td></td>
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<tr>
<td>IFD 15</td>
<td>Average maturity of debt investments</td>
<td>✔️</td>
<td>Public</td>
<td>✓</td>
<td></td>
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<td></td>
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<tr>
<td>IFD 16</td>
<td>Average holding period of equity investments</td>
<td>⬇️</td>
<td>n/a</td>
<td>✓</td>
<td></td>
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</tr>
<tr>
<td>IFD 17</td>
<td>Terms and conditions</td>
<td>✔️</td>
<td>Public</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>IFD 18</td>
<td>Tools for social performance reporting</td>
<td>✔️</td>
<td>Public</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IFD 19</td>
<td>Retail institutions have independent financial/social rating and/or social audits</td>
<td>✔️</td>
<td>Public</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IFD 20</td>
<td>Due diligence on and monitoring and reporting of corporate governance among investees</td>
<td>✔️</td>
<td>Public</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IFD 21</td>
<td>Training or assistance for investees on corporate governance</td>
<td>✔️</td>
<td>Public</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IFD 22</td>
<td>Percentage of investees where board seats are held</td>
<td>⬇️</td>
<td>n/a</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IFD 23</td>
<td>Procedure to integrate environmental issues in investment decision processes</td>
<td>✔️</td>
<td>Public</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>IFD 24</td>
<td>Anti-corruption and whistle-blowing policies</td>
<td>✔️</td>
<td>Public</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>IFD 25</td>
<td>How mission and investment objectives are communicated to stakeholders</td>
<td>✔️</td>
<td>Public</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IFD 26</td>
<td>Investors and/or the public provided with information aligned with industry standards</td>
<td>✔️</td>
<td>Public</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IFD 27</td>
<td>Transparency of pricing, terms and conditions among investees</td>
<td>✔️</td>
<td>Public</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IFD 28</td>
<td>How social performance of investees affects decision making and portfolio</td>
<td>⬇️</td>
<td>n/a</td>
<td>✓</td>
<td></td>
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</table>

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<table>
<thead>
<tr>
<th>IFD</th>
<th>Indicator</th>
<th>Short description</th>
<th>Status</th>
<th>Disclosure</th>
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<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>IFD 29</td>
<td>Staff incentives linked to social performance measures</td>
<td>☑ n/a</td>
<td>✓</td>
<td></td>
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<td></td>
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<tr>
<td>IFD 30</td>
<td>Collecting data regarding social outcomes of investees work</td>
<td>☑ n/a</td>
<td>✓</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IFD 31</td>
<td>Incentivise investees to track social performance</td>
<td>☑ n/a</td>
<td>✓</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IFD 32</td>
<td>Collaborative initiatives your organisation has supported or participated in</td>
<td>☑ Public</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>IFD 33</td>
<td>Encouraging investees to participate in collaborative initiatives</td>
<td>☑ Public</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>IFD 34</td>
<td>Encouraging your investees to participate in initiatives which contribute to the development of industry benchmarks</td>
<td>☑ Public</td>
<td>✓</td>
<td></td>
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<td></td>
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</tr>
</tbody>
</table>

| IFD End | Module confirmation page | ☑ | - | | | |

**Confidence building measures**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Short description</th>
<th>Status</th>
<th>Disclosure</th>
<th>Principle</th>
<th>General</th>
</tr>
</thead>
<tbody>
<tr>
<td>CM1 01</td>
<td>Assurance, verification, or review</td>
<td>✓ Public</td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>CM1 02</td>
<td>Assurance of last year's PRI data</td>
<td>✓ Public</td>
<td></td>
<td>✓</td>
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</tr>
<tr>
<td>CM1 03</td>
<td>Other confidence building measures</td>
<td>✓ Public</td>
<td></td>
<td>✓</td>
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</tr>
<tr>
<td>CM1 04</td>
<td>Assurance of this year's PRI data</td>
<td>✓ Public</td>
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<td>✓</td>
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<tr>
<td>CM1 05</td>
<td>External assurance</td>
<td>✓ Public</td>
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<td>✓</td>
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<tr>
<td>CM1 06</td>
<td>Assurance or internal audit</td>
<td>☑ n/a</td>
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<td>✓</td>
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<tr>
<td>CM1 07</td>
<td>Internal verification</td>
<td>✓ Public</td>
<td></td>
<td>✓</td>
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</tr>
<tr>
<td>CM1 01</td>
<td>Module confirmation page</td>
<td>✓ -</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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Impax Asset Management

Reported Information

Public version

Organisational Overview

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.
### Basic information

<table>
<thead>
<tr>
<th>OO 01</th>
<th>Mandatory</th>
<th>Public</th>
<th>Gateway/Peering</th>
<th>General</th>
</tr>
</thead>
</table>

#### OO 01.1 Select the services and funds you offer

<table>
<thead>
<tr>
<th>Select the services and funds you offer</th>
<th>% of asset under management (AUM) in ranges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund management</td>
<td>○ 0%</td>
</tr>
<tr>
<td></td>
<td>○ &lt;10%</td>
</tr>
<tr>
<td></td>
<td>○ 10-50%</td>
</tr>
<tr>
<td></td>
<td>☐ &gt;50%</td>
</tr>
<tr>
<td>Fund of funds, manager of managers, sub-advised products</td>
<td>○ 0%</td>
</tr>
<tr>
<td></td>
<td>☐ &lt;10%</td>
</tr>
<tr>
<td></td>
<td>○ 10-50%</td>
</tr>
<tr>
<td></td>
<td>○ &gt;50%</td>
</tr>
<tr>
<td>Other</td>
<td>☐ 0%</td>
</tr>
<tr>
<td></td>
<td>○ &lt;10%</td>
</tr>
<tr>
<td></td>
<td>○ 10-50%</td>
</tr>
<tr>
<td></td>
<td>○ &gt;50%</td>
</tr>
<tr>
<td>Total 100%</td>
<td></td>
</tr>
</tbody>
</table>

Further options (may be selected in addition to the above):

- ☐ Hedge funds
- ☐ Fund of hedge funds

#### OO 01.2 Additional information. [Optional]

Impax is a specialist asset manager, experienced in investing in the opportunities arising from the transition to a more sustainable global economy.

Founded in 1998, Impax offers a range of thematic and unconstrained global equity strategies as well as real asset funds focused on the growth opportunity arising from a sustainable economy.

We are engaged investors, in regular dialogue with companies in our portfolios and have integrated ESG-analysis in the investment process. We report on our stewardship activities to our clients.

Where possible, we report on the positive environmental impact of our thematic investments; this positive impact is an outcome of our investment style.

In 2018, Impax Asset Management Group acquired Pax World Management LLC, investment advisor to Pax World Funds (“Pax”), a pioneer in sustainable investing.

Since 1971, Pax has made it possible for investors to pursue financial returns while aligning their investments with their values.
All Pax portfolios, including active equity, fixed income and smart beta, integrate ESG analysis into security selection and portfolio construction.

We also seek to create positive social and environmental impact through shareholder engagement, proxy voting and public policy advocacy, on issues ranging from climate change to gender inequality.

2019 is the first year that one combined PRI report is prepared for the merged and enlarged Impax Asset Management.

---

**OO 02** | **Mandatory** | **Public** | **Peering** | **General**
--- | --- | --- | --- | ---
**OO 02.1** | Select the location of your organisation’s headquarters. |  |  |  
United Kingdom

**OO 02.2** | Indicate the number of countries in which you have offices (including your headquarters). |  |  |  
○ 1  
○ 2-5  
○ 6-10  
○ >10

**OO 02.3** | Indicate the approximate number of staff in your organisation in full-time equivalents (FTE). |  |  |  
FTE  
145

**OO 02.4** | Additional information. [Optional] |  |  |  
In 2018, Impax Asset Management Group acquired Pax World Management LLC, investment advisor to Pax World Funds (“Pax”), a pioneer in sustainable investing.  
2019 is the first year that a combined PRI report is prepared for the merged and enlarged Impax Asset Management Group.

**OO 03** | **Mandatory** | **Public** | **Descriptive** | **General**
--- | --- | --- | --- | ---
**OO 03.1** | Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right. |  |  |  
○ Yes  
○ No

**OO 04** | **Mandatory** | **Public** | **Gateway/Peering** | **General**
--- | --- | --- | --- | ---
**OO 04.1** | Indicate the year end date for your reporting year. |  |  |  
31/12/2018
**OO 04.2** Indicate your total AUM at the end of your reporting year.

Include the AUM of subsidiaries, but exclude advisory/execution only assets, and exclude the assets of your PRI signatory subsidiaries that you have chosen not to report on in OO 03.2

<table>
<thead>
<tr>
<th></th>
<th>trillions</th>
<th>billions</th>
<th>millions</th>
<th>thousands</th>
<th>hundreds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total AUM</td>
<td>14</td>
<td>392</td>
<td>132</td>
<td>646</td>
<td></td>
</tr>
<tr>
<td>Currency</td>
<td>USD</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets in USD</td>
<td>14</td>
<td>392</td>
<td>132</td>
<td>646</td>
<td></td>
</tr>
</tbody>
</table>

☐ Not applicable as we are in the fund-raising process

**OO 04.4** Indicate the total assets at the end of your reporting year subject to an execution and/or advisory approach.

<table>
<thead>
<tr>
<th></th>
<th>trillions</th>
<th>billions</th>
<th>millions</th>
<th>thousands</th>
<th>hundreds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total AUM</td>
<td>349</td>
<td>916</td>
<td>682</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Currency</td>
<td>USD</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets in USD</td>
<td>349</td>
<td>916</td>
<td>682</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

☐ Not applicable as we do not have any assets under execution and/or advisory approach

**OO 06**

<table>
<thead>
<tr>
<th><strong>Mandatory</strong></th>
<th>Public</th>
<th>Descriptive</th>
<th>General</th>
</tr>
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</table>

**OO 06.1** Select how you would like to disclose your asset class mix.

- ○ as percentage breakdown
- ☑ as broad ranges

<table>
<thead>
<tr>
<th></th>
<th>Internally managed (%)</th>
<th>Externally managed (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Listed equity</td>
<td>&gt;50%</td>
<td>0</td>
</tr>
<tr>
<td>Fixed income</td>
<td>&lt;10%</td>
<td>0</td>
</tr>
<tr>
<td>Private equity</td>
<td>&lt;10%</td>
<td>0</td>
</tr>
<tr>
<td>Property</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Commodities</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Asset Class</td>
<td>Percentage</td>
<td></td>
</tr>
<tr>
<td>----------------------</td>
<td>------------</td>
<td></td>
</tr>
<tr>
<td>Hedge funds</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Fund of hedge funds</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Forestry</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Farmland</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Inclusive finance</td>
<td>&lt;10%</td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Money market instruments</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Other (1), specify</td>
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<td></td>
</tr>
<tr>
<td>Other (2), specify</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

**OO 06.2** Publish asset class mix as per attached image [Optional].

**OO 06.3** Indicate whether your organisation has any off-balance sheet assets [Optional].
- Yes
- No

**OO 06.5** Indicate whether your organisation uses fiduciary managers.
- Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.
- No, we do not use fiduciary managers.

**OO 07** Mandatory to Report Voluntary to Disclose

**OO 07.1** Provide to the nearest 5% the percentage breakdown of your Fixed Income AUM at the end of your reporting year, using the following categories.
### Internally managed

<table>
<thead>
<tr>
<th>SSA</th>
<th>Corporate (financial)</th>
<th>Corporate (non-financial)</th>
<th>Securitised</th>
<th>Total</th>
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<tbody>
<tr>
<td>27</td>
<td>10</td>
<td>42</td>
<td>21</td>
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### OO 09

<table>
<thead>
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<th>Public</th>
<th>Peering</th>
<th>General</th>
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</thead>
<tbody>
<tr>
<td><strong>OO 09.1</strong></td>
<td>Indicate the breakdown of your organisation’s AUM by market.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Developed Markets</td>
<td>92</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emerging Markets</td>
<td></td>
<td></td>
<td>8</td>
</tr>
<tr>
<td>Frontier Markets</td>
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<td></td>
<td>0</td>
</tr>
<tr>
<td>Other Markets</td>
<td></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td><strong>Total 100%</strong></td>
<td></td>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

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Emerging market exposure across our AUM is c. 8%.

### Asset class implementation gateway indicators

<table>
<thead>
<tr>
<th><strong>OO 10</strong></th>
<th><strong>Mandatory</strong></th>
<th><strong>Public</strong></th>
<th><strong>Gateway</strong></th>
<th><strong>General</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OO 10.1</strong></td>
<td>Select the active ownership activities your organisation implemented in the reporting year.</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

#### Listed equity – engagement
- [x] We engage with companies on ESG factors via our staff, collaborations or service providers.
- [ ] We do not engage directly and do not require external managers to engage with companies on ESG factors.

#### Listed equity – voting
- [x] We cast our (proxy) votes directly or via dedicated voting providers
- [ ] We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

#### Fixed income SSA – engagement
- [ ] We engage with SSA bond issuers on ESG factors via our staff, collaborations or service providers.
- [x] We do not engage directly and do not require external managers to engage with SSA bond issuers on ESG factors. Please explain why you do not.

Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.

The fixed income SSA investments held in Pax World portfolios are US Treasury and US Agency Bonds. Although Pax World engages in ESG related public policy advocacy, we do not engage directly with the US Treasury on these issues.

#### Fixed income Corporate (financial) – engagement
- [x] We engage with companies on ESG factors via our staff, collaborations or service providers.
- [ ] We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

#### Fixed income Corporate (non-financial) – engagement
- [x] We engage with companies on ESG factors via our staff, collaborations or service providers.
- [ ] We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.
We engage with companies on ESG factors via our staff, collaborations or service providers.

We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

The fixed income corporate securitized securities held in Pax World portfolios are primarily residential mortgage backed securities. Pax World does not engage with the issuers of these securities on ESG issues related to the underlying properties or property owners.

<table>
<thead>
<tr>
<th>OO 11.1</th>
<th>Mandatory</th>
<th>Public</th>
<th>Gateway</th>
<th>General</th>
</tr>
</thead>
<tbody>
<tr>
<td>Listed equity</td>
<td>☑ We address ESG incorporation.</td>
<td>☐ We do not do ESG incorporation.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed income - SSA</td>
<td>☑ We address ESG incorporation.</td>
<td>☐ We do not do ESG incorporation.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed income - corporate (financial)</td>
<td>☑ We address ESG incorporation.</td>
<td>☐ We do not do ESG incorporation.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed income - corporate (non-financial)</td>
<td>☑ We address ESG incorporation.</td>
<td>☐ We do not do ESG incorporation.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed income - securitised</td>
<td>☑ We address ESG incorporation.</td>
<td>☐ We do not do ESG incorporation.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private equity</td>
<td>☑ We address ESG incorporation.</td>
<td>☐ We do not do ESG incorporation.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Inclusive finance

- We address ESG incorporation.
- We do not do ESG incorporation.

<table>
<thead>
<tr>
<th></th>
<th>OO 12</th>
<th>Mandatory</th>
<th>Public</th>
<th>Gateway</th>
<th>General</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>OO 12.1</td>
<td>Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Core modules</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Organisational Overview</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Strategy and Governance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>RI implementation directly or via service providers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Direct - Listed Equity incorporation</td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Listed Equity incorporation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Direct - Listed Equity active ownership</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>- Engagements</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>- (Proxy) voting</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Direct - Fixed Income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Fixed income - SSA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Fixed income - Corporate (financial)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>- Fixed income - Corporate (non-financial)</td>
<td></td>
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<td></td>
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<tr>
<td></td>
<td></td>
<td>- Fixed income - Securitised</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Direct - Other asset classes with dedicated modules</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Private Equity</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>- Inclusive Finance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>RI implementation via external managers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Closing module</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Closing module</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
In 2018, Impax Asset Management Group acquired Pax World Management LLC, investment advisor to Pax World Funds (“Pax”), a pioneer in sustainable investing.

2019 is the first year that one combined PRI report is prepared for the merged and enlarged Impax Asset Management.

**Peering questions**

**OO LE 01**  
Mandatory | Public | Gateway | General
---|---|---|---
**OO LE 01.1**  
Provide a breakdown of your internally managed listed equities by passive, active - quantitative (quant), active - fundamental and active - other strategies.

Update: this indicator has changed from "Mandatory to report, voluntary to disclose" to "Mandatory". Your response to this indicator will be published in the Public Transparency Report. This change is to enable improved analysis and peering.

**Percentage of internally managed listed equities**

<table>
<thead>
<tr>
<th>Strategies</th>
<th>Percentage of internally managed listed equities</th>
</tr>
</thead>
</table>
| Passive | o >50%  
o 10-50%  
o <10%  
o 0% |
| Active - quantitative (quant) | o >50%  
o 10-50%  
o <10%  
o 0% |
| Active - fundamental and active - other | o >50%  
o 10-50%  
o <10%  
o 0% |
| Total 100% |

**OO LE 02**  
Mandatory to Report Voluntary to Disclose | Public | Gateway | General
---|---|---|---
**OO LE 02.1**  
For strategies that account for less than 10% of your internally managed listed equities, indicate if you would still like to report your activities.
Report on strategy

### Passive strategies

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

### All active strategies

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

#### OO FI 01

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Mandatory</th>
<th>Public</th>
<th>Gateway</th>
<th>General</th>
</tr>
</thead>
<tbody>
<tr>
<td>OO FI 01.1</td>
<td>Provide a breakdown of your internally managed fixed income securities by active and passive strategies</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Update:** This indicator has changed from "Mandatory to report, voluntary to disclose" to "Mandatory". Your response to this indicator will be published in the Public Transparency Report. This change is to enable improved analysis and peering.

<table>
<thead>
<tr>
<th>Type</th>
<th>Passive</th>
<th>Active - quantitative</th>
<th>Active - fundamental &amp; others</th>
<th>Total internally managed fixed income security</th>
</tr>
</thead>
<tbody>
<tr>
<td>SSA</td>
<td>&gt;50%</td>
<td>&gt;50%</td>
<td>&gt;50%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>10-50%</td>
<td>10-50%</td>
<td>10-50%</td>
<td></td>
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<tr>
<td></td>
<td>&lt;10%</td>
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<tr>
<td></td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Corporate (financial)</td>
<td>&gt;50%</td>
<td>&gt;50%</td>
<td>&gt;50%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>10-50%</td>
<td>10-50%</td>
<td>10-50%</td>
<td></td>
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<tr>
<td></td>
<td>&lt;10%</td>
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<tr>
<td></td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Corporate (non-financial)</td>
<td>&gt;50%</td>
<td>&gt;50%</td>
<td>&gt;50%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>10-50%</td>
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<tr>
<td></td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Securitised</td>
<td>&gt;50%</td>
<td>&gt;50%</td>
<td>&gt;50%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>10-50%</td>
<td>10-50%</td>
<td>10-50%</td>
<td></td>
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<tr>
<td></td>
<td>&lt;10%</td>
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<td>&lt;10%</td>
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<td></td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td></td>
</tr>
</tbody>
</table>
Update: this indicator has changed from "Mandatory to report, voluntary to disclose" to "Mandatory". Your response to this indicator will be published in the Public Transparency Report. This change is to enable improved analysis and peering.

### OO FI 03.1
Indicate the approximate (+/- 5%) breakdown of your SSA investments, by developed markets and emerging markets.

<table>
<thead>
<tr>
<th>SSA</th>
<th>Developed markets</th>
<th>Emerging markets</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>100</td>
<td>0</td>
<td>100%</td>
</tr>
</tbody>
</table>

### OO FI 03.2
Indicate the approximate (+/- 5%) breakdown of your corporate and securitised investments by investment grade or high-yield securities.

<table>
<thead>
<tr>
<th>Type</th>
<th>Investment grade (+/- 5%)</th>
<th>High-yield (+/- 5%)</th>
<th>Total internally managed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate (financial)</td>
<td>⊕ &gt;50%</td>
<td>⊕ &gt;50%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>⊙ 10-50%</td>
<td>⊙ 10-50%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>⊙ &lt;10%</td>
<td>⊙ &lt;10%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>⊙ 0%</td>
<td>⊙ 0%</td>
<td></td>
</tr>
<tr>
<td>Corporate (non-financial)</td>
<td>⊕ &gt;50%</td>
<td>⊕ &gt;50%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>⊙ 10-50%</td>
<td>⊙ 10-50%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>⊙ &lt;10%</td>
<td>⊙ &lt;10%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>⊙ 0%</td>
<td>⊙ 0%</td>
<td></td>
</tr>
<tr>
<td>Securitised</td>
<td>⊕ &gt;50%</td>
<td>⊕ &gt;50%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>⊙ 10-50%</td>
<td>⊙ 10-50%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>⊙ &lt;10%</td>
<td>⊙ &lt;10%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>⊙ 0%</td>
<td>⊙ 0%</td>
<td></td>
</tr>
</tbody>
</table>

If you are invested in private debt and reporting on ratings is not relevant for you, please indicate below:

☐ OO FI 03.2 is not applicable as our internally managed fixed income assets are invested only in private debt.
<table>
<thead>
<tr>
<th>OO PE 01</th>
<th>Mandatory</th>
<th>Public</th>
<th>Descriptive</th>
<th>General</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OO PE 01.1</strong></td>
<td>Provide a breakdown of your organisation’s internally managed private equity investments by investment strategy.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment strategy</td>
<td>Percentage of your internally managed private equity holdings (in terms of AUM)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Venture capital                           | ○ >50%  
|                                           | ○ 10-50%  
|                                           | ○ <10%  
|                                           | ◦ 0%  |
| Growth capital                            | ○ >50%  
|                                           | ○ 10-50%  
|                                           | ○ <10%  
|                                           | ◦ 0%  |
| (Leveraged) buy-out                       | ○ >50%  
|                                           | ○ 10-50%  
|                                           | ○ <10%  
|                                           | ◦ 0%  |
| Distressed/Turnaround/Special Situations  | ○ >50%  
|                                           | ○ 10-50%  
|                                           | ○ <10%  
|                                           | ◦ 0%  |
| Secondaries                               | ○ >50%  
|                                           | ○ 10-50%  
|                                           | ○ <10%  
|                                           | ◦ 0%  |
| Other investment strategy, specify (1)    | ◦ >50%  
|                                           | ○ 10-50%  
|                                           | ○ <10%  
|                                           | ○ 0%  |
| Other investment strategy, specify (2)    | ○ >50%  
|                                           | ○ 10-50%  
|                                           | ○ <10%  
<p>|                                           | ◦ 0%  |
| Total 100%                                | |</p>
<table>
<thead>
<tr>
<th>Number</th>
<th>Description</th>
<th>Public</th>
<th>Descriptive</th>
<th>General</th>
</tr>
</thead>
<tbody>
<tr>
<td>OO PE 02.1</td>
<td>Indicate the level of ownership you typically hold in your private equity investments.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- a majority stake (>50%)
- 50% stake
- a significant minority stake (between 10-50%)
- a minority stake (<10%)
- a mix of ownership stakes
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.
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

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

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.

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)

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.

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.impax.com/sites/default/files/TCFD.pdf

Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

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).

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

Describe

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
**Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.**

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

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

**Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.**

- Policy setting out your overall approach
  - **URL**
  - **URL**
  - [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**
  - **URL**
  - [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**
  - **URL**
  - [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**
  - **URL**
  - [hyperlink:https://www.impaxam.com/sites/default/files/Impax_ESG_Policy_2019_0.pdf]
  - Attachment (will be made public)
Asset class-specific RI guidelines

Sector specific RI guidelines

Screening / exclusions policy

Engagement policy

(Proxy) voting policy
<table>
<thead>
<tr>
<th>URL/Attachment</th>
<th>URL</th>
</tr>
</thead>
<tbody>
<tr>
<td>[hyperlink:<a href="https://www.impaxam.com/sites/default/files/Impax_Proxy_Voting_Policy_2019_0.pdf">https://www.impaxam.com/sites/default/files/Impax_Proxy_Voting_Policy_2019_0.pdf</a>]</td>
<td>□ Attachment (will be made public)</td>
</tr>
<tr>
<td>□ Other, specify (1)</td>
<td></td>
</tr>
<tr>
<td>Other, specify (1) description</td>
<td>Governance policy for Chinese companies</td>
</tr>
<tr>
<td>URL/Attachment</td>
<td>URL</td>
</tr>
<tr>
<td>[hyperlink:<a href="https://www.impaxam.com/sites/default/files/Impax_ESG_Policy_2019_0.pdf">https://www.impaxam.com/sites/default/files/Impax_ESG_Policy_2019_0.pdf</a>]</td>
<td>□ Attachment (will be made public)</td>
</tr>
<tr>
<td>□ Other, specify (2)</td>
<td></td>
</tr>
<tr>
<td>Other, specify (2) description</td>
<td>UK Stewardship Code statement</td>
</tr>
<tr>
<td>URL/Attachment</td>
<td>URL</td>
</tr>
<tr>
<td>[hyperlink:<a href="https://www.impaxam.com/sites/default/files/Impax_UK_Stewardship_Code_Statement_03_2019_0.pdf">https://www.impaxam.com/sites/default/files/Impax_UK_Stewardship_Code_Statement_03_2019_0.pdf</a>]</td>
<td>□ Attachment (will be made public)</td>
</tr>
<tr>
<td>□ We do not publicly disclose our investment policy documents</td>
<td></td>
</tr>
<tr>
<td>□ Your organisation’s definition of ESG and/or responsible investment and it’s relation to investments</td>
<td>SG 02.2</td>
</tr>
<tr>
<td>Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.</td>
<td></td>
</tr>
</tbody>
</table>
| □ URL | }
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
Investing in Environmental Markets.
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.

SG 03.1 Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

☒ Yes

SG 03.2 Describe your policy on managing potential conflicts of interest in the investment process.

Our aim is to treat all our clients fairly at all times and to preserve accountability and transparency. Impax has a clear policy on identifying, recording, managing and disclosing any conflicts, or even the appearance of conflict. Impax arranges its business to minimise the potential for conflicts of interest and where they do arise it manages such conflicts to ensure that its own interests are never put ahead of those of its clients, and that one group of clients is not treated more favourably than another.

Conflicts of interest may arise as part of our investment, ESG and stewardship activities; however, we have arrangements in place to minimise their effects and to treat all clients fairly in relation to:

- Varying client objectives and interests
- Impax's shareholder interests
- Impax's specific client interests
- Impax's employee interests
- Impax's corporate investments and interests
- Impax's inter-departmental interests

We have a Conflicts of Interest policy. The policy applies to all staff.

The Board of Impax Management Group plc has overall responsibility for ensuring the proper control over conflicts of interest. On a day to day basis, this responsibility is delegated to the Executive Committee, and is monitored by the Compliance department.
Possible sources of conflicts of interest and how they are addressed:

**Varying client objectives and interests.** Different clients may have different expectations, objectives and priorities regarding stewardship and Impax has a number of investors who are highly focused on stewardship issues and have very specific priorities. At the very outset of the client relationship it is determined how closely the stewardship priorities are aligned between the client and Impax. We have a number of clients who have retained their voting rights, in order to follow their specific stewardship objectives. For all other clients, we vote following our voting policies, utilising our ESG-analysis and knowledge of the companies in question and local and regional corporate governance best practice. We report the outcomes of our voting on our website, every quarter. Some of our clients have invested with us through separate accounts where their own specific responsible investment objectives are followed and expressed. We are not involved in stock lending, simplifying the management of proxy voting and reducing possible conflicts of interest relating to voting.

**Impax’s shareholder interests.** Impax is owned by individuals and financial institutions which each have their own investment, financial and stewardship objectives, which could create conflicts of interest. Impax's investment process and stewardship activities are conducted following set and publicly disclosed policies and removed from the influence of shareholders.

**Impax’s specific client interests.** Impax could be managing investments for e.g. the corporate pension fund of a company that is also owned in one or several of Impax's funds, which could create conflicts of interest. Impax's investment process and stewardship activities are conducted following set and publicly disclosed policies and removed from any influence of specific clients.

**Impax’s employee interests.** An Impax employee could own shares or have an interest in a company that is also owned in one or several of Impax's funds, which could create conflicts of interest. Impax has strict checks, controls and reporting regarding trading and ownership of companies and shares by the Impax staff. Impax's investment process and stewardship activities are conducted following set policies and removed from any influence of any employee interests.

**Impax’s corporate investments and interests.** Impax does not hold any proprietary positions or conduct any proprietary trading, but may make a seed investment into a new Impax fund. When this is the case the fund and the investment is treated like any other client and is subject to the very same policies and procedures regarding stewardship that any other client funds would be.

**Impax’s inter-departmental interests.** The Impax investing departments outside of the Listed Equity business, such as its Private Equity department, may have ownership or an interest in a company that is an investee company in an Impax Listed Equities fund. There are formal Information Barrier structures in place between the Impax Listed and Private Equity departments and Impax's investment process and stewardship activities are conducted following set policies and removed from any influence of any inter-departmental interests.

---

**SG 04**

<table>
<thead>
<tr>
<th>Voluntary</th>
<th>Public</th>
<th>Descriptive</th>
<th>General</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SG 04.1</strong></td>
<td>Indicate if your organisation has a process for identifying and managing incidents that occur within portfolio companies.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>☑ Yes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>☐ No</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**SG 04.2**

Describe your process on managing incidents

Every holding in Impax's portfolios is reviewed periodically after inclusion in the portfolio. Identification of incidents and events in companies is managed through:

- Third party ESG research tools and alert mechanisms
- Market data provider research, data and alerts
- Sell-side research reports and alerts
- Proprietary ESG analysis of company information and filings

When significant events occur, we may conduct reviews more frequently and contact the company for further information and clarification. This may result in divestment, engagement, or continued monitoring.
### Objectives and strategies

**SG 05**  
**Mandatory**

<table>
<thead>
<tr>
<th><strong>SG 05.1</strong></th>
<th>Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ø Quarterly or more frequently</td>
<td></td>
</tr>
<tr>
<td>Ø Biannually</td>
<td></td>
</tr>
<tr>
<td>Ô Annually</td>
<td></td>
</tr>
<tr>
<td>Ø Less frequently than annually</td>
<td></td>
</tr>
<tr>
<td>Ø Ad-hoc basis</td>
<td></td>
</tr>
<tr>
<td>Ø It is not set/reviewed</td>
<td></td>
</tr>
</tbody>
</table>

**SG 05.2**  
**Additional information. [Optional]**

Impax's ESG policies and objectives are periodically assessed. The strategic or top-down engagement objectives and targets are reviewed and established. The methodology and resource needs relating to responsible investment activities, ESG analysis, engagement, proxy voting and impact measurement and reporting are continuously assessed and developed.

**SG 06**  
**Voluntary**

<table>
<thead>
<tr>
<th><strong>SG 06.1</strong></th>
<th>List the main responsible investment objectives that your organisation set for the reporting year.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsible investment processes</td>
<td></td>
</tr>
</tbody>
</table>

- Provide training on ESG incorporation

**Key performance indicator**

On-going ESG-integration training in the investment team. KPI is the time spent on ESG-training / number of ESG-trained employees.

**Progress achieved**

The Impax investment team has grown in 2018 (3 new employees) and training of ESG integration has been provided.

- 3 new employees trained in ESG integration analysis.
- 1 comprehensive ESG training workshop conducted in 2018 for the entire investment team (highlighting emerging ESG issues)
Provide training on ESG engagement

Key performance indicator

On-going ESG-integration training in the investment team. KPI is the time spent on engagement training / number of engagements.

Progress achieved

ESG engagement is conducted across the investment team during company meetings. The Impax investment team has grown in 2018 (3 new employees) and training of ESG integration and engagement has been provided.

- 3 new employees trained regarding ESG engagement.
- 1 comprehensive ESG training workshop conducted in 2018 for the entire investment team (highlighting emerging ESG issues)
- The number of engagements increased significantly year-on-year in 2018.

Improved communication of ESG activities within the organisation

Key performance indicator

"ESG and Engagement" is a standing agenda item at the Investment Committee meetings. "Engagement Database" and specific engagements circulated and available on Impax’s intranet.

Progress achieved

Improved awareness about on-going and planned (strategic) and bottom-up engagements across the investment team and the firm.

Improved engagement to encourage change with regards to management of ESG issues

Key performance indicator

Prioritising key, impactful engagements (issue- and company-specific), increasing collaborative engagements to optimise time and resources.

Progress achieved

Increased levels of engagements in general in 2018.

Improved ESG incorporation into investment decision making processes

Key performance indicator

ESG-analysis is fully incorporated into investment decision-making processes. Aim to continuously improve the ESG input (KPI).
We aim to continuously stay ahead of emerging issues and risks facing our companies and continuously enhance the information we have about our companies through ESG analysis and engagement. In 2018 our strategic focus included understanding companies’ cyber security, plastic and physical climate risk exposures, understanding and management. The 2019 current focus areas are global tax regime changes (incl. digital revenue taxes), physical climate risks (continued) and company pay-equity practices.

The on-going and permanent areas of focus are climate, diversity and ESG processes and transparency (especially for smaller companies).

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

Financial performance of investments

- Increase portfolio performance by consideration of ESG factors

Key performance indicator

Link between ESG, sustainability and share price performance.

Progress achieved

We aim to continuously stay ahead of emerging issues and risks facing our companies and continuously enhance the information we can have about our companies, through ESG analysis and sustainability frameworks in order to mitigate risks and to generate investment outperformance.

- **Impax Lens.** The investment universe identified with sub-sectors with high opportunities and low risks through the Impax Lens has outperformed broader markets.

- **Pax World Global Women’s Leadership Index (GWLI),** an index of global companies that are leaders in advancing women through gender diversity on their boards and in management, and through other policies and programs, has demonstrated good performance vs broader markets.

- **Impax ESG analysis.** We regularly measure how companies with our proprietary ESG-scores perform in terms of share price returns. We have found over many years that companies with stronger ESG-ratings outperformed the weaker ones. We believe this is related to better company quality and structures, leading to better financial and operative performance, which can lead to stronger share price performance.

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

ESG characteristics of investments

- Over or underweight companies based on ESG characteristics
ESG-criteria and portfolio construction (portfolio position sizing).

<table>
<thead>
<tr>
<th>Key performance indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESG-criteria and portfolio construction (portfolio position sizing).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Progress achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>There are several ways in which ESG-criteria and sustainability aspects affect portfolio construction and sizing.</td>
</tr>
</tbody>
</table>


- **Carbon intensity/climate change.** Both of the Pax ESG Beta funds, the Pax ESG Beta Quality Fund and the Pax ESG Beta Dividend Fund, include portfolio carbon intensity as a managed factor. Both funds are managed to keep carbon intensity at least 30% below that of the benchmark. Further information can be found at [https://paxworld.com/assets/pdfs/factsheets/fact_sheet_esg_beta_dividend.pdf?pwm=8119](https://paxworld.com/assets/pdfs/factsheets/fact_sheet_esg_beta_dividend.pdf?pwm=8119) and [https://paxworld.com/assets/pdfs/factsheets/fact_sheet_esg_beta_quality.pdf?pwm=1883](https://paxworld.com/assets/pdfs/factsheets/fact_sheet_esg_beta_quality.pdf?pwm=1883).

- **ESG analysis.** We cap (limit) the position sizes of companies that have weaker ESG-scores following our proprietary ESG-analysis, for risk management purposes (incl. for Impax's active thematic equity strategies).

☑️ Improve ESG ratings of portfolio

<table>
<thead>
<tr>
<th>Key performance indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engagement focus on smaller companies that have not yet extensively developed sustainability processes and performance.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Progress achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>We have been able to get c. 2-3 smaller companies per year to launch materially-based sustainability processes, based on our engagements of &quot;cost-effective, but robust sustainability frameworks&quot;. Hence these companies' ESG-ratings have also improved (both Impax's proprietary ESG ratings and external ESG research providers' ESG ratings). We also actively engage with companies on governance structure improvements, which can also improve companies' ESG scores.</td>
</tr>
</tbody>
</table>

☐ Setting carbon reduction targets for portfolio

☑️ Other, specify (1)

<table>
<thead>
<tr>
<th>Other description (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measuring positive environmental impact in three of our active thematic environmental equity strategies, reporting enhancements.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key performance indicator</th>
</tr>
</thead>
</table>

41
Impax has developed an impact measurement framework for measuring positive environmental impact through investee companies’ end products and services. The impact KPIs are: 1. Net carbon emissions, 2. renewable energy generated, 3. water saved and treated, 4. materials recycled and recovered (and 5. carbon displaced for our Asian strategy only).

The Net Carbon Emissions calculation entails a full carbon footprinting (all direct and indirect emissions) and calculating the carbon emissions avoided through the production and sales of environmental products and services, during the one-year measurement period, by our investee companies. In 2018, the three thematic environmental investment strategies on which impact measurement is conducted, had more carbon avoided than emitted in aggregate or net terms by the investee companies. This methodology, measurement and data has been externally assured by EY.

In 2018, we added impact measurement for one new strategy, including one new impact metric. We additionally calculated how this net carbon avoidance compared to investments into portfolios representing the “global economy today” and the “2-degree global economy” that the Paris Climate Agreement requires, for comparison.

We also mapped how our environmental sub-sectors and strategies align to the UN Sustainable Development Goals (SDGs).


☐ Other, specify (2)
☐ Other, specify (3)
☐ None of the above

Other activities

☒ Joining and/or participation in RI initiatives

Key performance indicator

Participation in collaborative engagements, initiatives and organisations.

Progress achieved

As a member of IIGCC, INCR/Ceres and ICCR, Impax continues to take part in engagements with governments and policy makers to introduce stable, predictable, and clear environmental policies to encourage environmental investment. In 2018 we became part of the IIGCC climate scenario analysis working group.

In 2018, Impax joined the "As You Sow" Plastic Solutions Investor Alliance; an engagement programme focused on reduction of single-use plastic packaging and improved packaging management by mainly global consumer product companies. This sets best practice standards for disclosures and performance against recyclability and reduction targets.

In 2018, Impax was also part of a Global Reporting Initiative (GRI) working group, setting new standards for corporate reporting of data and management of waste and materials.

In addition, Impax was active with several other organisations and initiatives in 2018; Ceres (Coalition for Environmentally Responsible Economies), Interfaith Center on Corporate Responsibility (ICCR), The Investor Network on Climate Risk (INCR), The Forum for Sustainable and Responsible Investment (USSIF), NH Businesses for Social Responsibility (NHBSR), United Nations Environment Programme Finance Initiatives (UNEP FI).
Encouraging others to join a RI initiative

Key performance indicator
Regular educational sessions on ESG and sustainable investing for investors, students and other groups.

Progress achieved
- Teach-in for Dutch, Finnish and UK-based student groups regarding ESG, engagement and impact measurement.

Documentation of best practice case studies

Key performance indicator
Impax White Papers on sustainable investment practices.

Progress achieved
In 2018, Impax published the following reports and White papers on sustainability topics and best practices:

- **Impax and Pax World Funds Spotlight on Gender Diversity Engagement**
  https://paxworld.com/spotlight-on-engagement-gender-diversity/

- **Impax and Pax World Funds Spotlight on Climate Change Engagement**
  https://paxworld.com/spotlight-on-engagement-climate-change/

- **Impax 2018 Whitepaper on Smart Carbon** (managing carbon risks more effectively, looking beyond carbon footprinting):

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

- **Impax 2018 Report on Investment Risk Management**

- **Impax 2018 Report on Investing in Asian Environmental Markets**

Using case studies to demonstrate engagement and ESG incorporation to clients

Key performance indicator
Regular client seminars and presentations on ESG and sustainability topics
Progress achieved

London and US-based seminars to clients and investors demonstrating how ESG and sustainability analysis and engagement is used in practice in the Impax investment process, with a case study of the future of transport, risks and opportunities in the plastics value chain, managing carbon and climate risks in portfolios ("Smart Carbon"), managing water risks in portfolios, learning and best practices around impact measurement and reporting and the mapping and interpretation of UN SDGs.

☐ Other, specify (1)
☐ Other, specify (2)
☐ Other, specify (3)
☐ None of the above

Governance and human resources

<table>
<thead>
<tr>
<th>SG 07</th>
<th>Mandatory</th>
<th>Public</th>
<th>Core Assessed</th>
<th>General</th>
</tr>
</thead>
<tbody>
<tr>
<td>SG 07.1</td>
<td>Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Roles</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ Board members or trustees</td>
</tr>
<tr>
<td>☑ Oversight/accountability for responsible investment</td>
</tr>
<tr>
<td>☐ Implementation of responsible investment</td>
</tr>
<tr>
<td>☐ No oversight/accountability or implementation responsibility for responsible investment</td>
</tr>
<tr>
<td>☑ Internal Roles (triggers other options)</td>
</tr>
</tbody>
</table>

Select from the below internal roles

| ☑ Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee |
| | ☑ Oversight/accountability for responsible investment |
| | ☑ Implementation of responsible investment |
| | ☐ No oversight/accountability or implementation responsibility for responsible investment |
| | ☑ Other Chief-level staff or head of department, specify |
| | eg. Head of Private Equity |
☑ Oversight/accountability for responsible investment
☑ Implementation of responsible investment
☐ No oversight/accountability or implementation responsibility for responsible investment

☑ Portfolio managers
☑ Oversight/accountability for responsible investment
☑ Implementation of responsible investment
☐ No oversight/accountability or implementation responsibility for responsible investment

☑ Investment analysts
☑ Oversight/accountability for responsible investment
☑ Implementation of responsible investment
☐ No oversight/accountability or implementation responsibility for responsible investment

☑ Dedicated responsible investment staff
☑ Oversight/accountability for responsible investment
☑ Implementation of responsible investment
☐ No oversight/accountability or implementation responsibility for responsible investment

☐ Investor relations
☐ Other role, specify (1)
☐ Other role, specify (2)

☐ External managers or service providers

<table>
<thead>
<tr>
<th>SG 07.2</th>
<th>For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.</th>
</tr>
</thead>
</table>

At the Board and Chief Executive levels, the responsibilities are strategic and with oversight of the direction of company-wide and product-level within sustainable investing and to give thought-leadership both internally and externally around this specific area of investment.

At the Chief Executive, Investment Committee and Head of Department levels, policies, processes and responsible investment frameworks are maintained and developed. Responsible investment is implemented through Investment Committee work. All new companies that are presented to the Investment Committee must be approved on financial and ESG criteria and are often debated during the meetings.

Sustainability research and ESG analysis is fully integrated into the investment process in the investment teams. Within the investment teams, the role of sustainability research is also to identify strategic, top down issues for the ESG-analysis and engagement, to coordinate ESG-analysis for consistency and to continuously develop the ESG methodology further.

<table>
<thead>
<tr>
<th>SG 07.3</th>
<th>Indicate the number of dedicated responsible investment staff your organisation has.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>50</td>
</tr>
</tbody>
</table>

I confirm I have read and understood the Accountability tab for SG 07
Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

<table>
<thead>
<tr>
<th>Role</th>
<th>Oversight/accountability</th>
<th>Assessment and management</th>
<th>No responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board members or trustees</td>
<td>☑</td>
<td>☑</td>
<td>☐</td>
</tr>
<tr>
<td>Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee</td>
<td>☑</td>
<td>☑</td>
<td>☐</td>
</tr>
<tr>
<td>Other Chief-level staff or head of department</td>
<td>☑</td>
<td>☑</td>
<td>☐</td>
</tr>
<tr>
<td>Portfolio managers</td>
<td>☐</td>
<td>☑</td>
<td>☐</td>
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<tr>
<td>Investment analysts</td>
<td>☐</td>
<td>☑</td>
<td>☐</td>
</tr>
<tr>
<td>Dedicated responsible investment staff</td>
<td>☐</td>
<td>☑</td>
<td>☐</td>
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</tbody>
</table>
**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.

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.

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.

**SG 08**

**Voluntary** | **Public** | **Additional Assessed** | **General**
---|---|---|---
**SG 08.1** | Indicate if your organisation’s performance management, reward and/or personal development processes have a responsible investment element.

- **Board members/Board of trustees**

**SG 08.1b** | RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan

**SG 08.2** | Describe any activities undertaken during the reporting year to develop and maintain Board members’ skills and knowledge in relation to responsible investment.

Regular presentations to the Impax Board on RI topics, including sessions regarding Asian corporate governance, positive environmental impact measurement and reporting and broader thought-leadership topics.

- None of the above

- **Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee**
<table>
<thead>
<tr>
<th>Level of Staff</th>
<th>RI in objectives, appraisal and/or reward</th>
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<tr>
<td></td>
<td>☑ Responsible investment KPIs and/or goals included in objectives</td>
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<td></td>
<td>☑ Responsible investment included in appraisal process</td>
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<td></td>
<td>☑ Variable pay linked to responsible investment performance</td>
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<td>☐ None of the above</td>
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<tr>
<th>Level of Staff</th>
<th>RI in personal development and/or training plan</th>
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<td>☑ Responsible investment included in personal development and/or training plan</td>
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**Other C-level staff or head of department**: eg. Head of Private Equity

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**Portfolio managers**

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**Investment analysts**
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<th>SG 08.1a</th>
<th>RI in objectives, appraisal and/or reward</th>
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<tbody>
<tr>
<td>☑ Responsible investment KPIs and/or goals included in objectives</td>
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<tr>
<th>SG 08.1b</th>
<th>RI in personal development and/or training plan</th>
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<td>☑ Responsible investment included in personal development and/or training plan</td>
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| SG 08.3 | Provide any additional information on your organisation’s performance management, reward and/or personal development processes in relation to responsible investment. |

At the Board and Chief Executive levels, the responsibilities are strategic, with oversight of the direction of company-wide and product-level sustainability and strategy, to provide thought-leadership both internally and externally around this specific area of investment.

At the Chief Executive, Investment Committee and Head of Department levels, policies, processes and responsible investment frameworks are maintained and developed. Responsible investment is implemented through Investment Committee work. All new companies that are presented to the Investment Committee must be approved on financial and ESG criteria and are often debated during the meetings.

Sustainability research and ESG analysis is fully integrated into the investment process in the investment teams.

Within the investment teams, the role of sustainability research is also to identify strategic, top down issues for ESG-analysis and engagement, to coordinate ESG-analysis for consistency and to continuously develop the ESG methodology further.

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<tr>
<th>SG 09</th>
<th>Mandatory</th>
<th>Public</th>
<th>Core Assessed</th>
<th>PRI 4,5</th>
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Promoting responsible investment

Copyright © 2017 PRI Association. All rights reserved
Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply
☑ Principles for Responsible Investment

<table>
<thead>
<tr>
<th>Your organisation’s role in the initiative during the reporting period (see definitions)</th>
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<tbody>
<tr>
<td>☐ Basic</td>
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</table>

Provide a brief commentary on the level of your organisation’s involvement in the initiative. [Optional]

- Impax is part of the PRI/Ceres Investor Working Group on Sustainable Soy and Cattle (deforestation). Impax is the lead engager on 3 US large-cap consumer companies and co-lead on one US food retailer in this IWG.
- Impax is part of the PRI Sustainable Stock Exchanges Investor Working Group.
- Impax has been discussing impact measurement methodologies with members of the PRI team and attending Impact working group calls.

☑ Asian Corporate Governance Association

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Provide a brief commentary on the level of your organisation’s involvement in the initiative. [Optional]

In 2018, Impax has been in close conversations with ACGA to become a member in 2019.

☐ Australian Council of Superannuation Investors
☐ AFIC – La Commission ESG
☐ BVCA – Responsible Investment Advisory Board
☑ CDP Climate Change

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</table>
Provide a brief commentary on the level of your organisation’s involvement in the initiative.
[Optional]

- Impax has annually completed the CDP carbon reporting since 2009
- Impax is an investor member of the CDP
- Impax presented on a CDP panel “Investor perspectives regarding TCFD” (New York, Oct 2018)

☐ CDP Forests
☒ CDP Water

Your organisation’s role in the initiative during the reporting period (see definitions)

☑ Basic
☐ Moderate
☐ Advanced

Provide a brief commentary on the level of your organisation’s involvement in the initiative.
[Optional]

- In October 2018, Impax supported an investor letter urging companies in the energy sector to respond to the 2019 investor request for water information via CDP.

☐ CFA Institute Centre for Financial Market Integrity
☐ Code for Responsible Investment in SA (CRISA)
☐ Code for Responsible Finance in the 21st Century
☒ Council of Institutional Investors (CII)

Your organisation’s role in the initiative during the reporting period (see definitions)

☑ Basic
☐ Moderate
☐ Advanced

Provide a brief commentary on the level of your organisation’s involvement in the initiative.
[Optional]

Impax hosted and presented at the CII Fall Conference in Oct 2018 in New York, on 2 topics:
- Plastics - Risks and Opportunities
- TCFD disclosures

☐ Eumedion
☐ Extractive Industries Transparency Initiative (EITI)
☐ ESG Research Australia
☐ Invest Europe Responsible Investment Roundtable
☐ Global Investors Governance Network (GIGN)
☒ Global Impact Investing Network (GIIN)
In 2018 Impax continued environmental impact measurement following an externally assured methodology and reporting approach. It is measuring net carbon emissions, renewable energy generated, water saved and materials recovered by the listed companies in three of our active thematic equity strategies.

As part of our work around impact measuring and reporting, we joined GIIN as members and have extensively engaged with GIIN around environmental impact metrics, also feeding in to GIIN’s IRIS impact metric taxonomy consultation, particularly regarding environmental impact metrics.

In Q4 2018, Impax attended the annual GIIN conference.

**Global Real Estate Sustainability Benchmark (GRESB)**

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<tr>
<th>Role</th>
<th>Basic</th>
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<th>Advanced</th>
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<tbody>
<tr>
<td>Your organisation’s role in the initiative during the reporting period</td>
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</table>

Provide a brief commentary on the level of your organisation’s involvement in the initiative. [Optional]

Impax has provided insights in the area of sustainable property investment, by undertaking research regarding energy efficiency and property yields, which found evidence of “Green Alpha” in Property. White Paper: https://www.impaxam.com/sites/default/files/White-paper-Quantifying-Green-Alpha.pdf

**Green Bond Principles**

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<tr>
<th>Role</th>
<th>Basic</th>
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<tr>
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Provide a brief commentary on the level of your organisation’s involvement in the initiative. [Optional]

Actively part of the programs and engagements of the IIGCC initiative.

- Impax part of the Scenario Analysis Working Group
- Impax part of the Policy Working Group
- Impax regularly signs and comments on letters and consultations coordinated by the IIGCC
- Signed the 2018 “Global Investor Statement to Governments on Climate Change” letter
### Interfaith Center on Corporate Responsibility (ICCR)

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Provide a brief commentary on the level of your organisation’s involvement in the initiative. [Optional]

- In January 2018, Impax joined the Investor Alliance for Human Rights, lead by ICCR
- In March 2018, Impax signed the ICCR Investor Statement on Gun Violence
- In August 2018, Impax signed a statement, co-driven by ICCR, to the Canadian Government to enact legislation to help investors and Canadian companies identify and address modern slavery and child labour in supply chains through effective due diligence and disclosure
- In August 2018, Impax signed an ICCR statement to the Bangladeshi government in Support of the "Continued Functioning of the Accord to Ensure Bangladesh Factories are Safe for Garment Workers".
- In October 2018, Impax supported an ICCR investor letter urging companies in the energy sector to respond to the 2019 investor request for water information via CDP.
- In November 2018, Impax signed an ICCR letter to 30 Oil & Gas companies urging them to convey to the US EPA the importance of supporting sensible U.S. methane regulation.

### International Corporate Governance Network (ICGN)

- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- ☑ Investor Network on Climate Risk (INCR)/CERES

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Provide a brief commentary on the level of your organisation’s involvement in the initiative. [Optional]

Actively part of the programs of this organisation:

- Impax served as advisor/contributor to three Ceres reports:
  4. **Disclose What Matters and Lead From the Top**
  5. **Building Sustainability Competence on Corporate Boards**
  6. **Getting Climate Smart: A Primer for Corporate Directors in a Changing Environment**
- Impax directed the development of Ceres project on enhanced insurance company investment in clean energy; keynote address at associated investor conference, presentation at UN Investor Summit panel on the same topic.
- Impax of several Ceres’ working groups; Policy, Carbon Asset Risk, Water Hub, Low Carbon/Clean Energy Investment (typically monthly calls).
- Inaugural member of the Ceres Investor Advisory Committee.
- August 2018, Impax signed an Investor Statement in Support of a Low Carbon Economy
- October 2018, Impax signed INCR investor letter opposing EPA/NHTSA rule to roll back fuel economy standards
- October 2018, Impax signed INCR investor letter to the US SEC, to defend the current shareholder resolution rule (known as 14a-8) as well as the important role of proxy advisory firms.

☐ Local Authority Pension Fund Forum
☐ Principles for Sustainable Insurance
☑ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
   Member of UKSIF, US SIF

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<thead>
<tr>
<th>Provide a brief commentary on the level of your organisation’s involvement in the initiative. [Optional]</th>
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</thead>
<tbody>
<tr>
<td>☐ An Impax employee serves on the USSIF Board of Directors</td>
</tr>
<tr>
<td>☐ Impax serves on the Policy Committee for USSIF</td>
</tr>
<tr>
<td>☐ Impax part of USSIF Asset Management Agenda Committee</td>
</tr>
<tr>
<td>☐ Impax gave input for biennial USSIF &quot;Trends&quot; report</td>
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</table>

☐ Responsible Finance Principles in Inclusive Finance
☐ Shareholder Association for Research and Education (Share)
☑ United Nations Environmental Program Finance Initiative (UNEP FI)

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<tr>
<th>Provide a brief commentary on the level of your organisation’s involvement in the initiative. [Optional]</th>
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<tbody>
<tr>
<td>☐ Impax employee serves on the Investment Committee (advisory group) for the UNEP FI</td>
</tr>
<tr>
<td>☐ Impax signed the Tobacco-Free Finance Pledge, an initiative by UNEP FI, August 2018</td>
</tr>
</tbody>
</table>

☑ United Nations Global Compact
Your organisation’s role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation’s involvement in the initiative. [Optional]

- Impax reports annually to the UN Global Compact (including on Women’s Empowerment Principles).

Other collaborative organisation/initiative, specify

FAIRR

Your organisation’s role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation’s involvement in the initiative. [Optional]

Collaborative engagements, initiated by FAIRR, regarding:

7. Antibiotics resistance (food companies and restaurants)
8. Sustainable proteins (food producers and food retailers)
9. Deforestation statement (Cerrado biome, Brazil)

Impax participated in several FAIRR panels regarding sustainable proteins in 2018

Other collaborative organisation/initiative, specify

ShareAction initiative Workforce Disclosure Initiative, focuses on labour practices in global companies and their supply chains.

Your organisation’s role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation’s involvement in the initiative. [Optional]

Signatory to the initiative, signed relevant engagement letters and have attended meetings by the WDI.

Other collaborative organisation/initiative, specify

Intentional Endowments Network
### Your organisation’s role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

### Provide a brief commentary on the level of your organisation’s involvement in the initiative. [Optional]

- Impax employee IEN Executive Committee member
- Impax employee IEN Steering Committee member
- Impax employee in the IEN working group for gender lens investing
- Impax employee Co-Chair, Clean Energy Working Group

#### Other collaborative organisation/initiative, specify

**Plastic Solutions Investor Alliance (by As You Sow)**

- Basic
- Moderate
- Advanced

#### Provide a brief commentary on the level of your organisation’s involvement in the initiative. [Optional]

The Plastic Solutions Investor Alliance, driven and coordinated by “As You Sow” designed a company engagement programme focused on global consumer product companies. This initiative aims to set best standards and practices for disclosure and performance (recyclability and reduction targets) for the management of plastics (mainly in packaging).

<table>
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<tr>
<th>SG 10</th>
<th>Mandatory</th>
<th>Public</th>
<th>Core Assessed</th>
<th>PRI 4</th>
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<tbody>
<tr>
<td>SG 10.1</td>
<td>Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.</td>
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<tr>
<td>Yes</td>
<td></td>
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<tr>
<td>SG 10.2</td>
<td>Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.</td>
<td></td>
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</tr>
<tr>
<td>Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)</td>
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<td></td>
<td></td>
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<tr>
<td>Description</td>
<td>Frequency of contribution</td>
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<tr>
<td>Collaboration with Imperial College in London, presentations at student</td>
<td>☑️ Quarterly or more frequently \</td>
<td></td>
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<tr>
<td>events and establishing an intern program between Imperial’s Climate and</td>
<td>Biannually \</td>
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<tr>
<td>Finance Masters program and Impax. Impax also provided training in the</td>
<td>Annually \</td>
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<tr>
<td>USA for financial advisors on responsible investment topics, such as gender</td>
<td>Less frequently than annually \</td>
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<td>lens investing, including training programs that qualified for continuing</td>
<td>Ad hoc \</td>
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<td>education (CE) credits.</td>
<td>Other \</td>
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<tr>
<td>☑️ Provided financial support for academic or industry research on</td>
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<td>responsible investment</td>
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<tr>
<td>Description</td>
<td>Frequency of contribution</td>
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<tr>
<td>Financial support for Ashden and its Award for Energy Innovation and</td>
<td>☑️ Quarterly or more frequently \</td>
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<tr>
<td>ClientEarth, lawyers pushing governments to implement strong environmental</td>
<td>Biannually \</td>
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<tr>
<td>laws locally and globally. Through the Climate Bonds Partner Programme,</td>
<td>Annually \</td>
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<tr>
<td>Impax provides Partners with the opportunity to both support and take</td>
<td>Less frequently than annually \</td>
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<tr>
<td>part in our work to grow a robust green and climate bonds market, we also</td>
<td>Ad hoc \</td>
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<tr>
<td>provide Partners with our market database.</td>
<td>Other \</td>
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<tr>
<td>☑️ Provided input and/or collaborated with academia on RI related work</td>
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<tr>
<td>Description</td>
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<tr>
<td>Collaboration with Imperial college on the “Smart Carbon” methodology.</td>
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</table>
Encouraged better transparency and disclosure of responsible investment practices across the investment industry.

Description
Numerous relevant memberships, including early signatory of the TCFD recommendations for improved management and transparency in investment community and companies to mitigate climate risks. Support of various public policy initiatives that promote greater corporate sustainability, transparency and accountability.

Spoke publicly at events and conferences to promote responsible investment.

Numerous examples, but a few 2018 highlights are:
- Impax’s President’s speech “Gender Diversity in the Investment Management Industry” at the 6th Annual Sustainable Investing Seminar, CFA Society, Boston.
- Impax’s employees regularly participate in and speak at events that promote responsible investment.

Wrote and published in-house research papers on responsible investment.
Numerous examples, but highlighting White Papers on Smart Carbon, Impact Reporting, Gender Investing and Climate Risks.

https://www.impaxam.com/media-centre/thought-leadership

Pax World Funds Helps Advance Gender Diversity at Beacon Roofing Supply, Heather Smith (December 2018)

How Climate Change Affects Financial Performance, Julie Gorte (September 2018)

International Markets: Evidence of Positive ESG Effect, Steve Falci, Scott LaBreche and Greg Hasevlat (June 2018)

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Encouraged the adoption of the PRI

Regularly presenting to investor delegations on ESG and RI and highlighting the importance of the PRI.

Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)

Frequently participates in RI related consultations, such as the FSB/TCFD, EU Green Taxonomy.
- **Frequency of contribution**
  - Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other

  - **Wrote and published articles on responsible investment in the media**

  - **Description**
    
    Impax is frequently in the media as a commentator and contributor regarding various RI related topics. [https://www.impaxam.com/media-centre/impax-news](https://www.impaxam.com/media-centre/impax-news) [https://paxworld.com/category/insights/thought-leadership/](https://paxworld.com/category/insights/thought-leadership/)

- **Frequency of contribution**
  - Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other

  - **A member of PRI advisory committees/ working groups, specify**

  - **Description**
    
    Member of the PRI Sustainable Stock Exchanges working group, participated in the work of the PRI impact working group and the PRI Deforestation investor working group.

- **Frequency of contribution**
  - Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other

  - **On the Board of, or officially advising, other RI organisations (e.g. local SIFs)**

  - **Description**
    
    Impax is an USSIF International Working Group member and member of the USSIF “Member Program Committee”. Impax staff are on the boards or advisory boards of Carbon Tracker, Ceres, World Resource Institute (WRI) and the USSIF.
In 2018 Impax continued its support of Ashden and ClientEarth.

We are now in our seventh year of partnership with Ashden and are proud supporters of the Impax Ashden Award for Energy Innovation. Ashden champions practical, local energy, solutions that cut greenhouse gas emissions, protect the environment, reduce poverty and improve people’s lives. Several of our staff are involved in the evaluation and judging of the award submissions, as well as on-going mentoring and support work with previous award winners.

ClientEarth is a legal firm which is “committed to ensuring a healthy planet”. ClientEarth’s lawyers are pushing governments to implement strong environmental laws locally and globally.

Impax also sponsors research projects of the Climate Bond Initiative's (CBI) Partnership Program.
Impax engaged with policy-makers on the following topics in 2018:

- Letter to the IOSCO Secretariat and its board on the importance of comprehensive and consistent ESG disclosure by companies
- Signed investor statement asking governments to achieve Paris Agreement goals, accelerate private sector investment into the low carbon transition and to commit to improving climate-related financial reporting (The Investor Agenda)
- Investor letter to the SEC to defend the current US shareholder resolution rule (known as 14-a-8) as well as the important role of proxy advisory firms in advance of the SEC’s November roundtable on the Proxy Process (INCR)
- Investor letter opposing an anti-carbon tax resolution in the US House of Representatives
- Signed petition to the SEC requesting rulemaking on ESG risk disclosure
- Letter to US Congress opposing proposed legislation that would restrict disclosure of toxic chemicals to consumers
- Investor statement in support of a Low Carbon Economy (ahead of the Global Climate Action Summit)
- Investor statement in support of the continued accord to ensure Bangladesh Factories are Safe for Garment Workers
- Investor letter opposing US EPA/NHTSA rule to roll back fuel economy standards
- Signed a petition to SEC to improve disclosures of GHG from biomass power
- Investor letter calling US governors for a regional approach to curb transportation emissions (70 signatories)
- Impax participated in an EU Globe Seminar regarding the EU Sustainable Finance Package (EU Parliament, Brussels)
- Impax is part of the UK Green Finance Taskforce Steering Committee
New selection options have been added to this indicator. Please review your prefilled responses carefully.

### SG 12.1
Indicate whether your organisation uses investment consultants.

- ☐ Yes, we use investment consultants
- ☑ No, we do not use investment consultants.

### ESG issues in asset allocation

#### SG 13
<table>
<thead>
<tr>
<th>Mandatory</th>
<th>Public</th>
<th>Descriptive</th>
<th>PRI 1</th>
</tr>
</thead>
</table>

#### 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.).

- ☐ 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.

- ☐ 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:**


**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.
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

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 IPPC 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):
10. Water risks (drought, flooding, sea level rise)
11. Heat risks (wild fires, land degradation, human health issues, heat-related)
12. Extreme weather event risks (storms, hurricanes, typhoons)

Key endogenous indicators (internal exposure, can be controlled to an extent):
13. Geographic location of plants, facilities, operations (direct assets)
14. Geographic location of and dependency on supply chains (indirect exposures)
15. 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

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

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

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

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

Yes

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.
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

<table>
<thead>
<tr>
<th>SG 13.7</th>
</tr>
</thead>
<tbody>
<tr>
<td>CC</td>
</tr>
<tr>
<td>Indicate whether a range of climate scenarios is used.</td>
</tr>
</tbody>
</table>

☒ 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

<table>
<thead>
<tr>
<th>SG 13.8</th>
</tr>
</thead>
<tbody>
<tr>
<td>CC</td>
</tr>
<tr>
<td>Indicate the climate scenarios the organisation uses.</td>
</tr>
<tr>
<td>Provider</td>
</tr>
<tr>
<td>-------------------</td>
</tr>
<tr>
<td>IEA</td>
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<td>IEA</td>
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<td>IEA</td>
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<td>IEA</td>
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<tr>
<td>IRENA</td>
</tr>
<tr>
<td>Greenpeace</td>
</tr>
<tr>
<td>Institute for Sustainable Development</td>
</tr>
<tr>
<td>Bloomberg</td>
</tr>
<tr>
<td>IPCC</td>
</tr>
<tr>
<td>IPCC</td>
</tr>
<tr>
<td>IPCC</td>
</tr>
<tr>
<td>IPCC</td>
</tr>
<tr>
<td>Other</td>
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<tr>
<td></td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>Other</td>
</tr>
</tbody>
</table>

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

67
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)

Environmental policy and regulatory developments, including carbon and climate policy.
- Other, specify (2)

Infrastructure deficit (developed and developing markets).
- None of the above

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.

<table>
<thead>
<tr>
<th></th>
<th>trillions</th>
<th>billions</th>
<th>millions</th>
<th>thousands</th>
<th>hundreds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total AUM</td>
<td>14</td>
<td>742</td>
<td>049</td>
<td>327</td>
<td></td>
</tr>
<tr>
<td>Currency USD</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets in USD</td>
<td>14</td>
<td>742</td>
<td>049</td>
<td>327</td>
<td></td>
</tr>
</tbody>
</table>

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:
  16. New energy (energy efficiency and renewable energy)
  17. Water
  18. Waste management and recycling
  19. 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

<table>
<thead>
<tr>
<th>other description</th>
</tr>
</thead>
</table>

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

<table>
<thead>
<tr>
<th>other description</th>
</tr>
</thead>
</table>

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):
• Impax Pax World Sustainability Report:
Please provide further details on these key metric(s) used to assess climate related risks and opportunities.
<table>
<thead>
<tr>
<th>Metric Type</th>
<th>Coverage</th>
<th>Purpose</th>
<th>Metric Unit</th>
<th>Metric Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate-related targets</td>
<td>☐ All assets</td>
<td>Climate, emissions and resource exposures and risk mitigation</td>
<td>GHG emissions, energy, water reduction targets</td>
<td>Reported</td>
</tr>
<tr>
<td></td>
<td>☑ Majority of assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>☐ Minority of assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weighted average carbon intensity</td>
<td>☐ All assets</td>
<td>Identifies companies to prioritise for climate risk engagement.</td>
<td>CO2e / $M revenue</td>
<td>Used for engagement prioritisation.</td>
</tr>
<tr>
<td></td>
<td>☑ Majority of assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>☐ Minority of assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carbon footprint (scope 1 and 2)</td>
<td>☐ All assets</td>
<td>Identifies companies to prioritise for climate risk engagement.</td>
<td>tons, equivalent</td>
<td>Net carbon emissions ideally measured.</td>
</tr>
<tr>
<td></td>
<td>☑ Majority of assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>☐ Minority of assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Portfolio carbon footprint</td>
<td>☐ All assets</td>
<td>Montreal Pledge.</td>
<td>tons CO2e / $M invested</td>
<td>Net carbon emissions ideally measured.</td>
</tr>
<tr>
<td></td>
<td>☑ Majority of assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>☐ Minority of assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total carbon emissions</td>
<td>☐ All assets</td>
<td>Measuring &quot;net carbon emissions&quot;</td>
<td>tons CO2e</td>
<td>Net carbon emissions ideally measured.</td>
</tr>
<tr>
<td></td>
<td>☑ Majority of assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>☐ Minority of assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carbon intensity</td>
<td>☐ All assets</td>
<td>Assessing carbon exposures</td>
<td>tons, equivalent / $m revenue</td>
<td>Reported or estimated by peer groups</td>
</tr>
<tr>
<td></td>
<td>☑ Majority of assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>☐ Minority of assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exposure to carbon-related assets</td>
<td>☐ All assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>☑ Majority of assets</td>
<td></td>
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<tr>
<td></td>
<td>☐ Minority of assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other emissions metrics</td>
<td>☐ All assets</td>
<td>Assessing other metric avoidance</td>
<td>NOx, SOx, S02</td>
<td>Reported or estimated by peer groups. Data availability issues.</td>
</tr>
<tr>
<td></td>
<td>☑ Majority of assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>☐ Minority of assets</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SG 14.7 CC
Describe in further detail the key targets.
<table>
<thead>
<tr>
<th>Targettype</th>
<th>Time Frame</th>
<th>Description</th>
<th>Attachments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absolute target</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intensity target</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Absolute target</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intensity target</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Absolute target</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intensity target</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Absolute target</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intensity target</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Absolute target</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intensity target</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SG 14.8 CC</th>
<th>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.</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Process for climate-related risks is integrated into overall risk management</td>
<td></td>
</tr>
</tbody>
</table>

**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

<table>
<thead>
<tr>
<th>SG 14.9 CC</th>
<th>Indicate whether the organisation undertakes active ownership activities to encourage TCFD adoption.</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Yes</td>
<td></td>
</tr>
</tbody>
</table>

**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

<table>
<thead>
<tr>
<th>SG 15</th>
<th>Mandatory to Report Voluntary to Disclose</th>
<th>Public</th>
<th>Descriptive</th>
<th>PRI 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>SG 15.1</td>
<td>Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.</td>
<td>☑ Yes</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| SG 15.2 | Indicate the percentage of your total AUM invested in environmental and social themed areas. | % | 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. | Area | ☑ Energy efficiency / Clean technology |

<table>
<thead>
<tr>
<th>Asset class invested</th>
<th>% of AUM</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ Listed equity</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>☐ Fixed income - SSA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>☐ Fixed income - Corporate (financial)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>☐ Fixed income - Corporate (non-financial)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>☐ Fixed income - Securitised</td>
<td></td>
<td></td>
</tr>
<tr>
<td>☐ Private equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>☐ Inclusive finance</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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 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

<table>
<thead>
<tr>
<th>Asset class invested</th>
<th>Listed equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of AUM</td>
<td>5</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>% of AUM</th>
<th>100</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inclusive finance</td>
<td></td>
</tr>
</tbody>
</table>

| 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

<table>
<thead>
<tr>
<th>Asset class invested</th>
<th>Listed equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of AUM</td>
<td>6</td>
</tr>
</tbody>
</table>
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.

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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.
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

<table>
<thead>
<tr>
<th>Asset class invested</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ Listed equity</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>% of AUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
</tr>
</tbody>
</table>

☐ 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 Ellevate 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

Asset class implementation not reported in other modules

<table>
<thead>
<tr>
<th>SG 16</th>
<th>Mandatory</th>
<th>Public</th>
<th>Descriptive</th>
<th>General</th>
</tr>
</thead>
<tbody>
<tr>
<td>SG 16.1</td>
<td>Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset Class</td>
<td>Describe what processes are in place and the outputs or outcomes achieved</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------------</td>
<td>------------------------------------------------------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inclusive finance</td>
<td>We will report on this section, in a separate module.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Innovation

**SG 18**

<table>
<thead>
<tr>
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<th>Public</th>
<th>Descriptive</th>
<th>General</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SG 18.1</strong></td>
<td>Indicate whether any specific features of your approach to responsible investment are particularly innovative.</td>
<td>❌ Yes</td>
<td></td>
</tr>
<tr>
<td><strong>SG 18.2</strong></td>
<td>Describe any specific features of your approach to responsible investment that you believe are particularly innovative.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. **Defining the investment universe for "Environmental Markets"**

   Impax has been working with index company FTSE since 2008 managing and developing the classification system underpinning the FTSE Environmental Markets Index Series. We analyse, calculate and maintain the exact percentage of "Environmental Revenue" for each company in our universe. In 1999 this universe was 250 companies. It has grown rapidly and totals c.1,600 companies today, forming the investment universe for Impax's active environmental thematic listed equity strategies.


2. **Impax Impact Measuring Methodology**

   In 2015, Impax developed an environmental impact measurement and reporting methodology for net carbon emissions, renewable energy generation, water savings and materials recovery and recycling. This methodology and the calculations are conducted annually for three of our active environmental thematic listed equity strategies and our renewable energy private equity funds and have been externally assured by Ernst & Young, regarding the methodology, data and the calculations.


3. **The Impax Global Women's Leadership Index** is a customized index of the highest-rated companies in the world in advancing women, as rated by Impax Gender Analytics, and that meet key environmental, social and governance (ESG) standards, as rated by MSCI ESG Research. Companies are rated by Impax Gender Analytics based on multiple criteria of gender leadership, including:
   - Representation by women on the board of directors
   - Representation of women in executive management
   - Woman CFOs
   - Woman CEOs
   - Whether they are signatories to the Women’s Empowerment Principles, a joint initiative of the UN Global Compact and UN Women.

   **Impax Global Women's Leadership Index:** [https://paxworld.com/pax-ellevate/index-design/](https://paxworld.com/pax-ellevate/index-design/)

4. **Impax Spotlight on Gender Diversity Engagement.** We are a world leader in investing in women, advancing pay equity and promoting greater gender diversity on corporate boards. We have an active gender engagement and voting approach in place.


5. **Impax has developed a methodology to manage carbon risk in portfolios - "Smart Carbon™"**

   In its role as a thought leading investment manager, Impax engages with clients and investors to raise awareness of climate change as a near-term investment risk. Over the years, Impax worked to develop a
A prudent investment approach to managing climate risk, beyond "low carbon" strategies, resulting in the Smart Carbon portfolio approach. The approach quantifies the potential impairment to future cash flows of companies whose valuations are linked to fossil fuel assets (i.e. coal, oil and gas exploration and production (E&P) companies) and that may be impacted by government and regulatory intervention. The Smart Carbon methodology reduces carbon risk while maintaining energy price risk by suggesting the E&P stocks be replaced by Energy Efficiency stocks.


---

**Communication**

<table>
<thead>
<tr>
<th>SG 19</th>
<th>Mandatory</th>
<th>Public</th>
<th>Core Assessed</th>
<th>PRI 2, 6</th>
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<tbody>
<tr>
<td><strong>SG 19.1</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

**Caution!** The order in which asset classes are presented below has been updated in the online tool to match the Reporting Framework overview.

If you are transferring data from an offline document, please check your response carefully.

**Listed equity - Incorporation**

**Do you disclose?**

- ○ We do not proactively disclose it to the public and/or clients/beneficiaries
- ○ We disclose to clients/beneficiaries only.
- ◎ We disclose it publicly

**The information disclosed to clients/beneficiaries is the same**

- ◎ Yes
- ○ No

---

Copyright © 2017 PRI Association. All rights reserved
### Disclosure to public and URL

<table>
<thead>
<tr>
<th>Disclosure to public and URL</th>
</tr>
</thead>
<tbody>
<tr>
<td>○ Broad approach to ESG incorporation</td>
</tr>
<tr>
<td>☑ Detailed explanation of ESG incorporation strategy used</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Quarterly or more frequently</td>
</tr>
<tr>
<td>☐ Biannually</td>
</tr>
<tr>
<td>☑ Annually</td>
</tr>
<tr>
<td>☐ Less frequently than annually</td>
</tr>
<tr>
<td>☐ Ad-hoc/when requested</td>
</tr>
</tbody>
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<table>
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<tbody>
<tr>
<td><img src="https://www.impaxam.com/sites/default/files/Impax_ESG_Policy_2019_0.pdf" alt="hyperlink" /></td>
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<table>
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<tr>
<th>URL</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="https://www.impaxam.com/sites/default/files/Impax_UK_Stewardship_Code_Statement_03_2019_0.pdf" alt="hyperlink" /></td>
</tr>
</tbody>
</table>

### Listed equity - Engagement

#### Do you disclose?

| We do not disclose to either clients/beneficiaries or the public. |
| We disclose to clients/beneficiaries only. |
| We disclose to the public |

#### The information disclosed to clients/beneficiaries is the same

<p>| Yes |
| No |</p>
<table>
<thead>
<tr>
<th>Disclosure to public and URL</th>
<th>Disclosure to clients/beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ Details on the overall engagement strategy</td>
<td>☑ Details on the overall engagement strategy</td>
</tr>
<tr>
<td>☑ Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals</td>
<td>☑ Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals</td>
</tr>
<tr>
<td>☑ Number of engagements undertaken</td>
<td>☑ Number of engagements undertaken</td>
</tr>
<tr>
<td>☑ Breakdown of engagements by type/topic</td>
<td>☑ Breakdown of engagements by type/topic</td>
</tr>
<tr>
<td>☑ Breakdown of engagements by region</td>
<td>☑ Breakdown of engagements by region</td>
</tr>
<tr>
<td>☑ An assessment of the current status of the progress achieved and outcomes against defined objectives</td>
<td>☑ An assessment of the current status of the progress achieved and outcomes against defined objectives</td>
</tr>
<tr>
<td>☑ Examples of engagement cases</td>
<td>☑ Examples of engagement cases</td>
</tr>
<tr>
<td>☑ Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.)</td>
<td>☑ Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.)</td>
</tr>
<tr>
<td>☐ Details on whether the provided information has been externally assured</td>
<td>☐ Details on whether the provided information has been externally assured</td>
</tr>
<tr>
<td>☑ Outcomes that have been achieved from the engagement</td>
<td>☑ Outcomes that have been achieved from the engagement</td>
</tr>
<tr>
<td>☐ Other information</td>
<td>☐ Other information</td>
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Full company-level detail regarding engagements.
<table>
<thead>
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<th>Frequency</th>
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<tbody>
<tr>
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<td>☑ Quarterly or more frequently</td>
</tr>
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<td>☐ Biannually</td>
<td>☐ Biannually</td>
</tr>
<tr>
<td>☑ Annually</td>
<td>☐ Annually</td>
</tr>
<tr>
<td>☐ Less frequently than annually</td>
<td>☐ Less frequently than annually</td>
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<tr>
<td>☐ Ad-hoc/when requested</td>
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**Listed equity – (Proxy) Voting**

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<tbody>
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</tr>
<tr>
<td>☑ We disclose to clients/beneficiaries only.</td>
</tr>
<tr>
<td>☑ We disclose to the public</td>
</tr>
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</table>

**The information disclosed to clients/beneficiaries is the same**

| ☑ Yes |
| ☐ No |
### Disclosure to public and URL

<table>
<thead>
<tr>
<th>Disclosure to public and URL</th>
</tr>
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<tbody>
<tr>
<td>☑ Disclose all voting decisions</td>
</tr>
<tr>
<td>○ Disclose some voting decisions</td>
</tr>
<tr>
<td>○ Only disclose abstentions and votes against management</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ Quarterly or more frequently</td>
</tr>
<tr>
<td>☑ Biannually</td>
</tr>
<tr>
<td>☑ Annually</td>
</tr>
<tr>
<td>☑ Less frequently than annually</td>
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<tr>
<td>☑ Ad hoc/when requested</td>
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### Fixed income

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<table>
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<tbody>
<tr>
<td>☑ Yes</td>
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<tr>
<td>○ No</td>
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### Disclosure to public and URL

<table>
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<th>Disclosure to public and URL</th>
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<tbody>
<tr>
<td>☑ Broad approach to RI incorporation</td>
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<tr>
<td>☐ Detailed explanation of RI incorporation strategy used</td>
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### Frequency

<table>
<thead>
<tr>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ Quarterly</td>
</tr>
<tr>
<td>☐ Biannually</td>
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<tr>
<td>☐ Less frequently than annually</td>
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<td>☐ Ad hoc/when requested</td>
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### URL

- [hyperlink:https://paxworld.com/funds/pax-core-bond-fund/]
- [hyperlink:https://paxworld.com/funds/pax-high-yield-bond-fund/]

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### Private equity

<table>
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<tr>
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<tbody>
<tr>
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<td>☒ We disclose to clients/beneficiaries only.</td>
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<td>☐ We disclose to the public</td>
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</table>

<table>
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<tr>
<td>☑ Yes</td>
</tr>
<tr>
<td>☐ No</td>
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</table>
### Disclosure to public and URL

- ESG information in relationship to our pre-investment activities
- ESG information in relationship to our post-investment monitoring and ownership activities
- Information on our portfolio companies’ ESG performance
- Other

---

### Disclosure to clients/beneficiaries

- ESG information in relationship to our pre-investment activities
- ESG information in relationship to our post-investment monitoring and ownership activities
- Information on our portfolio companies’ ESG performance
- Other

#### Specify

More detailed information reported to clients/beneficiaries.

---

### Frequency

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/when requested

---

### URL

- [hyperlink:https://www.impaxam.com/sites/default/files/Impax_ESG_Policy_2019_0.pdf]

---

### URL

Impax Asset Management

Reported Information

Public version

Direct - Listed Equity Incorporation

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.
ESG incorporation in actively managed listed equities

Implementation processes

LEI 01 | Mandatory | Public | Gateway | PRI 1
--- | --- | --- | --- | ---
LEI 01.1 | Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies (+/- 5%)

ESG incorporation strategy (select all that apply)
- ☐ Screening alone (i.e. not combined with any other strategies)
- ☐ Thematic alone (i.e. not combined with any other strategies)
- ☐ Integration alone (i.e. not combined with any other strategies)
- ☑ Screening and integration strategies

<table>
<thead>
<tr>
<th>Percentage of active listed equity to which the strategy is applied</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ Percentage of active listed equity to which the strategy is applied</td>
<td>20 %</td>
</tr>
</tbody>
</table>

- ☐ Thematic and integration strategies
- ☐ Screening and thematic strategies
- ☑ All three strategies combined

<table>
<thead>
<tr>
<th>Percentage of active listed equity to which the strategy is applied</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ Percentage of active listed equity to which the strategy is applied</td>
<td>80 %</td>
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</tbody>
</table>

- ☐ We do not apply incorporation strategies

<table>
<thead>
<tr>
<th>Total actively managed listed equities</th>
</tr>
</thead>
<tbody>
<tr>
<td>100 %</td>
</tr>
</tbody>
</table>

LEI 01.2 | Describe your organisation’s approach to incorporation and the reasons for choosing the particular ESG incorporation strategy/strategies.

Impax Asset Management incorporates thematic, screening and integration strategies.

At Impax, 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.

Equity investments at Impax can be classified in three categories:
1. **Thematic Active Equities** (thematic, screening and integration)
• Environmental strategies (new energy, water, waste management, sustainable food)

2. Active Equities (screening and integration)
• US Equities
• Global Equity Opportunities

3. ESG Smart Beta Passive Equities (screening and integration)
• Gender Leadership
• Sustainability Fund (quantitative ESG scoring)

1. Thematic Active Equities (thematic, screening and integration)
Impax is a leading investment manager dedicated to investing in the opportunities created by the transition to a more sustainable economy. Our thematic listed equity funds seek out mis-priced companies globally that are set to benefit from the long-term trends of climate change, inadequate infrastructure, environmental constraints, changing demographics, urbanisation and the resultant increases in resource scarcity. We expect that these trends, will drive earnings growth for well-positioned companies.

Investment is focused on a small number of deeply researched global equity strategies across alternative energy, energy efficiency, water, waste, food and agriculture and related markets.

The entire thematic environmental investable universe is screened quarterly on a normative-basis by a third party ESG-research provider, in order to ensure that none of our companies breach any of the ten UN Global Compact Principles. We will not invest in companies that breach fundamental normative issues such as Human Rights, Labour Rights or are involved in corrupt practices. We do not perform negative activity screens, however we positively screen for global listed equities with at least 20% of revenues from environmental activities, as defined by the "Environmental Markets" classification system.

A detailed ESG-analysis and proprietary ESG-scoring is fully integrated in our investment analysis and process, as it provides us with a more complete picture of the companies we invest in and results in a better assessment and understanding of the broader risks and opportunities. By analysing companies beyond the financials, we aim to identify company character and quality.

2. Active Equities (screening and integration)

US Equities

Our active equity strategies are high conviction, core strategies focused on adding value through superior stock selection. Our active equity teams integrate research from our ESG analysts throughout the investment process. Companies with highly rated or improving ESG profiles can be considered during idea generation, and the integration of ESG research helps us uncover risks when conducting fundamental analysis of companies. Deterioration of a company's sustainability profile may also be a factor in the decision to sell a company.

Our team assesses key ESG issues for each sector, industry and sub-industry and weight ESG factors accordingly. We focus on companies' ability to manage operational and reputational risks and to capitalize on opportunities arising from the shift towards a more sustainable global economy.

Global Equity Opportunities

The Impax Sustainability Lens identifies sub-sectors and companies that have lower risks and higher opportunities, benefiting from the transition to a more sustainable economy.

The Global Equity Opportunities investable universe is screened quarterly on a normative-basis by a third party ESG-research provider, in order to ensure that none of our companies breach any of the ten UN Global Compact Principles. We will not invest in companies that breach fundamental normative issues such as Human Rights, Labour Rights or are involved in corrupt practices. We will not invest in companies that breach fundamental normative issues such as Human Rights, Labour Rights or are involved in corrupt practices.

A detailed ESG-analysis and proprietary ESG-scoring is fully integrated in the investment analysis and process, as it provides us with a more complete picture of the companies we invest in and results in a better assessment and understanding of the broader risks and opportunities. By analysing companies beyond the financials, we aim to identify company character and quality.

3. ESG Beta Solutions (screening and integration)

Impax offers solutions that systematically create market exposure incorporating ESG insights using quantitative optimization tools to manage risks relative to market benchmarks and target desired tilts in characteristics.
These tilts involve integration of ESG ratings systematically alongside financial factors in portfolio construction through optimization.

We have developed two proprietary ESG rating frameworks employing a quantitative approach to ESG assessment.

- Impax Gender Leadership Score: The Gender Leadership Score is a proprietary framework of gender leadership factors used to determine the constituents and weights of a global investment strategy designed to capture investment returns associated with gender diversity and women's leadership.
- Impax Sustainability Score: The Sustainability Score is a proprietary, relative ranking framework designed to capture information regarding a company's management and performance related to material ESG issues. The framework is used to determine the constituents and weights in U.S. large-cap smart beta portfolios.

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.

**Impax ESG policy:**

**LEI 02**

<table>
<thead>
<tr>
<th>Voluntary</th>
<th>Public</th>
<th>Additional Assessed</th>
<th>PRI 1</th>
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</thead>
<tbody>
<tr>
<td>LEI 02.1</td>
<td>Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Type of ESG information**
- ☑ Raw ESG company data

**Indicate who provides this information**
- ☑ ESG research provider
- ☑ Sell-side
- ☑ In-house – specialised ESG analyst or team
- ☑ In-house – analyst or portfolio manager
- ☑ Company-related analysis or ratings

**Indicate who provides this information**
- ☑ ESG research provider
- ☑ Sell-side
- ☑ In-house – specialised ESG analyst or team
- ☑ In-house – analyst or portfolio manager
- ☑ Sector-related analysis or ratings
Indicate who provides this information
- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Country-related analysis or ratings

Indicate who provides this information
- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Screened stock list

Indicate who provides this information
- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- ESG issue-specific analysis or ratings

Indicate who provides this information
- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Other, specify

LEI 02.2 Indicate if you incentivise brokers to provide ESG research.
- Yes

LEI 02.3 Describe how you incentivise brokers.
We incentivise brokers through quarterly payments for original and value-adding analysis and research, including ESG and sustainability research. We endeavour to participate in II, Extel, IRRI annual sell-side research voting, highlighting the importance of ESG and sustainability research on the sell-side.

- No

LEI 03 Voluntary Public Additional Assessed PRI 1
LEI 03.1  Indicate if your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.

- **Engagement**
  - ☑️ We have a systematic process to ensure the information is made available.
  - ☐️ We occasionally make this information available.
  - ☐️ We do not make this information available.

- **(Proxy) voting**
  - ☑️ We have a systematic process to ensure the information is made available.
  - ☐️ We occasionally make this information available.
  - ☐️ We do not make this information available.

LEI 03.2  Additional information. [Optional]

"ESG and Stewardship activities" (engagement and proxy voting) is a standing agenda item at the Investment Committee meeting and significant ESG issues and engagements are discussed at the daily meetings in the investment team. The Engagement Database enables viewing and tracking all historic and on-going engagements.

An internal research platform, the "Portal", enables storing and viewing relevant ESG related information about all our investee companies.

---

**(A) Implementation: Screening**

<table>
<thead>
<tr>
<th>LEI 04</th>
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<th>Public</th>
<th>Descriptive</th>
<th>PRI 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEI 04.1</td>
<td>Indicate and describe the type of screening you apply to your internally managed active listed equities.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Type of screening**

- ☑️ Negative/exclusionary screening

**Screened by**

- ☑️ Product
- ☑️ Activity
- ☐️ Sector
- ☐️ Country/geographic region
- ☐️ Environmental and social practices and performance
- ☐️ Corporate governance

**Description**

For the **Active US Equities** and **ESG Beta Solutions**, we seek to avoid investing in companies:

- Involved in the manufacture/sale of weapons;
- Manufacture tobacco products;
- Whose primary business is coal mining and production;
- Whose sole or majority operations are in oil sands;
- Whose reliance on coal, in the case of utilities, is above the national average, unless that utility has demonstrated a significant commitment to renewables and is reducing its dependence on coal.

☑ Positive/best-in-class screening

**Screened by**

- [ ] Product
- [☑] Activity
- [☑] Sector
- [ ] Country/geographic region
- [☑] Environmental and social practices and performance
- [☑] Corporate governance

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Thematic Environmental Active Equities:</strong></td>
</tr>
<tr>
<td>Our thematic listed equity funds seek out mis-priced companies that are set to benefit from the long-term trends of climate change, inadequate infrastructure, environmental constraints, changing demographics, urbanisation 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 and sustainable food. We positively screen for companies active in these areas, with a min. 20% of revenues.</td>
</tr>
</tbody>
</table>

**US Equities:**

Our actively managed US listed equity funds use positive or best-in-class criteria. The result, we believe, is an increased level of scrutiny that helps us construct investment portfolios made up of better-managed companies that are leaders in their industries, meet positive standards of corporate responsibility and are more focused on the long term.

☑ Norms-based screening

**Screened by**

- [☑] UN Global Compact Principles
- [ ] The UN Guiding Principles on Business and Human Rights
- [ ] International Labour Organization Conventions
- [ ] United Nations Convention Against Corruption
- [ ] OECD Guidelines for Multinational Enterprises
- [☐] Other, specify

Companies involved in the production / manufacturing of cluster munitions or anti-personnel mines would be screened out, as this constitutes a human rights breach.

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Thematic Active Equities and Global Active Equities:</strong></td>
</tr>
<tr>
<td>The investable thematic environmental and global listed equity universes are screened on a normative-basis by a third party ESG-research provider on a quarterly basis, in order to ensure that none of our investee companies are in breach of any of the ten UN Global Compact Principles. We will not invest in...</td>
</tr>
</tbody>
</table>
companies that breach fundamental issues such as Human Rights, Labour Rights or are involved with corrupt practices.

Companies involved in the production / manufacturing of cluster munitions or anti-personnel mines would also be screened out, as this constitutes a de facto human rights breach.

### LEI 04.2

Describe how you notify clients and/or beneficiaries when changes are made to your screening criteria.

The screening criteria are established by a deliberative process incorporating portfolio management, sustainability research, and senior management staff. Clients and beneficiaries are notified when substantive changes are made.

### LEI 05

<table>
<thead>
<tr>
<th>LEI 05.1</th>
<th>Indicate which processes your organisation uses to ensure screening is based on robust analysis.</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑️</td>
<td>Comprehensive ESG research is undertaken or sourced to determine companies’ activities and products.</td>
</tr>
<tr>
<td>☑️</td>
<td>Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies</td>
</tr>
<tr>
<td>☑️</td>
<td>External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar</td>
</tr>
<tr>
<td>☑️</td>
<td>Third-party ESG ratings are updated regularly to ensure that portfolio holdings comply with fund policies.</td>
</tr>
<tr>
<td>☑️</td>
<td>Trading platforms blocking / restricting flagged securities on the black list</td>
</tr>
<tr>
<td>☑️</td>
<td>A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions</td>
</tr>
<tr>
<td>☑️</td>
<td>A periodic review of the quality of the research undertaken or provided is carried out</td>
</tr>
<tr>
<td>☑️</td>
<td>Review and evaluation of external research providers</td>
</tr>
<tr>
<td>☑️</td>
<td>Other, specify</td>
</tr>
</tbody>
</table>

Third party independent committee verifies bi-annually the continued validity of the environmental inclusion criteria and definitions, underpinning our positively screened thematic environmental investment universe.

☐ None of the above

### LEI 05.2

Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your ESG screening strategy.

- ☑️ <10%
- ☑️ 10-50%
- ☑️ 51-90%
- ☑️ >90%
LEI 05.3  Indicate how frequently third party ESG ratings are updated for screening purposes.

- Quarterly or more frequently
- Bi-annually
- Annually
- Less frequently than annually

LEI 05.4  Indicate how frequently you review internal research that builds your ESG screens.

- Quarterly or more frequently
- Bi-annually
- Annually
- Less frequently than annually

LEI 05.5  Additional information. [Optional]

Positive screening for environmental activity (active thematic equities)
Companies must have at least 20% of revenues from environmental or resource efficiency activities to be part of the Impax investment universe. Impax has dedicated staff developing and maintaining the investment universe. The entire universe is screened once a year to ensure that all companies still adhere to the minimum revenue target. Companies that no longer attain this minimum level of revenue are removed from the investable universe database. There is a third party independent committee that verifies bi-annually the continued validity of the environmental inclusion criteria and definitions, underpinning our positively screened investment universe.

Positive screening on ESG-criteria, best-in-class (US active equities)
Our actively managed US equity funds use positive or best-in-class criteria. The result, we believe, is an increased level of scrutiny that helps us construct investment portfolios made up of better-managed companies that are leaders in their industries, meet positive standards of corporate responsibility and are more focused on the long term.

Normative screening (active thematic equities and active global equities)
A third party ESG-research provider screens our investable universe every quarter to identify any potential UN Global Compact issues. Companies which are found to have minor issues are flagged and we monitor these particularly thoroughly and engage with these companies where relevant. Companies that are not compliant with the UN Global Compact principles are excluded from investment and excluded from our "A-list" or investable universe database. Companies involved in the production / manufacturing of cluster munitions or anti-personnel mines would also be screened out, as this constitutes a human rights breach. We use external data providers to flag controversial business activities.

Screening of ESG criteria (ESG analysis) - across all equity strategies:
Impax’s proprietary and integrated ESG-analysis is an integral part of the Impax investment process. Companies in our investable universe are ESG-analysed at a minimum annually. Our multi-step investment process incorporates ESG parameters into the investment analysis of companies through a thorough examination of company management/board structures, governance, ownership, corporate behaviour and Environmental and Social policies, processes and disclosures, following a materiality approach. We produce a proprietary ESG-report for each company. In addition, for Hong Kong and China-based companies, we have a further “governance tool” in place and we have identified five governance metrics that each company entering our investable universe must have in place.
LEI 06.1 Indicate which processes your organisation uses to ensure fund criteria are not breached.

- Systematic checks are performed to ensure that stocks meet the funds’ screening criteria.
- Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria.
- Audits of fund holdings are undertaken regularly by internal audit function.
- Periodic auditing/checking of the organisations RI funds by external party.
- Other, specify
  - Third party independent committee verifies bi-annually the continued validity of the environmental inclusion criteria and definitions, underpinning our positively screened environmental investment universe.
- None of the above

LEI 06.2 If breaches of fund screening criteria are identified - describe the process followed to correct those breaches.

Impax has developed systematic compliance procedures for our trading system to ensure that fund criteria are not breached. The system leverages IT infrastructure, compliance functions and checks across several departments to ensure compliance.

**Positive screening for environmental activity (active thematic equities)**

Companies must have at least 20% of revenues from environmental or resource efficiency activities to be part of the Impax investment universe. The entire universe is screened once a year to ensure that all companies still adhere to the minimum revenue target. Companies that no longer attain this minimum level of revenue are removed from the investable universe database. There is a third party independent committee verifies bi-annually the continued validity of the environmental inclusion criteria and definitions, underpinning our positively screened environmental investment universe.

**Normative screening (active thematic equities and active global equities)**

A third party ESG-research provider screens our investable universe every quarter to identify any potential UN Global Compact issues. Companies which are found to have minor issues are flagged and we monitor these particularly thoroughly and engage with these companies where relevant. Companies that are not compliant with the UN Global Compact principles are excluded from investment and excluded from the investable universe. Companies involved in the production / manufacturing of cluster munitions or anti-personnel mines would also be screened out, as this constitutes as a human rights breach. We use external data providers to flag controversial business activities.

**Screening of ESG criteria (ESG analysis) - (all equity strategies)**

Impax’s proprietary and integrated ESG-analysis is an integral part of the Impax investment process. Our investment process incorporates ESG parameters into the investment analysis of companies through a thorough examination of company management/board structures, governance, ownership, corporate behaviour and environmental and social policies, processes and disclosures, following a materiality approach. We produce a proprietary ESG-report for each company. If companies do not attain the required ESG quality, they will be excluded from our investable universe and can not be traded in our trading systems. In addition, for Hong Kong and China-based companies, we have a further "governance tool" in place. We have identified five governance metrics that each company entering our investable universe must have in place.

We have a proprietary data analytics and risk tool that identifies and immediately flags any breaches to our screening rules and principles.

(B) Implementation: Thematic

<table>
<thead>
<tr>
<th>LEI 07</th>
<th>Mandatory</th>
<th>Public</th>
<th>Descriptive</th>
<th>PRI 1</th>
</tr>
</thead>
</table>

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LEI 07.1  Indicate the type of sustainability thematic funds or mandates your organisation manages.

☒ Environmentally themed funds  
☒ Socially themed funds  
☐ Combination of themes

LEI 07.2  Describe your organisation’s processes relating to sustainability themed funds. [Optional]

Environmental strategies

Impax Asset Management is dedicated to investing in the opportunities created by the transition to a more sustainable economy and 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 environmentally themed listed equity strategies seek out mis-priced companies that are set to benefit from the long-term trends of climate change, inadequate infrastructure, environmental constraints, changing demographics, urbanisation and the resultant increases in resource scarcity. We expect that these trends will drive earnings growth for well-positioned companies. Investment is focused on a small number of deeply researched global equity strategies across alternative energy, energy efficiency, water, waste, sustainable food and agriculture and related markets.

As part of our investment process, we develop and maintain a large database of our entire environmental thematic investment universe, currently c. 1,600 companies. We review and update the exact % of revenue (or other business activity indicator) derived from the environmental solution / activity for each company on an annual basis. This process ensures that our investee companies are and continue to be part of the economy and sectors benefiting from resource and environmental opportunities and to further develop and expand our investment universe. The companies we invest in must derive at least 50% or 20% of revenues (depending on the strategy) from Environmental Market activities.

One person in the Impax investment team is dedicated to maintaining and developing the environmental investment universe.

Impax is a thought-leader in defining environmental markets, for example through a partnership with FTSE to develop and manage the classification system underpinning the FTSE Environmental Markets Index Series.


Global Women's Leadership strategy

We have developed a proprietary rating framework that employs a quantitative approach to gender leadership assessment. The framework is incorporated into portfolios that use quantitative optimization tools to manage risks relative to market benchmarks and target desired tilts in characteristics. These tilts involve integration of gender leadership and ESG ratings systematically alongside financial factors in portfolio construction through optimization.

Impax Gender Leadership Score: The Gender Leadership Score is a proprietary framework of gender leadership factors used to determine the constituents and weights of a global investment strategy designed to capture investment returns associated with gender diversity and women’s leadership.

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

(C) Implementation: Integration of ESG factors

LEI 08  Mandatory  Public  Core Assessed  PRI 1

LEI 08.1  Indicate the ESG factors you systematically research as part of your investment analysis and the proportion of actively managed listed equity portfolios that is impacted by this analysis.
<table>
<thead>
<tr>
<th>ESG issues</th>
<th>Proportion impacted by analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental</td>
<td><img src="image" alt="Environmental" /></td>
</tr>
<tr>
<td></td>
<td>- &lt;10%</td>
</tr>
<tr>
<td></td>
<td>- 10-50%</td>
</tr>
<tr>
<td></td>
<td>- 51-90%</td>
</tr>
<tr>
<td></td>
<td>- &gt;90%</td>
</tr>
<tr>
<td>Social</td>
<td><img src="image" alt="Social" /></td>
</tr>
<tr>
<td></td>
<td>- &lt;10%</td>
</tr>
<tr>
<td></td>
<td>- 10-50%</td>
</tr>
<tr>
<td></td>
<td>- 51-90%</td>
</tr>
<tr>
<td></td>
<td>- &gt;90%</td>
</tr>
<tr>
<td>Corporate Governance</td>
<td><img src="image" alt="Corporate Governance" /></td>
</tr>
<tr>
<td></td>
<td>- &lt;10%</td>
</tr>
<tr>
<td></td>
<td>- 10-50%</td>
</tr>
<tr>
<td></td>
<td>- 51-90%</td>
</tr>
<tr>
<td></td>
<td>- &gt;90%</td>
</tr>
</tbody>
</table>

**LEI 08.2 Additional information. [Optional]**

ESG-analysis is an integral part of the Impax investment process. Our actively-managed Listed Equities investment process incorporates ESG-parameters into the fundamental investment analysis of the companies in our investable universe. Our smart beta investment processes systematically incorporate proprietary ESG ratings alongside financial factors in portfolio construction through optimization.

As part of the ESG-analysis, we write a proprietary ESG-report. We review the ESG analysis periodically and if a material event occurs.

The ESG reports are available for the entire investment team in our research system, the "Portal" and in the risk management and portfolio review as well as portfolio construction materials.

ESG issues are a standing agenda item at the Investment Committee meetings and during the portfolio review meetings for the various listed equity strategies.

Impax's externally disclosed ESG policy:


**LEI 09 Mandatory**
### LEI 09.1
Indicate which processes your organisation uses to ensure ESG integration is based on a robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies’ activities and products
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Third-party ESG ratings are updated regularly.
- A periodic review of the internal research is carried out
- Structured, regular ESG specific meetings between responsible investment staff and the fund manager or within the investments team
- ESG risk profile of a portfolio against benchmark
- Analysis of the impact of ESG factors on investment risk and return performance
- Other, specify
- None of the above

### LEI 09.2
Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your integration strategy.

- <10%
- 10-50%
- 51-90%
- >90%

### LEI 09.3
Indicate how frequently third party ESG ratings that inform your ESG integration strategy are updated.

- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually

### LEI 09.4
Indicate how frequently you review internal research that builds your ESG integration strategy.

- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually

### LEI 09.5
Describe how ESG information is held and used by your portfolio managers.

- ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- Other, specify

All ESG information is available in our research system ‘Portal’, universe and market data databases and in Portfolio Review Meeting (PRM) documents.
ESG-analysis is an integral part of the Impax investment process. Our actively-managed Listed Equities investment process incorporates ESG-parameters into the fundamental investment analysis of the companies in our investable universe. Our smart beta investment processes systematically incorporate proprietary ESG ratings alongside financial factors in portfolio construction through optimization.

As part of the active equity strategies' ESG-analysis, we write a proprietary ESG-report. We review the ESG analysis periodically and if a material event occurs.

The ESG reports are available for the entire investment team in our research system, the "Portal" and in the risk management and portfolio review as well as portfolio construction materials.

ESG issues are a standing agenda item at the Investment Committee meetings and during the portfolio review meetings for the various listed equity strategies.

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

LEI 10.1 Indicate which aspects of investment analysis you integrate material ESG information into.

- Economic analysis
  - Proportion of actively managed listed equity exposed to investment analysis
    - <10%
    - 10-50%
    - 51-90%
    - >90%

- Industry analysis
  - Proportion of actively managed listed equity exposed to investment analysis
    - <10%
    - 10-50%
    - 51-90%
    - >90%

- Quality of management
LEI 10.2  Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis and/or portfolio construction.

☒ Adjustments to forecasted company financials (sales, operating costs, earnings, cash flows)
☒ Adjustments to valuation-model variables (discount rates, terminal value, perpetuity growth rates)
☐ Valuation multiples
☐ Other adjustments; specify

LEI 10.3  Describe how you integrate ESG information into portfolio weighting.

Impax Thematic active environmental strategies and Active Global Equities:

We conduct detailed, proprietary financial and ESG-analysis of companies considered for the investable universe and review the ESG-analysis periodically. We assign a proprietary ESG-rating for each company. If a company scores below our threshold-level, it is excluded from our investable universe.
Our portfolio construction process takes ESG into account. Companies with ESG-scores below a certain level have their position sizes capped in the portfolios for risk management purposes. Companies with strong ESG-scores or with improving ESG-profiles, can give conviction to the portfolio manager to increase the position-sizes in the portfolio.

The lead analysts can adjust the WACC on companies based on ESG factors.

**Impax US Large Cap Active Equities:**

We integrate ESG-data provided by the Sustainability Research team to inform stock selection and position sizing. For example, based on internal ESG-research, the portfolio managers have the confidence to make a global diversified industrial manufacturing company one of the largest active positions in the portfolio. This company is a leader in energy-efficient HVAC systems and has set targets for improving key sustainability issues, including GHG emissions, water and waste. It demonstrates strong gender diversity on the board and in senior management.

**LEI 10.4** Describe the methods you have used to adjust the income forecast / valuation tool

The lead analysts of the Impax thematic active environmental strategies and active global equities can apply a higher WACC (weighted average cost of capital) on companies with higher company or sector-specific ESG risks and adjust financial and operative forecasts based on ESG-factors, risks or opportunities (e.g. water scarcity) or financial provisions (or estimated provisions) made by companies for e.g. pollution litigation or an asbestos class-action.

## ESG incorporation in passively managed listed equities

<table>
<thead>
<tr>
<th>LEI 11</th>
<th>Mandatory to Report Voluntary to Disclose</th>
<th>Public</th>
<th>Descriptive</th>
<th>PRI 1</th>
</tr>
</thead>
</table>

### LEI 11.1 Indicate if you manage passive listed equity funds that incorporate ESG issues in the index construction methodology.

- Yes
- No

### LEI 11.2 Indicate the percentage of your total passive listed equity funds for which ESG issues are incorporated in the index construction methodology.

- <10%
- 10-50%
- 51-90%
- >90%

### LEI 11.3 Specify index/fund name, provide a brief description of ESG methodology and indicate which of the following ESG incorporation strategies you apply.

- Index/fund 1

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## Index/fund name and brief description of ESG methodology

<table>
<thead>
<tr>
<th>Pax MSCI EAFE ESG Leaders Index Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Pax MSCI EAFE ESG Leaders Index Fund tracks the performance of the MSCI EAFE ESG Leaders Index, which is constructed to provide higher exposure to companies across developed markets with favorable ESG ratings relative to their sector and industry peers, as determined by MSCI ESG Research. The Fund offers broadly diversified international equity exposure while integrating ESG factors into portfolio construction.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Outputs and outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LEI 12</strong> Voluntary Public Descriptive <strong>PRI 1</strong></td>
</tr>
<tr>
<td><strong>LEI 12.1</strong> Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.</td>
</tr>
<tr>
<td>☑ Screening</td>
</tr>
</tbody>
</table>

Describe any reduction in your starting investment universe or other effects.

**In the US Active Equities and ESG Beta Solutions,** we seek to avoid investing in companies:
- Involved in the manufacture/sale of weapons;
- Manufacture tobacco products;
- Whose primary business is coal mining and production;
- Whose sole or majority operations are in oil sands;
- Whose reliance on coal, in the case of utilities, is above the national average, unless that utility has demonstrated a significant commitment to renewables and is reducing its dependence on coal.

**In the Pax Ellevate Global Women’s Leadership Fund:**
Excludes all companies with an MSCI ESG Intangible Value Assessment ranking of less than B or an MSCI ESG Controversies score of less than one, as well as companies that are involved in the manufacture/sale of weapons or manufacture tobacco products. In general, these exclusions may result in significant portions of several sub-industries from being available for investment: aerospace & defense, tobacco, leisure products (firearms) and coal & consumable fuels, among others.

**In the active thematic equities and active global equities,** (normative screening)
A handful of companies have been excluded from the investable universe due to UN Global Compact breaches (human rights breaches and corruption).
Specify the percentage reduction (+/- 5%)

☐ Thematic

Describe any alteration to your investment universe or other effects.

**Environmentally themed active equity strategies**

A company must derive at least 20% of its revenues (or other business activity indicator) from an environmental activity (alternative energy, energy efficiency, water, waste, sustainable food and agriculture and related markets) to be part of the Impax environmental universe. The Environmental Markets classification system is specifically defined by Impax, FTSE and an independent committee. This universe currently comprises c.1,600 companies.

☐ Integration of ESG factors

<table>
<thead>
<tr>
<th>Select which of these effects followed your ESG integration:</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Reduce or prioritise the investment universe</td>
</tr>
<tr>
<td>☐ Overweight/underweight at sector level</td>
</tr>
<tr>
<td>☐ Overweight/underweight at stock level</td>
</tr>
<tr>
<td>☐ Buy/sell decisions</td>
</tr>
<tr>
<td>☐ Engagement / Voting</td>
</tr>
<tr>
<td>☐ Other, specify</td>
</tr>
<tr>
<td>More fundamental knowledge of our investee companies.</td>
</tr>
<tr>
<td>☐ None of the above</td>
</tr>
<tr>
<td>☐ Index incorporating ESG issues (for passively managed funds)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Describe the influence on composition or other effects</th>
</tr>
</thead>
</table>

**Pax MSCI EAFE ESG Leaders Index Fund:**

Per MSCI, companies that are not existing constituents of the ESG Leaders Indexes must have an MSCI ESG Rating of BB or above and the MSCI ESG Controversies Score of 3 or above to be eligible for inclusion. In addition, companies with involvement in alcohol, gambling, tobacco, nuclear power and weapons are generally excluded.

<table>
<thead>
<tr>
<th>LEI 13</th>
<th>Voluntary</th>
<th>Public</th>
<th>Descriptive</th>
<th>PRI 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEI 13.1</td>
<td>Provide examples of ESG issues that affected your investment view and/or performance during the reporting year.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

☐ ESG factor 1
<table>
<thead>
<tr>
<th>ESG factor and explanation</th>
</tr>
</thead>
</table>

**ESG-quality and controversies, Hazardous waste management company, USA.**

The company's environmental and social processes were below average, company faced an increasing amount of controversies and fines around toxic emissions, pricing issues, and aggressive accounting practices. Impax engaged regularly with the company to understand their circumstances and demanded improved processes and management systems to manage these risks (accounting practices, management of toxic emissions and related community relations, pricing issues). As part of the escalation process, Impax also engaged together with other institutional shareholders. The company remained noncommittal toward any substantial changes or improvements to pollution control processes citing their compliance with local regulations. Nor did the company take decisive steps to clarify and improve the pricing issues. The company had been a long term holding of Impax due to its successful business model, however, it began making non-ideal strategic decisions. The financial and strategic issues, coupled with the ongoing ESG risks and the company's non-committal attitude toward ESG improvements in general, led Impax to sell out of the position in Q4 2016.

<table>
<thead>
<tr>
<th>ESG incorporation strategy applied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integration</td>
</tr>
<tr>
<td>☐ Screening</td>
</tr>
<tr>
<td>☐ Thematic</td>
</tr>
<tr>
<td>☑ Integration</td>
</tr>
<tr>
<td>☐ Index incorporating ESG issues</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Impact on investment decision or performance</th>
</tr>
</thead>
</table>

**Exclusion from the environmental thematic investable universe.**

In February 2018, the company had a big profit warning, shares fell c. 20% in one day. We considered whether this was a buying opportunity, as shares were significantly cheaper since we sold. The updated ESG-analysis revealed that all the issues identified several years before, had worsened; the pricing issues had been revealed to be much worse, actual fraudulent activities, company facing serious class action cases, the local community and air pollution issues were on-going, company had been fined several millions of dollars for inaction on toxic emissions, while the management team remained unchanged, and continued to enjoy excessive levels of compensation, compared to the deteriorating company financial and operational performance. The company was downgraded on ESG-basis and is now outside of the investable universe.

Very recently the management team left, due to very weak performance both operationally, strategically and financially and a new management team has arrived. We are now in the process of analysing and engaging with the company, to see whether the new management team will improve practices and approaches and whether the company might be upgraded on ESG-basis and become part of the active environmental equities investable universe again.

☑ ESG factor 2
### Activity-based screening, firearm manufacturers and retailers.

Up to March 2018, we only excluded gun manufacturers in the US Active Equities and ESG Beta Solution strategies and did not exclude retailers that sell firearms, primarily because most of these companies derive only a very small percentage of their revenues from firearms sales, which are not the focus of their business. However, in the wake of recent mass shootings events in the U.S., we changed this policy, as we no longer felt that it was consistent with our general weapons exclusion. As a result, as of March 2018 we no longer make a distinction between companies manufacturing firearms and companies selling firearms - we now exclude them both, even if revenues from selling firearms is a very small percentage of a retailer's revenues.

### ESG incorporation strategy applied

<table>
<thead>
<tr>
<th>Screening</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ Screening</td>
</tr>
<tr>
<td>☐ Thematic</td>
</tr>
<tr>
<td>☐ Integration</td>
</tr>
<tr>
<td>☑ Index incorporating ESG issues</td>
</tr>
</tbody>
</table>

### Impact on investment decision or performance

Exclusion of firearm manufacturers and retailers in the US Active Equities and ESG Beta Solution strategies.

☑ ESG factor 3
ESG-quality, Energy-efficient HVAC systems manufacturer, USA.

In the Impax US Large Cap active equity strategy we integrate ESG-data provided by the Sustainability Research team to inform stock selection and position sizing. For example, based on internal ESG-research, the portfolio managers have the confidence to make a global diversified industrial manufacturing company one of the largest active positions in the portfolio. This company is a leader in energy-efficient HVAC systems and has set targets for improving key sustainability issues, including GHG emissions, water and waste. It demonstrates strong gender diversity on the board and in senior management.

Integration
- Screening
- Thematic
- Integration
- Index incorporating ESG issues

Impact on investment decision or performance

Consistent strong ESG-quality and performance by the company, gave the portfolio managers of the Impax US Large Cap active equity strategy the confidence to make the company one of the largest active positions in the portfolio.

☑ ESG factor 4
### ESG factor and explanation

**ESG-quality (governance, labour management), Electric car manufacturer, USA.**

The company continues to have severe governance issues relating to oversight and accountability of the management team and the board, person risk, severe compensation misalignment, as well as on-going issues relating to management of staff. Company excluded on ESG-basis from the investable universe.

### ESG incorporation strategy applied

<table>
<thead>
<tr>
<th>Integration</th>
</tr>
</thead>
<tbody>
<tr>
<td>✔️ Screening</td>
</tr>
<tr>
<td>☐ Thematic</td>
</tr>
<tr>
<td>✔️ Integration</td>
</tr>
<tr>
<td>☐ Index incorporating ESG issues</td>
</tr>
</tbody>
</table>

### Impact on investment decision or performance

Company was excluded on ESG-basis from the investable universe for the environmental thematic strategies and the global activity equity strategy.

- ✔️ ESG factor 5

### ESG factor and explanation

**Thematic analysis of companies within "Fire suppression"**

Analysis of companies active with "fire suppression", given the increasing frequency of forest and wild fires globally. Fires lead to serious air pollution and emissions, deforestation and destruction of property, assets and materials. Avoiding and suppressing fires can be viewed as environmental solutions.

### ESG incorporation strategy applied

<table>
<thead>
<tr>
<th>Thematic</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Screening</td>
</tr>
<tr>
<td>✔️ Thematic</td>
</tr>
<tr>
<td>☐ Integration</td>
</tr>
<tr>
<td>☐ Index incorporating ESG issues</td>
</tr>
</tbody>
</table>

### Impact on investment decision or performance

We identified 10 listed companies with at least 20% of their revenues stemming from "fire suppression" activities and they were added to the investment universe of the environmental thematic equity strategies.
Impax Asset Management

Reported Information

Public version

Direct - Listed Equity Active Ownership

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

**LEA 01.1** Indicate whether your organisation has an active ownership policy.
- Yes

**LEA 01.2** Attach or provide a URL to your active ownership policy.
- Attachment provided:
- URL provided:

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

**LEA 01.3** Indicate what your active engagement policy covers:

<table>
<thead>
<tr>
<th>General approach to active ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ Conflicts of interest</td>
</tr>
<tr>
<td>☑ Alignment with national stewardship code requirements</td>
</tr>
<tr>
<td>☐ Assets/funds covered by active ownership policy</td>
</tr>
<tr>
<td>☑ Expectations and objectives</td>
</tr>
<tr>
<td>☑ Engagement approach</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ ESG issues</td>
</tr>
<tr>
<td>☑ Prioritisation of engagement</td>
</tr>
<tr>
<td>☑ Method of engagement</td>
</tr>
<tr>
<td>☑ Transparency of engagement activities</td>
</tr>
<tr>
<td>☑ Due diligence and monitoring process</td>
</tr>
<tr>
<td>☐ Insider information</td>
</tr>
<tr>
<td>☑ Escalation strategies</td>
</tr>
<tr>
<td>☐ Service Provider specific criteria</td>
</tr>
<tr>
<td>☑ Other specify;</td>
</tr>
<tr>
<td><strong>Engagement partners and collaborations.</strong></td>
</tr>
<tr>
<td>☑ (Proxy) voting approach</td>
</tr>
</tbody>
</table>
Voting

- ESG issues
- Prioritisation and scope of voting activities
- Methods of voting
- Transparency of voting activities
- Regional voting practice approaches
- Filing or co-filing resolutions
- Company dialogue pre/post-vote
- Decision-making processes
- Securities lending processes
- Other specify:
  - The use of external voting research, recommendations and voting platform.

- Other
- None of the above

LEA 01.4 Do you outsource any of your active ownership activities to service providers?

- Yes
- No

LEA 01.6 Additional information [optional]

Impax Asset Management is a fundamentally-driven, active shareholder with a long investment horizon and we seek to build long-term relationships with our investee companies. Our investment process is focused on thoroughly understanding the character and quality of our companies, including environmental, social and governance (ESG) issues material to their business, and the areas of potential improvement. We believe it is in our investors’ interest that we engage with our investee companies, to seek to minimise risks, protect and enhance shareholder value, promote greater transparency on ESG issues, and encourage companies to develop and become more resilient over time.

The Impax UK Stewardship Code Statement also describes approaches to our active ownership:
https://www.impaxam.com/sites/default/files/Impax_UK_Stewardship_Code_Statement_03_2019_0.pdf

The Impax Proxy Voting policy:

Engagement

LEA 02 Mandatory Public Core Assessed PRI 1,2,3

LEA 02.1 Indicate the method of engagement, giving reasons for the interaction.
### Type of engagement

<table>
<thead>
<tr>
<th>Type of engagement</th>
<th>Reason for interaction</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Individual / Internal staff</strong></td>
<td>☐ To influence corporate practice (or identify the need to influence) on ESG issues&lt;br&gt;☐ To encourage improved/increased ESG disclosure&lt;br&gt;☐ To gain an understanding of ESG strategy and/or management&lt;br&gt;☐ We do not engage via internal staff</td>
</tr>
<tr>
<td><strong>Collaborative engagements</strong></td>
<td>☐ To influence corporate practice (or identify the need to influence) on ESG issues&lt;br&gt;☐ To encourage improved/increased ESG disclosure&lt;br&gt;☐ To gain an understanding of ESG strategy and/or management&lt;br&gt;☐ We do not engage via collaborative engagements</td>
</tr>
<tr>
<td><strong>Service provider engagements</strong></td>
<td>☐ To influence corporate practice (or identify the need to influence) on ESG issues&lt;br&gt;☐ To encourage improved/increased ESG disclosure&lt;br&gt;☐ To gain an understanding of ESG strategy and/or management&lt;br&gt;☐ We do not engage via service providers</td>
</tr>
</tbody>
</table>

**LEA 02.4** | Additional information. [Optional]

Impax views engagement as an integral part of the ESG-analysis and the broader investment process. Engagement is fully integrated in our investment process. As such, it is conducted internally through a combination of individual and collaborative initiatives as part of our on-going dialogue with companies. There are no resource reasons to outsource this valuable aspect of company analysis.

**LEA 03** | Mandatory Public Core Assessed PRI 2

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

**LEA 03.1** | Indicate whether your organisation has a formal process for identifying and prioritising engagements.

☐ Yes

**LEA 03.2** | Indicate the criteria used to identify and prioritise engagements for each type of engagement.
<table>
<thead>
<tr>
<th>Type of engagement</th>
<th>Criteria used to identify/prioritise engagements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual / Internal engagements</td>
<td><img src="#" alt="Internal / Individual engagements" /></td>
</tr>
<tr>
<td>☑ Geography / market of the companies</td>
<td></td>
</tr>
<tr>
<td>☑ Materiality of the ESG factors</td>
<td></td>
</tr>
<tr>
<td>☑ Exposure (size of holdings)</td>
<td></td>
</tr>
<tr>
<td>☑ Responses to ESG impacts that have already occurred</td>
<td></td>
</tr>
<tr>
<td>☐ Responses to divestment pressure</td>
<td></td>
</tr>
<tr>
<td>☐ Consultation with clients/beneficiaries</td>
<td></td>
</tr>
<tr>
<td>☑ Consultation with other stakeholders (e.g. NGOs, trade unions, etc.)</td>
<td></td>
</tr>
<tr>
<td>☑ Follow-up from a voting decision</td>
<td></td>
</tr>
<tr>
<td>☑ Client request</td>
<td></td>
</tr>
<tr>
<td>☐ Breaches of international norms</td>
<td></td>
</tr>
<tr>
<td>☐ Other, specify</td>
<td></td>
</tr>
<tr>
<td>☐ We do not outline engagement criteria for our individual engagements.</td>
<td></td>
</tr>
<tr>
<td>Collaborative engagements</td>
<td><img src="#" alt="Collaborative engagements" /></td>
</tr>
<tr>
<td>☑ Potential to enhance knowledge of ESG issues from other investors</td>
<td></td>
</tr>
<tr>
<td>☑ Ability to have greater impact on ESG issues</td>
<td></td>
</tr>
<tr>
<td>☑ Ability to add value to the collaboration</td>
<td></td>
</tr>
<tr>
<td>☑ Geography/market of the companies targeted by the collaboration</td>
<td></td>
</tr>
<tr>
<td>☑ Materiality of ESG factors addressed by the collaboration</td>
<td></td>
</tr>
<tr>
<td>☑ Exposure (size of holdings) to companies targeted by the collaboration</td>
<td></td>
</tr>
<tr>
<td>☐ Responses to ESG impacts addressed by the collaboration that have already occurred</td>
<td></td>
</tr>
<tr>
<td>☑ Responses to divestment pressure</td>
<td></td>
</tr>
<tr>
<td>☑ Follow-up from a voting decision</td>
<td></td>
</tr>
<tr>
<td>☐ Alleviate the resource burden of engagement</td>
<td></td>
</tr>
<tr>
<td>☐ Consultation with clients/beneficiaries</td>
<td></td>
</tr>
<tr>
<td>☑ Consultation with other stakeholders (e.g. NGOs, trade unions, etc.)</td>
<td></td>
</tr>
<tr>
<td>☐ Other, specify</td>
<td></td>
</tr>
<tr>
<td>☐ We do not outline engagement criteria for our collaborative engagements.</td>
<td></td>
</tr>
</tbody>
</table>

☐ No

**LEA 03.3 Additional information. [Optional]**

Our stewardship and engagement work can be divided into the following types:

1. **Promoting improved practices and transparency on ESG issues**

   We focus on engagement with companies to strengthen governance structures, introduce sustainability policies, processes and disclosures, for companies to manage effectively their most material ESG-risks. Impax has developed a proprietary cost-effective framework to advise companies on how to develop robust, material and cost-effective sustainability reporting.
2. Bottom-up company specific monitoring and dialogue

As part of our on-going, proprietary company-level ESG analysis, we identify company-specific issues and risks and actively engage with companies regarding these issues, as part of monitoring and managing risks.

3. Top-down strategic engagement priorities

Every year we assess and state the engagement priorities for the next 12 months, based on market developments and emerging ESG and sustainability issues that we have identified and that are relevant and material for our companies. We then identify the companies most exposed to the issues in question and focus our engagement on those companies. We engage with companies of all sizes, including larger companies with the intent of promoting best practices throughout an industry peer group.

We also initiate or support shareholder proposals at annual shareholders meetings to encourage greater corporate transparency around a company’s most significant environmental or social risks based on its sector and activities. In recent years, we have filed or co-filed shareholder proposals at companies on issues relating to climate change, gender diversity, sustainability reporting, pay equity and paid family leave.

While we assess our engagement priorities every year, they may not change annually; they are often of long-term nature.

4. Proxy voting

Our proxy voting is predominantly related to governance issues such as election of directors, board structures and management remuneration. When practicable, we seek to engage with the investee company before we vote against management’s recommendation on an AGM resolution. We also have a number of dialogues with companies during the year, to discuss and comment on proposed governance structures, by companies, well ahead of AGMs.

Engagements are conducted by the Impax investment team, together with other investors and clients and partners with or without a lead or coordination from responsible investment organisations. Collaborative engagements are conducted across a number of ESG issues and specific sectors and companies. Collaborative engagements can be prioritised where outreach may particularly benefit from a larger group of shareholder involvement or in cases where an issue is being escalated.

<table>
<thead>
<tr>
<th>LEA 04</th>
<th>Mandatory</th>
<th>Public</th>
<th>Core Assessed</th>
<th>PRI 2</th>
</tr>
</thead>
</table>

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

<table>
<thead>
<tr>
<th>LEA 04.1</th>
<th>Indicate whether you define specific objectives for your organisation’s engagement activities.</th>
</tr>
</thead>
</table>
| Individual / Internal engagements | ☐ All engagement activities  
☑ Majority of engagement activities  
☐ Minority of engagement activities  
☐ We do not define specific objectives for engagement activities carried out by internal staff. |
| Collaborative engagements | ☐ All engagement activities  
☑ Majority of engagement activities  
☐ Minority of engagement activities  
☐ We do not define specific objectives for engagement activities carried out through collaboration |
ESG-analysis and engagement are fully integrated in our investment process. Engagement is used both to mitigate risk and to enhance value and investment opportunities. The investment team is involved in monitoring our companies and we have policies in place on how to escalate issues, if and when concerns arise.

Engagement allows us to:
- Manage risks by proactively identifying and mitigating issues
- Enhance company analysis; how companies respond to engagement is informative of their character
- Strengthen investee companies over time; improving quality, processes, transparency and resilience

<table>
<thead>
<tr>
<th>LEA 05</th>
<th>Mandatory</th>
<th>Public</th>
<th>Core Assessed</th>
<th>PRI 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LEA 05.1</strong></td>
<td>Indicate if you monitor and/or review engagement outcomes.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Individual / Internal engagements | ☑ Yes, in all cases  
☑ Yes, in majority of cases  
☑ Yes, in a minority of cases  
☑ We do not monitor, or review engagement outcomes carried out by our internal staff. | | | |
| Collaborative engagements | ☑ Yes, in all cases  
☑ Yes, in a majority of cases  
☑ Yes, in a minority of cases  
☑ We do not monitor, or review engagement outcomes via collaborative engagement activities. | | | |

| LEA 05.2 | Indicate if you do any of the following to monitor and review the progress of engagement activities. | | | |
| Individual / Internal staff engagements | ☑ Define timelines/milestones for your objectives  
☑ Track and/or monitor progress against defined objectives and/or KPIs  
☑ Track and/or monitor the progress of action taken when original objectives are not met  
☑ Revisit and, if necessary, revise objectives on continuous basis  
☐ Other; specify | | | |
| Collaborative engagements | ☑ Define timelines/milestones for your objectives  
☑ Track and/or monitor progress against defined objectives and/or KPIs  
☑ Track and/or monitor the progress of action taken when original objectives are not met  
☑ Revisit and, if necessary, revise objectives on continuous basis  
☐ Other; specify | | | |
We maintain an engagement database where the engagement issues, actions, timings and outcomes and current status are detailed. We review the database regularly and calendarise engagement follow-ups for unresolved issues.

Some collaborative engagements with a large number of participants or for example with a fairly general objective, can be harder to monitor, revisit and re-define, but generally collaborative are monitored similarly to Impax's own engagements.

**LEA 06**

<table>
<thead>
<tr>
<th>LEA 06.1</th>
<th>Indicate whether your organisation has an escalation strategy when engagements are unsuccessful.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

**LEA 06.2**

<table>
<thead>
<tr>
<th>LEA 06.2</th>
<th>Indicate the escalation strategies used at your organisation following unsuccessful engagements.</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Collabrating with other investors</td>
<td></td>
</tr>
<tr>
<td>□ Issuing a public statement</td>
<td></td>
</tr>
<tr>
<td>✓ Filing/submitting a shareholder resolution</td>
<td></td>
</tr>
<tr>
<td>✓ Voting against the re-election of the relevant directors</td>
<td></td>
</tr>
<tr>
<td>✓ Voting against the board of directors or the the annual financial report</td>
<td></td>
</tr>
<tr>
<td>□ Submitting nominations for election to the board</td>
<td></td>
</tr>
<tr>
<td>□ Seeking legal remedy / litigation</td>
<td></td>
</tr>
<tr>
<td>□ Reducing exposure (size of holdings)</td>
<td></td>
</tr>
<tr>
<td>□ Divestment</td>
<td></td>
</tr>
<tr>
<td>□ Other, specify</td>
<td></td>
</tr>
<tr>
<td>□ No</td>
<td></td>
</tr>
</tbody>
</table>

**LEA 06.3**

<table>
<thead>
<tr>
<th>LEA 06.3</th>
<th>Additional information. [Optional]</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Impax investment team has established internal processes and uses various external research tools to monitor our investee companies regarding their financial, operational, strategic, sustainability and governance developments that highlight possible areas of concerns and priorities for engagement.</td>
<td></td>
</tr>
</tbody>
</table>

Where material concerns or anomalies at an investee company have been confirmed, the Impax investment team will intervene and escalate matters in order to mitigate risks and preserve shareholder value.

We will immediately contact the investee company management team and where relevant and possible members of the company board. Typically, we would request a conference call with the management team, to discuss the concern in detail. We would also contact the company's brokers for information.

If the investee company is unresponsive to engagement or we view, upon clarification with the management team, that the company is taking an approach that is significantly increasing shareholder risks and the company is unwilling to consider less risky approaches, we would escalate our activities as follows:

- Intervene or engage together with other institutions on the issue
- Feeding back to company's advisors especially regarding voting matters
- Highlighting the issue and/or joint-engaging regarding the issue through institutional platforms like the PRI
- Filing or co-filing resolutions at General Meetings
We believe that we can be more constructive and ultimately in the long-term more influential with our investee companies, if we maintain good relations and where possible interact and engage directly with the company on specific concerns.

Ultimately, if the interventions were not successful and we consider that the risk profile of the company has significantly deteriorated or company strategy or governance structures have altered, to a degree where the return outlook and the company strategy and quality no longer meet our expectations, the company would be excluded from our investable universe and/or sold.

<table>
<thead>
<tr>
<th>LEA 07</th>
<th>Voluntary</th>
<th>Public</th>
<th>Additional Assessed</th>
<th>PRI 1,2</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEA 07.1</td>
<td>Indicate whether insights gained from your organisation’s engagements are shared with investment decision-makers.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Type of engagement</strong></td>
<td><strong>Insights shared</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Individual / Internal staff engagements | ☑ Yes, systematically  
 | ☐ Yes, occasionally  
 | ☐ No |
| Collaborative engagements | ☑ Yes, systematically  
 | ☐ Yes, occasionally  
 | ☐ No |

| LEA 07.2 | Indicate the practices used to ensure information and insights collected through engagements are shared with investment decision-makers. |
| | ☑ Involving investment decision-makers when developing engagement programme  
 | ☑ Holding investment team meetings and/or presentations  
 | ☑ Using IT platforms/systems that enable data sharing  
 | ☐ Internal process that requires portfolio managers to re-balance holdings based on interaction and outcome levels  
 | ☐ Other; specify  
 | ☐ None |

| LEA 07.3 | Indicate whether insights gained from your organisation’s engagements are shared with your clients/beneficiaries. |
| **Type of engagement** | **Insights shared** |
| Individual/Internal staff engagements | ☑ Yes, systematically  
 | ☐ Yes, occasionally  
 | ☐ No |
| Collaborative engagements | ☑ Yes, systematically  
 | ☐ Yes, occasionally  
 | ☐ No |
ESG-analysis and engagement are fully integrated in our investment process. The investment team is involved in monitoring our companies. Our Investment Committee meetings have a standing agenda item "ESG and Engagement", to continuously inform and discuss engagement issues across the investment teams.

We have disclosed a detailed Stewardship Statement on our website, describing our approach to engagement, proxy voting, managing conflicts of interest and communicating our Stewardship: https://www.impax.com/sites/default/files/Impax_UK_Stewardship_Code_Statement_03_2019_0.pdf

We also publicly report on our engagement and proxy voting outcomes:


**Stewardship Activities**: https://www.impax.com/sites/default/files/Impax_Stewardship_Reporting_2018_0.pdf

Further information regarding Pax World Funds’ engagement work can be found here:


**Spotlight on Engagement: Climate Change**: https://paxworld.com/spotlight-on-engagement-climate-change/

**Spotlight on Engagement: Gender Diversity**: https://paxworld.com/spotlight-on-engagement-gender-diversity/

**Pax World Funds - proxy voting history by fund**: https://paxworld.com/funds/proxy-voting/

### LEA 08.1

**Indicate if you track the number of your engagement activities.**

<table>
<thead>
<tr>
<th>Type of engagement</th>
<th>Tracking engagements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual / Internal staff engagements</td>
<td>☑ Yes, we track the number of our engagements in full</td>
</tr>
<tr>
<td></td>
<td>☑ Yes, we partially track the number of our engagements</td>
</tr>
<tr>
<td></td>
<td>☑ We do not track</td>
</tr>
<tr>
<td>Collaborative engagements</td>
<td>☑ Yes, we track the number of our engagements in full</td>
</tr>
<tr>
<td></td>
<td>☑ Yes, we partially track the number of our engagements</td>
</tr>
<tr>
<td></td>
<td>☑ We do not track</td>
</tr>
</tbody>
</table>
We maintain an engagement database where the engagement issues, actions, timings, outcomes and next steps are detailed. We review the database regularly and if an issue remains unresolved, we follow-up with the company in question.

We also disclose publicly the number and types of engagements done during a year.

**Impax Engagement and Stewardship Activities in 2018:**
https://www.impaxam.com/sites/default/files/Impax_Stewardship_Reporting_2018_0.pdf

**Pax World Funds’ Annual Sustainability Report:** https://paxworld.com/pax-world-impact-report/

**Pax World Funds’ proxy voting history by fund:** https://paxworld.com/funds/proxy-voting/

## Outputs and outcomes

### LEA 09

<table>
<thead>
<tr>
<th>LEA 09</th>
<th>Mandatory to Report</th>
<th>Voluntary to Disclose</th>
<th>Public</th>
<th>Core Assessed</th>
<th>PRI 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEA 09.1</td>
<td>Indicate the proportion of companies from your listed equities portfolio with which your organisation engaged with during the reporting year.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>We did not complete any engagements in the reporting year.</th>
<th>Number of companies engaged (avoid double counting, see explanatory notes)</th>
<th>Proportion of companies engaged with, out of total listed equities portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual / Internal staff engagements</td>
<td>☐</td>
<td>121</td>
<td>14</td>
</tr>
<tr>
<td>Collaborative engagements</td>
<td>☐</td>
<td>123</td>
<td>15</td>
</tr>
</tbody>
</table>

### LEA 09.2

<p>| LEA 09.2 | Indicate the proportion breakdown of engagements conducted within the reporting year by the number of interactions (including interactions made on your behalf) |</p>
<table>
<thead>
<tr>
<th>No. of interactions with a company</th>
<th>% of engagements</th>
</tr>
</thead>
<tbody>
<tr>
<td>One interaction</td>
<td></td>
</tr>
<tr>
<td>&gt;76%</td>
<td></td>
</tr>
<tr>
<td>51-75%</td>
<td></td>
</tr>
<tr>
<td>11-50%</td>
<td></td>
</tr>
<tr>
<td>1-10%</td>
<td></td>
</tr>
<tr>
<td>None</td>
<td></td>
</tr>
<tr>
<td>2 to 3 interactions</td>
<td></td>
</tr>
<tr>
<td>&gt;76%</td>
<td></td>
</tr>
<tr>
<td>51-75%</td>
<td></td>
</tr>
<tr>
<td>11-50%</td>
<td></td>
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<tr>
<td>1-10%</td>
<td></td>
</tr>
<tr>
<td>None</td>
<td></td>
</tr>
<tr>
<td>More than 3 interactions</td>
<td></td>
</tr>
<tr>
<td>&gt;76%</td>
<td></td>
</tr>
<tr>
<td>51-75%</td>
<td></td>
</tr>
<tr>
<td>11-50%</td>
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<tr>
<td>1-10%</td>
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</tr>
<tr>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

**LEA 09.3**
Indicate the percentage of your collaborative engagements for which you were a leading organisation during the reporting year.

<table>
<thead>
<tr>
<th>Type of engagement</th>
<th>% Leading role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collaborative engagements</td>
<td></td>
</tr>
<tr>
<td>&gt;50%</td>
<td></td>
</tr>
<tr>
<td>10-50%</td>
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</tr>
<tr>
<td>&lt;10%</td>
<td></td>
</tr>
<tr>
<td>None</td>
<td></td>
</tr>
</tbody>
</table>

**LEA 09.5**
Additional information. [Optional]

Impax views engagement as an integral part of the ESG-analysis and the broader investment process. Engagement is fully integrated in our investment process. As such, it is conducted internally through a combination of individual and collaborative initiatives as part of our on-going dialogue with companies.

**LEA 10**
Voluntary | Public | Additional Assessed | PRI 2
LEA 10.1  Indicate which of the following your engagement involved.

- Letters and emails to companies
  - In a minority of cases
  - In a majority of cases
  - In all cases

- Meetings and/or calls with board/senior management
  - In a minority of cases
  - In a majority of cases
  - In all cases

- Meetings and/or calls with the CSR, IR or other management
  - In a minority of cases
  - In a majority of cases
  - In all cases

- Visits to operations
  - In a minority of cases
  - In a majority of cases
  - In all cases

- Visits to the supplier(s) from the ’company’s supply chain

- Participation in roadshows
  - In a minority of cases
  - In a majority of cases
  - In all cases

- Other

LEA 10.2  Additional information. [Optional]

For monitoring purposes, email is usually the fastest and most flexible means of communication, however we find that when attempting to encourage companies to e.g. introduce sustainability processes and disclosures, it works well to formulate a letter, explaining the benefits of robust processes and reporting, backed-up by academic research, practical examples and evidence. Most ensuing engagement meetings are conference calls. We find it very helpful to combine engagement letters and calls (often with Investor Relations staff), with company meetings (for example at conferences or Roadshows), which are often led by company CEO/CFO, to enforce the story and also in many cases to create an "internal debate and discussion" regarding the engagement topic. This has often been an effective combination of approaches to instigate change.

LEA 11  Voluntary  Public  Descriptive  PRI 2
<table>
<thead>
<tr>
<th>LEA 11.1</th>
<th>Provide examples of the engagements that your organisation or your service provider carried out during the reporting year.</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Add Example 1</td>
<td></td>
</tr>
</tbody>
</table>
## ESG Topic

<table>
<thead>
<tr>
<th>Sustainability reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Executive Remuneration</td>
</tr>
<tr>
<td>□ Climate Change</td>
</tr>
<tr>
<td>□ Human rights</td>
</tr>
<tr>
<td>□ Company leadership issues</td>
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<tr>
<td>□ Pollution</td>
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<tr>
<td>□ General ESG</td>
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<tr>
<td>□ Diversity</td>
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<tr>
<td>□ Shareholder rights</td>
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<tr>
<td>□ Health and Safety</td>
</tr>
<tr>
<td>☑ Sustainability reporting</td>
</tr>
<tr>
<td>□ Water risks</td>
</tr>
<tr>
<td>□ Labour practices and supply chain management</td>
</tr>
<tr>
<td>□ Anti-bribery and corruption</td>
</tr>
<tr>
<td>□ Deforestation</td>
</tr>
<tr>
<td>□ Aggressive tax planning</td>
</tr>
<tr>
<td>□ Cyber security</td>
</tr>
<tr>
<td>□ Other governance</td>
</tr>
<tr>
<td>□ Plastics</td>
</tr>
<tr>
<td>□ Other</td>
</tr>
</tbody>
</table>

## Conducted by

| □ Individual / Internal |
| ☑ Collaborative          |

## Objectives

We filed a shareholder proposal with a U.S. producer of fabricated aluminium products requesting that the company publish a sustainability report describing policies, strategies, performance, and improvement targets on material sustainability issues, including climate change. The company’s operations are highly carbon intensive, and it lacked transparency around material ESG issues.

## Scope and Process

After a productive dialogue, the company agreed to publish a sustainability report, which it did in Q1-2019. We withdrew our shareholder proposal, and it did not go to a vote.

## Outcomes

<p>| □ Company changed practice |
| □ Company committed to change |
| ☑ Disclosure / report published |
| □ Divestment               |
| □ Failed/no outcome        |
| □ Increased understanding / information |
| □ Invested in company      |
| □ Ongoing                  |</p>
<table>
<thead>
<tr>
<th>□ Voting</th>
<th>□ Other</th>
</tr>
</thead>
</table>

Add Example 2
<table>
<thead>
<tr>
<th>Conducted by</th>
<th>Individual / Internal</th>
<th>Collaborative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objectives</td>
<td>We filed a shareholder proposal with a small-cap, U.S. property &amp; casualty insurer requesting that the company establish board-level oversight of climate related risks.</td>
<td></td>
</tr>
<tr>
<td>Scope and Process</td>
<td>Following a productive dialogue, the company took steps to clarify the Audit Committee's role in climate risk oversight and articulate this oversight in public company governance documents.</td>
<td></td>
</tr>
<tr>
<td>Outcomes</td>
<td>Company changed practice</td>
<td>Company committed to change</td>
</tr>
<tr>
<td></td>
<td>Disclosure / report published</td>
<td>Divestment</td>
</tr>
<tr>
<td></td>
<td>Divestment</td>
<td>Failed/no outcome</td>
</tr>
<tr>
<td></td>
<td>Increased understanding / information</td>
<td>Invested in company</td>
</tr>
<tr>
<td></td>
<td>Invested in company</td>
<td>Ongoing</td>
</tr>
<tr>
<td></td>
<td>Ongoing</td>
<td>Voting</td>
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<tr>
<td>☐ Other</td>
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☐ Add Example 3
<table>
<thead>
<tr>
<th>ESG Topic</th>
<th>Diversity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>☐ Executive Remuneration</td>
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<tr>
<td></td>
<td>☐ Climate Change</td>
</tr>
<tr>
<td></td>
<td>☐ Human rights</td>
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<tr>
<td></td>
<td>☐ Company leadership issues</td>
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<td></td>
<td>☐ Pollution</td>
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<tr>
<td></td>
<td>☐ General ESG</td>
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<td></td>
<td>☑ Diversity</td>
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<tr>
<td></td>
<td>☐ Shareholder rights</td>
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<td>☐ Health and Safety</td>
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<tr>
<td></td>
<td>☐ Sustainability reporting</td>
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<td></td>
<td>☐ Water risks</td>
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<tr>
<td></td>
<td>☐ Labour practices and supply chain management</td>
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<td>☐ Anti-bribery and corruption</td>
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<td></td>
<td>☐ Deforestation</td>
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<td></td>
<td>☐ Aggressive tax planning</td>
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<td>☐ Cyber security</td>
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<td>☐ Other governance</td>
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<td></td>
<td>☐ Plastics</td>
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<td></td>
<td>☐ Other</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Conducted by</th>
<th>☑ Individual / Internal</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>☐ Collaborative</td>
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</tbody>
</table>

| Objectives | After prior steps to establish a dialogue were unsuccessful, we filed a shareholder proposal with a U.S. financial services company requesting it identify whether a gender pay gap exists among its employees, and if so, outline steps being taken to reduce the gap. Companies in the financials sector have struggled to attract and retain a diverse workforce, and research indicates active management of pay equity is associated with greater levels of diversity in organizations. Conversely, pay inequities present legal, regulatory and reputational risks to companies. |

| Scope and Process | Following dialogue, the company publicly committed to gender pay equity, detailed the processes in place to maintain pay equity and released the results of its most recent pay analysis. |

<table>
<thead>
<tr>
<th>Outcomes</th>
<th>☐ Company changed practice</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>☐ Company committed to change</td>
</tr>
<tr>
<td></td>
<td>☑ Disclosure / report published</td>
</tr>
<tr>
<td></td>
<td>☐ Divestment</td>
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<tr>
<td></td>
<td>☐ Failed/no outcome</td>
</tr>
<tr>
<td></td>
<td>☐ Increased understanding / information</td>
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<td>---------------</td>
<td></td>
</tr>
<tr>
<td>Invested in company</td>
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<tr>
<td>Ongoing</td>
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<tr>
<td>Voting</td>
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<tr>
<td>Other</td>
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</tbody>
</table>

Add Example 4
## ESG Topic

<table>
<thead>
<tr>
<th>Other governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Executive Remuneration</td>
</tr>
<tr>
<td>☐ Climate Change</td>
</tr>
<tr>
<td>☐ Human rights</td>
</tr>
<tr>
<td>☐ Company leadership issues</td>
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<td>☐ Pollution</td>
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<tr>
<td>☐ General ESG</td>
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<td>☐ Diversity</td>
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<td>☐ Shareholder rights</td>
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<tr>
<td>☐ Health and Safety</td>
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<tr>
<td>☐ Sustainability reporting</td>
</tr>
<tr>
<td>☐ Water risks</td>
</tr>
<tr>
<td>☐ Labour practices and supply chain management</td>
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<tr>
<td>☐ Anti-bribery and corruption</td>
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<td>☐ Deforestation</td>
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<td>☐ Aggressive tax planning</td>
</tr>
<tr>
<td>☐ Cyber security</td>
</tr>
<tr>
<td>☒ Other governance</td>
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<tr>
<td>☐ Plastics</td>
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<tr>
<td>☐ Other</td>
</tr>
</tbody>
</table>

## Conducted by

- ☒ Individual / Internal
- ☐ Collaborative

## Objectives

Engagement with a Hong Kong-based paper recycling company, regarding materiality-based sustainability processes and reporting, but also governance structures. Focus on the effectiveness of board structure.

## Scope and Process

Call with the company IR. We discussed the sustainability processes, but emphasis was on the board structures, the precise role and de facto independence of the 3 independent directors. We highlighted the far from ideal process of having a company executive on the Remuneration Committee. This seemed to be something that the company had not heard from shareholders before and was not fully aware of. The engagement is on-going.

## Outcomes

- ☐ Company changed practice
- ☐ Company committed to change
- ☐ Disclosure / report published
- ☐ Divestment
- ☐ Failed/no outcome
- ☐ Increased understanding / information
- ☐ Invested in company
- ☒ Ongoing
- ☐ Voting
|☐ Other |

☐ Add Example 5
<table>
<thead>
<tr>
<th>ESG Topic</th>
<th>Diversity</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>☐ Executive Remuneration</td>
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<tr>
<td></td>
<td>☐ Climate Change</td>
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<td>☐ Human rights</td>
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<td>☐ Company leadership issues</td>
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<td>☐ Pollution</td>
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<td>☐ General ESG</td>
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<td>☑ Diversity</td>
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<td>☐ Shareholder rights</td>
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<td>☐ Health and Safety</td>
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<td>☐ Water risks</td>
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<td>☐ Labour practices and supply chain management</td>
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<td>☐ Anti-bribery and corruption</td>
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<td>☐ Other governance</td>
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<table>
<thead>
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<tbody>
<tr>
<td></td>
<td>☑ Collaborative</td>
</tr>
</tbody>
</table>

| Objectives | Engagement with a Japanese industrial energy efficiency company regarding management and board diversity. Company had no female directors in place. |

| Scope and Process | Sent a letter to the company management, highlighting the benefits of diversity. The letter was followed by a conference call, with several senior representatives from the company. The company said it was difficult to find female directors with the right experience. We suggested the company tries to search from a broader pool of candidates, including e.g. academic backgrounds. The company said they are keen to stay ahead of local best practices. At the next AGM, the company announced they are appointing their first female director to the company board. |

<table>
<thead>
<tr>
<th>Outcomes</th>
<th>☑ Company changed practice</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>☐ Company committed to change</td>
</tr>
<tr>
<td></td>
<td>☐ Disclosure / report published</td>
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<tr>
<td></td>
<td>☐ Divestment</td>
</tr>
<tr>
<td></td>
<td>☐ Failed/no outcome</td>
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<tr>
<td></td>
<td>☐ Increased understanding / information</td>
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</table>
☐ Ongoing
☐ Voting
☐ Other

☐ Add Example 6
### ESG Topic

<table>
<thead>
<tr>
<th>Plastics</th>
</tr>
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<tbody>
<tr>
<td>☐ Executive Remuneration</td>
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<tr>
<td>☐ Climate Change</td>
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<td>☐ Human rights</td>
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<tr>
<td>☐ Company leadership issues</td>
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<td>☐ Pollution</td>
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<td>☐ Sustainability reporting</td>
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<td>☐ Other governance</td>
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<tr>
<td>☑ Plastics</td>
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<tr>
<td>☐ Other</td>
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</tbody>
</table>

### Conducted by

| ☐ Individual / Internal |
| ☑ Collaborative |

### Objectives

Collaborative shareholder engagement, coordinated by a US-based NGO, with a US-based restaurant company regarding their management, processes and targets of reducing single-use plastic packaging, utensils and cups.

### Scope and Process

Company has committed to reducing the use of plastic straws (or providing non-plastic straws) and are developing alternative solutions for the coffee-cup lids, but company did not address clearly any new solutions for the single-use coffee cups.

The US organisation, backed by a number of shareholders filed a shareholder resolution in 2018, to request the company to strengthen their processes and targets relating to single-use plastics in their operations.

Engagement is on-going.

### Outcomes

| ☐ Company changed practice |
| ☐ Company committed to change |
| ☐ Disclosure / report published |
| ☐ Divestment |
| ☐ Failed/no outcome |
| ☐ Increased understanding / information |
| □ Invested in company
| ✅ Ongoing
| □ Voting
| □ Other

☑️ Add Example 7
<table>
<thead>
<tr>
<th>ESG Topic</th>
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<tbody>
<tr>
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<td>☐ Plastics</td>
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<td>☐ Other</td>
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</table>

Conducted by | ☑ Individual / Internal |
|            | ☐ Collaborative |

Objectives | Engagement with US midcap efficient agriculture machinery company, to encourage the establishment of materiality-based sustainability processes and disclosures. We believe this can enhance company value over the long term. This engagement had a significant educational element to it. Collaborative shareholder group explained the concept of materiality, introduced the SASB and its Materiality Map to the company, suggested which metrics may be most sensible and material and hence best to focus on for the company and provided a list of peer companies that have robust, but cost-effective sustainability processes and disclosures in place. |

Scope and Process | We sent a detailed letter outlining why robust sustainability processes and disclosures makes business sense for companies, followed by a status and “educational” call with the company CFO, who is also on the newly formed Sustainability Committee at the company. This was followed by a 1.5-hour meeting with the CFO, to further discuss best practices for material sustainability processes and reporting. The company reported its first sustainability report in 2018 and we have given feedback on it. |

Outcomes | ☐ Company changed practice |
|          | ☐ Company committed to change |
|          | ☑ Disclosure / report published |
|          | ☐ Divestment |
|          | ☐ Failed/no outcome |
|          | ☐ Increased understanding / information |
Top down strategic engagement priorities for 2019:

1. Climate
   - Focus on physical climate risks as part of our TCFD commitment
   - Processes, management and transparency of climate risks

2. ESG processes and transparency
   - Encouraging development of material sustainability processes and disclosures, particularly among smaller companies

3. Global governance best practices
   - Tax practices and transparency
   - Governance structures and diversity
   - Asian governance

4. Diversity & Pay Equity
   - Focus on information technology and financials companies where women remain significantly underrepresented and more likely to leave at midcareer
   - Pay inequity poses risk (regulatory, litigation and reputational); active management pay equity leads to better diversity outcomes
   - Main focus on US companies where regulation supporting pay equity transparency is lacking

(Proxy) voting and shareholder resolutions

<table>
<thead>
<tr>
<th>LEA 12</th>
<th>Mandatory</th>
<th>Public</th>
<th>Descriptive</th>
<th>PRI 2</th>
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<tbody>
<tr>
<td>LEA 12.1</td>
<td>Indicate how you typically make your (proxy) voting decisions.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# Approach

- We use our own research or voting team and make voting decisions without the use of service providers.
- We hire service provider(s) who make voting recommendations and/or provide research that we use to guide our voting decisions.

## Based on

- the service provider voting policy we sign off on
- our own voting policy
- our clients' requests or policies
- other, explain

## LEA 12.2

<table>
<thead>
<tr>
<th>Provide an overview of how you ensure your voting policy is adhered to, giving details of your approach when exceptions to the policy are made.</th>
</tr>
</thead>
</table>

Impax uses a third-party voting platform to implement our custom voting policies and to facilitate our vote execution, reporting and record-keeping. Impax’s proxy voting principles and guidelines are informed by country governance codes and best practices, advisory governance research, and internal research. We apply our voting principles and guidelines with full consideration to a company’s circumstances, following analysis by the Impax investment team.

The Pax World Funds voting policies are clearly articulated in their Proxy Voting Guidelines. Pax World Funds’ custom policies are provided to our third-party proxy voting agent, which are uniformly applied across the Funds and recorded on the voting platform.

Through regular monitoring, members of the Impax investment team are responsible for ensuring that our voting policies are implemented consistently and accurately on each ballot and that voting decisions are recorded and executed by the voting deadline. Each year we review our proxy votes, using random sampling, to assure that all votes we were entitled to cast were cast, and cast correctly.

## LEA 12.3

**Additional information. [Optional]**

Proxy voting is a key component in the ongoing dialogue with companies in which we invest. As such, voting is an important aspect of Impax Asset Management’s investment process. We are committed to ensuring consistent exercise of voting rights associated with shares held in investment mandates where proxy voting has been delegated to us. Through implementation of our voting policy, we aim to enhance the long-term value of our shareholdings, foster corporate governance and sustainability best practices and promote accountability and transparency. We strive to vote on all shares held, where in the best interest of our clients and where excessive costs or administrative burdens are not present.

## LEA 14

### Voluntary  Public  Additional Assessed  PRI 2

#### LEA 14.1

<table>
<thead>
<tr>
<th>Indicate if your organisation has a securities lending programme.</th>
</tr>
</thead>
</table>

- Yes
**LEA 14.3** | Indicate how voting is addressed in your securities lending programme.

- ☑ We recall all securities for voting on all ballot items
- ☑ We maintain some holdings, so we can vote at any time
- ☑ We systematically recall some securities so that we can vote on their ballot items (e.g., in line with specific criteria)
- ☑ We recall some securities so that we can vote on their ballot items on an ad hoc basis
- ☑ We empower our securities lending agent to decide when to recall securities for voting purposes
- ☑ We do not recall our shares for voting purposes
- ☑ Other specify;
- ☑ No

**LEA 14.4** | Additional information.

The securities lending program applies to the Pax World Funds only.

**LEA 15**

<table>
<thead>
<tr>
<th>Mandatory</th>
<th>Public</th>
<th>Descriptive</th>
<th>PRI 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LEA 15.1</strong></td>
<td>Indicate the proportion of votes where you or the service providers acting on your behalf have raised concerns with companies ahead of voting.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>☑ 100%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>☑ 99-75%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>☑ 74-50%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>☑ 49-25%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>☑ 24-1%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>☑ Neither we nor our service provider(s) raise concerns with companies ahead of voting</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**LEA 15.2** | Indicate the reasons for raising your concerns with these companies ahead of voting.

☐ Vote(s) for selected markets
☐ Vote(s) for selected sectors
☐ Vote(s) relating to certain ESG issues
☐ Vote(s) on companies exposed to controversy on specific ESG issues
☐ Vote(s) for significant shareholdings
☐ On request by clients
☐ Other

**LEA 15.3** | Additional information. [Optional]

We invest in companies in a variety of countries and markets, voting proxies around the globe each year. Every market has unique rules, reporting requirements, and ESG practices and standards. We strive to stay abreast of new and emerging issues in these markets, and how they relate to global best practices for ESG issues.

We support the UK Stewardship Code and comply with its guidelines regarding proxy voting.

The Pax World Funds comply with the US Securities and Exchange Commission’s proxy voting disclosure requirements for mutual funds.
LEA 16.1 Indicate the proportion of votes participated in within the reporting year in which, you and/or the service provider(s) acting on your behalf, have communicated to companies the rationale for abstaining or voting against management recommendations.

- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- We do not communicate the rationale to companies
- Not applicable because we and/or our service providers do not abstain or vote against management recommendations

LEA 16.2 Indicate the reasons your organisation would communicate to companies, the rationale for abstaining or voting against management recommendations.

- Votes for selected markets
- Votes for selected sectors
- Votes relating to certain ESG issues
- Votes on companies exposed to controversy on specific ESG issues
- Votes for significant shareholdings
- On request by clients
- Other

LEA 16.3 In cases where your organisation does communicate the rationale for the abstention or the vote against management recommendations, indicate whether this rationale is made public.

- Yes
- No

LEA 16.4 Additional information. [Optional]

The Pax World Funds vote against all male board slates and, in most cases, require there be at least two women on the board before we consider supporting a full board slate. We then write to companies whose boards we vote against due to insufficient gender diversity, explaining the reason for our opposition, and requesting information on the steps be taken to diversify the board.

LEA 17.1 For listed equities where you and/or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

- We do track or collect this information
<table>
<thead>
<tr>
<th><strong>Votes cast (to the nearest 1%)</strong></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>99</td>
</tr>
</tbody>
</table>

Specify the basis on which this percentage is calculated

- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted
- We do not track or collect this information

**LEA 17.2** Explain your reason(s) for not voting on certain holdings

- Shares were blocked
- Notice, ballots or materials not received in time
- Missed deadline
- Geographical restrictions (non-home market)
- Cost
- Conflicts of interest
- Holdings deemed too small
- Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement)
- Client request
- Other

**LEA 17.3** Additional information. [Optional]

Impax seeks to cast votes on all shares, where there are no legal, financial or technical constraints. In some markets there are very costly and administratively burdensome Powers of Attorney rules that may, in some rare events, prevent effective voting. There are also some specific market rules that we are monitoring and have a process for, namely some markets and companies have non-trading periods just before and/or after General Meetings (share blocking).

**LEA 18**

<table>
<thead>
<tr>
<th>Voluntary</th>
<th>Public</th>
<th>Additional Assessed</th>
<th>PRI 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEA 18.1</td>
<td>Indicate if you track the voting instructions that you and/or your service provider on your behalf have issued.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>☑ Yes, we track this information</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LEA 18.2</td>
<td>Of the voting instructions that you and/or third parties on your behalf issued, indicate the proportion of ballot items that were:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Voting instructions</td>
<td>Breakdown as percentage of votes cast</td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------------------------------------------------</td>
<td>--------------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>For (supporting) management recommendations</td>
<td>% 51.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Against (opposing) management recommendations</td>
<td>% 48.75</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Abstentions</td>
<td>% 0.25</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

For (supporting) management recommendations

Against (opposing) management recommendations

Abstentions

100%

☐ No, we do not track this information

**LEA 18.3**

In cases where your organisation voted against management recommendations, indicate the percentage of companies you have engaged.

7

**LEA 18.4**

**Additional information. [Optional]**

**MAIN CORPORATE GOVERNANCE PRINCIPLES THAT WE EXPECT FROM OUR INVESTEE COMPANIES:**

- Creating sustainable, long-term value for stakeholders
- Protecting shareholder rights
- Maintaining high integrity in corporate behaviour at all times
- Ensuring an independent and efficient board structure
- Aligning corporate incentive structures and remuneration with long-term interests of shareholders
- Disclosing accurate, timely and transparent financial and corporate governance information
- Ensuring strong environmental and social performance and disclosures

**LEA 19**

<table>
<thead>
<tr>
<th>Mandatory</th>
<th>Public</th>
<th>Core Assessed</th>
<th>PRI 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LEA 19.1</strong></td>
<td>Indicate whether your organisation has a formal escalation strategy following unsuccessful voting.</td>
<td>☐ Yes</td>
<td>☐ No</td>
</tr>
</tbody>
</table>
LEA 19.2

Indicate the escalation strategies used at your organisation following abstentions and/or votes against management.

- ☑ Contacting the company’s board
- ☑ Contacting the company’s senior management
- □ Issuing a public statement explaining the rationale
- ☑ Initiating individual/collaborative engagement
- □ Directing service providers to engage
- □ Reducing exposure (holdings) / divestment
- □ Other

LEA 19.3

Additional information. [Optional]

Escalation can include:

- Intervening or engaging together with other institutions on the issue
- Providing feed-back to company’s advisors especially regarding voting matters
- Highlighting the issue and/or joint-engagement through institutional platforms (PRI)
- Filing or co-filing resolutions at General Meetings

LEA 20

<table>
<thead>
<tr>
<th>Voluntary</th>
<th>Public</th>
<th>Descriptive</th>
<th>PRI 2</th>
</tr>
</thead>
</table>

LEA 20.1

Indicate if your organisation directly or through a service provider filed or co-filed any ESG shareholder resolutions during the reporting year.

☑ Yes

LEA 20.2

Indicate the number of ESG shareholder resolutions you filed or co-filed.

<table>
<thead>
<tr>
<th>Total number</th>
</tr>
</thead>
<tbody>
<tr>
<td>14</td>
</tr>
</tbody>
</table>

☑ No

LEA 20.3

Indicate what percentage of these ESG shareholder resolutions resulted in the following.
<table>
<thead>
<tr>
<th><strong>Went to vote</strong></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>21</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Were withdrawn due to changes at the company and/or negotiations with the company</strong></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>79</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Were withdrawn for other reasons</strong></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Were rejected/not acknowledged by the company</strong></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

| **Total** | 100% |

<table>
<thead>
<tr>
<th><strong>LEA 20.4</strong></th>
<th>Of the ESG shareholder resolutions that you filed or co-filed and that were put to vote (i.e. not withdrawn) how many received:</th>
</tr>
</thead>
<tbody>
<tr>
<td>50-20%</td>
<td>67</td>
</tr>
<tr>
<td>&lt;20%</td>
<td>33</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>LEA 20.5</strong></th>
<th>Describe the ESG shareholder resolutions that you filed or co-filed and the outcomes achieved.</th>
</tr>
</thead>
</table>

Pay inequity poses risk (regulatory, litigation and reputational), while active management of pay equity leads to better diversity outcomes. The Pax World Funds filed/co-filed five pay equity resolutions at financial and technology companies requesting the disclosure of pay equity assessments. Four of the proposals were successfully withdrawn when the companies enhanced their pay equity disclosure, and three companies disclosed the results of their gender pay assessment. One pay equity proposal went to a vote, receiving support of 38.7%.

Greater board gender diversity a been linked with improved decision-making and improved company financial performance. A board diversity proposal was withdrawn when the company amended its governance policies to commit to seeking women and minority candidates in all director searches. The company also made its first female board appointment.

Proposals at three insurance companies requested they put in place effective oversight for climate change at the board level. Two proposals were successfully withdrawn after engaging with both companies, while the third went to a vote, receiving support of 48%.
Impax thoroughly assesses all shareholder resolutions filed by other investors. We assess whether the filing request is relevant, an improvement to governance structures, shareholder rights, environmental and social processes and disclosures, while reasonable regarding cost, resource requirement and reasonable in relation to what the company already has in place. We also assess whether the filing is aligned with Impax’s ESG policy and approach.

Add Example 1
### ESG Topic

<table>
<thead>
<tr>
<th>Diversity</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Executive Remuneration</td>
</tr>
<tr>
<td>☐ Climate Change</td>
</tr>
<tr>
<td>☐ Human rights</td>
</tr>
<tr>
<td>☐ Company leadership issues</td>
</tr>
<tr>
<td>☐ Pollution</td>
</tr>
<tr>
<td>☐ General ESG</td>
</tr>
<tr>
<td>☒ Diversity</td>
</tr>
<tr>
<td>☐ Shareholder rights</td>
</tr>
<tr>
<td>☐ Health and Safety</td>
</tr>
<tr>
<td>☐ Sustainability reporting</td>
</tr>
<tr>
<td>☐ Water risks</td>
</tr>
<tr>
<td>☐ Labour practices and supply chain management</td>
</tr>
<tr>
<td>☐ Anti-bribery and corruption</td>
</tr>
<tr>
<td>☐ Deforestation</td>
</tr>
<tr>
<td>☐ Aggressive tax planning</td>
</tr>
<tr>
<td>☐ Cyber security</td>
</tr>
<tr>
<td>☐ Political spending / lobbying</td>
</tr>
<tr>
<td>☐ Other governance</td>
</tr>
<tr>
<td>☐ Plastics</td>
</tr>
<tr>
<td>☐ Other</td>
</tr>
</tbody>
</table>

### Conducted by

- ☒ Individual/Internal
- ☐ Service provider

### Objectives

We seek to promote greater levels of board diversity at companies globally.

### Scope and Process

The Pax World Funds vote against all male board slates and in most cases require there be at least two women on the board in order to consider supporting a full board slate. We write to the nominating committee chair at companies whose boards we vote against due to insufficient gender diversity to explain the reason for our opposition and to request information on any steps the company is taking to achieve greater board diversity moving forward. These efforts opened dialogues with several companies in 2018.

### Outcomes

- ☐ Company changed practice
- ☐ Company committed to change
- ☐ Disclosure / report published
- ☐ Divestment
- ☐ Failed/no outcome
- ☐ Increased understanding / information
- ☐ Invested in company
- ☒ Ongoing
<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>□</td>
<td>Voting</td>
</tr>
<tr>
<td>□</td>
<td>Other</td>
</tr>
</tbody>
</table>

☐ Add Example 2
<table>
<thead>
<tr>
<th>Conducted by</th>
<th>Individual/Internal</th>
<th>Service provider</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objectives</td>
<td>Engagement pre-AGM with a Swiss water infrastructure company, regarding executive remuneration, practices and transparency.</td>
<td></td>
</tr>
<tr>
<td>Scope and Process</td>
<td>We discussed our views regarding the use of TSR as a metric for companies’ LTI plans (we are not wedded to that metric, but understand it is broadly used) and highlighted that we generally prefer to see some returns-based metrics, e.g. RoE in the LTI. Also discussed claw-back (or malus) policies for remuneration, which the company agreed it will establish. We voted for the remuneration policy of the company, the transparency and performance alignment was good.</td>
<td></td>
</tr>
<tr>
<td>Outcomes</td>
<td>Company changed practice</td>
<td>Company committed to change</td>
</tr>
</tbody>
</table>
| □ Ongoing  
| □ Voting  
| □ Other  

- □ Add Example 3  
- □ Add Example 4  
- □ Add Example 5  
- □ Add Example 6  
- □ Add Example 7  
- □ Add Example 8  
- □ Add Example 9  
- □ Add Example 10
Impax Asset Management

Reported Information

Public version

Direct - Fixed Income

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.
### ESG incorporation in actively managed fixed income

#### Implementation processes

<table>
<thead>
<tr>
<th>FI 01</th>
<th>Mandatory</th>
<th>Public</th>
<th>Gateway</th>
<th>PRI 1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FI 01.1</strong></td>
<td>Indicate (1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and (2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SSA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------------------</td>
<td>-------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Screening alone</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thematic alone</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integration alone</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Screening + integration strategies</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thematic + integration strategies</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Screening + thematic strategies</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All three strategies combined</td>
<td>80</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No incorporation strategies applied</td>
<td>20</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Corporate (financial)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Screening alone</td>
<td>0</td>
</tr>
<tr>
<td>Thematic alone</td>
<td>0</td>
</tr>
<tr>
<td>Integration alone</td>
<td>0</td>
</tr>
<tr>
<td>Screening + integration strategies</td>
<td>0</td>
</tr>
<tr>
<td>Strategy</td>
<td>Percentage</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>Thematic + integration strategies</td>
<td>0</td>
</tr>
<tr>
<td>Screening + thematic strategies</td>
<td>0</td>
</tr>
<tr>
<td>All three strategies combined</td>
<td>100</td>
</tr>
<tr>
<td>No incorporation strategies applied</td>
<td>0</td>
</tr>
</tbody>
</table>

100%
<table>
<thead>
<tr>
<th>Corporate (non-financial)</th>
<th>Screening alone</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thematic alone</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Integration alone</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Screening + integration strategies</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Thematic + integration strategies</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Screening + thematic strategies</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>All three strategies combined</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>No incorporation strategies applied</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Securitised</th>
<th>Screening alone</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thematic alone</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Integration alone</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Screening + integration strategies</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>
FI 01.2 | Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

ESG analysis is an integrated component of our credit analysis, providing an additional component of risk mitigation. Our High Yield, Core Bond and Sustainability Research teams are responsible for integrating ESG-analysis into the investment process.

The team employs a fundamental approach to ESG research in collaboration with fundamental credit analysis. Key ESG issues are assessed for each issuer sector and industry, with materiality-based ESG-factor weightings. IAM LLC focuses on companies’ ability to manage operational and reputational risks and to capitalize on opportunities arising from the shift towards a more sustainable global economy.

ESG is integrated into fixed income strategies to enhance our credit analysis and facilitate:

- **Avoidance of ESG laggards.** ESG-analysis helps avoid companies with unacceptable ESG risks and/or operating in industries that are at greater risk in the transition to a more sustainable economy; which is unacceptable credit risk.

- **Enhanced Risk Management.** ESG-analysis provides additional insights into a company's ability to manage operational and reputational risks and minimize exposure to disrupted industries. Analysis is key to managing credit risk and is the primary input into portfolio construction.

- **Identifying well positioned companies.** ESG-analysis helps identify companies positioned to benefit from the transition to a more sustainable economy.

FI 02 | Mandatory to Report Voluntary to Disclose | Public | Core Assessed | PRI 1

FI 02.1 | Indicate which ESG factors you systematically research as part of your analysis on issuers.

Select all that apply
<table>
<thead>
<tr>
<th></th>
<th>SSA</th>
<th>Corporate (financial)</th>
<th>Corporate (non-financial)</th>
<th>Securitised</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental data</td>
<td>☒</td>
<td>☒</td>
<td>☒</td>
<td>☒</td>
</tr>
<tr>
<td>Social data</td>
<td>☒</td>
<td>☒</td>
<td>☒</td>
<td>☒</td>
</tr>
<tr>
<td>Governance data</td>
<td>☒</td>
<td>☒</td>
<td>☒</td>
<td>☒</td>
</tr>
</tbody>
</table>

**FI 02.2** Indicate what format your ESG information comes in and where you typically source it

☑ Raw ESG company data

**Indicate who provides this information**
- ☒ ESG research provider
- ☐ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☒ In-house – FI analyst, PM or risk team
- ☐ Other, specify

☑ ESG factor specific analysis

**Indicate who provides this information**
- ☒ ESG research provider
- ☐ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☐ In-house – FI analyst, PM or risk team
- ☐ Other, specify

☑ Issuer-level ESG analysis

**Indicate who provides this information**
- ☒ ESG research provider
- ☐ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☐ In-house – FI analyst, PM or risk team
- ☐ Other, specify

☑ Sector-level ESG analysis

**Indicate who provides this information**
ESG research provider
☐ Sell-side
☒ In-house – specialised ESG analyst or team
☐ In-house – FI analyst, PM or risk team
☐ Other, specify
☒ Country-level ESG analysis

Indicate who provides this information
☐ ESG research provider
☐ Sell-side
☒ In-house – specialised ESG analyst or team
☐ In-house – FI analyst, PM or risk team
☐ Other, specify

FI 02.3 Provide a brief description of the ESG information used, highlighting any differences in sources of information across your ESG incorporation strategies.

Our sustainability research analysts conduct original ESG research for use in our investment process. The Sustainability Research team’s research process is augmented with ESG data from multiple sources including:

• Independent Third-Party Research: In-depth research, ratings and analysis of companies’ environmental, social and governance-related business practices. Examples of data providers include MSCI, Sustainalytics and Glass Lewis.

• Sell-Side Research: Research and analysis of company exposure to ESG-related opportunities, and management of ESG-related risks.

• Company Sustainability Reports: ESG data direct from a company

• News: ESG-related news coverage. (FactSet, Bloomberg, etc.)

• Sustainability Research & Advocacy Organizations: Research on new or emerging ESG topics from subject experts, which we use to assess company exposure to emerging ESG risks, and positioning on ESG-related opportunities. Examples include CDP and Investor Environmental Health Network.

• Government databases/websites: Industry-specific regulatory compliance databases/press releases. Examples include the FDA, EPA, SEC, and OSHA.

FI 03 Mandatory Public Additional Assessed PRI 1

FI 03.1 Indicate how you ensure that your ESG research process is robust:

☒ Comprehensive ESG research is undertaken internally to determine companies’ activities; and products and/or services
☐ Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
☒ Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
☐ Internal audits and regular reviews of ESG research are undertaken in a systematic way.
☒ A materiality/sustainability framework is created and regularly updated that includes all the key ESG risks and opportunities for each sector/country.
☐ Other, specify
☐ None of the above
Describe how your ESG information or analysis is shared among your investment team.

- ESG information is held within a centralised database and is accessible to all investment staff
- ESG information is displayed on front office research platforms
- ESG information is a standard item on all individual issuer summaries, research notes, ‘tear sheets’, or similar documents
- Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- Records capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

(A) Implementation: Screening

Indicate the type of screening you conduct.

Select all that apply

<table>
<thead>
<tr>
<th>Screening Type</th>
<th>SSA</th>
<th>Corporate (financial)</th>
<th>Corporate (non-financial)</th>
<th>Securitised</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negative/exclusionary screening</td>
<td>☑️</td>
<td>☑️</td>
<td></td>
<td>☑️</td>
</tr>
<tr>
<td>Positive/best-in-class screening</td>
<td>☐️</td>
<td></td>
<td>☑️</td>
<td>☐️</td>
</tr>
<tr>
<td>Norms-based screening</td>
<td>☑️</td>
<td>☑️</td>
<td>☑️</td>
<td>☑️</td>
</tr>
</tbody>
</table>

Describe your approach to screening for internally managed active fixed income

ESG is integrated into fixed income strategies to enhance our credit analysis:

- Avoidance of ESG laggards. ESG-analysis helps avoid companies with unacceptable ESG risks and/or operating in industries at risk in the transition to a more sustainable economy; unacceptable credit risk.
- Enhanced Risk Management. ESG-analysis provides additional insights into companies’ ability to manage operational and reputational risks and minimize exposure to disrupted industries. Analysis is key to managing credit risk, primary input into portfolio construction.
- Identifying well-positioned companies. ESG-analysis helps identify companies positioned to benefit from the transition to a more sustainable economy.

Further, our fixed income strategies seek to avoid investment in companies with:

- involvement in the manufacture or sale of weapons (including firearms);
- manufacturing of tobacco products;
- primary business in coal mining and production;
- sole or majority of operations in oil sands;
- reliance on coal, in the case of utilities, above national average, unless company has demonstrated significant commitment to renewables and is reducing dependence on coal.
We consider the revenue and activity to determine company involvement in weapons manufacturing. We exclude companies involved in the manufacture of cluster munitions, landmines and nuclear weapons - regardless of revenues - due to their indiscriminate nature.

<table>
<thead>
<tr>
<th>FI 05</th>
<th>Voluntary</th>
<th>Public</th>
<th>Additional Assessed</th>
<th>PRI 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>FI 05.1</td>
<td>Provide examples of how ESG factors are included in your screening criteria.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Example 1

<table>
<thead>
<tr>
<th>Type of fixed income</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ SSA</td>
</tr>
<tr>
<td>□ Corporate (financial)</td>
</tr>
<tr>
<td>□ Corporate (non-financial)</td>
</tr>
<tr>
<td>☑ Securitised</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ESG factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Environmental</td>
</tr>
<tr>
<td>□ Social</td>
</tr>
<tr>
<td>☑ Governance</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Screening</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Negative/ exclusionary</td>
</tr>
<tr>
<td>□ Positive/ best-in-class</td>
</tr>
<tr>
<td>☑ Norms-based</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description of how ESG factors are used as the screening criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential PACE ABS securities were screened out based on available information about the industry’s lending practices and the lack of nation-wide consumer protection laws. The PACE industry has been heavily criticized for unscrupulous lending practices in recent years.</td>
</tr>
</tbody>
</table>

- Example 2
<table>
<thead>
<tr>
<th>Type of fixed income</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ SSA</td>
</tr>
<tr>
<td>□ Corporate (financial)</td>
</tr>
<tr>
<td>✔ Corporate (non-financial)</td>
</tr>
<tr>
<td>□ Securitised</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ESG factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>✔ Environmental</td>
</tr>
<tr>
<td>□ Social</td>
</tr>
<tr>
<td>□ Governance</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Screening</th>
</tr>
</thead>
<tbody>
<tr>
<td>✔ Negative/ exclusionary</td>
</tr>
<tr>
<td>□ Positive/ best-in-class</td>
</tr>
<tr>
<td>□ Norms-based</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description of how ESG factors are used as the screening criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Duke Energy Green Bonds were screened out because we have identified Duke Energy as a company involved in significant and sustained environmental and social controversies, mainly related to its operation of coal ash storage facilities.</td>
</tr>
</tbody>
</table>

✔ Example 3
<table>
<thead>
<tr>
<th>Type of fixed income</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ SSA</td>
</tr>
<tr>
<td>☑ Corporate (financial)</td>
</tr>
<tr>
<td>☐ Corporate (non-financial)</td>
</tr>
<tr>
<td>☐ Securitised</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ESG factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ Environmental</td>
</tr>
<tr>
<td>☐ Social</td>
</tr>
<tr>
<td>☑ Governance</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Screening</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Negative/ exclusionary</td>
</tr>
<tr>
<td>☐ Positive/ best-in-class</td>
</tr>
<tr>
<td>☑ Norms-based</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description of how ESG factors are used as the screening criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deutsche Bank (all securities) has been screened out for investment based on the company's operating history and compliance record. Between 2015-2017, the bank has paid out about $10 billion in fines, settlements and pay-outs—the highest of its peer group.</td>
</tr>
</tbody>
</table>

| Example 4 |
| Example 5 |

<table>
<thead>
<tr>
<th>FI 06</th>
<th>Mandatory</th>
<th>Public</th>
<th>Core Assessed</th>
<th>PRI 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>FI 06.1</td>
<td>Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Type of screening</td>
<td>Checks</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| **Negative/exclusionary        | ☑ Analysis is performed to ensure that issuers meet screening criteria
| screening?                     | ☑ We ensure that data used for the screening criteria is updated at least once a year.                                                                 |
|                                | ☑ Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria |
|                                | ☑ Audits of fund holdings are undertaken yearly by internal audit or compliance functions                                             |
|                                | ☐ Other, specify                                                                                                                     |
|                                | ☐ None of the above                                                                                                                 |
| **Positive/best-in-class       | ☑ Analysis is performed to ensure that issuers meet screening criteria
| screening**                    | ☑ We ensure that data used for the screening criteria is updated at least once a year.                                                                 |
|                                | ☑ Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria |
|                                | ☑ Audits of fund holdings are undertaken yearly by internal audit or compliance functions                                             |
|                                | ☐ Other, specify                                                                                                                     |
|                                | ☐ None of the above                                                                                                                 |
| **Norms-based screening**      | ☑ Analysis is performed to ensure that issuers meet screening criteria
|                                | ☑ We ensure that data used for the screening criteria is updated at least once a year.                                                                 |
|                                | ☑ Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria |
|                                | ☑ Audits of fund holdings are undertaken yearly by internal audit or compliance functions                                             |
|                                | ☐ Other, specify                                                                                                                     |
|                                | ☐ None of the above                                                                                                                 |

(B) Implementation: Thematic

<table>
<thead>
<tr>
<th>FI 07</th>
<th>Mandatory to Report Voluntary to Disclose</th>
<th>Public</th>
<th>Descriptive</th>
<th>PRI 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>FI 07.1</td>
<td>Indicate what proportion of your thematic investments are:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>☑ Green/SDG bonds linked to environmental goals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>☐ Social/SDG bonds linked to social goals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>☑ Sustainability/SDG bonds (combination of green and social linked to multiple SDG categories)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>40.3</td>
</tr>
</tbody>
</table>

☐ Social/SDG bonds linked to social goals
☑ Sustainability/SDG bonds (combination of green and social linked to multiple SDG categories)
Impact Bonds provide high credit quality, diversification, competitive returns and positive societal and environmental benefits. These bonds span the spectrum of traditional issuers across municipals, agencies and corporates and allocations are managed with primary consideration given to their traditional classification.

We have identified eight impact focus areas that we believe are most relevant to this asset class: Environment & Energy, Sustainable Infrastructure, Sustainable Development, Education, Affordable Housing, Agriculture, Community Development and Sustainable Products & Services.

Examples of impact investments categorized as "Other:"

- Community Investment Notes/CDs: Shorter-term instruments primarily focused on community development and issued by Community Development Financial Institutions (CDFIs) or credit unions.
- Sustainable Public Financing: Primarily municipal bonds focused on sustainable infrastructure solutions specific to municipalities, or federal government agency securities focused more broadly on issues such as housing and agriculture. Also, includes supranational issuers.
- Impact Asset Backed Securities (ABS): Includes securitizations of solar loans, payments on solar leases and power purchase agreements, electric vehicle leases, and education loans.

<table>
<thead>
<tr>
<th>FI 08.1</th>
<th>Indicate whether you encourage transparency and disclosure relating to the issuance of themed bonds as per the Green Bonds Principles, Social Bond Principles, or Sustainability Bond Guidelines.</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ We require that themed bond proceeds are only allocated to environmentally or socially beneficial projects</td>
<td></td>
</tr>
<tr>
<td>☐ We require the issuer (or 3rd party assurer) to demonstrate a process which determines the eligibility of projects to which themed bond proceeds are allocated</td>
<td></td>
</tr>
<tr>
<td>☐ We require issuers to demonstrate a systematic and transparent process of disbursing themed bond proceeds to eligible projects until all funds are allocated</td>
<td></td>
</tr>
<tr>
<td>☐ We require issuers to report at least once per year on the projects to which proceeds have been allocated including a description of those projects</td>
<td></td>
</tr>
<tr>
<td>☐ Other, specify</td>
<td></td>
</tr>
<tr>
<td>☑ None of the above</td>
<td></td>
</tr>
</tbody>
</table>
Describe the actions you take when issuers do not disburse bond proceeds as described in the offering documents.

We periodically review issuer updates regarding the themed bonds that we hold in our fixed income strategies. We have not discovered that these issuers have failed to disburse bond proceeds as described in their offering documents.

Indicate how you assess the environmental or social impact of your thematic investments.

☐ We require issuers to report at least once per year on specific environmental or social impacts resulting from our themed investments

☐ We ensure independent audits are conducted on the environmental or social impact of our investments

☒ We have a proprietary system to measure environmental and social impact

☐ We measure the impact of our themed bond investments on specific ESG factors such as carbon emissions or human rights

☐ Other, specify

☐ None of the above

Describe your approach to integrating ESG into traditional financial analysis.

Each fixed income asset class has unique and varying degrees of ESG risk and opportunity. Issuers with credit risk most exposed to ESG-related risks, but impact-related opportunities are available across all fixed income asset classes.

For corporate (financial/non-financial) and select securitized bonds, ESG is integrated to enhance our credit analysis and facilitate:

• Avoidance of ESG laggards. ESG analysis helps avoid companies with unacceptable ESG risks and/or operating in industries that are at greater risk in the transition to a more sustainable economy, which we view as unacceptable credit risk.

• Enhanced Risk Management. ESG analysis provides additional insights into a company's ability to manage operational and reputational risks and minimize exposure to disrupted industries. Analysis is key to managing credit risk and is the primary input into portfolio construction.

• Identifying well positioned companies. ESG analysis helps identify companies positioned to benefit from the transition to a more sustainable economy.

For SSA, with few exceptions, IAM LLC considers U.S. government-related entities to be central in providing liquidity, stability and affordability in several key markets of the U.S. economy.

For these reasons, U.S. treasury securities, certain U.S. agency bonds and mortgage-backed securities are generally available for investment.

Describe how your ESG integration approach is adapted to each of the different types of fixed income you invest in.
Incorporation strategies are not applied to U.S. Treasury Securities, but are applied to other SSA issuers.

<table>
<thead>
<tr>
<th>Corporate (financial)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ESG analysis is integrated into fundamental analysis.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Corporate (non-financial)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ESG analysis is integrated into fundamental analysis</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Securitised</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ESG analysis is integrated into fundamental analysis.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FI 11</th>
<th>Mandatory</th>
<th>Public</th>
<th>Core Assessed</th>
<th>PRI 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>FI 11.1</td>
<td>Indicate how ESG information is typically used as part of your investment process.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Select all that apply
| ESG analysis is integrated into fundamental analysis | ☑ | ☑ | ☑ | ☑ |
| ESG analysis is used to adjust the internal credit assessments of issuers. | ☐ | ☑ | ☑ | ☑ |
| ESG analysis is used to adjust forecasted financials and future cash flow estimates. | ☐ | ☐ | ☐ | ☐ |
| ESG analysis impacts the ranking of an issuer relative to a chosen peer group. | ☐ | ☑ | ☑ | ☑ |
| An issuer's ESG bond spreads and its relative value versus its sector peers are analysed to find out if all risks are priced in. | ☐ | ☑ | ☑ | ☑ |
| The impact of ESG analysis on bonds of an issuer with different durations/maturities are analysed. | ☐ | ☑ | ☑ | ☑ |
| Sensitivity analysis and scenario analysis are applied to valuation models to compare the difference between base-case and ESG-integrated security valuation. | ☐ | ☐ | ☐ | ☐ |
| ESG analysis is integrated into portfolio weighting decisions. | ☑ | ☑ | ☑ | ☑ |
| Companies, sectors, countries and currency and monitored for changes in ESG exposure and for breaches of risk limits. | ☑ | ☑ | ☑ | ☑ |
| The ESG profile of portfolios is examined for securities with high ESG risks and assessed relative to the ESG profile of a benchmark. | ☑ | ☑ | ☑ | ☑ |
| Other, specify | ☐ | ☐ | ☐ | ☐ |

**FI 12** | **Mandatory** | **Public** | **Additional Assessed** | **PRI 1**

**FI 12.1** Indicate the extent to which ESG issues are reviewed in your integration process.
<table>
<thead>
<tr>
<th></th>
<th>Environment</th>
<th>Social</th>
<th>Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SSA</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>○ Systematically</td>
<td>☐ Occasionally</td>
<td>☐ Not at all</td>
</tr>
<tr>
<td></td>
<td>☐ Systematically</td>
<td>☐ Occasionally</td>
<td>☐ Not at all</td>
</tr>
<tr>
<td><strong>Corporate (financial)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>○ Systematically</td>
<td>☐ Occasionally</td>
<td>☐ Not at all</td>
</tr>
<tr>
<td></td>
<td>☐ Systematically</td>
<td>☐ Occasionally</td>
<td>☐ Not at all</td>
</tr>
<tr>
<td><strong>Corporate (non-financial)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>○ Systematically</td>
<td>☐ Occasionally</td>
<td>☐ Not at all</td>
</tr>
<tr>
<td></td>
<td>☐ Systematically</td>
<td>☐ Occasionally</td>
<td>☐ Not at all</td>
</tr>
<tr>
<td><strong>Securitised</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>○ Systematically</td>
<td>☐ Occasionally</td>
<td>☐ Not at all</td>
</tr>
<tr>
<td></td>
<td>☐ Systematically</td>
<td>☐ Occasionally</td>
<td>☐ Not at all</td>
</tr>
</tbody>
</table>

**FI 12.2** Please provide more detail on how you review E, S and/or G factors in your integration process.

**SSA**
Incorporation strategies are not applied to U.S. Treasury Securities, but are applied to other SSA issuers.

**Corporate (financial)**
For any corporate issuer (financial or nonfinancial) IAM LLC examines the ESG profile of the issuer with the heaviest weight on key performance indicators for the sector of the issuer. The key issues vary widely among ESG-related criteria, depending on the sector. For example, for the four sectors that are the heaviest emitters of greenhouse gases and other pollutants—utilities, materials, energy and industrials—we place great weight on companies' performance and policies on emissions control, pollution management and prevention, and development of clean tech alternatives.
Corporate (non-financial)

For any corporate issuer (financial or nonfinancial) IAM LLC examines the ESG profile of the issuer with the heaviest weight on key performance indicators for the sector of the issuer. The key issues vary widely among ESG-related criteria, depending on the sector. For example, for the four sectors that are the heaviest emitters of greenhouse gases and other pollutants—utilities, materials, energy and industrials—we place great weight on companies’ performance and policies on emissions control, pollution management and prevention, and development of clean tech alternatives.

Securitised

Asset backed securities, for example, reflect contractual obligations to finance certain activities, such as financing higher education, or the purchase of an automobile. Our ESG analysis is focused on the underlying collateral and, when appropriate, the lending practices associated with the underlying collateral.

Fixed income - Engagement

<table>
<thead>
<tr>
<th>FI 14</th>
<th>Mandatory to Report</th>
<th>Voluntary to Disclose</th>
<th>Public</th>
<th>Core Assessed</th>
<th>PRI 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>FI 14.1</td>
<td>Indicate the proportion of your fixed income assets on which you engage. Please exclude any engagements carried out solely in your capacity as a shareholder.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Category</td>
<td>Proportion of assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------------------------</td>
<td>---------------------------------------------------------------------------------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate (financial)</td>
<td>☐ &gt;50%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>☐ 26-50%</td>
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<tr>
<td></td>
<td>☐ 5-25%</td>
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<tr>
<td></td>
<td>☐ More than 0%, less than 5%</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>FI 14.2</td>
<td>Indicate your motivations for conducting engagement (Corporate, Financial fixed income assets)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>☑ To gain an understanding of ESG strategy and/or management</td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>☑ To encourage improved/increased ESG disclosure</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>☑ To influence issuer practice (or identify the need to influence) on ESG issue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate (non-financial)</td>
<td>☐ &gt;50%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>☐ 26-50%</td>
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<td>☐ 5-25%</td>
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<td>☐ More than 0%, less than 5%</td>
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</tr>
<tr>
<td>FI 14.2</td>
<td>Indicate your motivations for conducting engagement (Corporate, non-financial fixed income assets)</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>☑ To gain an understanding of ESG strategy and/or management</td>
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<tr>
<td></td>
<td>☑ To encourage improved/increased ESG disclosure</td>
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<tr>
<td></td>
<td>☑ To influence issuer practice (or identify the need to influence) on ESG issue</td>
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<td></td>
<td></td>
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</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>FI 15</th>
<th>Mandatory to Report Voluntary to Disclose</th>
<th>Public</th>
<th>Additional Assessed</th>
<th>PRI 1,2</th>
</tr>
</thead>
</table>

Indicate how you typically engage with issuers as a fixed income investor, or as both a fixed income and listed equity investor. (Please do not include engagements where you are both a bondholder and shareholder but engage as a listed equity investor only.)

<table>
<thead>
<tr>
<th>Select all that apply</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of engagement</td>
</tr>
<tr>
<td>Individual/Internal staff engagements</td>
</tr>
<tr>
<td>Collaborative engagements</td>
</tr>
<tr>
<td>Service provider engagements</td>
</tr>
</tbody>
</table>
**FI 15.2** Indicate how your organisation prioritises engagements with issuers.

Select all that apply

<table>
<thead>
<tr>
<th></th>
<th>Corporate (financial)</th>
<th>Corporate (non-financial)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size of holdings</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Credit quality of the issuer</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Duration of holdings</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Quality of transparency on ESG</td>
<td>☑</td>
<td>☑</td>
</tr>
<tr>
<td>Specific markets and/or sectors</td>
<td>☑</td>
<td>☑</td>
</tr>
<tr>
<td>Specific ESG themes</td>
<td>☑</td>
<td>☑</td>
</tr>
<tr>
<td>Issuers in the lowest ranks of ESG benchmarks</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Issuers in the highest ranks of ESG benchmarks</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Specific issues considered priorities for the investor based on input from clients and beneficiaries</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Other</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

**FI 15.3** Indicate when your organisation conducts engagements with issuers.

Select all that apply
We engage pre-investment. | Corporate (financial) | Corporate (non-financial) |
--- | --- | --- |
We engage post-investment. | ☑ | ☑ |
We engage proactively in anticipation of specific ESG risks and/or opportunities. | ☑ | ☑ |
We engage in reaction to ESG issues that have already affected the issuer. | ☑ | ☑ |
We engage prior to ESG-related divestments. | ☐ | ☐ |
Other, describe | ☐ | ☐ |

**FI 15.4** Indicate what your organisation conducts engagements with issuers on.

Select all that apply

| | Corporate (financial) | Corporate (non-financial) |
--- | --- | --- |
We engage on ESG risks and opportunities affecting a specific bond issuer or its issuer. | ☑ | ☑ |
We engage on ESG risks and opportunities affecting the entire industry or region that the issuer belongs to. | ☑ | ☑ |
We engage on specific ESG themes across issuers and industries (e.g., human rights). | ☑ | ☑ |
Other, describe | ☐ | ☐ |

**FI 15.5** Indicate how your organisation ensures that information and insights collected through engagement can feed into the investment decision-making process.

Select all that apply
Ensuring regular cross-team meetings and presentations. | |
Sharing engagement data across platforms that is accessible to ESG and investment teams. | |
Encouraging ESG and investment teams to join engagement meetings and roadshows. | ☒ ☒
Delegating some engagement dialogue to portfolio managers/credit analysts. | ☒ ☒
Involving portfolio managers when defining an engagement programme and developing engagement decisions. | ☒ ☒
Establishing mechanisms to rebalance portfolio holdings based on levels of interaction and outcomes of engagements. | |
Considering active ownership as a mechanism to assess potential future investments. | |
Other, describe | |
We do not ensure that information and insights collected through engagement can feed into the investment decision-making process. | |

<table>
<thead>
<tr>
<th>FI 16</th>
<th>Mandatory to Report Voluntary to Disclose</th>
<th>Public</th>
<th>Additional Assessed</th>
<th>PRI 1,2</th>
</tr>
</thead>
<tbody>
<tr>
<td>FI 16.1</td>
<td>Indicate if your publicly available policy documents explicitly refer to fixed income engagement separately from engagements in relation to other asset classes.</td>
<td>☑ Yes ☑ No</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Outputs and outcomes**

<table>
<thead>
<tr>
<th>FI 17</th>
<th>Mandatory to Report Voluntary to Disclose</th>
<th>Public</th>
<th>Additional Assessed</th>
<th>General</th>
</tr>
</thead>
<tbody>
<tr>
<td>FI 17.1</td>
<td>Indicate whether your organisation measures how your incorporation of ESG analysis in fixed income has affected investment outcomes and/or performance.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Select all that apply
We measure whether incorporating ESG impacts portfolio risk. & SSA & Corporate (financial) & Corporate (non-financial) & Securitised & 
We measure whether incorporating ESG impacts portfolio returns. & SSA & ✓ & ✓ & 
We measure the ESG performance/profile of portfolios (relative to the benchmark). & SSA & & & 
None of the above & SSA & & & 

**Fl 17.2** Describe how your organisation measures how your incorporation of ESG analysis in fixed income has affected investment outcomes and/or ESG performance. [OPTIONAL]

We have conducted an internal attribution analysis based on ESG integration decisions for one of our fixed income strategies. Based on this analysis, the results we have observed over longer term periods have been positive.

**Fl 18** Voluntary Public Descriptive PRI 1,2

**Fl 18.1** Provide examples of how your incorporation of ESG analysis and/or your engagement of issuers has affected your fixed income investment outcomes during the reporting year.

Example 1
<table>
<thead>
<tr>
<th>Type of fixed income</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ SSA</td>
</tr>
<tr>
<td>☐ Corporate (financial)</td>
</tr>
<tr>
<td>☑ Corporate (non-financial)</td>
</tr>
<tr>
<td>☐ Securitised</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ESG issue and explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issuer in a high risk industry with a static ESG profile, despite increased operational, legal, regulatory and reputational risks related to climate change and environmental stewardship.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RI strategy applied</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Screening</td>
</tr>
<tr>
<td>☐ Thematic</td>
</tr>
<tr>
<td>☑ Integration</td>
</tr>
<tr>
<td>☐ Engagement</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Impact on investment decision or performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Divest.</td>
</tr>
</tbody>
</table>

☑ Example 2
<table>
<thead>
<tr>
<th>Type of fixed income</th>
<th>ESG issue and explanation</th>
<th>RI strategy applied</th>
<th>Impact on investment decision or performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>SSA</td>
<td>Green bond issue from a major U.S.-based utility company with severe exposure to ESG risks related to coal ash storage facilities.</td>
<td>Screening</td>
<td>No investment.</td>
</tr>
<tr>
<td>Corporate (financial)</td>
<td></td>
<td>Thematic</td>
<td></td>
</tr>
<tr>
<td>Corporate (non-financial)</td>
<td></td>
<td>Integration</td>
<td></td>
</tr>
<tr>
<td>Securitised</td>
<td></td>
<td>Engagement</td>
<td></td>
</tr>
</tbody>
</table>

Example 3
<table>
<thead>
<tr>
<th>Type of fixed income</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ SSA</td>
</tr>
<tr>
<td>☐ Corporate (financial)</td>
</tr>
<tr>
<td>☑ Corporate (non-financial)</td>
</tr>
<tr>
<td>☐ Securitised</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ESG issue and explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company that generates electric power from biomass (wood pellets) and coal. The biomass supply chain claim that it is a low carbon fuel is dubious.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RI strategy applied</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Screening</td>
</tr>
<tr>
<td>☐ Thematic</td>
</tr>
<tr>
<td>☑ Integration</td>
</tr>
<tr>
<td>☐ Engagement</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Impact on investment decision or performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>No investment.</td>
</tr>
</tbody>
</table>

- ☐ Example 4
- ☐ Example 5
Impax Asset Management

Reported Information

Public version

Direct – Private Equity

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.
### Overview

<table>
<thead>
<tr>
<th>PE 01</th>
<th>Voluntary</th>
<th>Public</th>
<th>Descriptive</th>
<th>PRI 1-6</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PE 01.1</strong></td>
<td>Provide a brief overview of your organisation’s approach to responsible investment in private equity.</td>
<td></td>
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</tr>
</tbody>
</table>

All of our Private Equity investments are in renewable energy infrastructure and are thoroughly analysed from an ESG perspective, driven by Impax’s ESG policy and formal environmental impact assessments, permitting procedures for potential stakeholder impacts and engagements as well as addressing any material governance weaknesses prior to investing. Investments are managed to meet or exceed environmental permit targets and post-build assessments on permit compliance are performed.

Impax’s latest renewable energy fund “NEF III” has been awarded the independently audited Novethic Energy and Ecological Transition for the Climate, (EETC), green label due to these three assessed pillars:

- Pillar 1: Fund’s objectives and methodologies for the selection of assets contributing to the energy and ecological transition.
- Pillar 2: Consideration of ESG criteria in the construction and life of the portfolio
- Pillar 3: Highlighting positive impact on energy and ecological transition

All investments from the private equity funds to date have been in Europe and so adhere to EU Directives.

### PE 02

<table>
<thead>
<tr>
<th>PE 02</th>
<th>Mandatory</th>
<th>Public</th>
<th>Core Assessed</th>
<th>PRI 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PE 02.1</strong></td>
<td>Indicate whether your organisation’s investment activities are guided by a responsible investment policy / follow responsible investment guidelines.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Our investment activities are guided by a responsible investment policy

**PE 02.2** Describe how your organisation outlines expectations on staff and portfolio companies’ approach towards ESG issues in investment activities.

The assessment and mitigation of environmental, social and governance (ESG) risks are an integral and necessary consideration of our due diligence processes for each investment and go beyond simply complying with the applicable environmental laws and other permitting procedures. Our Investment Committee must approve all potential investments against our ESG-parameters and policy and any breach prevents us from making an investment.

The Impax ESG policy can be found here:

- Our investment activities are not guided by a responsible investment policy
- We do not have a responsible investment policy

### Fundraising of private equity funds

<table>
<thead>
<tr>
<th>PE 03</th>
<th>Mandatory</th>
<th>Public</th>
<th>Core Assessed</th>
<th>PRI 1,4,6</th>
</tr>
</thead>
</table>
Indicate if your most recent fund placement documents (private placement memorandums (PPM) or similar) refer to responsible investment.

Yes

Indicate how your most recent fund placement documents (PPM or similar) refer to the following responsible investment:

- [ ] Policy and commitment to responsible investment
- [ ] Approach to ESG issues in pre-investment processes
- [ ] Approach to ESG issues in post-investment processes
- [ ] Approach to ESG reporting

Describe how your organisation refers to responsible investment in fund placement documents (PPMs or similar). [Optional]

We are an Investment Manager dedicated to the environmental and clean-tech sectors and our private equity funds focus on alternative energy. We believe that a thorough understanding of environmental, social and governance issues will enhance our perspectives on both the opportunities and risks of our investments. In these documents we describe how the assessment and mitigation of environmental, social and governance (ESG) risks are an integral and necessary consideration of our due diligence processes for each investment and go beyond simply complying with the applicable environmental laws and other permitting procedures. Our Investment Committee must approve all potential investments against our ESG-parameters and any breach prevents us from making an investment. The firm's Head of Compliance has oversight of the private equity business and issues presenting a conflict of interest will be referred to the Limited Partner Committee and is listed on the conflict of interests register.

- **Environmental** - A throughout environmental impact assessment is required to procure permits necessary to build renewable energy projects in all European jurisdictions where we have our investments. We have undertaken to comply with the EU EIA Directive and apply it to investments in the EU and as applicable outside the EU as well. We are particularly sensitive to potential impacts on the habitat, air and water. Assessments cover issues such as flora and fauna, birds and bats (or other site/country specific wildlife as appropriate), soil and water and noise.

- **Social** - We take due consideration of social issues involved in our investment decisions and management of portfolio companies. Local communities are closely involved in the permitting phase of the projects we invest in and under EU-standard permitting procedures local citizens have a right to participate in the procedure. We tend to outsource operations, which are typically contracted competitively under international, project-finance standard terms. When we outsource operations or engage contractors, we ensure local employees are engaged when possible and as appropriate, for instance in operations and maintenance and security of the projects we invest in. Where investee companies have employees we closely monitor that these companies adhere to applicable employment laws and health and safety regulations.

- **Governance** - We seek to address and resolve any material governance issues prior to investing. Investment structures ensure control is maintained in our targets so that we can implement and direct oversight and governance systems. We will abandon discussions over a prospective transaction if we have any doubts over the integrity or practices of a counterparty and we may initiate a forensic review as a safeguard in this regard.

We have committed to our investors to specifically exclude investments in companies whose principle business activities are production of biofuels for resale or include residential or commercial real estate or natural resource (oil and gas, or mining) exploration and other restricted sectors that are not compliant with the definition of responsible investments.
Indicate whether your organisation made formal commitments to responsible investment in the, Limited Partnership Agreement (LPA) of your most recent fund(s), or through side letters when requested by investors.

☐ Yes

If yes

☐ In LPA, incorporated in the original draft as standard procedure
☐ In LPA, as requested by investors
☐ In side letter(s)
☐ Other

☐ No

The investment objective of our private equity funds is to invest in the renewable energy infrastructure sector such as solar, wind and hydro power as well as energy transmission, storage and distribution where the core activities are related to the renewable power sector. Restricted sectors refer to non-responsible investments such as those with negative ethical dimensions, toxic waste processing, oil and gas resource extraction etc. We have undertaken to comply with the EU EIA Directive and apply it to investments in the EU and as applicable outside the EU as well. We are specifically excluded from investing in any activities involving forced labour or destruction of critical habitats (with particular consideration of any negative impacts on Natura 2000 sites).

During due-diligence indicate if your organisation typically incorporates ESG issues when selecting private equity investments.

☐ Yes

Describe your organisation’s approach to incorporating ESG issues in private equity investment selection.

The assessment and mitigation of environmental, social and governance (ESG) risks are an integral and necessary consideration of our due diligence processes for each investment and go beyond simply complying with the applicable environmental laws and other permitting procedures. Our Investment Committee must approve all potential investments against our ESG-parameters and policy and any breach prevents us from making an investment.

1. Environmental. These considerations are a key factor for renewable energy projects. A thorough environmental impact assessment (EIA) is required in order to procure the permits/licences to build and operate wind, solar, hydro in all European jurisdictions. We have undertaken to comply with the EU EIA
Directive and apply it to investments in the EU and will apply to investments outside the EU if relevant in the future. We are particularly sensitive to potential impacts on the habitat, air and water, especially if the area is a Natura 2000 site. Assessments generally cover the following areas:

- Flora and fauna
- Birds, bats and aquatic biodiversity
- Soil and water/ water flow
- Noise

2. Social. We take due consideration of social issues involved in our investment decisions and management of portfolio companies. Local communities are closely involved in the permitting phase of the projects we invest in and under EU-standard permitting procedures local citizens have a right to participate in the procedure and often lease the land benefiting economically during the life of the project. Many of the projects in which we invest do not have employees. We tend to outsource operations, which are typically contracted competitively under international, project-finance standard terms. When we outsource operations or engage contractors, we ensure local employees are engaged when possible and as appropriate, for instance in operations and maintenance and security of the projects we invest in. We always insist that all applicable employment laws and health and safety regulations are duly observed. Moreover, in corporate investments, where the investee company has employees, we closely monitor that such investee company adheres to all applicable employment laws and health and safety regulations and all employee rights are respected. Quarterly board meetings will review such issues.

3. Governance. We seek to address and resolve any material governance issues prior to investing. Investment structures ensure control and accountability is maintained of our ownership interest in our targets so that we can implement straight forward direction and governance systems. Structures are established to ensure that interests between parties are aligned and where necessary independent non-executive directors are sought. We will abandon discussions over a prospective transaction if we have any doubts over the integrity or practices of a counterparty and we may initiate a forensic review as a safeguard in this regard. Impax’s compliance team complete checks on suppliers, service providers and counterparties engaged during sales and exit processes to comply with anti-monitoring laundering requirements and policies are in place at subsidiary company levels.

☐ No

<table>
<thead>
<tr>
<th>PE 06</th>
<th>Mandatory</th>
<th>Public</th>
<th>Core Assessed</th>
<th>PRI 1,3</th>
</tr>
</thead>
<tbody>
<tr>
<td>PE 06.1</td>
<td>Indicate what type of ESG information your organisation typically considers during your private equity investment selection process.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

☒ Raw data from target company
☐ Benchmarks against other companies
☒ Sector level data/benchmarks
☒ Country level data/benchmarks
☒ Reporting standards, industry codes and certifications
☒ International initiatives, declarations or standards
☒ Engagements with stakeholders (e.g. customers and suppliers)
☒ Advice from external resources
☐ Other, specify

Legal and regulatory aspects in the local context.

☐ We do not track this information
The assessment and mitigation of environmental, social and governance (ESG) risks are an integral and necessary consideration of our due diligence processes for each investment and go beyond simply complying with the applicable environmental laws and other permitting procedures. We engage specialist advisers to review potential targets and identify risk areas. Our investment team provide reports to our Investment Committee who must approve all potential investments against our ESG-parameters and policy and any breach prevents us from making an investment. Compliance checks are completed prior to any investments being made or new suppliers being appointed.

PE 07.1

During deal structuring, what is the process for integrating ESG-related considerations into the deal documentation and/or the post-investment action plan?

Yes

If yes

☒ Formally/through a post-investment action plan or value enhancement plan
☒ Verbally/through dialogue
☐ Other, specify

PE 07.2

Describe the nature of these improvements and provide examples (if any) from the reporting year

ESG aspects are a key factor for obtaining project permitting and continued operation, therefore at all stages of the project life, full compliance and where possible improvements of ESG-processes must be achieved. Regulations can tighten over time, hence requiring our projects to remain compliant and stay abreast of any changes. We engage local experts to ensure that we are up-to-date with current best practices.

During the year we established a joint venture platform to invest in small scale hydro development, construction and operation in Norway. During the investment process we designed the strategy, which was implemented after acquisition through the 100-day, 6 month and 12 months plans. These plans were aimed at setting up good structures and governance procedures (control systems, anti-money laundering procedures, appointment of non-executive directors, board charters), developing environmental plans for a portfolio of hydro power plants (site specific detailed environmental designs per plant) and establishing a well-functioning team with appropriate working conditions and protection (new local office for new appointments, liability insurance, compliance checks on appointments).

☐ We do not set expectations for portfolio companies on ESG-related considerations
PE 08.1 Indicate how ESG issues impacted your private equity investment selection processes during the reporting year.

☑ ESG issues helped identify risks
☑ ESG issues helped identify opportunities for value creation.
☑ ESG issues led to the abandonment of potential investments.
☐ ESG issues were considered but did not have an impact on the investment selection process
☐ Other, specify
☐ We do not track this potential impact

PE 08.2 Indicate how ESG issues impacted your private equity investment deals during the reporting year.

☑ ESG issues impacted the investment in terms of price offered and/or paid
☑ ESG issues were included in the post-investment action plan/100 day plan
☐ ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
☐ ESG issues were considered but did not have an impact on the deal structuring process
☐ Other, specify
☐ We do not track this potential impact

PE 08.3 Additional information. [OPTIONAL]

ESG aspects are a key factor for obtaining project permitting and continued operation, therefore at all stages of the project life, full compliance and where possible improvements of ESG-processes must be achieved. Risks are identified during the due diligence phase and any issues considered a risk to ESG which cannot be resolved post acquisition would result in a negative decision from the Investment Committee. Consideration is given to post acquisition structuring and may result in a requirement to resolve certain issues prior to our ownership.

Post-investment (monitoring)

PE 09 Mandatory Public Gateway/Core Assessed PRI 2

PE 09.1 Indicate whether your organisation incorporates ESG issues in investment monitoring of portfolio companies.

☐ Yes

PE 09.2 Indicate the proportion of portfolio companies where your organisation included ESG performance in investment monitoring during the reporting year.

☐ >90% of portfolio companies
☐ 51-90% of portfolio companies
☐ 10-50% of portfolio companies
☐ <10% of portfolio companies

(in terms of total number of portfolio companies)
Indicate ESG issues for which your organisation typically sets and monitors targets (KPIs or similar) and provide examples per issue.

<table>
<thead>
<tr>
<th>ESG issues</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Environmental</strong></td>
<td></td>
</tr>
<tr>
<td><strong>List up to three example targets of environmental issues</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Example 1</strong></td>
<td></td>
</tr>
<tr>
<td>Our renewable energy investments (wind, solar and small-scale hydro) continue to comply with rigorous EU environmental permits. Environmental Impact Assessments prepared for each project pre-construction.</td>
<td></td>
</tr>
<tr>
<td><strong>Example 2 (optional)</strong></td>
<td></td>
</tr>
<tr>
<td>Continued monitoring of noise, flora and fauna, water issues. Our deadline-monitoring systems part of management information packs ensuring consideration of these issues on regular basis.</td>
<td></td>
</tr>
<tr>
<td><strong>Example 3 (optional)</strong></td>
<td></td>
</tr>
<tr>
<td>Waste management systems and health and safety are the responsibility of our local operations and maintenance teams who report regularly on any issues.</td>
<td></td>
</tr>
<tr>
<td><strong>Social</strong></td>
<td></td>
</tr>
<tr>
<td><strong>List up to three example targets of social issues</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Example 1</strong></td>
<td></td>
</tr>
<tr>
<td>Continuing local stakeholder engagement, post-investment including subcontracting work to local counterparties. Local landowner’s interest aligned as they usually receive sales % generated from the plant.</td>
<td></td>
</tr>
<tr>
<td><strong>Example 2 (optional)</strong></td>
<td></td>
</tr>
<tr>
<td>Continuing monitoring ensuring observation of applicable employment laws, H&amp;S regulations when contractors are engaged. Teams of employees are contracted via monthly/annual reporting processes.</td>
<td></td>
</tr>
<tr>
<td><strong>Example 3 (optional)</strong></td>
<td></td>
</tr>
<tr>
<td>Ensuring adequate insurance policies are in place to provide protection.</td>
<td></td>
</tr>
<tr>
<td><strong>Governance</strong></td>
<td></td>
</tr>
<tr>
<td><strong>List up to three example targets of governance issues</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Example 1</strong></td>
<td></td>
</tr>
<tr>
<td>Anti-money laundering checks, continuing monitoring of integrity and practices of our investment counterparties. Policies established at subsidiary company levels, which are reviewed annually.</td>
<td></td>
</tr>
</tbody>
</table>
**Example 2 (optional)**

Continuing monitoring of ownership and oversight of governance systems e.g. establishing and annually reviewing board charter protocols and control systems.

☐ We do not set and/or monitor against targets

☐ No

### PE 09.4  Additional information. [Optional]

We report on carbon avoidance from our on-going renewable energy private equity projects, as part of our Montreal Pledge disclosures.

Impax’s latest renewable energy fund “NEF III” has been awarded the independently audited **Novethic Energy and Ecological Transition for the Climate, (EETC)**, green label due to these three assessed pillars:

- **Pillar 1**: Fund’s objectives and methodologies for the selection of assets contributing to the energy and ecological transition.
- **Pillar 2**: Consideration of ESG criteria in the construction and life of the portfolio
- **Pillar 3**: Highlighting positive impact on energy and ecological transition

### PE 10  Mandatory \ Public \ Core Assessed \ PRI 2

#### PE 10.1

Indicate if your organisation tracks the proportion of your portfolio companies that have an ESG/sustainability-related policy (or similar guidelines).

☐ Yes

#### PE 10.2

Indicate what percentage of your portfolio companies has an ESG/sustainability policy (or similar guidelines).

- ☐ >90% of portfolio companies
- ☐ 51-90% of portfolio companies
- ☐ 10-50% of portfolio companies
- ☐ <10% of portfolio companies
- ☐ 0% of portfolio companies

(in terms of total number of portfolio companies)

☐ No

#### PE 10.3  Additional information. [Optional]

Most of our private equity investments are into projects, not operating companies per se, however all of our projects and investments need to obtain (and continue to be in compliance with) rigorous EU environmental permits and adhere to our ESG policy.

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- **Pillar 1**: Fund’s objectives and methodologies for the selection of assets contributing to the energy and ecological transition.
- **Pillar 2**: Consideration of ESG criteria in the construction and life of the portfolio
- **Pillar 3**: Highlighting positive impact on energy and ecological transition
### Types of actions taken by portfolio companies

- **Allocate responsibility for ESG issues to board/senior management**

  **Implemented by percentage of portfolio companies**
  - ☑️ >90% of portfolio companies
  - ☐ 51-90% of portfolio companies
  - ☐ 10-50% of portfolio companies
  - ☐ <10% of portfolio companies
  - ☐ We do not track this information

  *(in terms of total number of portfolio companies)*

- **Composition of board ensure ESG expertise**

- **Consider ESG issues in risk management processes**

  **Implemented by percentage of portfolio companies**
  - ☑️ >90% of portfolio companies
  - ☐ 51-90% of portfolio companies
  - ☐ 10-50% of portfolio companies
  - ☐ <10% of portfolio companies
  - ☐ We do not track this information

  *(in terms of total number of portfolio companies)*

- **Define performance targets for applicable ESG issues in operations**

  **Implemented by percentage of portfolio companies**
  - ☑️ >90% of portfolio companies
  - ☐ 51-90% of portfolio companies
  - ☐ 10-50% of portfolio companies
  - ☐ <10% of portfolio companies
  - ☐ We do not track this information

  *(in terms of total number of portfolio companies)*

- **Identify and engage external parties or stakeholders that could add value or decrease risk through ESG issues**

  **Implemented by percentage of portfolio companies**
  - ☑️ >90% of portfolio companies
  - ☐ 51-90% of portfolio companies
  - ☐ 10-50% of portfolio companies
  - ☐ <10% of portfolio companies
  - ☐ We do not track this information

  *(in terms of total number of portfolio companies)*
Developing/implementing an environmental/social management system (ESMS) or similar

**Implemented by percentage of portfolio companies**

- ☑ >90% of portfolio companies
- ○ 51-90% of portfolio companies
- ○ 10-50% of portfolio companies
- ○ <10% of portfolio companies
- ○ We do not track this information

☐ Other actions, specify
☐ None of the above

---

**PE 11.2** Describe how your organisation contributes to the portfolio companies’ resourcing and management of ESG issues.

ESG aspects are integral for the success of renewable energy infrastructure projects, in order to obtain and maintain the required permitting, therefore the entire investment team, including senior management are focused on these issues. Responsibility for the ongoing monitoring of permit requirements is outsourced to local teams with experts in these areas to ensure current best practice is maintained and they report monthly/annually on performance. Management teams are responsible for developing business plans which include monitoring certain ESG issues.

---

**PE 12**

<table>
<thead>
<tr>
<th>Voluntary</th>
<th>Public</th>
<th>Descriptive</th>
<th>PRI 2,3</th>
</tr>
</thead>
<tbody>
<tr>
<td>PE 12.1</td>
<td>Indicate the type and frequency of reports you request and/or receive from portfolio companies covering ESG issues.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Type of reporting**

☐ Overarching portfolio company reports (or similar) where management disclosure, financial and ESG data are integrated

☑ Standalone reports highlighting targets and/or KPIs covering ESG issues

**Typical reporting frequency**

- ☑ Quarterly or more frequently
- ○ Biannually
- ○ Annually
- ○ Less frequently than annually
- ○ Ad-hoc/when requested, specify

☐ Other, specify
☐ No reporting on ESG issues requested and/or provided by portfolio companies
Describe what level of reporting you require from portfolio companies, and indicate what percentage of your assets are covered by ESG reporting. [OPTIONAL]

Monthly reports are provided for portfolio assets which include details on (if relevant)

- Development of environmental plans
- Environmental monitoring
- Environmental incidents or complaints
- Health and safety issues
- HR issues
- Compliance

We also report annually on carbon avoidance from our on-going renewable energy private equity projects:

<table>
<thead>
<tr>
<th>PE 13</th>
<th>Voluntary</th>
<th>Public</th>
<th>Additional Assessed</th>
<th>PRI 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>PE 13.1</td>
<td>Indicate whether during the reporting year your organisation disclosed information on ESG issues to potential buyers prior to exit for private equity investments.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>☑ We included ESG issues in pre-exit information</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>☐ We did not include ESG issues in pre-exit information</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>☐ N/A, we did not have any exits in the reporting year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

PE 13.2 Apart from disclosure, describe how your organisation considers ESG issues at exit.

ESG aspects are integral for the success of renewable energy infrastructure projects, in order to obtain and maintain the required permitting, therefore these issues are crucial for potential buyers prior to exit. All regular reporting is provided to potential buyers.

<table>
<thead>
<tr>
<th>PE 14</th>
<th>Voluntary</th>
<th>Public</th>
<th>Additional Assessed</th>
<th>PRI 1,2</th>
</tr>
</thead>
<tbody>
<tr>
<td>PE 14.1</td>
<td>Indicate whether your organisation measures how your approach to responsible investment in Private Equity investments has affected financial and/or ESG performance.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>☑ We measure whether our approach to ESG issues impacts the financial performance of investments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Describe the impact on:

<table>
<thead>
<tr>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive</td>
</tr>
<tr>
<td>Negative</td>
</tr>
<tr>
<td>No impact</td>
</tr>
</tbody>
</table>

- We measure whether our approach to ESG issues impacts the ESG performance of investments

None of the above

Describe how you are able to determine these outcomes.

ESG issues and full compliance with them are a prerequisite for the implementation and financial success of our renewable energy infrastructure projects.

Building, developing and operating renewable energy projects generates clean energy, allowing us to measure and report on carbon avoidance from our projects.

We report annually on renewable generation and carbon avoidance from our on-going renewable energy private equity projects:


Impax’s latest renewable energy fund “NEF III” has also been awarded the independently audited Novethic Energy and Ecological Transition for the Climate, (EETC), green label due to these three assessed pillars:

- **Pillar 1**: Fund's objectives and methodologies for the selection of assets contributing to the energy and ecological transition.
- **Pillar 2**: Consideration of ESG criteria in the construction and life of the portfolio
- **Pillar 3**: Highlighting positive impact on energy and ecological transition

Having the right governance systems is imperative to the success of our portfolio investments and time is taken to establish these immediately after acquisition. Protocols are reviewed annually.

We rely on the local teams engaged to provide services to our investments and the monthly and annual reporting provides the information that we need to know if issues have been correctly addressed. We review performance annually.
Provide examples of ESG issues that you identified in your potential and/or existing private equity investments during the reporting year.

Add Example 1

<table>
<thead>
<tr>
<th>Investment Stage</th>
<th>F</th>
<th>Initial screening</th>
<th>☐</th>
<th>Due diligence</th>
<th>☐</th>
<th>Investment decision</th>
<th>☒</th>
<th>Investment monitoring</th>
<th>☐</th>
<th>Prior to exit</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESG issues</td>
<td>☒</td>
<td>Environmental</td>
<td>☒</td>
<td>Social</td>
<td>☐</td>
<td>Governance</td>
<td>☐</td>
<td></td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>Sector(s)</td>
<td></td>
<td>Small-scale hydro development (Norway).</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impact (or potential impact) on the investment</td>
<td>Small-scale hydro development (Norway) requires detailed environmental plans to be developed and approved by the relevant regulatory body (NVE). Relevant studies being completed as necessary to develop plan (for portfolio of assets). Permitting delays, or amendments to detailed designs prior to (and monitoring during) construction.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activities undertaken to influence the investment and its response</td>
<td>On-going engagement with local experts understanding issues relating to hydro project design and authorities during approval process and local stakeholders necessary to achieve approval.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Add Example 2
| Investment Stage | □ Initial screening  
□ Due diligence  
□ Investment decision  
☑ Investment monitoring  
□ Prior to exit |

<table>
<thead>
<tr>
<th>ESG issues</th>
<th>ESG issues</th>
</tr>
</thead>
</table>
| ☑ Environmental  
Noise and environmental impacts.  
□ Social  
□ Governance |

<table>
<thead>
<tr>
<th>Sector(s)</th>
<th>Re-powering a wind farm in France.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact (or potential impact) on investment</td>
<td>Noise and other studies being undertaken to check the environmental impacts of the proposal and to obtain required permitting.</td>
</tr>
<tr>
<td>Activities undertaken to influence the investment and its response</td>
<td>Appointment of French development experts to manage the process as well as engagement with authorities and local stakeholders.</td>
</tr>
</tbody>
</table>
Investment Stage

- Initial screening
- Due diligence
- Investment decision
- Investment monitoring
- Prior to exit

ESG issues

- Environmental
- Social
- Governance

Governance structures for joint venture

Sector(s)
Norwegian small-scale hydro development joint venture platform

Impact (or potential impact) on investment
Joint venture structure established with governance systems developed to ensure accountability, align interests, maintain control and independence (appointment of non-executive director).

Activities undertaken to influence the investment and its response
Assistance from local lawyers to assist with governance best practices for the structures being established.

PE 15.2 Describe how you define and evaluate the materiality of ESG factors.

Environmental and social factors are material, as they have a direct effect on permitting, which is a prerequisite for successful renewable energy infrastructure projects.

ESG factors are identified and defined during the investment process through due diligence reports commissioned by expert advisers presented and analysed by our investment team and investment committee. Consideration goes beyond simply complying with the applicable environmental laws and other permitting procedures. These are integrated in the investment structuring and strategy building process and follow through into the business planning process. Our Investment Committee must approve all potential investments against our ESG-parameters and any breach prevents us from making an investment.

Material environmental factors will be required under permits which are necessary to develop and build renewable energy projects. Concessions must be awarded through transparent processes. We work through the environmental risk factors during the development and construction phase with dedicated experts and obtain the necessary reviews and sign off by regulatory bodies. During the operational phases these risks are usually reduced (as they have been considered thoroughly during the design process), so we outsource the ongoing responsibility to manage these to local teams who review regularly and ensure that we keep up with best practice. To date investments have been made in Europe and adhere to EU EIA Directive and Water Framework Directive. If a new build project has the potential to affect a Natura 2000 site protected under the Habitats Directive or Birds Directive, additional care is taken, and a more detailed assessment is completed to ensure no negative impact as a result of the build. We develop calendars to ensure that the requirements under permits are monitored with the correct frequency and with sufficient time to put the proper considerations in place.

Social issues are considered during the management of portfolio companies and design of management reporting systems. Local communities are closely involved in the permitting phase of the projects we invest in and under EU-standard permitting procedures local citizens have a right to participate in the procedure. Where investments have employees we adhere to EU directives on social matters such as European Principles for the Environmental and
Human Rights Law. We always insist that all applicable employment laws and health and safety regulations are duly observed, and comprehensive insurance policies are in place. Compliance checks are completed on all outsourced providers and suppliers engaged.

We seek to address and resolve any material governance issues prior to investing. Our preferred approach is to acquire 100% of the ownership interest in our targets, otherwise investments are structured so that we maintain control. Then we can implement straightforward oversight and governance systems. Compliance checks are completed on all counterparties we engage with and all suppliers adhere to anti money laundering policies. Quarterly board meetings at joint venture company levels ensure that enough time is dedicated to review governance issues. Annual review meetings identify any risk areas, whilst monthly investment meetings can implement regular reviews if issues arise in the meantime.

<table>
<thead>
<tr>
<th>Communication</th>
</tr>
</thead>
<tbody>
<tr>
<td>PE 16</td>
</tr>
<tr>
<td>PE 16.1</td>
</tr>
</tbody>
</table>

Impax is committed to ensuring highest transparency and integrity, mitigating any conflicts of interest and communicating openly and regularly with our investors. Impax issues detailed quarterly management reports that are in accordance with the Invest Europe Investor Reporting Guidelines which aim to promote ethical and professional standards within the private equity industry. Annual AGMs are held to communicate with investors and LP Committee meetings are held to review such issues and report back to investors as necessary. Our compliance team supports the private equity function with structures and processes and provides regular training on issues the team must be aware of.
Impax Asset Management

Reported Information

Public version

Direct - Inclusive Finance

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.
### IFD 01

<table>
<thead>
<tr>
<th>Voluntary</th>
<th>Public</th>
<th>Descriptive</th>
<th>PIIF General</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IFD 01.1</strong></td>
<td>Indicate if you have a distinct mission and investment objective for your investment in inclusive finance.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Yes

| **IFD 01.2** | Describe your inclusive finance mission and investment objective. |

IAM LLC seeks to invest with organizations that target underserved localities in the areas of affordable housing, small businesses, community development and revitalization, health care, education, women’s equality, and the environment, among others. IAM LLC believes these investments may have a positive direct impact on underserved localities, which is an important principle of our investment and business philosophy.

IAM LLC works to achieve its inclusive finance mission by investing in short-term notes and certificates of deposit issued by microfinance institutions (MFIs) and non-specialized microfinance service providers, including:

- Community Development Financial Institutions (CDFIs)
- US-based credit unions
- Non-for-profit organizations

### IFD 02

<table>
<thead>
<tr>
<th>Voluntary</th>
<th>Public</th>
<th>Descriptive</th>
<th>PIIF General</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IFD 02.1</strong></td>
<td>Provide a brief description of the governance and management structures and processes you have in place for your responsible investment activities and implementation of the PIIF.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

By prospectus, each of the funds managed by IAM LLC may invest up to 5% of fund assets in community development financial institutions. In practice, we are currently focused on utilizing these vehicles in our fixed income strategies: the Pax Core Bond Fund and the Pax High Yield Bond Fund.

The Sustainability Research Department and Investment Management Department collaborate in identifying potential investment opportunities and replacing securities as they mature. Additionally, we report on the type and value of these investments in quarterly updates on our website.

- I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .png, .bmp and .gif)

### IFD 03

<table>
<thead>
<tr>
<th>Voluntary</th>
<th>Public</th>
<th>Descriptive</th>
<th>PIIF General</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IFD 03.1</strong></td>
<td>Indicate if you set social targets for your organisation, specific to inclusive finance.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Yes
- No
### IFD 04.1
Of your total assets invested directly in inclusive finance, indicate what percentage is invested in the following:

<table>
<thead>
<tr>
<th></th>
<th>Equity</th>
<th>Debt</th>
<th>Guarantees</th>
<th>Other, specify</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0%</td>
<td>□ 0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>&lt;20%</td>
<td>□ &lt;20%</td>
<td>&lt;20%</td>
<td>&lt;20%</td>
</tr>
<tr>
<td></td>
<td>20-40%</td>
<td>□ 20-40%</td>
<td>20-40%</td>
<td>20-40%</td>
</tr>
<tr>
<td></td>
<td>41-60%</td>
<td>□ 41-60%</td>
<td>41-60%</td>
<td>41-60%</td>
</tr>
<tr>
<td></td>
<td>61-80%</td>
<td>□ 61-80%</td>
<td>61-80%</td>
<td>61-80%</td>
</tr>
<tr>
<td></td>
<td>&gt;80%</td>
<td>□ &gt;80%</td>
<td>&gt;80%</td>
<td>&gt;80%</td>
</tr>
</tbody>
</table>

**Of which, subordinated debt**

|          | 0%                        | <20%                      | 20-40%                    | 41-60%         |
|          | 61-80%                    | >80%                      | 61-80%                    | >80%           |

|          | Certificates of Deposits (CDs) | 0%                        | <20%                      | 20-40%         |
|          |                                  | 41-60%                    | 61-80%                    | >80%           |

**Total** 100%
**IFD 05**

<table>
<thead>
<tr>
<th>IFD 05.1</th>
<th>Of your total assets invested directly in inclusive finance, indicate what percentage is invested in the following:</th>
</tr>
</thead>
</table>
| **Microfinance** | □ 0%  
□ <20%  
□ 20-40%  
□ 41-60%  
□ 61-80%  
□ >80%  |
| **Other, specify** | □ 0%  
□ <20%  
□ 20-40%  
□ 41-60%  
□ 61-80%  
□ >80%  |

**IFD 06**

<table>
<thead>
<tr>
<th>IFD 06.1</th>
<th>Indicate if you track the geographical spread of your total assets invested directly in microfinance.</th>
</tr>
</thead>
</table>
| □ Yes  
□ No  |

**PIIF Principle 1: Range of services**
**Possible action:**

Develop and extend the range of financial services available to low-income populations. Extensions could include savings, loans, insurance, payment services, remittance facilities and pension plans.

<table>
<thead>
<tr>
<th>IFD 07</th>
<th>Mandatory</th>
<th>Public</th>
<th>Core Assessed</th>
<th>PIIF 1</th>
</tr>
</thead>
</table>

### IFD 07.1
Indicate if you track the percentage of your microfinance investees' portfolio that is in microenterprise loans.

- Yes, we track
- No, we do not track
- Not applicable (there are no microenterprise loans in the portfolio)

### IFD 07.2
Indicate if you track the percentage of your microfinance investees' portfolio that is in loans for immediate household needs (i.e. consumer loans).

- Yes, we track
- No, we do not track
- Not applicable (there are no loans for immediate household needs in the portfolio)

### IFD 07.3
Indicate if you track the percentage of your investees' portfolio in housing loans.

- Yes, we track
- No, we do not track
- Not applicable (there are no loans for housing in the portfolio)

<table>
<thead>
<tr>
<th>IFD 08</th>
<th>Mandatory</th>
<th>Public</th>
<th>Core Assessed</th>
<th>PIIF 1</th>
</tr>
</thead>
</table>

### IFD 08.1
In your microfinance portfolio, indicate if you support the provision of financial services beyond credit, compulsory savings and/or compulsory insurance.

- Yes
- No

<table>
<thead>
<tr>
<th>IFD 09</th>
<th>Voluntary</th>
<th>Public</th>
<th>Additional Assessed</th>
<th>PIIF 1</th>
</tr>
</thead>
</table>

**Possible action:**

Encourage providers to introduce innovative products tailored to needs of low-income clients.

Encourage providers to expand their service offering to more remote areas and more vulnerable populations.

### IFD 09.1
Indicate if you support the introduction of services tailored to the following client groups.
### Client groups

<table>
<thead>
<tr>
<th>Client groups</th>
<th>Yes/No</th>
</tr>
</thead>
<tbody>
<tr>
<td>The very poor</td>
<td>✔ Yes</td>
</tr>
<tr>
<td>The poor</td>
<td>✔ Yes</td>
</tr>
<tr>
<td>Low income clients</td>
<td>✔ Yes</td>
</tr>
</tbody>
</table>

### IFD 09.2
Indicate if you collect data regarding the percentage or number of total active clients that are:

<table>
<thead>
<tr>
<th>Location</th>
<th>Yes/No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural</td>
<td>✔ Yes</td>
</tr>
<tr>
<td>Urban</td>
<td>✔ Yes</td>
</tr>
<tr>
<td>Female</td>
<td>✔ Yes</td>
</tr>
</tbody>
</table>

### IFD 10
Possible action:

*Supporting retail providers.*

### IFD 10.1
Indicate if you provide technical assistance to your investees.

<table>
<thead>
<tr>
<th>Assisted</th>
<th>Yes/No</th>
</tr>
</thead>
<tbody>
<tr>
<td>✔ Yes</td>
<td></td>
</tr>
<tr>
<td>☐ No</td>
<td></td>
</tr>
</tbody>
</table>
IAM LLC has, on occasion, consulted with potential microfinance investees regarding how they could widen their investor base by issuing notes that are eligible for inclusion in mutual fund products. As an example, we worked with Envest Microfinance to obtain daily pricing for its new note offering, which enabled our investment. A brief description of this effort can be found on the Envest Microfinance website: <https://investwithvalues.com/news/envest-microfinance/>

### PIIF Principle 2: Client protection

**Possible action:**

*Publicly endorse the Client Protection Principles (CPP).*

#### IFD 11

<table>
<thead>
<tr>
<th>IFD 11</th>
<th>Mandatory</th>
<th>Public</th>
<th>Core Assessed</th>
<th>PIIF 2</th>
</tr>
</thead>
</table>

**Indicate if you have publicly endorsed the Client Protection Principles.**

- ☐ Yes
- ☐ No

#### IFD 11.2

**Additional information. [Optional]**

IAM LLC works to achieve its inclusive finance mission by investing in short-term notes and certificates of deposit issued by microfinance institutions (MFIs) and non-specialized microfinance service providers. IAM LLC does not work directly with clients, or provide consultancy services related to microfinance lending, as we only deal with the issuers of securities that are eligible for inclusion in our investment portfolios. All securities included in our investment portfolios, including inclusive finance securities, are evaluated using our ESG framework, which includes an analysis of issuer-specific management of microfinance lending operations.

#### IFD 12

<table>
<thead>
<tr>
<th>IFD 12</th>
<th>Voluntary</th>
<th>Public</th>
<th>Additional Assessed</th>
<th>PIIF 2</th>
</tr>
</thead>
</table>

**Indicate if you provide training or assistance for your investees in implementing the Client Protection Principles and/or other client protection measures.**

- ☐ Yes
- ☐ No

#### IFD 12.2

**Additional information.**

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Indicate if you include the Client Protection Principles and/or other client protection measures in your investment policies.

- Yes
- No

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**PIIF Principle 3: Fair treatment**

**Possible action:**
Provide financing in an appropriate currency and tenor.

In relation to your direct portfolio in debt, indicate if you provide investment in local currency.

- Yes
- No

**Possible action:**
Provide financing in an appropriate currency and tenor.
Actively support the building of a diversified funding base.
In relation to your direct portfolio in debt, indicate what percentage have a maturity (from the point of investment) of the specified duration:

- 12 months or fewer
- 13 to 24 months
- 25 to 60 months
- Over 60 months

Indicate percentage:

- <20
- 20-40%
- 41-60%
- 61-80%
- >80%

Indicate if you have a set limit regarding the maximum fixed income investment exposure of the investees in which you invest. [Optional]

- Yes
- No

Possible action:

Negotiate terms and conditions that are transparent, fair and reasonable, including fair break-up clauses.

Indicate if you adopt the following practices:

- For fixed income investments: Use the Lenders’ Guidelines for Setting Covenants in Support of Responsible Microfinance as an example or reference document.
- Ensure that the investee understands the terms, covenants and their implications prior to signing loan / shareholder documentation.
- Foster trust and proactive dialogue with investees through straightforward discussions on issues such as a covenant breach.
- In the case of material covenant breach, create/participate in a voluntary workout group where applicable, with the goal to help the investee remain a going concern whenever possible.
- For fixed income investments: Train your staff on effective monitoring and covenant waiver negotiations to manage deteriorating conditions, and transition a non-performing loan from loan origination staff to specialised workout staff.
- Encourage investee skills-building on financial projections, scenario planning and stress-testing for management, and on financial expertise and governance for Directors.
- Other (explain)
- None of the above
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### PIIF Principle 4: Responsible Investment

**Possible action:**

*Negotiate terms and conditions that are transparent, fair and reasonable, including fair break-up clauses.*

<table>
<thead>
<tr>
<th>IFD 18</th>
<th>Mandatory</th>
<th>Public</th>
<th>Gateway</th>
<th>PIIF 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>IFD 18.1</td>
<td>Indicate if you use the following tools for social performance reporting:</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Externally developed tools**

- During due diligence.
  - Yes
  - No
  - We don’t track social performance

- For monitoring and reporting purposes.
  - Yes
  - No
  - We don’t track social performance

Describe the approaches used and frequency of use.

IAM LLC is currently developing in-house environmental and social performance reporting.

**In-house tools based on externally developed tools**
### Tools developed solely in-house

<table>
<thead>
<tr>
<th>During due diligence.</th>
<th>For monitoring and reporting purposes.</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Yes</td>
<td>☐ Yes</td>
</tr>
<tr>
<td>☒ No</td>
<td>☐ No</td>
</tr>
<tr>
<td>☐ We don’t track social performance</td>
<td>☐ We don’t track social performance</td>
</tr>
</tbody>
</table>

#### IFD 19

<table>
<thead>
<tr>
<th>Mandatory</th>
<th>Public</th>
<th>Descriptive</th>
<th>PIIF 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>IFD 19.1</td>
<td>Indicate if you require the retail institutions in which you invest to have an independent financial rating.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>☐ Always</td>
<td>☐ In a majority of cases</td>
<td>☒ No</td>
<td></td>
</tr>
<tr>
<td>☐ In a minority of cases</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
IFD 19.2  
Indicate if you require the retail institutions in which you invest to have an independent social rating.

- Always
- In a majority of cases
- In a minority of cases
- No

IFD 19.3  
Indicate if you require the retail institutions in which you invest to have an independent social audit.

- Yes
- No

IFD 19.4  
Additional information. [Optional]

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IFD 20  
Mandatory | Public | Core Assessed | PIIF 4

**Possible action:**
Assist in developing appropriate references for corporate governance issues.

IFD 20.1  
In relation to your due diligence on and monitoring and reporting of corporate governance among investees, indicate if you assess:

**Compensation of the Board of Directors and Executive Directors (i.e. its transparency, the use of benchmarking)**

- Pre-investment
  - Yes
  - No
  - Not for all of our investments in inclusive finance

- Post-investment
  - Yes
  - No
  - Not for all of our investments in inclusive finance

**Composition of the Board (i.e. breadth and depth of experience, effective client representation, diversity)**
### Pre-investment

- **Yes**
- **No**
- Not for all of our investments in inclusive finance

### Post-investment

- **Yes**
- **No**
- Not for all of our investments in inclusive finance

**Whether the Board receives social performance management-related information from the management team that is analysed and contributes to Board decision making.**

<table>
<thead>
<tr>
<th>Pre-investment</th>
<th>Voluntary</th>
<th>Public</th>
<th>Descriptive</th>
<th>PIIF 4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Yes</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>No</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not for all of our investments in inclusive finance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Post-investment</th>
<th>Voluntary</th>
<th>Public</th>
<th>Descriptive</th>
<th>PIIF 4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Yes</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>No</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not for all of our investments in inclusive finance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Possible action:**

*Assist in developing appropriate references for corporate governance issues.*

<table>
<thead>
<tr>
<th>IFD 21.1</th>
<th>Voluntary</th>
<th>Public</th>
<th>Descriptive</th>
<th>PIIF 4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indicate if you provide training or assistance for your investees on corporate governance.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Yes</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>No</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
IAM LLC works to achieve its inclusive finance mission by investing in short-term notes and certificates of deposit issued by microfinance institutions (MFIs) and non-specialized microfinance service providers. IAM LLC does not work directly with clients, or provide consultancy services related to microfinance lending, as we only deal with the issuers of securities that are eligible for inclusion in our investment portfolios. All securities included in our investment portfolios, including inclusive finance securities, are evaluated using our ESG framework, which includes an analysis of issuer-specific management of microfinance lending operations.

<table>
<thead>
<tr>
<th>IFD 23.1</th>
<th>Indicate if you have a procedure to integrate the consideration of environmental issues in your investment decision processes.</th>
</tr>
</thead>
</table>
| ☒ Yes | ☒ For all inclusive finance investments  
☐ For a majority of inclusive finance investments  
☐ For a minority of inclusive finance investments |

IAM LLC integrates environmental factors into investment analysis and decision making for all securities included in our portfolios, including securities issued by MFIs and non-specialized microfinance service providers.

Our environmental criteria includes emissions, recycling and waste reduction, use of clean and renewable energy, climate change initiatives, and other issuer-specific policies and practices relating to environmental impact.

<table>
<thead>
<tr>
<th>IFD 23.2</th>
<th>Describe how your procedure to integrate the consideration of environmental issues in your investment decisions processes affect decisions pre-investment. [Optional]</th>
</tr>
</thead>
</table>

Issuers with declining environmental profiles and/or involvement in controversies related to environmental degradation may be excluded for investment.

<table>
<thead>
<tr>
<th>IFD 23.3</th>
<th>Describe how your procedure to integrate the consideration of environmental issues in your investment decisions processes affect decisions post-investment. [Optional]</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ No</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>IFD 23.4</th>
<th>Indicate if you request your investees to comply with an environmental exclusion list.</th>
</tr>
</thead>
</table>
| ☐ Yes, for all investees  
☐ Yes, for a majority of investees  
☐ Yes, for a minority of investees  
☐ No |
**Possible action:**

Promote implementation of anti-corruption practices.

<table>
<thead>
<tr>
<th>IFD 24.1</th>
<th>Indicate if you have anti-corruption policies.</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Yes, published</td>
<td></td>
</tr>
<tr>
<td>☐ Yes, but not published</td>
<td></td>
</tr>
<tr>
<td>☐ No</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>IFD 24.2</th>
<th>Indicate if you have internal whistle-blowing policies.</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Yes, published</td>
<td></td>
</tr>
<tr>
<td>☐ Yes, but not published</td>
<td></td>
</tr>
<tr>
<td>☐ No</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>IFD 24.3</th>
<th>Indicate if you review whether your investees have anti-corruption policies as part of your due diligence process.</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Yes</td>
<td></td>
</tr>
<tr>
<td>☐ No</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>IFD 24.4</th>
<th>Indicate if you review whether your investees have internal whistle-blowing policies as part of your due diligence process.</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Yes</td>
<td></td>
</tr>
<tr>
<td>☐ No</td>
<td></td>
</tr>
</tbody>
</table>

**PIIF Principle 5: Transparency**

<table>
<thead>
<tr>
<th>IFD 25</th>
<th>Voluntary</th>
<th>Public</th>
<th>Additional Assessed</th>
<th>PIIF 5</th>
</tr>
</thead>
</table>

**Possible action:**

Fully disclose policies, criteria and related conditions of products and services to investees and other relevant stakeholders.

<table>
<thead>
<tr>
<th>IFD 25.1</th>
<th>Indicate how your mission and investment objectives communicated to stakeholders (e.g. investees, investors).</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Publicly</td>
<td></td>
</tr>
</tbody>
</table>

Provide a URL

{[hyperlink:https://paxworld.com/about/}|

<table>
<thead>
<tr>
<th>IFD 26</th>
<th>Mandatory</th>
<th>Public</th>
<th>Core Assessed</th>
<th>PIIF 5</th>
</tr>
</thead>
</table>

| ☐ Selected stakeholders only |
| ☐ On request only |
**Possible action:**  
*Fully disclose policies, criteria and related conditions of products and services to investees and other relevant stakeholders.*

<table>
<thead>
<tr>
<th>IFD 26.1</th>
<th>Other than the PRI/PIIF, indicate if you provide your investors and/or the public with information aligned with industry standards.</th>
</tr>
</thead>
<tbody>
<tr>
<td>○ Yes</td>
<td>□ No</td>
</tr>
</tbody>
</table>

**Possible action:**  
*Ensure that investees adequately disclose the pricing, terms and conditions of financial products and services offered, and that the pricing, terms and conditions are understood by clients.*

<table>
<thead>
<tr>
<th>IFD 27.1</th>
<th>Indicate if you encourage the retail institutions in which you invest to ensure that the following are transparent and fully explained to their clients (i.e. those seeking financial services from them) in a form they can understand.</th>
</tr>
</thead>
<tbody>
<tr>
<td>○ Yes</td>
<td>□ No</td>
</tr>
<tr>
<td>Pricing</td>
<td></td>
</tr>
<tr>
<td>○ Yes</td>
<td>□ No</td>
</tr>
<tr>
<td>Other terms and conditions</td>
<td></td>
</tr>
<tr>
<td>○ Yes</td>
<td>□ No</td>
</tr>
</tbody>
</table>

**Additional information. [Optional]**

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**PIIF Principle 7: Standards**

<table>
<thead>
<tr>
<th>IFD 32</th>
<th>Mandatory</th>
<th>Public</th>
<th>Core Assessed</th>
<th>PIIF 7</th>
</tr>
</thead>
</table>

**Possible action:**  
*Participate in networks to share tools, information and resources.*
Select which of the following collaborative initiatives your organisation has supported or participated in, and the role you played.

<table>
<thead>
<tr>
<th>IFD 32.1</th>
<th>The Principles for Investors in Inclusive Finance</th>
</tr>
</thead>
<tbody>
<tr>
<td>🌟 Yes</td>
<td>🌟 Basic</td>
</tr>
<tr>
<td>🌟 Moderate</td>
<td>🌟 Advanced</td>
</tr>
<tr>
<td>🌟 No</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>IFD 33</th>
<th>Voluntary</th>
<th>Public</th>
<th>Additional Assessed</th>
<th>PIIF 7</th>
</tr>
</thead>
</table>

Yes or No
**Possible action:**

Participate in networks to share tools, information and resources.

<table>
<thead>
<tr>
<th>IFD 33.1</th>
<th>Indicate if you encourage your investees to be a member of/endorse the following:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Social Performance Task Force</td>
</tr>
<tr>
<td></td>
<td>☐ Yes</td>
</tr>
<tr>
<td></td>
<td>☑ No</td>
</tr>
<tr>
<td></td>
<td>The Smart Campaign</td>
</tr>
<tr>
<td></td>
<td>☐ Yes</td>
</tr>
<tr>
<td></td>
<td>☑ No</td>
</tr>
<tr>
<td></td>
<td>Other network and association memberships and/or specific collaboration related to the promotion of inclusive finance. (specify)</td>
</tr>
<tr>
<td></td>
<td>☐ Yes</td>
</tr>
<tr>
<td></td>
<td>☑ No</td>
</tr>
</tbody>
</table>

**Possible action:**

Contribute to advancing benchmarking, as an incentive for improvement.

<table>
<thead>
<tr>
<th>IFD 34.1</th>
<th>Indicate if you encourage your investees to participate in initiatives which contribute to the development of industry benchmarks.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MIX Market</td>
</tr>
<tr>
<td></td>
<td>☐ Yes</td>
</tr>
<tr>
<td></td>
<td>☑ No</td>
</tr>
<tr>
<td></td>
<td>MFTransparency</td>
</tr>
<tr>
<td></td>
<td>☐ Yes</td>
</tr>
<tr>
<td></td>
<td>☑ No</td>
</tr>
<tr>
<td></td>
<td>Universal Standards for Social Performance Management</td>
</tr>
<tr>
<td></td>
<td>☐ Yes</td>
</tr>
<tr>
<td></td>
<td>☑ No</td>
</tr>
<tr>
<td></td>
<td>Other, specify</td>
</tr>
<tr>
<td></td>
<td>☐ Yes</td>
</tr>
<tr>
<td></td>
<td>☑ No</td>
</tr>
</tbody>
</table>
Impax Asset Management

Reported Information

Public version

Confidence building measures

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.
### Confidence building measures

<table>
<thead>
<tr>
<th>CM1 01</th>
<th>Mandatory</th>
<th>Public</th>
<th>Additional Assessed</th>
<th>General</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CM1 01.1</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>☐ Third party assurance over selected responses from this year’s PRI Transparency Report</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>☑ Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>☐ Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>☐ Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>☑ Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>☑ Whole PRI Transparency Report has been internally verified</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>☐ Selected data has been internally verified</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>☐ Other, specify</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>☐ None of the above</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CM1 02</th>
<th>Mandatory</th>
<th>Public</th>
<th>Descriptive</th>
<th>General</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CM1 02.1</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>We undertook third party assurance on last year’s PRI Transparency Report</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>☐ Whole PRI Transparency Report was assured last year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>☑ Selected data was assured in last year's PRI Transparency Report</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>☐ We did not assure last year's PRI Transparency report</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>☐ None of the above, we were in our preparation year and did not report last year.</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

| CM1 02.2 | | | | |
| Whole report was assured in last year’s PRI Transparency Report |

Who has conducted the assurance

**Thematic environmental universe screening process:** Ashland Consultants
**Environmental impact measurement:** EY
<table>
<thead>
<tr>
<th>Assurance standard used</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ ISAE/ ASEA 3000</td>
</tr>
<tr>
<td>☑ ISAE 3402</td>
</tr>
<tr>
<td>☑ ISO standard</td>
</tr>
<tr>
<td>☑ AAF01/06</td>
</tr>
<tr>
<td>☑ AA1000AS</td>
</tr>
<tr>
<td>☑ IFC performance standards</td>
</tr>
<tr>
<td>☑ National standard</td>
</tr>
<tr>
<td>☑ Other</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Specify</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact assurance (methodology, data, calculations), ISAE 3000 equivalent</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Level of assurance sought</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ Limited or equivalent</td>
</tr>
<tr>
<td>☑ Reasonable or equivalent</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Link to external assurance provider's report</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>CM1 02.2 Selected data was assured in last year’s PRI Transparency Report</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>What data has been assured</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ Financial and organisational data</td>
</tr>
<tr>
<td>☑ Data related to RI activities</td>
</tr>
<tr>
<td>☑ RI policies</td>
</tr>
<tr>
<td>☑ RI processes (e.g. engagement process)</td>
</tr>
<tr>
<td>☑ ESG operational data of the portfolio</td>
</tr>
<tr>
<td>☑ Other</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Relevant modules</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ Organisational Overview</td>
</tr>
<tr>
<td>☑ Strategy and Governance</td>
</tr>
<tr>
<td>☑ Direct - Listed Equity Incorporation</td>
</tr>
<tr>
<td>☑ Direct - Listed Equity Active Ownership</td>
</tr>
<tr>
<td>☑ Direct - Fixed Income</td>
</tr>
<tr>
<td>☑ Direct – Private Equity</td>
</tr>
<tr>
<td>☑ Direct - Inclusive Finance</td>
</tr>
</tbody>
</table>
### CM1 03.1
We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- We adhere to an RI certification or labelling scheme

### CM1 03.2
Which scheme?

- National SRI label based on the EUROSIF Transparency guidelines
- B-corporation
- UK Stewardship code

<table>
<thead>
<tr>
<th>% of total AUM the scheme applies</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ &lt; 25%</td>
</tr>
<tr>
<td>☐ 25-50 %</td>
</tr>
<tr>
<td>☐ 50-70 %</td>
</tr>
<tr>
<td>☑ &gt;75 %</td>
</tr>
</tbody>
</table>

- GRESB
- Commodity type label (e.g. BCI)
- Social label
- ☑ Climate label

#### Specify

Novethic Green Labels (Thematic Environmental Listed Equities)
Novethic Energy and Ecological Transition for the Climate, (EETC) (Private Equity)

<table>
<thead>
<tr>
<th>% of total AUM the scheme applies</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ &lt; 25%</td>
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<tr>
<td>☐ 50-70 %</td>
</tr>
<tr>
<td>☐ &gt;75 %</td>
</tr>
</tbody>
</table>

- RIIA
- Other

- We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year’s PRI Transparency Report

### CM1 03.3
Provide a link to the public report (such as a sustainability report that you carry out third party assurance over and for which you have used extracts of in this year’s PRI Transparency Report. Also include a link to the external assurance provider’s report.

**CM1 04** | **Mandatory** | **Public** | **Descriptive** | **General**
--- | --- | --- | --- | ---
**CM1 04.1** | Do you plan to conduct third party assurance of this year’s PRI Transparency report? |  |  |  
- [ ] Whole PRI Transparency Report will be assured 
- [x] Selected data will be assured

**CM1 04.2b** | Selected data will be assured |  |  |  
| What data will be assured |  |  |  
- [ ] Financial and organisational data 
- [x] Data related to RI activities 
- [ ] RI policies 
- [ ] RI processes (e.g. engagement process) 
- [x] ESG operational data of the portfolio 
- [ ] Other

| Relevant modules |  |  |  
- [ ] Organisational Overview 
- [ ] Strategy and Governance 
- [x] Direct - Listed Equity Incorporation 
- [ ] Direct - Listed Equity Active Ownership 
- [ ] Direct - Fixed Income 
- [x] Direct – Private Equity 
- [ ] Direct - Inclusive Finance 
- [ ] We do not plan to assure this year’s PRI Transparency report

**CM1 04.2a** | Provide details related to the assurance that will be conducted |  |  |  
| Expected date the assurance will be complete |  |  |  
| 31/12/2018 |  |  |  

Link to external assurance provider’s report [URL]


- [ ] ESG audit of holdings 
- [ ] Other, specify 
- [ ] None of the above
**Who will conduct the assurance**

Thematic universe screening process, proxy voting process: Ashland Consultants  
Environmental impact measurement: EY  
Private Equity (NEF III) Green Label: Novethic

**Assurance standard to be used**

- ISAE/ ASEA 3000
- ISAE 3402
- ISO standard
- AAF01/06
- AA1000AS
- IFC performance standards
- National standard
- Other

**Specify**

Impact assurance (methodology, data, calculations), ISAE 3000 equivalent

**Level of assurance sought**

- Limited or equivalent
- Reasonable or equivalent

<table>
<thead>
<tr>
<th>CM1 05</th>
<th>Mandatory</th>
<th>Public</th>
<th>Descriptive</th>
<th>General</th>
</tr>
</thead>
<tbody>
<tr>
<td>CM1 05.1</td>
<td>Provide details related to the third party assurance over selected responses from this year’s PRI Transparency Report and/or over data points from other sources that have subsequently been used in your PRI responses this year</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**What data has been assured**

- Financial and organisational data
- Data related to RI activities
- RI Policies
- RI Processes (e.g. engagement process)
- ESG operational data of the portfolio
- Other

**Specify**

- Thematic environmental universe screening process
- Environmental impact measurement (methodology, data, calculations)
### Relevant modules

- Organisational Overview
- Strategy and Governance
- Direct - Listed Equity Incorporation
- Direct - Listed Equity Active Ownership
- Direct - Fixed Income
- Direct – Private Equity
- Direct - Inclusive Finance

### Who has conducted the assurance

Thematic universe screening process: Ashland Consultants, ISAE 3402
Environmental impact measurement: EY, ISAE 3000 equivalent

### Assurance standard used

- ISAE/ASEA 3000
- ISAE 3402
- ISO standard
- AAF01/06
- AAF001AS
- IFC performance standards
- National standard
- Other

### Specify

Impact assurance (methodology, data, calculations), ISAE 3000 equivalent

### Level of assurance sought

- Limited or equivalent
- Reasonable or equivalent

### Please provide:

#### Link to external assurance provider's report [URL]


#### Link to original data source (if public) [URL]

[hyperlink:http://n/a]
### CM1 07.1

Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report. and if this applies to selected data please specify what data was reviewed.

**Who has conducted the verification**

- ☑ CEO or other Chief-Level staff

**Sign-off or review of responses**

- ☑ Review of responses
- ☐ The Board
- ☐ Investment Committee
- ☑ Compliance Function
- ☑ RI/ESG Team
- ☐ Investment Teams
- ☐ Legal Department
- ☐ Other (specify)