

Impax Asset Management Stewardship Policy

April 2025

This Stewardship Policy (the “Policy”) is applicable to all investment management entities of the Impax Group, namely:

- Impax Asset Management Limited (“Ltd”),
- Impax Asset Management (AIFM) Ltd (“AIFM”),
- Impax Asset Management Ireland Ltd, and
- Impax Asset Management LLC;

all collectively defined as “Impax” or the “Firm”

Introduction

Impax Asset Management invests in companies that we believe are well-aligned in the transition to a more sustainable economy. As an active shareholder with a longer-term investment horizon, our objective is to build long-term relationships with investee companies. The Impax investment process is focused on a comprehensive understanding of the character and quality of our companies and issuers, including material sustainability issues as well as areas of potential improvement. We believe it is in the interest of our investors that we engage with our investee companies and issuers, to minimise risks, protect and enhance shareholder value, promote greater transparency on sustainability issues, and encourage companies and issuers to develop and become more resilient over time.

In fixed income, Impax invests in companies and issuers that appropriately manage material risks arising from the transition to a more sustainable economy. Impax does not work as an activist to change the fundamental business models of the companies in which it invests. In this context engagement is an important tool in monitoring and managing risk, and for influencing, encouraging and supporting investee companies and issuers to develop enhanced structures, processes and disclosures.

Engagement as part of the investment process

Engagement is fully integrated in our investment process for listed equities and fixed income. Engagement is used both to mitigate risk and to enhance value and investment opportunities.

Engagement allows us to:

Manage risks by proactively identifying and mitigating issues

Enhance company/issuer analysis; how companies/issuers respond to engagement is informative of their character

Strengthen investee companies/issuers over time; improving quality, processes, transparency and resilience

Engagements are conducted as part of our regular meetings with company management teams, or through additional conference calls, meetings, email exchanges or as part of joint communications with the investment community. In cases where engagements are not progressing as anticipated, Impax may utilise **escalation** processes, which include seeking meetings with alternative contacts at investee companies, including board directors, seeking engagement with other shareholders, industry organisations, standard-setters or regulators, as well as filing or co-filing shareholder resolutions.

Collaborative engagements may be prioritised in cases where an issue is being escalated or where outreach may particularly benefit from a larger group of shareholder involvement. Collaborative engagements are conducted across various, material sustainability issues and specific sectors and companies. Impax does not participate in collaborative engagements that could be interpreted as investors acting in concert.

Impax Investment Committee meetings have a monthly standing agenda item to continuously inform and discuss stewardship issues across the investment team. Members of the Sustainability Centre regularly attend Portfolio Review Meetings to discuss company-specific stewardship priorities and issues at the portfolio and strategy-level with lead analysts and portfolio managers.

Types of Engagement

Impax's stewardship work can be divided into the following types:

Bottom-up company- and issuer-specific engagement

As part of our ongoing, proprietary company and issuer-level ESG analysis, we identify company- and issuer-specific matters and risks and actively engage regarding these matters as part of monitoring and managing risks. We prioritise engagement with investee companies where we have identified more significant risk issues and/or have larger positions. In addition to risk management, bottom-up company specific engagement is also intended to enhance company value and improve the structures, processes and disclosures of investee companies.

Responsibilities: The lead analysts for the investee companies and issuers are responsible for bottom-up company engagement, with the Sustainability Centre assisting with coordination, preparation and research.

Proxy voting driven engagement

Proxy voting is predominantly related to governance issues such as the election of directors, board structures and management remuneration, but we also express our views on diversity, climate and material sustainability risk management. When Impax has voted against a significant resolution for companies in our active equity strategies, we reach out to the companies to explain our voting rationale and the enhancements we would like to see. We are also in dialogue with companies throughout the year to discuss and comment on proposed governance structures, sustainability processes and disclosures by companies.

Impax can also initiate or support shareholder proposals at annual shareholder meetings to encourage greater corporate transparency around a company's most significant environmental or social risks based on its sector and activities.

Responsibilities: In executing our proxy votes, Impax uses a peer review process, where one Sustainability Centre team member instructs votes and another team member verifies and executes the votes. For resolutions related to financial transactions, including share issuance and M&A or for more contested or controversial resolutions, the Sustainability Centre will engage with the company lead analyst.

Top-down thematic engagement

Every year we assess and outline our thematic engagement priorities. These priorities are based on market developments and emerging sustainability issues that are relevant and material for our companies and issuers. Where possible, we use specific performance data related to the engagement themes, as well as the overall ownership in the companies, as parameters for prioritising companies and issuers for thematic engagements. Companies of all sizes are engaged, including larger companies, with the aim of promoting best practices throughout an industry peer group.

Our engagement themes are often of a long-term nature and do not necessarily change annually.

Engagement themes for 2025:

- **Climate**
 - Net-zero transition planning
 - Increasing resilience to physical climate risks
- **Nature**
 - Nature-related dependencies and impacts
- **People**
 - Corporate Culture
 - Human rights
- **Corporate Governance**
 - Board composition and structure
 - Executive compensation
 - Sustainability reporting and assurance

Responsibilities: The lead analysts for the investee companies and issuers are part of thematic company engagements, but the work is driven and coordinated by the Sustainability Centre and its Head of Stewardship, with a lead for each engagement theme or topic.

Systematic engagement

Impax has identified critical and often hard-to-engage areas, with barriers to progress. To remove these impediments, we use 'systematic engagement,' which combines company engagement and policy advocacy with the aim of shaping companies' practices through regulatory or policy change. These areas often cover topics that companies may prefer not to disclose and are not mandatory, such as geolocation data for strategic company assets, but that investors need in order to fully understand companies' operations and risks.

Responsibilities: One member of the Impax Sustainability Centre is responsible for leading and coordinating the systematic engagement work, bringing together our company engagements and policy advocacy work. Company and issuer lead analysts are involved in these meetings as relevant.

Fixed Income engagement

In fixed income, Impax invests in companies and issuers that appropriately manage material risks arising from the transition to a more sustainable economy. In this context engagement is an important tool in monitoring and managing risk, and for influencing, encouraging and supporting investee companies and issuers to develop enhanced structures, processes and disclosures. There are similar drivers for engagement sourcing and prioritisation in fixed income, as for equities, i.e. engagements can be bottom-up, company and issuer-specific, top-down, based on themes, collaborative with other investors and/or organisations as well as systematic, combining policy advocacy and issuer-specific engagements.

Fixed income-specific engagement priorities¹:

- Company-specific risks (from the Impax proprietary FI ESG analysis, especially those with weaker ratings)
- Sector-specific risks - Tier 4 issuers (hard to transition sectors)

Proxy voting as part of the investment process

Proxy voting is the exercise of voting rights obtained by Impax in the course of its day-to-day investment activities in listed equities. It is a key component in the ongoing dialogue with the companies in which Impax invests. As such, proxy voting forms an important aspect of Impax's overall investment process and stewardship work.

Impax is committed to ensuring the consistent exercise of proxy voting. Through the implementation of this Policy and the Impax Proxy Voting Guidelines², Impax aims to enhance the long-term value of its shareholdings, foster corporate governance best practices and promote greater accountability and transparency in the companies in which Impax has invested in. Impax aims to exercise voting rights on all shares held by Impax, where it is in the best interest of its clients and where excessive costs, or administrative burdens are not present.

Impax invests in companies in a variety of countries and markets around the globe each year. Each market has unique rules, regulatory requirements, reporting requirements, and sustainability practices and standards. Impax aims to stay abreast of new and emerging issues in these markets, and how they relate to global best practices for corporate governance structures and material sustainability processes and disclosures.

Impax supports the UK Stewardship Code and complies with its guidelines regarding proxy voting. Impax has been a signatory of the UK Stewardship Code, since it was first launched in 2012. Impax also complies with the U.S. Securities and Exchange Commission's proxy voting disclosure requirements for mutual funds. In addition, as part of Impax's ongoing proprietary company and issuer-level ESG analysis, company-specific matters and risks are identified. As part of monitoring and managing risks, Impax exercises active ownership and actively votes on and engages with companies and issuers regarding these matters.

Corporate Governance Principles Expected from Investee Companies

- Creating sustainable, long-term value for stakeholders

¹ For more detail on the Impax Fixed Income Sustainability Framework: [Investment Sustainability & Stewardship - Impax Asset Management](#)

² Impax Asset Management Proxy Voting Guidelines: [Proxy Voting Guidelines \(impaxam.com\)](#)

- 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.

Proxy Voting Processes

- Impax's proxy voting principles and guidelines are described in the Impax Proxy Voting Guidelines. The Proxy Voting Guidelines govern our voting activity and are informed by global governance best practices as well as external and internal sustainability and governance research. Proxy Voting Guidelines are reviewed annually.
- Impax uses a third-party voting platform to facilitate our vote execution, reporting and record keeping. Impax also uses third-party service providers, including proxy advisor service and research providers, to help inform analysis of relevant proxy issues and proxy votes.
- Impax applies its voting principles and guidelines with full consideration to a company's circumstances, following internal analysis.
- Where Impax's proxy voting principles and guidelines or general corporate governance best practice principles are not met, Impax generally votes against a resolution and, for companies in our active equity strategies, will reach out to explain our voting rationale and necessary enhancements.
- Impax carefully assesses shareholder resolutions and tends to vote for resolutions that are reasonable and would strengthen governance structures, shareholder rights or material sustainability objectives, processes, and disclosures.
- Votes are cast on shares where Impax does not consider legal, financial or technical constraints to be excessive or burdensome.

Stewardship Conflicts of Interest

Impax follows its own policies and processes to identify, prioritise and implement engagement systematically. Engagement can at times be conducted together with our investors.

Impax reviews proxy votes to assess the extent, if any, to which there may be a material conflict between the interests of our clients and Impax's own interests (including those of our affiliates, managers, officers, employees and other connected persons, referred to hereafter as a "Potential Proxy Conflict of Interest").

Impax conducts proxy voting in accordance with its own Proxy Voting Guidelines. If it is determined that a Potential Proxy Conflict of Interest exists, the potential conflict will be promptly reported to Impax's Chief Compliance Officer (the "CCO"). The CCO will then determine whether a Potential Proxy Conflict of Interest exists and is authorized to resolve any such conflict in a manner that is in the collective best interests of all affected clients. The CCO may decide to resolve a Potential Proxy Conflict of Interest in any of the following manners:

- Impax may disclose any potential conflict to affected clients and obtain the consent of the majority of those clients, before voting in the manner approved by the majority of those clients;
- Impax may elect to engage an independent third party to help determine how the proxy should be voted on; or
- Impax may elect to establish an internal information barrier between the relevant person(s) that are involved in the potential conflict and the person(s) involved in making the proxy voting decision, in order to insulate the potential conflict from the proxy vote decision maker.

Impax strives to be as transparent as possible regarding our Proxy Voting Guidelines and the resulting voting and engagement activity.

Stewardship Monitoring and Reporting

Impax seeks to measure and report the real economy outcomes and impact of stewardship efforts and maintains records of all stewardship activities. Company engagements are recorded in Impax's engagement database where the engagement issues, actions, timings, outcomes and current status are detailed. The database is reviewed regularly and follow-up conducted with companies on unresolved issues and next steps. All voting activity is also recorded and archived.

Impax reports on engagement outcomes at the firm-level annually in the Stewardship and Advocacy Report and the UK Stewardship Code Statement.

Proxy voting activity is reported on a quarterly and annual basis, and Impax has extended proxy vote reporting to all "significant votes,"³ with an explanation of votes cast against or abstain. In addition, voting decisions for both past and upcoming meetings for each of the relevant U.S. registered mutual funds are disclosed on the company's website. Impax files a Form N-PX (annual report of proxy voting record) with the U.S. Securities and Exchange Commission annually.

Impax regularly discusses and reports its stewardship policies and/or activities with its clients.

All of Impax's publicly disclosed policies and documents can be found here:

[Investment Sustainability & Stewardship - Impax Asset Management](#)

³ Impax defines "significant votes" as those votes that are not just purely procedural, but that are material in describing a company's financial position, corporate governance profile or other corporate structures or processes (whether votes are cast FOR or AGAINST management). This disclosure applies to funds managed by Impax Asset Management Limited, Impax Asset Management Ireland Ltd, Impax Asset Management (AIFM) Ltd.