

Impax Asset Management Group plc

UK Stewardship Code Statement

Overview of Impax Asset Management

Impax Asset Management is an award winning, 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.

We manage c. £4.5 billion¹ for institutional and high net worth investors globally, and are committed to providing strong long-term risk-adjusted returns.

Our 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. Investment is focused on a small number of deeply researched global equity strategies across alternative energy, energy efficiency, water, waste, food and agriculture related markets. Environmental, Social and Governance (ESG)-analysis is an integral part of the investment process.

Governance and Stakeholders

Impax Asset Management Group plc is quoted on the AIM market of the London Stock Exchange. Our largest shareholders include BNP Paribas Investment Partners and Impax' management and employees.

Impax's investment team numbers c. 30 professionals, most based in our London-office, but we also have offices in Hong Kong and New York.

Our investors are global and primarily institutional.

The UK Stewardship Code

The Stewardship Code aims to enhance the quality of engagement between institutional investors and companies to help improve long-term returns to shareholders and the efficient exercise of governance responsibilities.

Engagement includes pursuing purposeful dialogue on strategy, performance and the management of risk, as well as on issues that are the immediate subject of votes at general meetings. The Code sets out good practice on engagement with investee companies to which the FRC believes institutional investors should aspire. It provides an opportunity to build a critical mass of UK and overseas investors committed to the high quality dialogue with companies needed to underpin good governance. By creating a sound basis of engagement it should create a much needed stronger link between governance and the investment process, and lend greater substance to the concept of "comply or explain" as applied by listed companies. The FRC therefore sees it as complementary to the UK Corporate Governance Code for listed companies.

¹ As at 30 September 2016

Institutional investors should:

1. Publicly disclose their policy on how they will discharge their stewardship responsibilities.
2. Have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed.
3. Monitor their investee companies.
4. Establish clear guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value.
5. Be willing to act collectively with other investors where appropriate.
6. Have a clear policy on voting and disclosure of voting activity.
7. Report periodically on their stewardship and voting activities.

Principle 1

Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities.

FRC Guidance:

Stewardship activities include monitoring and engaging with companies on matters such as strategy, performance, risk, capital structure, and corporate governance, including culture and remuneration. Engagement is purposeful dialogue with companies on those matters as well as on issues that are the immediate subject of votes at general meetings.

The policy should disclose how the institutional investor applies stewardship with the aim of enhancing and protecting the value for the ultimate beneficiary or client.

The statement should reflect the institutional investor's activities within the investment chain, as well as the responsibilities that arise from those activities. In particular, the stewardship responsibilities of those whose primary activities are related to asset ownership may be different from those whose primary activities are related to asset management or other investment-related services.

Where activities are outsourced, the statement should explain how this is compatible with the proper exercise of the institutional investor's stewardship responsibilities and what steps the investor has taken to ensure that they are carried out in a manner consistent with the approach to stewardship set out in the statement.

The disclosure should describe arrangements for integrating stewardship within the wider investment process.

Impax's position on Principle 1:

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 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, sustainable food and agriculture and related markets.

A thorough ESG-analysis is an integral part of 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 rigorously analysing companies beyond the financials, we aim to identify and understand companies' character and quality.

We invest for the long-term in deeply researched companies, of which many are smaller or mid-sized companies. Our investment process is focused on thoroughly understanding the character and quality of our companies, the risks and the areas of potential improvement. We actively engage with our investee companies as part of the initial investment due diligence, on-going monitoring, pre- and post AGM, collaborative engagements and our particular focus on engagement of smaller companies. Our stewardship extends across company strategy, financial aspects, governance structures, management team, as well as environmental and social risks and issues.

We firmly believe that stewardship and engagement enhances our investment process and the outcomes for our investors.

Impax's investments focus on environmental solution providers and ESG:

Positive screening for environmental activity

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 continue to adhere to the minimum revenue threshold. Companies that no longer attain this minimum level of revenue are removed from the investment universe. 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.

Normative screening for UN Global Compact breaches

A third party ESG-research provider screens our investable universe every quarter to identify any potential UN Global Compact issues (human rights, labour rights, corruption etc). 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 investable universe.

Screening of ESG criteria (ESG analysis)

ESG-analysis is an integral part of the Impax investment process. Our multi-step Listed Equities investment process ("10-step analysis") incorporates financial, strategy, management and ESG parameters into the investment analysis of companies through a thorough examination of company management, board structures, ownership, corporate behaviour and Environmental and Social policies, processes and disclosures, following a materiality approach. We assign a 5-point scale proprietary ESG-rating for each company. If a company scores below a threshold-level, it will be excluded from our investable universe. 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. Finally, all companies must be approved by the Investment Committee on ESG-criteria before being admitted to the Impax universe of investable stocks.

Impax's Responsible Investment and ESG policy:

<http://www.impaxam.com/sites/default/files/Impax%20ESG%20Policy%20Updated%20Nov%202015.pdf>

Impax's approach to stewardship:

We view ourselves as long-term, active shareholders in our companies and we therefore 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, (financial and non-financial) the risks 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 and encourage companies to develop and become more resilient over time.

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

1. Engagement with smaller companies

Focus on smaller companies to strengthen governance structures, introduce sustainability policies, processes and disclosures, to manage effectively the most material ESG-risks, through a cost-effective framework.

2. Collaborative engagement

These are engagements on issues, sectors and companies together with other investors, with or without a lead from responsible investment organisations, where the engagement and outreach may particularly benefit from a larger group of shareholder involvement or in cases where an issue is being escalated.

3. Pre- or post AGM engagement

Typically around one third of all our engagements have been related to dialogue either before or after AGM and proxy voting. It is mainly related to governance and issues such as election of directors, board structures and management remuneration.

4. Company due diligence

As part of our 10-step company analysis, we often engage with companies to find information and clarification regarding specific governance issues, environmental and/or social risks that have not been clearly addressed, explained or disclosed by the company.

5. On-going fact finding and upcoming issues and concerns

We review and update our investee company ESG-analysis at least every 12-months. This process may reveal new concerns or issues. We engage with companies currently in our portfolios where questions or concerns have arisen.

We view proxy voting as an important element of our on-going dialogue with our investee companies. It is closely linked to our ESG-integration and engagement work. None of these elements are outsourced, but rather conducted by the Impax Listed Equities investment team.

We have a policy describing our voting principles and processes:

<http://www.impaxam.com/sites/default/files/ImpaxProxyVotingPolicyFinal%20Re-branded%20Oct%202014.pdf>

Impax is publicly disclosing a summary of our proxy voting records on a quarterly basis.

<http://www.impaxam.com/about-us/environmental-social-governance-issues>

Impax discloses examples of its engagement activities on its website on a semi-annual basis:

<http://www.impaxam.com/about-us/environmental-social-governance-issues>

Principle 2

Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed.

FRC Guidance:

An institutional investor's duty is to act in the interests of its clients and/or beneficiaries.

Conflicts of interest will inevitably arise from time to time, which may include when voting on matters affecting a parent company or client.

Institutional investors should put in place, maintain and publicly disclose a policy for identifying and managing conflicts of interest with the aim of taking all reasonable steps to put the interests of their client or beneficiary first. The policy should also address how matters are handled when the interests of clients or beneficiaries diverge from each other.

Impax's position on Principle 2:

Our aim is to treat all our clients fairly at all times. Impax has a clear policy on identifying, recording, managing and disclosing any conflicts as necessary.

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 ESG and stewardship activities; however, we have arrangements in place to minimise their effects and to treat all clients fairly related to voting and engagement.

We have a Conflicts of Interest policy in relation to stewardship of our investments. 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 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. A few of our clients have asked us to confirm how we have voted on specific types of resolutions and some ask us to report

regularly on our voting outcomes. 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.

Principle 3

Institutional investors should monitor their investee companies.

FRC Guidance:

Effective monitoring is an essential component of stewardship. It should take place regularly and be checked periodically for effectiveness.

When monitoring companies, institutional investors should seek to:

- *Keep abreast of the company's performance;*
- *Keep abreast of developments, both internal and external to the company, that drive the company's value and risks;*
- *Satisfy themselves that the company's leadership is effective;*
- *Satisfy themselves that the company's board and committees adhere to the spirit of the UK Corporate Governance Code, including through meetings with the chairman and other board members;*
- *Consider the quality of the company's reporting; and*
- *Attend the General Meetings of companies in which they have a major holding, where appropriate and practicable.*

Institutional investors should consider carefully explanations given for departure from the UK Corporate Governance Code and make reasoned judgements in each case. They should give a timely explanation to the company, in writing where appropriate, and be prepared to enter a dialogue if they do not accept the company's position.

Institutional investors should endeavour to identify at an early stage issues that may result in a significant loss in investment value. If they have concerns, they should seek to ensure that the appropriate members of the investee company's board or management are made aware.

Institutional investors may or may not wish to be made insiders. An institutional investor who may be willing to become an insider should indicate in its stewardship statement the willingness to do so, and the mechanism by which this could be done.

Institutional investors will expect investee companies and their advisers to ensure that information that could affect their ability to deal in the shares of the company concerned is not conveyed to them without their prior agreement.

Impax's position on Principle 3

Impax' investment team, its lead analysts and portfolio managers, are continuously monitoring our investee companies regarding their on-going performance and developments. We continuously assess how our companies are impacted by internal and external factors and events and the effects these have on the company's value and risks. Company developments are discussed in the investment team every day during our Morning Meeting, as well as during the weekly Portfolio Review Meeting (PRM) for our strategies. We use a proprietary risk management tool to highlight and alert the investment team regarding changes to investee companies' risks, financials and value. The investment team meets or is in contact with our investee companies several times a year, follows closely the companies' results announcements and investor conference calls.

We use sell-side research to monitor and review our companies. We also continuously monitor our investee companies from an environmental, social and governance (ESG) perspective; we receive alerts regarding controversies in our companies from our external research providers. We subscribe to environmental, social and governance research by ISS, MSCI ESG Manager and Sustainalytics. These and other tools provide us with information from different perspectives on our investee companies regarding their financial, operational, strategic, sustainability and governance developments and highlight possible areas of concerns and priorities for engagement. We review and update our ESG-analysis of our companies every 12 months and more often in case of major developments.

As part of our ESG analysis and voting, we assess and ensure that our investee companies adhere to the relevant Governance Codes. Departures from compliance to Governance Codes or best practice are clarified and noted in our ESG analysis. Departures from Code and/or governance best practice that constitute material risks for the company are followed-up by engagement, unless the departure is purely temporary or fully understood or accepted by the investment team. The investment team regularly meets or speaks with members of the board of our investee companies to discuss company strategy, governance structures and often management remuneration.

Our ESG analysis aims to establish the quality of an investee company's reporting, transparency and disclosures. We view it as an important aspect to assess the disclosures of all our investee companies (annual reports, proxy materials and sustainability data) to get an understanding of how a company reports and discloses and the level of transparency. We therefore would not rely purely on external or 3rd party analysis or scores regarding companies' reporting and processes, but view this as an important part of our company monitoring.

The Impax investment team does not routinely attend investee companies' General Meetings or file shareholder resolutions, but rather engages on issues of concern directly with the company. However, the investment team can attend investee company General Meetings from time to time, where practicable and where deemed to be the most effective way of communication with the company.

Impax's in-depth financial and ESG analysis endeavours to be forward-looking and anticipate potential issues that may lead to significant losses in investment value. The Impax quarterly thematic overlay is aimed at anticipating policy, macro-economic and industry-specific issues impacting our investee companies in the quarters ahead. Concerns are raised with the investee company management.

Impax has policies and procedures in place to ensure that we comply with applicable laws and that the interests of clients are protected in the event that investee companies provide us with either inside or material non-public information. Such events may include confidential pre-soundings or pre-marketing activities in advance of capital raisings and other corporate events in order to gauge interest in, or support for, a specific transaction. Where Impax deems it necessary, we will enter into active talks with these investee companies, which may preclude us from dealing in the shares of the company concerned. This is pre-cleared with our Compliance department to ensure our wall-crossing procedures are adhered to, the Stop List updated, and that we act in the best interest of our clients.

Principle 4

Institutional investors should establish clear guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value.

FRC Guidance:

Institutional investors should set out the circumstances in which they will actively intervene and regularly assess the outcomes of doing so. Intervention should be considered regardless of whether an active or passive investment policy is followed. In addition, being underweight is not, of itself, a reason for not intervening. Instances when institutional investors may want to intervene include, but are not limited to, when they have concerns about the company's strategy, performance, governance, remuneration or approach to risks, including those that may arise from social and environmental matters.

Initial discussions should take place on a confidential basis. However, if companies do not respond constructively when institutional investors intervene, then institutional investors should consider whether to escalate their action, for example, by:

- *Holding additional meetings with management specifically to discuss concerns;*
- *Expressing concerns through the company's advisers;*
- *Meeting with the chairman or other board members;*
- *Intervening jointly with other institutions on particular issues;*
- *Making a public statement in advance of General Meetings;*
- *Submitting resolutions and speaking at General Meetings; and*
- *Requisitioning a General Meeting, in some cases proposing to change board membership.*

Impax's position on Principle 4

As described in Principle 3, 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.

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 UN 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. Public statements or filing resolutions would be last resort activities in exceptional circumstances.

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.

Principle 5

Institutional investors should be willing to act collectively with other investors where appropriate.

FRC Guidance:

At times collaboration with other investors may be the most effective manner in which to engage.

Collective engagement may be most appropriate at times of significant corporate or wider economic stress, or when the risks posed threaten to destroy significant value.

Institutional investors should disclose their policy on collective engagement, which should indicate their readiness to work with other investors through formal and informal groups when this is necessary to achieve their objectives and ensure

companies are aware of concerns. The disclosure should also indicate the kinds of circumstances in which the institutional investor would consider participating in collective engagement.

Impax's position on Principle 5

Collaborative engagements and joint-representations with other institutions and investors are an important part of Impax' stewardship work. We initiate collaborative engagements where the engagement and outreach may particularly benefit from a larger group of shareholder involvement or in cases where an issue is being escalated, as discussed in Principle 4. Collaborative engagements can also be preferred and effective when approaching an issue or risk that is affecting a larger group of companies; a sector-level engagement.

Impax is an active member or signatory in the following investor bodies and conducts collaborative engagements through many of them:

- United Nations Principles for Responsible Investment (UN PRI): Aims to help investors integrate ESG considerations into investment decision making and supports sharing best practice in active ownership.
- Institutional Investors Group on Climate Change (IIGCC): A forum for collaboration on climate change for European investors.
- Investor Network on Climate Risk (INCR): Partners with investors worldwide to advance investment opportunities and reduce material risks posed by sustainability challenges such as global climate change and water scarcity.
- The Carbon Disclosure Project (CDP): An independent organisation holding the largest database of corporate climate change information in the world.
- UK Sustainable Investment and Finance Association (UKSIF): Provides services and opportunities to align investment profitability with social and environmental responsibility.
- US Sustainable Investment and Finance Association (USSIF): a US based membership association promoting sustainable, responsible and impact investment.
- Global Impact Investing Network (GIIN): the largest global community of impact investors (asset owners and asset managers) and service providers engaged in impact investing.

Intervening jointly with other institutions on particular issues, a few recent examples:

- Joint-engagement with two North-American investors regarding lack of Board diversity in Japanese investee companies (2016).
- Joint-engagement with four European investors regarding regulatory risks facing speciality chemical companies due to tightening EU REACH chemical regulations (2014)
- Solar Scorecard Initiative 2015, Silicon Valley Toxics Coalition-led initiative, Impax among c. 10 investors signing letters to 40 global solar PV module manufacturers urging them to improve their environmental disclosures and processes (2015)

Impax policy regarding Engagement and collaborative Engagements is publically disclosed and outlined on the Impax website: <http://www.impaxam.com/about-us/environmental-social-governance-issues>

Principle 6

Institutional investors should have a clear policy on voting and disclosure of voting activity.

FRC Guidance:

Institutional investors should seek to vote all shares held. They should not automatically support the board.

If they have been unable to reach a satisfactory outcome through active dialogue then they should register an abstention or vote against the resolution. In both instances, it is good practice to inform the company in advance of their intention and the reasons why.

Institutional investors should disclose publicly voting records.

Institutional investors should disclose the use made, if any, of proxy voting or other voting advisory services. They should describe the scope of such services, identify the providers and disclose the extent to which they follow, rely upon or use recommendations made by such services.

Institutional investors should disclose their approach to stock lending and recalling lent stock.

Impax's position on Principle 6

Proxy voting is a key component in the ongoing dialogue with companies in which we invest. 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 and to foster corporate governance best practices.

Impax's policy is to vote all shareholder meetings and on all shares held on behalf of all our investors who have granted us the voting rights. 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.

Impax has developed a governance framework, as part of our ESG-analysis, which is driven by country-level governance rules, codes and best practice and we analyse whether companies' governance structures deviate from local governance codes or best practise. Where companies deviate from codes and best practice, we engage with the companies and can vote against a management resolution. We always endeavour to notify a company prior to AGM, or at least afterwards if we have voted against or abstained on a resolution. We never automatically vote for boards, but carefully assess the structure, composition, independence, tenures and effectiveness of a board.

Impax uses ISS' electronic voting platform and we assess the ISS advisory recommendations for voting, however ultimately determine our voting based on our Governance Framework and company ESG-analysis. Where Impax owns more than 3% of a company's shares, our process also requires the company Lead Analyst to be part of the voting analysis and decision.

Our proxy voting process is audited annually by an external auditor.

Impax is currently not conducting any stock lending, however we are aware of the possible effects on proxy voting from stock lending, would our stance to stock lending change in the future.

In 2015 Impax voted 2,338 resolutions at 197 company meetings globally.

Our proxy voting policy can be found disclosed on the Impax website:

<http://www.impaxam.com/sites/default/files/ImpaxProxyVotingPolicyFinal%20Re-branded%20Oct%202014.pdf>

Impax is publicly disclosing a summary of our proxy voting records on a quarterly basis:

<http://www.impaxam.com/about-us/environmental-social-governance-issues>

Principle 7

Institutional investors should report periodically on their stewardship and voting activities.

FRC Guidance:

Institutional investors should maintain a clear record of their stewardship activities.

Asset managers should regularly account to their clients or beneficiaries as to how they have discharged their responsibilities. Such reports will be likely to comprise qualitative as well as quantitative information. The particular information reported and the format used, should be a matter for agreement between agents and their principals.

Asset owners should report at least annually to those to whom they are accountable on their stewardship policy and its execution.

Transparency is an important feature of effective stewardship. Institutional investors should not, however, be expected to make disclosures that might be counterproductive. Confidentiality in specific situations may well be crucial to achieving a positive outcome.

Asset managers that sign up to this Code should obtain an independent opinion on their engagement and voting processes having regard to an international standard or a UK framework such as AAF 01/06. The existence of such assurance reporting should be publicly disclosed. If requested, clients should be provided access to such assurance reports.

Impax's position on Principle 7

Impax keeps in-house records of all stewardship activities. All company engagements are recorded in a database, including dates, issues engaged and discussed, name and title of the investee company representative, as well as the means of communication with companies, outcomes and next-steps. All voting activity is also recorded and archived.

Impax has regular meetings with its clients or their representatives and at those meetings, as well as in the monthly "Manager's Reports" significant stewardship activity is reported and discussed.

We report engagement and voting activity to investors either quarterly or semi-annually, the format and detail of reporting is based on the preferences of investors.

Impax discloses its voting activities on its website on a quarterly basis:

<http://www.impaxam.com/about-us/environmental-social-governance-issues>

We disclose the voting statistics on our website as a summary of the most relevant aspects every quarter. We believe this disclosure gives a structured and clearer picture of our approach to voting. We do not detail the individual companies, in the same vein as outlined in Principle 4. We believe we can be more constructive and influential in our dialogue with our investee companies, if this dialogue is direct, without public statements and disclosures. We will highlight main themes and issues from the proxy voting season.

Impax discloses examples of its engagement activities on its website on a semi-annual basis:

<http://www.impaxam.com/about-us/environmental-social-governance-issues>

Impax' listed equity operations, including its voting activities have been audited and received full ISAE 3402 certification (International Standards for Assurance Engagement) every year since the fiscal year ending September 30, 2012. The ISAE 3402 assurance report is available to clients upon request.

Contact for further information:

Lisa Beauvilain
Director, Head of Sustainability & ESG
l.beauvilain@impaxam.com