

Sustainability Report 2019



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ABOUT THIS REPORT

Impax Asset Management LLC, the New Hampshire-based investment adviser to Pax World Funds, is committed to achieving the highest standards of responsible business practice. To that end, we have publicly published sustainability data since we became a signatory to the UN Global Compact in 2010 and, in March 2014, we published our first sustainability report.

This report covers the activities of Impax Asset Management LLC for calendar year 2019 and not those of our parent company or affiliated entities. Throughout this report, we refer to Impax Asset Management LLC as “Impax LLC,” and to the mutual funds we manage as “Pax” or “Pax World Funds.”



STATEMENT OF CONTINUED SUPPORT FOR THE UN GLOBAL COMPACT

Impax LLC is pleased to share our 2019 Sustainability Report and our UN Global Compact Communication on Progress with our stakeholders. The combined report reviews our progress as an asset manager committed to the transition to a more sustainable global economy and as a business that seeks to operate in a manner consistent with our investment beliefs. In addition, the report identifies actions we have taken during the reporting period to implement the UN Global Compact principles in each of the four issue areas—human rights, labor, environment and anti-corruption.

I am pleased to reaffirm our support of the UN Global Compact. Thank you for taking the time to read our report.

Sincerely,

Joseph F. Keefe
President
 Impax Asset Management LLC



ABOUT US

Impax Asset Management LLC, investment adviser to the Pax World Funds, is a specialist asset manager focused on the risks and opportunities arising from the transition to a more sustainable economy. All Pax portfolios, including active equity, fixed income and smart beta, integrate environmental, social and governance (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.

We believe that:

- Capital markets will be shaped profoundly by global sustainability challenges, particularly climate change, environmental pollution, natural resource constraints, demographic and human capital issues such as diversity, inclusion and gender inequity.
- These trends will drive growth for well-positioned companies and create risks for those unable or unwilling to adapt.
- Fundamental analysis that incorporates long-term risks, including ESG factors, enhances investment decisions.

We invest in companies that are:

- Well-positioned to benefit from the transition to a more sustainable global economy.

We offer:

- A well-rounded suite of investment solutions spanning multiple asset classes seeking superior risk-adjusted returns over the medium to long term.

We seek:

- Higher quality companies with strong business models that demonstrate sound management of risk.



MISSION STATEMENT & VALUES

Mission Statement

To generate superior, risk-adjusted investment returns from opportunities arising from the transition to a more sustainable economy for clients with a medium- to long-term horizon.

To make a contribution to the development of a sustainable society, particularly by supporting or undertaking relevant research and engaging or collaborating with others.

To provide a stimulating, collaborative and supportive workplace for our staff.

Values:



Be the solution

Our core focus and motivation is to offer solutions. It defines the investment approach we offer our clients, the contribution we make to the broader global community and the attitude we bring to work each day.



A passion for excellence

We are passionate about our mission and our work. We strive for excellence in everything we do. We hold ourselves to high standards and trust each other to share these aspirations and contribute to the results.



All voices valued

We make better decisions if we are diverse and inclusive. All voices are welcomed and all voices are heard. We aspire to a dynamic culture that embraces change and inspires the evolution of new ideas.



Doing better together

We believe we can do far more, far better, working together as a team. True collaboration means treating others as we want to be treated. We value and respect our colleagues, clients and partners, their families and the wider community. We are all interconnected and cannot hope to succeed alone.



Building a common future

We have a responsibility to promote prosperity while protecting the planet. We are committed to sustainable development and to stewarding our environmental and societal impact for the benefit of current and future generations.



ADDRESSING GLOBAL SUSTAINABILITY CHALLENGES

We seek to invest in companies that are well-positioned to benefit from the transition to a more sustainable global economy. Across our portfolios, we construct investment universes utilizing proprietary tools, including the Impax Sustainability Lens, Impax Sustainability Score and Impax Gender leadership Score, that we believe help us identify higher opportunity / lower risk subsectors and companies to invest in. Our investment process also utilizes environmental, social and governance (ESG) integration, company and issuer engagement and proxy voting guided by our belief that capital markets will be shaped profoundly by this sustainability transition.

ESG Integration

ESG refers to investment methodologies that embrace sustainability factors as a means of helping to identify companies with superior business models.

ESG factors offer portfolio managers added insight into the quality of a company's management, culture, risk profile and other characteristics. By adding this increased level of scrutiny associated with ESG analysis, we seek to identify companies that:



To view our ESG Policy, [click here](#).

Engagement

Shareholders want the companies in their portfolios to perform well, create value and have impact. By engaging with the companies held in Pax World Funds, we help ensure they are attuned to the risks and opportunities presented by the transition to a more sustainable global economy, which we believe will help them create long-term value for investors.

How We Engage:

- ✓ **Shareholder resolutions and company dialogues**
We directly engage with our portfolio companies and issuers, including meeting with management teams and filing shareholder resolutions when we see opportunities for companies to adopt higher standards of corporate responsibility.
- ✓ **Collaborative and public policy engagements**
We team up with other investors to catalyze progress on critical environmental, social and governance issues.

In 2019, Pax had 204 engagement contacts with 159 companies. These contacts included direct letters and shareholder proposals as well as our involvement in collaborative engagements with other investors in which we played a significant role. We view these larger collaborative efforts as a way to expand our reach and influence beyond what we own in our portfolios and believe that they play a critical role in advancing a wide range of sustainability topics.

To view our Engagement Report, [click here](#).

ADDRESSING GLOBAL SUSTAINABILITY CHALLENGES, continued

Pax World Funds Proxy Voting

For more than 30 years we have used proxy voting as a way to make our shareholders' voices heard. Monitoring corporate behavior and using shareholder voting to influence business practices can often be more effective than simply selling a company's stock.

Our voting decisions are made internally based on our custom [Proxy Voting Guidelines](#), and we [publicly](#) disclose our votes for both upcoming and past meetings. In 2019, we voted 973 meetings with more than 14,300 proposals. You can also view our 2019 Form N-PX (Annual Report of Proxy Voting Record) for [Pax World Funds Series Trust I](#) and [Pax World Funds Series Trust III](#).

During the reporting period, we voted against proposals put forth by management 43% of the time, primarily around director elections due to concerns about board diversity, and we voted in favor of all of the climate and diversity-related shareholder proposals—33 in total—that we were eligible to vote on in 2019.

Montréal Carbon Pledge

As signatories of the Montréal Carbon Pledge, we committed to measuring and publicly disclosing the carbon intensity of our investment portfolios on an annual basis.

First, we used carbon intensity data from MSCI for each company held in our equity portfolios, which is determined by dividing its reported or estimated greenhouse gas emissions by its revenue. Then we calculated a weighted average carbon intensity using portfolio weights as of December 31, 2019. Finally, we compared the weighted average carbon intensity of each fund with the weighted average of the carbon intensity of each fund's benchmark index. We excluded our two fixed income strategies from this analysis due to a lack of sufficient, accurate information on carbon intensity in those investment universes.

As of December 31, 2019, seven Pax World Funds—the Large Cap Fund, the Small Cap Fund, the ESG Beta Quality Fund, the ESG Beta Dividend Fund, the Pax Global Opportunities Fund, the Pax Ellevest Global Women's Leadership Fund and the Pax MSCI EAFE ESG Leaders Index Fund—have a weighted average carbon intensity that is below their benchmark indexes.*

The Pax Global Environmental Markets Fund's carbon intensity is above its benchmark. We note that the Fund is a thematic strategy investing in companies that are developing innovative solutions to resource challenges, including key areas such as energy efficiency and renewable energy, and that measuring the Fund's carbon intensity does not consider the net carbon footprint of the Fund, which includes the carbon emissions avoided by using the products and services offered by the companies in the Fund. Additional details about the positive net carbon footprint of the Fund can be [found here](#).



GOVERNANCE

Impax LLC is committed to the highest standards of ethics, business integrity and corporate governance. As the adviser to Pax World Funds, we have a fiduciary responsibility to the funds' shareholders. To that end, our corporate governance practices are designed to establish and preserve accountability and transparency, while avoiding conflicts of interest (or even the appearance of conflict). Although the interests of our shareholders always come first, we also believe that we have a moral and ethical obligation to our employees, suppliers and the communities in which we operate.

The following sections describe the various governance structures for Impax LLC:

*Source: Factset, data as of 12/31/2019.

Sustainability Governance

Impax LLC is committed to managing our own operations in a sustainable manner. Currently, Impax LLC’s sustainability efforts are overseen by our CSR Committee. Members represent various departments throughout the company, including senior management. The CSR Committee is responsible for our sustainability-related initiatives, reporting and conducting periodic employee training on the company’s environmental policies and procedures and developing ways to reduce Impax LLC’s environmental footprint.

For 2019-2020, the CSR Committee’s priorities included: (1) a refreshment of our internal diversity and inclusion benchmark and to provide feedback on several proposed diversity initiatives, (2) developing a company-wide low-carbon catering policy, (3) researching and recommending actions to procure renewable energy for our business operations in Portsmouth, New Hampshire, and (4) building on previous successes of volunteer programs to engage more employees.

Investment Process Governance

Impax LLC has created a Sustainability Policy Committee that oversees the integration of ESG considerations into our investment process, including the review of our exclusionary criteria and emerging sustainability trends or issues that may arise from time to time.

Standing members of the committee include our President, Joe Keefe, our Chief Compliance Officer, John Boese, and our SVP for Sustainable Investing, Julie Gorte. Members of the investment management and sustainability research teams regularly participate in meetings.

Corporate Governance

The mutual funds we manage are held in two business trusts established in Massachusetts (Pax World Funds Series Trust I and Pax World Funds Series Trust III). The trusts are each overseen by an eight member board of trustees. Six of the eight trustees on each board are independent, including the chairman of both boards, John Liechty, who is a non-executive, independent member of the board.

2019 Board of Trustees - Pax World Funds Series Trust I and Pax World Funds Series Trust III



(left to right): Adrian Anderson, Anne Goggin, D’Anne Hurd, Nancy Taylor, John Liechty, Cynthia Hargadon, Lindsey Brace Martinez, Joseph Keefe

Five of the trustees of the boards of both Pax World Funds Series Trust I and Pax World Funds Series Trust III are women, and their nominating committee charters provide: “In considering and evaluating candidates, (a) the Committee shall strive to achieve and maintain diversity of membership on the Board, including (but not limited to) diversity of race, gender, culture, thought and geography, which the Board believes are key attributes of a well-functioning board.”



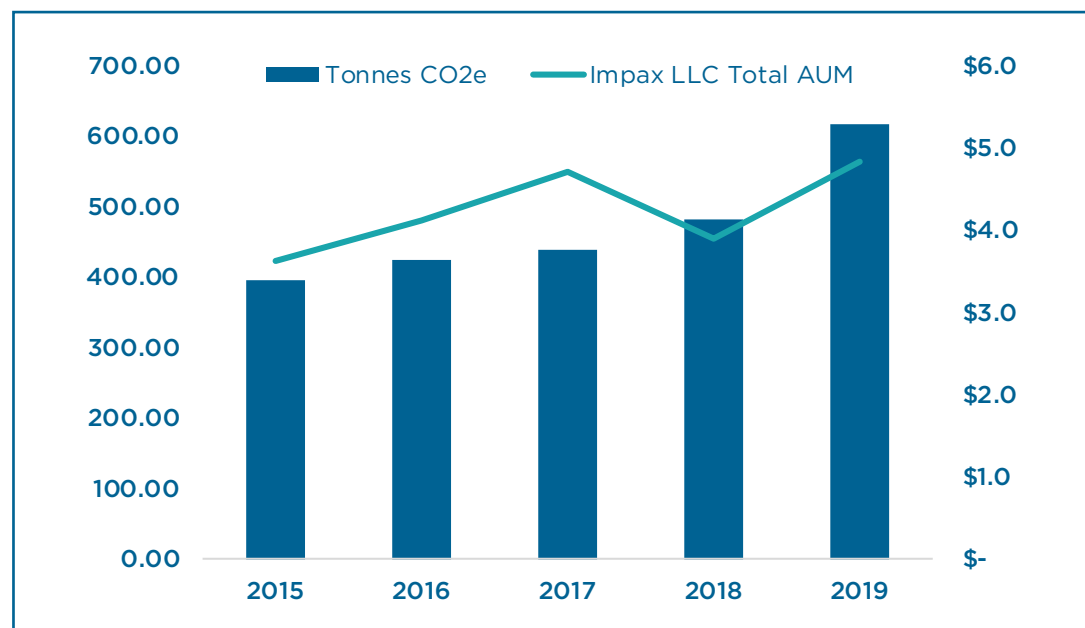
Environmental Policy Statement

Impax LLC recognizes the importance of environmental stewardship. Our products seek to invest in companies with sustainable business models, of which environmental commitment plays a large role. Recognizing that our own operations impact the communities and environments in which we operate, Impax LLC strives to hold ourselves to the same standards that we expect of the companies in our portfolios. As part of this commitment, we seek to conduct business in a way that minimizes our environmental footprint while enhancing stakeholder value for our customers, employees, suppliers and communities.

In support of this policy, Impax LLC will endeavor to:

- ✓ Measure, analyze and reduce our contributions to global climate change and consumption of resources, including energy, water, materials and more
- ✓ Offset our energy and water use to aid in the development of alternative energy and the restoration of freshwater ecosystems
- ✓ Procure goods and services from suppliers who demonstrate sound environmental practices
- ✓ Support initiatives and public policies that seek to promote the long-term conservation of our natural resources
- ✓ Engage employees on reducing their environmental impact at work, at home and while traveling through periodic training and educational opportunities
- ✓ Communicate progress on environmental initiatives to stakeholders
- ✓ Monitor emerging environmental issues as they pertain to our operations and adjust our environmental strategy as needed
- ✓ Support initiatives and public policy that seek to promote the long-term conservation of our natural resources

Impax LLC is committed to carbon neutrality by offsetting the carbon emitted as a result of our business operations, including business travel, office energy use and employee commuting. Impax LLC purchases offsets to aid in the development of alternate energy and/or to retire the offsets resulting in a net reduction of carbon.



ENVIRONMENTAL DATA	2015	2016	2017	2018	2019
Total GHG Emissions from Business Operations (M/T)	394.00	424.00	437.00	481.00	616.00
Total Electricity Consumption from Business Operations ('000 kWh)	91.03	79.24	73.79	81.12	85.18
Total Natural Gas Consumption from Business Operations (Therms)	3616.00	3751.00	3286.06	4316.71	4049.30
Total Water Consumption from Business Operations ('000 gallons)	83.13	75.49	78.60	69.56	77.21

In addition, for several years, we have also offset the water consumed at our business operations in Portsmouth, NH. In 2019, we consumed about 77,000 gallons of water. To offset our water footprint, we purchase water restoration certificates through the Bonneville Environmental Foundation. The certificates represent 1,000 gallons of water restored on a company's behalf and directly contribute to the recreational and ecological vitality of freshwater ecosystems.

Waste Reduction

Impax LLC's existing environmental policies and programs include measures to minimize the use of office supplies, including paper, glass, metal, plastic and batteries, and recycle what we do use. We prefer the use of digital marketing and advertising as a way to reduce paper consumption and other related environmental impacts. When choosing which marketing materials to print, we favor those that have longer shelf lives. Additionally, we seek to print only what we need using sustainably sourced paper and less toxic alternatives to conventional petroleum-based ink products.

- ✓ Impax LLC has undertaken composting at its Portsmouth, New Hampshire, office. Using the services of a local company, Mr. Fox Composting, we are composting items such as food scraps, sugar packets, coffee grounds and filters, paper towels, teabags and tea, flowers and floral trimmings and wax paper liners.
- ✓ Impax LLC purchases new computers from Dell, typically, and participates in the company's "plant a tree" offset program. We use various vendors to recycle reusable computer components and other electronic devices.
- ✓ In 2019, we installed water filters on all kitchen taps, which eliminated multiple standalone water coolers located at our Portsmouth office building. This initiative was spearheaded by our CSR Committee, which is tasked with developing ways to reduce Impax LLC's environmental footprint.



DIVERSITY & INCLUSION

Impax LLC is an equal opportunity employer and follows a policy of administering all employment decisions and personnel actions without regard to age, sex, gender identity and expression, sexual orientation, race, color, marital status, pregnancy, physical or mental disability, genetics or genetic information, family health history, religion, national origin, veteran status, or any other category protected under applicable federal, state or local law.

In December 2019, we updated our policy regarding diversity in the hiring process to read as follows:

Impax encourages women and minorities to apply to job openings and endeavors to post positions in areas that may attract a diverse candidate pool. The company strives to take affirmative actions to enhance the job opportunities for minority group members and women.

To that end, it is company policy that, absent unusual circumstances, all open job positions must have at least two (2) women and/or minorities in the finalist pool.

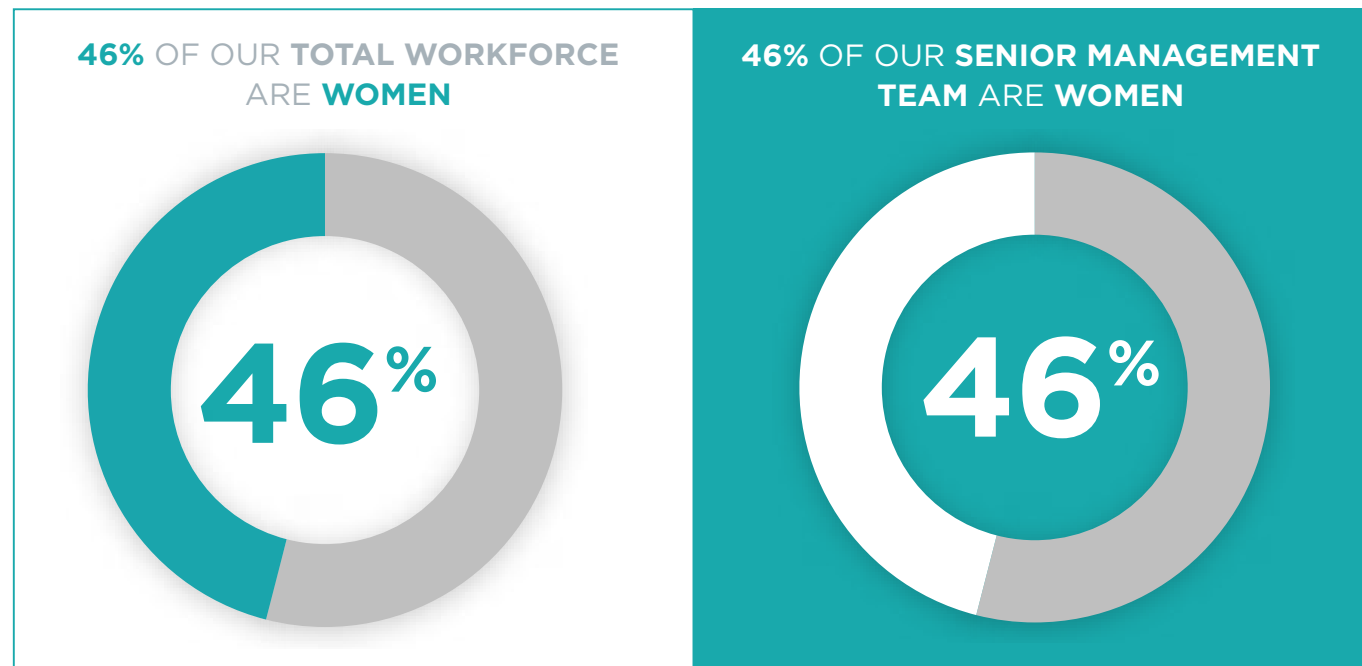
And, all interviews for the finalist pool of candidates must have at least two (2) women and/or minority interviewers.

Pay Equity Data/Employee Demographic Data

Impax LLC conducts an annual gender pay equity survey. The results of that survey are in the table below. In any company as small as Impax, a disparity may arise in pay equity due to the compensation of one or two individuals, and those differences may arise due to variations in qualifications and responsibilities.

PAY EQUITY/GENDER DIVERSITY DATA	2015	2016	2017	2018	2019
# of Employees	55	49	51	58	59
Gender Diversity (% Female)	45%	41%	47%	45%	46%
Pay Equity Ratio (Female/Male)					
Executives	0%	0%	0%	0%	0%
Portfolio Managers	96%	0%	79%	95%	76%
Senior Managers	71%	84%	83%	71%	82%
Managers	98%	96%	91%	96%	103%
Analysts	104%	91%	103%	177%	133%
Professional Staff	95%	96%	96%	101%	106%
Sales Representatives*	N/A	N/A	N/A	96%	104%

Impax’s pay equity survey had historically included only an analysis of base salary and did not include incentive compensation. In 2018, we updated our methodology to include total compensation. Further, we note that the data reported is raw data—the difference between what men and women earn on average—which has not been adjusted for region, tenure, education level, performance or any other drivers of pay.



Promoting Family-Friendly Workplaces

There is evidence that family-friendly workplaces can deliver good financial results, as well as simply being the right way to conduct business. In 2016, Impax expanded its paid parental leave policy from eight weeks of paid leave to 12 weeks of paid leave. The policy includes paid leave for new parents, which applies to maternity, paternity, adoption and foster care placement. The leave may be taken any time during the child’s first year of life (or adoption, or foster placement) and may be taken intermittently so that our employee, and their partner/spouse, can organize their time off in a way that maximizes their time with their child.

Since 2008, employees have used our parental leave policy a total of 30 times upon the birth, adoption or foster care placement of a child—15 men used the leave 23 times and five women used it seven times.

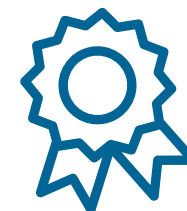


EMPLOYEES

Impax strives to provide its employees a friendly, collegial, professional work environment. In addition to a competitive compensation package, health insurance and retirement benefits, Impax offers employees the following programs:

- **Matching Donations** - Through the Impax Asset Management LLC Charitable Fund, employees receive matching donations of up to \$250 per year to nonprofit organizations.
- **Volunteer Program** - Employees receive four days of paid time off per year to volunteer individually or in groups in the communities where they live and work. Impax employees participate in an annual United Way Day of Caring local community project.
- **Paid and Unpaid Family and Medical Leave*** - Impax LLC offers a generous family and medical leave policy, including up to 12 weeks paid leave for new parents.
- **Hybrid/Electric Vehicle Program*** - Employees who purchase or lease a hybrid gas-electric or all-electric vehicle receive a lump sum cash payment of \$2,000 for a new vehicle and \$1,000 for a used vehicle.
- **Adoption Reimbursement*** - Employees may receive up to \$5,000 per child for eligible adoption expenses.

**NOTE - Benefits with a * are available to regular employees working a minimum number of hours per week or who have obtained a minimum level of years of service.*



In 2019, Impax LLC was named the #12 Best Company to Work for in New Hampshire, marking the third year in a row we have been included in this ranking.



COMMUNITY INVOLVEMENT

Impax LLC has established an employee committee to help administer our corporate giving. The priorities of the committee include supporting organizations that prioritize (1) women's empowerment, (2) environmental protection/conservation, and (3) the needs of the greater New Hampshire seacoast area, such as help with substance abuse/addiction or food and fuel assistance, among others. The committee also considers strategic long-term giving and meeting immediate needs of our community. The committee works with the NH Charitable Foundation in its administration of the Impax Asset Management LLC Charitable Fund.

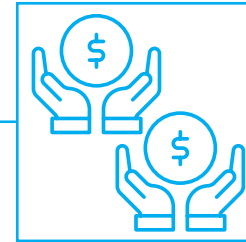


\$104,868

Impax LLC donated \$104,868 for the fiscal year that ended 9/30/2019

\$15,500

Impax LLC matched \$15,500 of employee donations in 2019

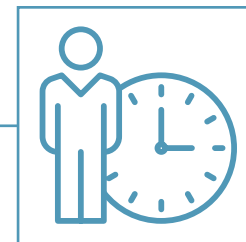


\$1,085

Impax LLC matched \$1,085 of employee donations to a family in need through Seacoast Family Promise during the holiday season in 2019

241

Impax LLC employees volunteered 241 hours during business hours in 2019



202

Impax LLC employees self-reported 202 volunteer hours during non-business hours in 2019



MEMBERSHIPS & AFFILIATIONS

Through Impax LLC, we also partner with numerous organizations to promote gender equality, address climate change and advance the field of sustainable investing.



Principles for Responsible Investment (PRI) – Aims to help investors integrate ESG considerations into investment decision-making and supports sharing best practices in active ownership.

Investor Network on Climate Risk (INCR)

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 organization holding the largest database of corporate climate change information in the world.



US SIF (The Forum for Sustainable and Responsible Investment) – A U.S.-based membership association promoting sustainable, responsible and impact investment.



Ceres – A nonprofit sustainability organization working with the most influential investors and companies to build leadership and drive solutions throughout the economy.



Thirty Percent Coalition – A unique and groundbreaking national organization committed to having women, including women of color, hold 30 percent of board seats across public companies.



Women's Empowerment Principles – The UN Women's Empowerment Principles are a set of practical guidelines that businesses can use to promote gender equality in the workplace and the community.



Northeast Investors' Diversity Initiative – A coalition of institutional investors committed to increasing gender, racial and ethnic diversity on corporate boards to maximize returns and safeguard shareholder value.



Climate Action 100+ – An investor-led initiative aimed at encouraging the world's largest corporate greenhouse gas emitters to improve governance on climate change, emissions and climate-related financial disclosures.



ShareAction Investor Decarbonization Initiative – A collaborative, global initiative working to massively increase demand for—and delivery of—renewable energy.



COMMITMENT TO OUR CUSTOMERS

Impax LLC is committed to providing excellent service to its shareholders, clients and customers. To accomplish that, Impax strives to provide shareholders, clients and customers with tools to access information about their accounts, report complaints or problems, and protect their privacy, and to report on our performance with respect to those principles.

Impax LLC has established the following policies:

- ✓ Assure that all client interactions are monitored for satisfaction on a regular basis and that problems receive appropriate attention.
- ✓ Assure that reports on customer satisfaction are compiled at least quarterly and any significant or ongoing issues are brought to the attention of senior management.
- ✓ Assure that all customer inquiries receive an appropriate response within a reasonable period.
- ✓ Protect customer privacy as described in our Privacy Policy. We also will monitor any problems related to privacy and respond accordingly.

APPENDIX

1: UN GLOBAL COMPACT COMMUNICATION ON PROGRESS

Statement of Continued Support by Impax LLC's President:

See page: 3

Description of Actions: Human Rights (Principles 1-2)

Assessment, Policy & Goals

Impax LLC embraces the values of responsibility, respect, honesty, compassion and fairness throughout our interactions with shareholders, employees, business partners and our community. We believe this includes the basic human rights of our employees and other stakeholders.

Implementation

Impax LLC has developed policies and procedures to ensure our employees are provided with a safe work environment and are protected from workplace harassment and discrimination, including sexual harassment, physical violence and bullying.

In addition, human rights issues are also recognized as a material issue across our investment universe and their consideration is incorporated into our investment process.

Measurement of Outcomes

In 2019, all staff were required to participate in awareness training titled "Combatting Slavery & Human Trafficking."

Description of Actions: Labor (Principles 3 - 6)

Assessment, Policy & Goals

Impax LLC strives to provide its employees a friendly, collegial, professional work environment. Impax is an equal opportunity employer; we embrace diversity as a guiding principle as well as an investment concept.

Implementation

Impax is an equal opportunity employer and follows a policy of administering all employment decisions and personnel actions without regard to age, sex, gender identity and expression, sexual orientation, race, color, marital status, pregnancy, physical or mental disability, genetics or genetic information, family health history, religion, national origin, or veteran status, or any other category protected under applicable federal, state or local law.

As part of our investment process, labor, or human capital, is recognized as a material issue across our investment universe. Specifically, we consider diversity, equal opportunity, gender empowerment, workplace health and safety, and employee relations when considering new and re-evaluating existing holdings in our investment portfolios. Further, one of our thematic investment strategies was the first broadly diversified mutual fund that invests in the highest-rated companies in the world for advancing women through gender-diverse boards, senior leadership teams and other policies and practices. Research indicates that companies with more women in leadership have higher returns on capital, greater innovation, increased productivity and higher employee retention and satisfaction.

Measurement of Outcomes

We believe that gender inequality is one of the most significant human capital issues of our time. To advance this belief, in December 2019, we updated our policy regarding diversity in the hiring process to require that, absent unusual circumstances, all open job positions must have at least two (2) women and/or minorities in the finalist pool and that all interviews for the finalist pool of candidates must have at least two (2) women and/or minority interviewers.

Description of Actions: Environment (Principles 7 - 9)

Assessment, Policy & Goals

Impax LLC recognizes the importance of environmental stewardship throughout our business. Recognizing that our own operations impact the communities and environments in which we operate, we strive to conduct business in a way that minimizes our environmental footprint while enhancing stakeholder value for our customers, employees, suppliers and communities.

It is the policy of Impax to support and encourage recycling programs (office waste, electronic waste, food waste, etc.), water conservation and energy conservation. All employees are expected to actively participate in the organization’s conservation activities.

Implementation

In addition to being a material issue integrated in our investment process, Impax will endeavor to:

- ✓ Measure, analyze and reduce our contributions to global climate change and consumption of resources, including energy, water, materials, etc.
- ✓ Offset our energy and water use to aid in the development of alternative energy and the restoration of freshwater ecosystems
- ✓ Procure goods and services from suppliers who demonstrate sound environmental practices
- ✓ Support initiatives and public policies that seek to promote the long-term conservation of our natural resources
- ✓ Engage employees on reducing their environmental impact at work, at home and while traveling through periodic training and educational opportunities
- ✓ Communicate progress on environmental initiatives to stakeholders
- ✓ Monitor emerging environmental issues as they pertain to our operations and adjust our environmental strategy as needed
- ✓ Support initiatives and public policy that seek to promote the long-term conservation of our natural resources

Impax LLC is committed to carbon neutrality by offsetting the carbon emitted as a result of our business operations, including business travel, office energy use and employee commuting. Impax LLC purchases offsets to aid in the development of alternate energy and/or to retire the offsets resulting in a net reduction of carbon.

In addition, to offset our water footprint, we purchase water restoration certificates through the Bonneville Environmental Foundation. The certificates represent 1,000 gallons of water restored on a company’s behalf and directly contribute to the recreational and ecological vitality of freshwater ecosystems.

Measurement of Outcomes

Information regarding our efforts to manage our environmental impact is found in the “Environmental Impact” and “KPI” section of this report. We have also provided certificates of our carbon and water offsets in this appendix.

Description of Actions: Anti-corruption (Principle 10)

Assessment, Policy & Goals

Impax LLC is committed to the highest standards of ethics, business integrity and corporate governance. As the adviser to Pax World Funds, we have a fiduciary responsibility to the funds’ shareholders. To that end, Impax’s corporate governance practices are designed to establish and preserve accountability and transparency, while avoiding conflicts of interest (or even the appearance of conflict).

Impax has established policies regarding issues such as anti-money laundering (AML), insider trading, communications (social media and public correspondence), whistleblowing and the so-called “pay-to-play” rule, which refers to various arrangements by which investment advisers may seek to influence the award of advisory business by making or soliciting political contributions to the government officials charged with awarding such business, among others.

Implementation

In support of this policy, Impax will endeavor to periodically review all relevant policies with Impax employees, including but not limited to policies regarding AML, insider-trading, communications (social media and public correspondence), whistleblowing and the so-called “pay-to-play” rule.

Measurement of Outcomes

Impax LLC conducts required annual and ongoing compliance training for all employees:

- In August 2019, all staff were required to participate in compliance and cybersecurity training related to the aforementioned policies.
- In November 2019, employees were invited to a “Lunch and Learn with Compliance” for a session about insider trading.

2: KPI CHART

KEY PERFORMANCE METRICS	2015	2016	2017	2018	2019
ENVIRONMENTAL IMPACT OF THE MANAGEMENT COMPANY					
Total GHG Emissions from Business Operations (M/T)	394.00	424.00	437.00	481.00	616.00
Total Electricity Consumption from Business Operations ('000 kWh)	91.03	79.24	73.79	81.12	85.18
Total Natural Gas Consumption from Business Operations (Therms)	3616.00	3751.00	3286.06	4316.71	4049.30
Total Water Consumption from Business Operations ('000 gallons)	83.13	75.49	78.60	69.56	77.21
PAY EQUITY/GENDER DIVERSITY DATA					
# of employees	55	49	51	58	59
Gender Diversity (% female)	45%	41%	47%	45%	46%
Pay Equity Ratio (Female/Male)*					
Executives	0%	0%	0%	0%	0%
Portfolio Managers	96%	0%	79%	95%	76%
Senior Managers	71%	84%	83%	71%	82%
Managers	98%	96%	91%	96%	103%
Analysts	104%	91%	103%	177%	133%
Professional Staff	95%	96%	96%	101%	106%
Sales Representatives*	N/A	N/A	N/A	96%	104%

COMMUNITY ENGAGEMENT DATA

Employee Volunteer Hours	174	173	147	128	241
Corporate Donations**	\$144,691	\$95,820	\$25,385	\$126,868	\$104,868
Employer Matching Donations	\$ 13,390	\$13,070	\$14,305	\$14,435	\$16,585

*Impax LLC's pay equity survey has historically included only an analysis of base salary and did not include incentive compensation. In 2018, we upgraded our methodology to include total compensation.

**2019 data reflects the FY ended 9/30/2019.

3: CERTIFICATE FOR WATER OFFSETS



CERTIFICATE #10894 - 03/31/2020

THE BONNEVILLE ENVIRONMENTAL FOUNDATION (BEF) HONORS

Impax Asset Management to balance 2019 water use

For restoring water to critically dewatered rivers and streams by purchasing Water Restoration Certificates® (WRCs) from BEF. Your purchase, combined with that of other BEF partners, helps restore the ecological, recreational and economic health of critical freshwater ecosystems.

All WRC projects are certified by a qualified third party against a strict set of criteria to ensure flow is restored to the environment in locations and at a time that will have optimum environmental benefit. For more information regarding our WRC supply sources, visit: b-e-f.org/water-portfolio.



Todd Reeve | BEF CEO


PURCHASE DETAILS AND EQUIVALENCIES:

78
NUMBER OF WATER RESTORATION CERTIFICATES® PURCHASED

THIS IS EQUIVALENT TO
78,000
GALLONS OF WATER RESTORED TO CRITICALLY DEWATERED RIVERS AND STREAMS

OR, THE EQUIVALENT WATER IN
15,600
STANDARD FIVE-GALLON WATER COOLER CONTAINERS



At BEF, we believe addressing the current state of our planet requires innovation, creative problem solving and discovering new ways of doing business that value the natural resources we depend on. Through a full suite of innovative energy, carbon and water solutions we are helping our partners—from the farmer to the corporation—redefine how business gets done. We help our partners meaningfully balance their environmental impact, invest in clean energy and carbon reduction, educate the next generation of clean energy leaders, and effectively and sustainably restore the health of our freshwater resources. Learn more at: www.b-e-f.org.

HERE ARE THE DETAILS OF YOUR WATER RESTORATION CERTIFICATES ORDER:

	PRODUCTION DATE	GALLONS RESTORED
Upper Rio Grande Historically, important tributaries and sections of the upper Rio Grande River in Colorado flowed at critically low levels during the winter months. With water stored in upstream reservoirs, depleted winter flows reduced groundwater recharge and adversely affected habitat for trout and other aquatic species.	2018	78,000
Trout Unlimited is leading a partnership with agencies, farmers and water managers and using new tools to flexibly manage, store and deliver water during critical times of the years to increase flows and facilitate groundwater recharge. By leasing water, exchanging water at critical times, and shifting the timing of water delivery, project partners have been able to increase habitat for fish and provide important economic and community benefits for residents in the region.		

4: CERTIFICATE FOR CARBON OFFSETS

NativeEnergy Certificate

Impax Asset Management, LLC

has taken decisive and effective action to reduce its carbon emissions by helping build the Honduras Clean Water Project, keeping a total of 616 tons of greenhouse gas pollution out of the atmosphere.






Certificate: 6155

Issued: April 3, 2020



Jeff Bernicke
President & CEO



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This uniquely numbered certificate recognizes your participation in NativeEnergy's carbon offset program.

The serial number on this certificate specifies the quantity of carbon offsets you purchased and the project(s) that you helped finance.

We donate our customers' carbon offsets to Clean Air-Cool Planet, an independent non-profit environmental organization focused on the fight against global warming. Clean Air-Cool Planet promises to accept your carbon offsets and make sure the CO2 emissions reductions generated by "your" project are not resold. They'll do this by retiring your carbon offsets on the carbon offset registry on which the project is registered. This will prevent your offsets from being claimed to offset anyone's footprint other than your own.




Thank you for helping build a carbon reduction project with NativeEnergy!

Founded in Vermont in 2000, NativeEnergy is an expert provider of carbon offsets, renewable energy credits, and carbon accounting software. We help businesses and individuals identify and reduce their greenhouse gas pollution and attain their sustainability goals. Our clients are pioneers in corporate social responsibility, including eBay, Green Mountain Coffee Roasters, Ben & Jerry's, Interface, Stonyfield Farm, Esurance, and National Geographic.

Through our Help Build™ carbon offsets, businesses and individuals can help finance the construction of wind, biogas, solar, and other carbon reducing projects with strong social and environmental benefits. We have provided essential funding to more than 50 community-based initiatives—our customers have brought renewable energy to schools, methane digesters to family farms, and we even helped build the first large scale Native American-owned wind turbine in the U.S.

For corporate clients, we also offer a portfolio of carbon credits from exclusive and diverse projects around the world. All NativeEnergy carbon offsets are third-party validated and verified to leading standards, and our renewable energy credits are Green-e certified. In total, we have supported more than 2.5 million tons of greenhouse gas reductions, and we have over 4 million tons under contract.

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You should consider a fund's investment objectives, risks, and charges and expenses carefully before investing. For this and other important information, please obtain a fund prospectus by calling 800.767.1729 or visiting www.impaxam.com. Please read it carefully before investing.

An investment in the Pax World Funds involves risk, including loss of principal.

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