

# Impax Sustainable Leaders Fund

Ethical Survey, as voted by members of the Ethical Advisers Co-Op on 13 November 2023



Poor | Disappointing | Average | Appealing | Excellent

As voted by Ethical Adviser Co-op members. Find a specialised ethical adviser near you: [www.ethicaladviserscoop.org/find-an-adviser.html](http://www.ethicaladviserscoop.org/find-an-adviser.html)

## Fund Overview

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The Fund is an active, global equities strategy which employs a research-intensive bottom-up growth at a reasonable price (GARP) with a macroeconomic overlay. The Fund uses both positive and negative screens.

## Ethical Concerns

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### Investments

- ✘ Some investments in the Fund may be problematic for ethical investors, such as:
  - Idex: exposure to weapons/defence contractors
  - Linde: fossil fuel exposure (natural gas)
  - Secondary fossil fuel exposure: Siemens AG, TE Connectivity and Trimble offer services to the mining, oil and gas industry as well as to the renewables sector
  - Tobacco: WestRock makes cigarette packages, however this is a very minor aspect of their business operations

### Other concerns

- ✘ Materiality limits on negative screens can potentially result in unwanted exposures within the portfolio.

## Good Points

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- ✓ The fund targets companies that have >20% of revenue in environmental markets
- ✓ Commitment to transparency by being UNPRI signatory and RIAA certified, see links overleaf.
- ✓ Good transparency of holdings and voting history, both easily accessed via the public website, see links overleaf.
- ✓ Provides comprehensive impact reporting, including carbon impact and SDG alignment.
- ✓ Impax specialise in resource efficiency and environmental solutions investments.

## Fund Overview

<b>UNPRI Signatory</b>	Yes <a href="#">Impax Asset Management   Signatory profile   PRI (unpri.org)</a>
<b>Full Holdings Disclosure</b>	Yes <a href="#">Impax Sustainable Leaders Fund   Fidante</a>
<b>RIAA Certification</b>	Yes <a href="#">Directory - Responsible Investment Association Australasia (RIAA)</a>
<b>Disclosure of Voting</b>	Yes <a href="#">Voting</a>
<b>Ethical Screening Process</b>	Refer <a href="#">Website</a> and <a href="#">RI Policy</a> and <a href="#">PDS</a>
<b>Exclusions</b>	<p><b>Climate change screens</b></p> <ul style="list-style-type: none"> <li>× Fossil fuel free <a href="#">(definition)</a></li> </ul> <p><b>Ethical screens</b></p> <ul style="list-style-type: none"> <li>× Tobacco</li> <li>× Gambling</li> <li>× Alcohol</li> <li>× Pornography</li> <li>× Nuclear power</li> </ul> <p><b>Conventions and controversies-based screens</b></p> <ul style="list-style-type: none"> <li>× Controversial weapons (anti-personnel landmines, cluster munitions, chemical, biological and nuclear weapons)</li> </ul>
<b>Materiality/Exposure Limits</b>	<ol style="list-style-type: none"> <li>1. Controversial weapons have a 0% materiality threshold</li> <li>2. Fossil Fuel Free has various materiality thresholds as per definition link above</li> <li>3. All other screens have a 5% materiality threshold</li> </ol>

## About the 'Ethical Survey'

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### About the Ethical Advisers Co-Op

The Ethical Advisers Co-op is a group of 35 financial advisers who are passionate about ethics and finance. The Co-op was established as a not-for-profit over 10 years ago to enable likeminded financial advisers to work together to represent the voice of the consumer. We work to shift the super and investment industry into being more ethically aligned with their clients' objectives. The Co-op's nationwide membership of ethical financial advisers help over 3,300 Australians make financial decisions and invest in line with their ethical values.

### How the Leaf-System Works

The ethical rating is voted by Australian financial advisers who specialise in ethical investments (Co-op members). The advisers assess if fund ethics suit their average ethical client, and if it matches with the average client's expectations and objectives. The advisers consider how successful the fund is at; 1) removing industries and stocks harmful to the environment and society 2) including companies with environmental or social benefits, and 3) providing evidence of actions from the fund which benefit society and/or the environment. The quality of information the fund provides on its ethical policies, companies invested in, and proxy voting is important in assessing if a fund is as ethical as claimed. The final rating is an average of these votes.

Financial advisers are voluntarily participating to help ethical consumers gain a quick understanding of how the clients of a group of industry professionals view the ethics of each fund. The Co-op and the advisers do not receive any form of remuneration or reward for participating.

### Further Research

#### *Does your fund walk the talk?*

The Australasian Centre for Corporate Responsibility (ACCR) – a not-for-profit shareholder advocacy organisation – pushes for transparency around whether your super fund 'walks the talk' on issues such as climate and human rights. You can find details on your super fund [here](#).

#### *Is your fund investing in fossil fuels?*

Market Forces is a not-for-profit delivering transparency on fossil fuel lending, insuring and investing within super funds, banks and insurance companies. You can see how exposed your super fund, bank or insurance company is to the fossil fuel industry [here](#).

#### *If the fund is certified by the Responsible Investment Association Australasia (RIAA)*

You can find more ethical and investment information for certified funds [here](#).

#### *More information on this fund*

For exact details of the fund's claimed ethics, costs and legal details see the fund's Product Disclosure Statement - available on their website.

*Vote based on information last updated 13 November 2023*