Impax Asset Management

April 2026

Stewardship and Advocacy Report 2026

Supporting sustainable value creation: from engagement to systems-level change

IMPAX
Asset Management

Contents

2025 Highlights

Engagement

Key examples included:

Climate: Engaging with a German manufacturer of industrial kitchen equipment on Scope 3 emissions disclosure and science-based emissions reduction targets

Nature: Engaging with a Swiss specialty chemicals company to enhance its assessment of nature-related dependencies, impacts, risks and opportunities

People: Engaging with a North American bank on the evaluation and reporting of human capital management

Governance: Engaging with a Japanese manufacturer of industrial machinery, supplies and components to improve board independence and gender diversity

Advocacy

Key initiatives included:

Climate: UK Net Zero Council & Transition Finance Council; corporate transition planning systematic stewardship

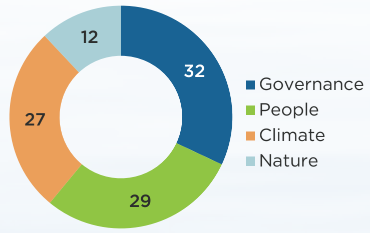
Nature: Tropical Forest Forever Facility (TFFF)

People: Modern slavery regulation in Australia and New Zealand; forced labour import ban and migrant working protections in Taiwan

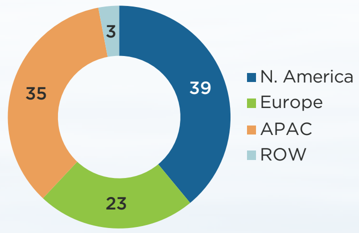
Governance: Chinese Corporate Governance Code; Japanese Stewardship Code

Sustainable finance: Shaping the future of sustainability reporting

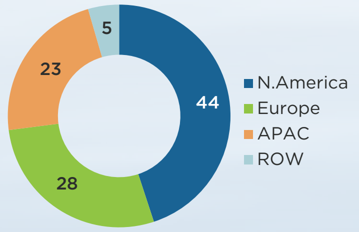
Engagement by theme (%)



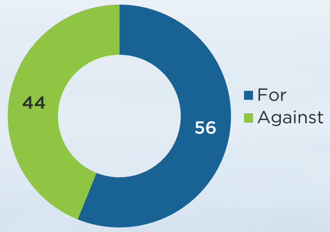
Engagement by region (%)



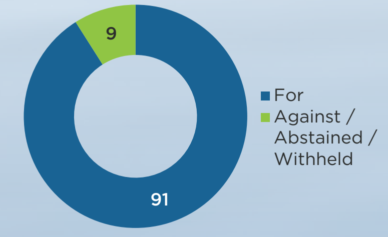
Proxy voting by region (%)



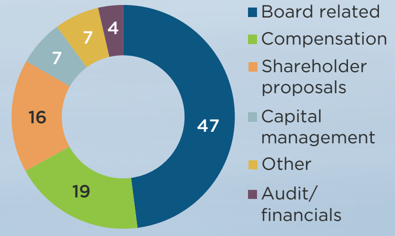
Shareholder resolutions voted (%)



Management resolutions voted (%)



Votes against management by category (%)



16

Sustainability-related thought leadership reports and insights published

73

Sustainability-related events in which we participated

Outreach[1]

219

outreaches initiated, with **210** companies

Dialogue[2]

169

engagement dialogues with **142** companies

Progress

45%

of dialogues led to some progress against objectives; **13%** led to objectives achieved

Sentiment[3] (engagement dialogues)

38% Positive

56% Neutral

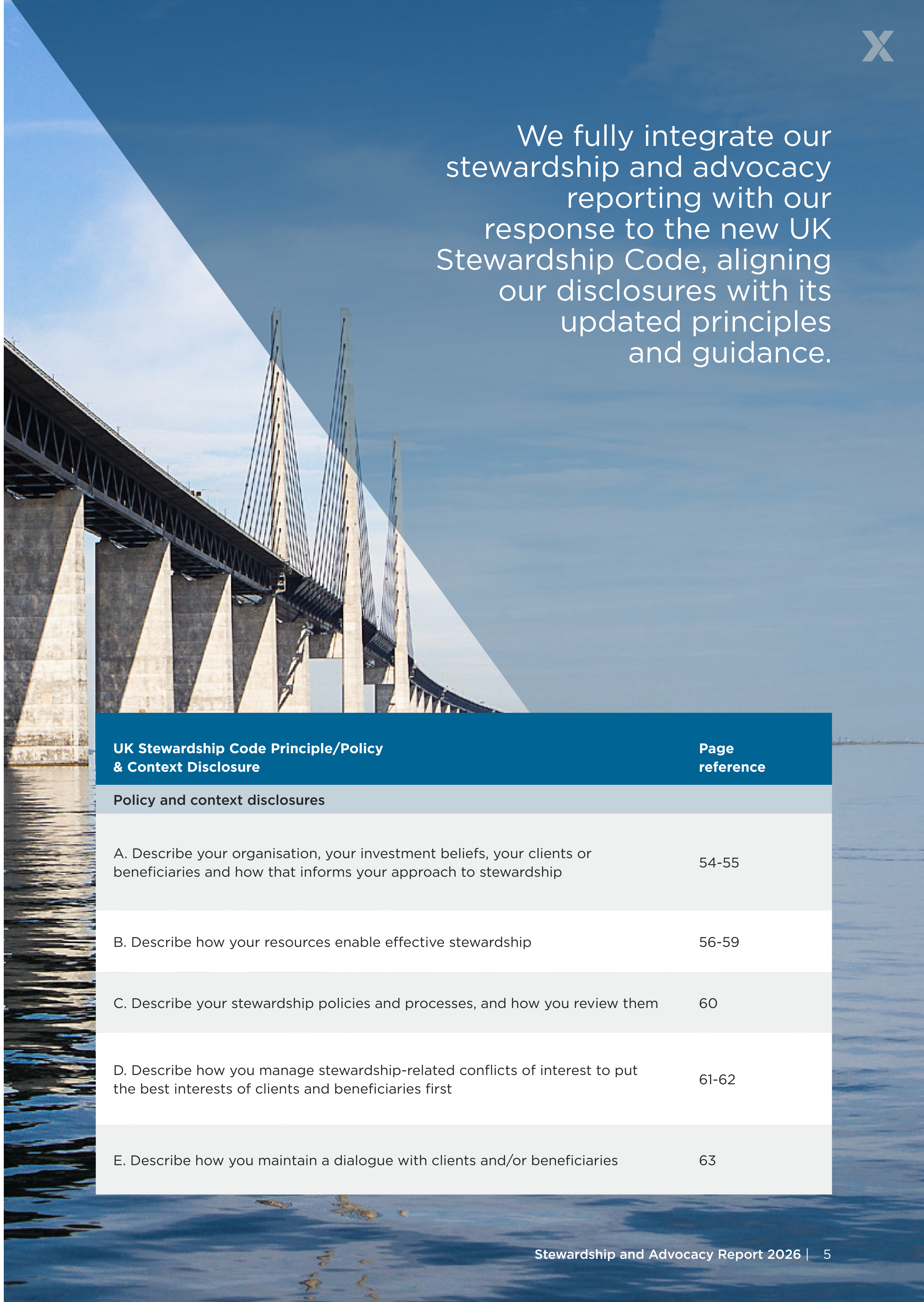
6% Negative

APAC = Asia Pacific. ROW = Rest of world.

1 Outreach: Targeted contact with a company on a specific sustainability issue.
2 Dialogue: Discussion with, or response from, a company
3 Sentiment: A measure of how engagement has influenced our overall view and conviction in a specific company.

Mapping to the UK Stewardship Code 2026

UK Stewardship Code Principle/ Policy & Context Disclosure	Section where this is addressed	Page reference
Activities and outcomes principle		
1. Signatories integrate stewardship and investment to deliver long-term sustainable value for their clients and beneficiaries	Our holistic approach to stewardship	7
	Identifying priority stewardship and advocacy themes	8-9
	Engagement with companies and issuers	10-21
	Climate engagement	28-29
	Nature engagement	32-34
	People engagement	36-39
	Governance engagement	42-44
2. Signatories identify and respond to market-wide and systemic risks to promote well-functioning financial markets	Our holistic approach to stewardship	7
	Identifying priority stewardship and advocacy themes	8-9
	Advocacy - addressing systemic risks	24-25
	Climate advocacy	30-31
	Nature advocacy	34-35
	People advocacy	40-41
	Governance advocacy	46-47
	Sustainable finance advocacy	48-49
	Memberships	50-51
3. Signatories engage to maintain or enhance the value of assets	Our holistic approach to stewardship	7
	Identifying priority stewardship and advocacy themes	8-9
	Engagement with companies and issuers	10-21
	Client engagement	28-29
	Nature engagement	32-34
	People engagement	36-39
	Governance engagement	42-44
4. Signatories actively exercise their rights and responsibilities	Engagement and proxy voting – our year in numbers	14-15
5. Signatories integrate stewardship considerations into their selection and oversight of external managers	N/A	N/A
6. Signatories monitor and hold to account stewardship service providers	Oversight of stewardship service providers	23



We fully integrate our stewardship and advocacy reporting with our response to the new UK Stewardship Code, aligning our disclosures with its updated principles and guidance.

UK Stewardship Code Principle/Policy & Context Disclosure	Page reference
Policy and context disclosures	
A. Describe your organisation, your investment beliefs, your clients or beneficiaries and how that informs your approach to stewardship	54-55
B. Describe how your resources enable effective stewardship	56-59
C. Describe your stewardship policies and processes, and how you review them	60
D. Describe how you manage stewardship-related conflicts of interest to put the best interests of clients and beneficiaries first	61-62
E. Describe how you maintain a dialogue with clients and/or beneficiaries	63

Introduction

Welcome to our ninth annual Stewardship and Advocacy Report

Lisa Beauvilain
Global Head of Sustainability & Stewardship, Co-Head of Sustainability Centre

Chris Dodwell
Global Head of Policy & Advocacy, Co-Head of the Impax Sustainability Centre

Our 2026 Stewardship & Advocacy Report represents a significant evolution in how we communicate Impax's stewardship philosophy, activities and outcomes. This comes amidst a shifting stewardship and advocacy landscape, including the launch of the updated UK Stewardship Code 2026, growing asset owner focus on systemic risks[4], and evolving sustainability reporting expectations. These developments have shaped enhancements to this year's report and reinforced the importance of stewardship and advocacy in managing sustainability-related risks.

Our starting point has been to fully integrate our response to the new UK Stewardship Code into this, our ninth Stewardship and Advocacy Report. We have aligned our disclosures with its updated principles, as set out at the start of each section of the report. In so doing, we have streamlined our reporting, strengthened transparency and provided clients and stakeholders with a clearer line of sight into how our stewardship and advocacy activities support long-term value creation across all asset classes.

A key enhancement this year is a clearer explanation of how and why we prioritise our four priority stewardship and advocacy themes – Climate, Nature, People and Governance – and the objectives and activities we pursue under each. We explain the criteria that shape our thematic focus: materiality to investment outcomes, exposure to systemic risks, relevance across asset classes and the potential for real-world impact. Additional detail on sub-themes provides deeper insight into the issues that matter across our portfolios. During 2026, priorities include next steps on AI governance, a new project on water quality and quantity and a multi-stakeholder initiative to develop nature-positive transition pathways.

Additionally, a new graphic (page 13) illustrates our approach to company and issuer engagement. This captures the full continuum of engagement – from issue identification and scoping, to dialogue, escalation and outcomes. It makes clear how engagements evolve over time and how insights from our proprietary processes for Corporate Resilience and Issuer Resilience Analysis shape objectives and interventions with individual companies.

Finally, this year's report includes more granular engagement data, expanding our reporting at a sub-theme level for the Climate and People themes. We also introduce more detailed coverage of fixed income engagements.

Together, these enhancements reflect our commitment to the continuous improvement of our stewardship and advocacy approach as client expectations and sustainability challenges evolve. They also reaffirm our deep-rooted conviction that rigorous, well evidenced stewardship – integrated across investment processes and responsive to systemic risks – remains central to delivering long-term, sustainable value for our clients. We would welcome feedback on how we could continue to enhance our approach to reporting on stewardship and advocacy.

4 See UKSIF, 2025: Systemic risks: A framework for portfolio resilience and Church of England & Wespath, 2025: What does it look like for Asset Owners to lead right now?

Integrating stewardship and advocacy into the investment process

Our holistic approach to stewardship

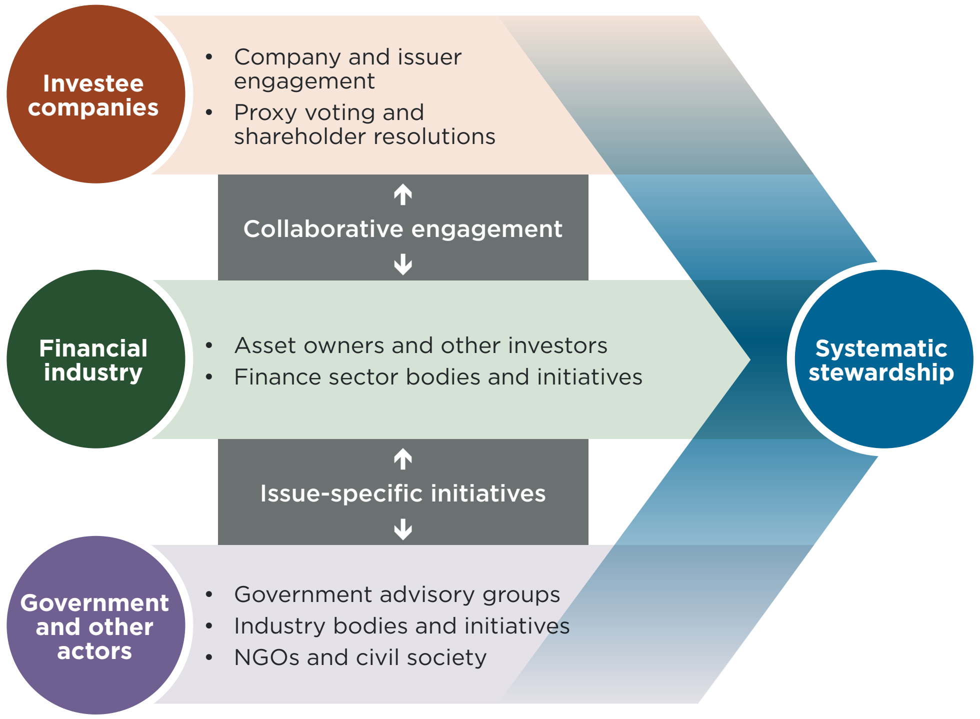
2026 UK Stewardship Code mapping

- ☑ **Principle 1:** Signatories integrate stewardship and investment to deliver long-term sustainable value for their clients and beneficiaries.
- ☑ **Principle 2:** Signatories identified and respond to market-wide and systemic risks to promote well-functioning financial markets.
- ☑ **Principle 3:** Signatories engage to maintain or enhance the value of assets.

We believe that the material sustainability-related risks impacting our investments can be achieved through focused, well-structured stewardship and advocacy activities. Our levers for accelerating change and addressing risks within the real economy range from company-specific engagements and industry collaborations to policy advocacy initiatives aimed at addressing systemic risks.

In addition to using each lever individually, we increasingly deploy systematic stewardship, where we combine company and issuer engagement with policy advocacy to address challenging systemic risks by driving systems-level change.

This holistic approach to stewardship – illustrated in the case study on page 31 – is summarised in the graphic below, which captures both the stakeholders with whom we engage and the core channels through which we do so.



Channels of engagement

As well as direct dialogues with companies, clients, government and civil society, we use:

Collaborative engagement: Net Zero Engagement Initiative, Nature Action 100

Financial sector bodies and initiatives: ACGA, Ceres, IA, IIGCC, PRI, UKSIF

Issue-specific initiatives: CFRF, ETC, GFANZ, IAST, IPDD

Government advisory groups: UK Net Zero Council

Industry bodies and initiatives: CBI, SMI, WBA

Identifying priority stewardship and advocacy themes

2026 UK Stewardship Code mapping	
☑	**Principle 1:** Signatories integrate stewardship and investment to deliver long-term sustainable value for their clients and beneficiaries.
☑	**Principle 2:** Signatories identified and respond to market-wide and systemic risks to promote well-functioning financial markets.
☑	**Principle 3:** Signatories engage to maintain or enhance the value of assets.

Every year we assess and outline our thematic stewardship and advocacy priorities. These priorities are based on market developments and emerging sustainability issues that we determine to be relevant and material for our companies and issuers. We also seek to engage with other investors to understand their perspectives and priorities.

Where possible, we use thematic performance indicators and our ownership levels to help prioritise companies and issuers for thematic engagement.

Companies and issuers of all sizes are engaged, including larger companies, with the aim of promoting best practices throughout an industry peer group. We also pursue advocacy with policymakers, regulators and the wider external ecosystem when we deem systems-level change is needed.

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

1. Financial materiality

Materiality of the sustainability theme to the financial performance of our investments, leveraging Impax's proprietary sustainability tools (such as the Sustainability Lens)

2. Identification of emerging sustainability issues

Identify emerging sustainability topics or focus areas for investors and other market participants

Climate

Net-zero transition planning

Increasing resilience to physical climate risks

Nature

Nature-related dependencies and impacts

Tackling deforestation

People

Corporate culture

Human rights

Governance

Board composition and structure

Executive compensation

AI governance

Sustainable finance

In addition to the above themes relating to our investments, we actively participate in advocacy activities relating to sustainable finance, focusing on sustainability reporting and product labeling.

Engagement with companies and issuers

2026 UK Stewardship Code mapping	☑ **Principle 1:** Signatories integrate stewardship and investment to deliver long-term sustainable value for their clients and beneficiaries. ☑ **Principle 3:** Signatories engage to maintain or enhance the value of assets.

As a specialist investor focused on the transition to a more sustainable economy, we believe superior long-term financial returns can be generated by investors who better understand the associated opportunities and risks.

For active listed equities and fixed income strategies, our sustainable investment approach is built on three main steps:

1. Risk and opportunity assessment

We identify risks and opportunities associated with the transition to a more sustainable economy across industries and asset classes using proprietary tools, including the Impax Sustainability Lens, thematic taxonomies and fixed income sectoral tiering.

2. Resilience analysis

We evaluate individual company and issuer resilience using detailed analysis. This enables a deeper and broader understanding of corporate structures, oversight mechanisms, risk management capabilities and processes and transparency among our listed equities and fixed income investments.

- **Corporate Resilience Analysis** – Proprietary analysis for listed equities investments which considers governance structures, the management of material sustainability risks, climate risks (physical and transition), human capital management and inclusive culture.
- **Issuer Resilience Analysis** – Proprietary analysis for fixed income investments which considers governance structures, climate risks, human capital indicators and controversies.

3. Stewardship

Insights from our Resilience Analysis guide our engagement and proxy voting efforts. These stewardship activities enable more effective monitoring of our companies and issuers.

Engagement is fully integrated within the investment process, across listed equities and fixed income, and is used both to mitigate risk and to enhance investor value. Engagement allows us to:

- Manage risks by monitoring and 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 prioritised based on the urgency and materiality of risks and issues uncovered among investee companies, the overall size of holdings, as well as through the identification of material sustainability themes. It is conducted by the relevant investment team members and the Sustainability Centre as part of regular meetings with company management teams or through targeted dialogue.

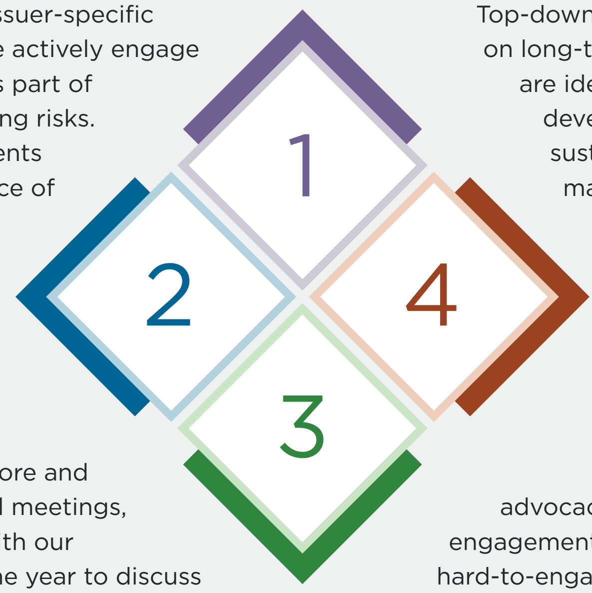
Engagement is embedded within the investment decision-making process. Monthly Investment Committee meetings have a standing agenda item to continuously inform and discuss stewardship issues across listed investments. Regular portfolio review meetings are meanwhile a forum for discussing company-specific stewardship priorities and issues at the portfolio and strategy level, between lead analysts, portfolio managers and the Sustainability Centre.

As part of our private markets investment process, we engage with investee companies, our joint venture partners and other external stakeholders, including suppliers, sub-contractors and local communities (see page 21). Our private markets funds typically hold majority stakes in renewable power generation and related assets with control rights, enabling the team to establish robust corporate governance structures and exercise active oversight through board representation and reserved matters. After acquisition, we work closely with portfolio companies to implement business plans and address any sustainability-related issues in line with Impax's standards.

Types of stewardship

1
Bottom-up
Bottom-up, company/issuer-specific engagements where we actively engage on individual matters as part of monitoring and managing risks. We prioritise engagements based on the significance of risk and the size of our holdings.

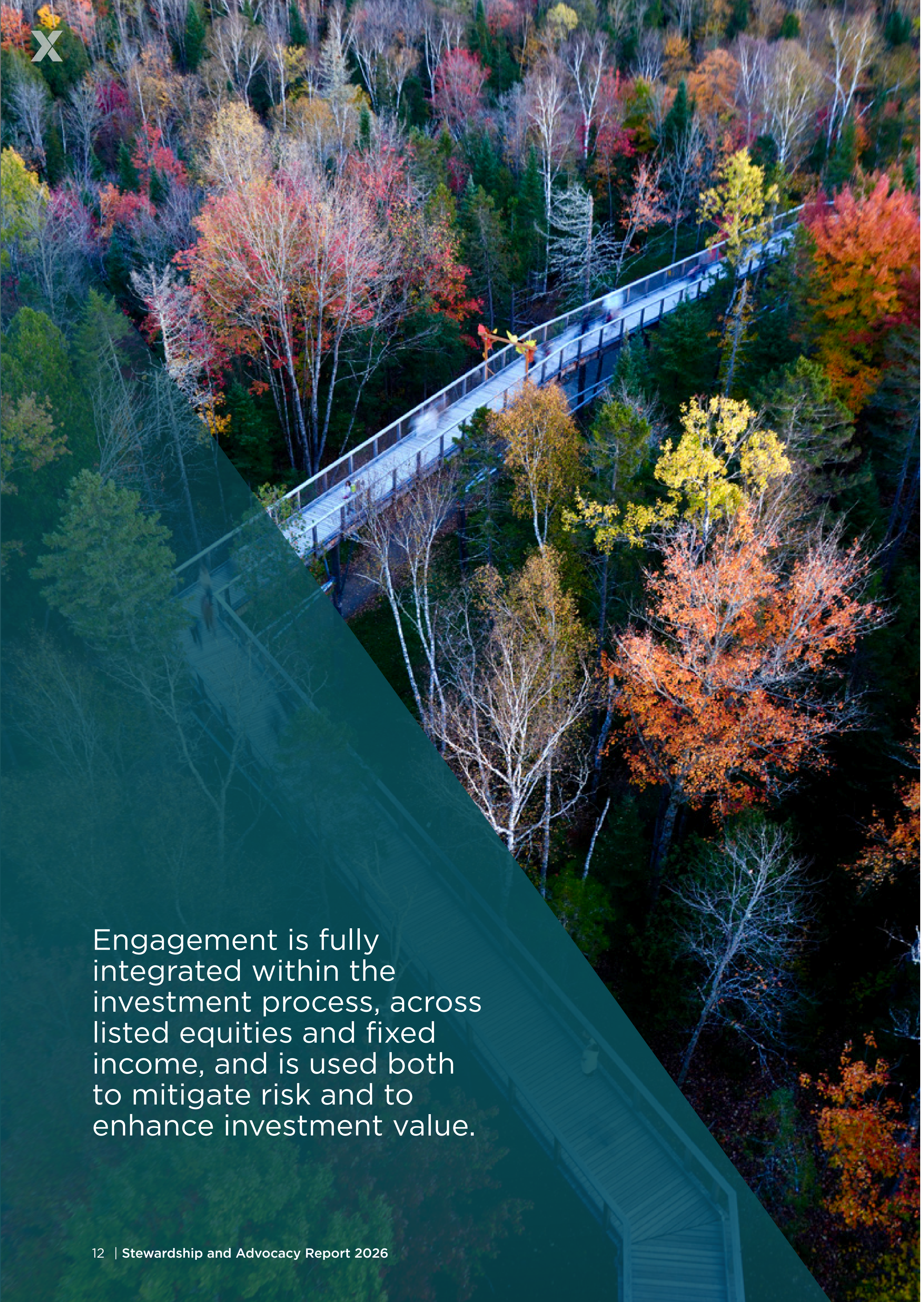
2
Proxy voting
Proxy voting-driven engagements, both before and after companies' annual meetings, accompany dialogue with our investees throughout the year to discuss governance, sustainability processes and disclosures.



3
Top-down
Top-down, thematic engagements on long-term priority themes that are identified based on market developments and emerging sustainability issues that are material for our companies and issuers.

4
Systematic
Systematic stewardship that combines policy advocacy and company-specific engagements to address critical, but hard-to-engage areas with barriers to progress, by shaping companies' practices through regulatory or policy change.

Importantly, our investee companies' business models, products and services are generally aligned with the transition to a sustainable economy. This means that our engagements are usually not focused on changing companies' strategies or business models, but rather seeking to help improve how the companies are operating and the structures, processes and disclosures they have in place.



Engagement is fully integrated within the investment process, across listed equities and fixed income, and is used both to mitigate risk and to enhance investment value.

Engagement lifecycle

We view engagement as an ongoing, iterative process, continuing over the course of months or years. Our approach to a typical engagement with an investee company or issuer is set out in the graphic below:

Identify companies for engagement

Prioritisation:

- Materiality and urgency of risks
- Size of exposure
- Alignment with thematic priorities
- Company responsiveness and past progress

Set engagement objectives

Engagement objectives typically include:

- Sharing views on key sustainability themes
- Supporting adoption of new policies and processes
- Encouraging goal-setting
- Improving sustainability disclosure/reporting

Engage with companies

Individual or collaborative engagement via:

- Email or letters
- Direct dialogue (in person or virtual)
- Proxy voting

Monitor progress and ongoing dialogue

We record engagement activity in a central platform and track progress continuously.

Improvements identified through Corporate and Issuer Resilience Analysis, proxy voting analysis, and ongoing company/issuer dialogue, are reflected in annual reporting.

Outcomes

Positive outcomes may include strengthened sustainability policies, processes or targets; improved public disclosure; and measurable performance improvements.

Most engagements involve repeated dialogue, often over several years.

Escalation (where needed)

Escalation options:

- Meetings with alternative company contacts
- Collaborate with other shareholders or industry groups
- Engage with standard setters or regulators
- File/co-file shareholder resolutions

Further details of our approach to engagement are set out in our latest Stewardship Policy. This includes our approach to proxy voting, escalation and engagement with fixed income issuers.

Engagement and proxy voting – our year in numbers

2026 UK Stewardship Code mapping	
☑	**Principle 3:** Signatories engage to maintain or enhance the value of assets
☑	**Principle 4:** Signatories actively exercise their rights and responsibilities

Company-wide key engagement metrics 2025

Listed equities and fixed income

Outreach[5]

219

outreaches initiated with **210** companies

Dialogue[6]

169

engagement dialogues with **142** companies

Progress

45%

of dialogues led to some progress against objectives; **13%** led to objectives achieved

Sentiment (engagement dialogues)[7]

38%	56%	6%
Positive	Neutral	Negative

In 2025, for **32%** of engagements undertaken with companies, the primary objective focused on communicating our view or ask (for instance, sharing our proxy voting guidelines), or where companies reached out directly for our feedback on sustainability disclosures, governance structures (particularly in advance of annual meetings) or materiality assessments. While we acknowledge that these types of engagements can be more introductory in nature, they are key for relationship building and longer-term engagement and may inform the development of further objectives.

Where our objectives focused on improving or implementing specific policies, practices or processes, or adopting goals or targets, we noted "progress" in **45%** of engagements undertaken with companies in 2025. This primarily included instances where:

- A company has committed to strengthen or adopt specific sustainability policies, processes, targets or disclosures in a reasonable timeframe
- A company has taken interim steps in support of the objective (e.g. systems or structures created/ enhanced to measure performance)

5 Outreach: Targeted contact with a company on a specific sustainability issue. Outreach can be an effective means of raising awareness of Impax's perspective or expectations concerning a particular issue with a group of companies (a one-way communication). Outreach may also be used as a first step in establishing a dialogue with a company.
6 Dialogue: Discussion with, or response from, a company either by email or by meeting/call on a specific or range of sustainability-related issues
7 Sentiment: A measure of how engagement has influenced our overall view and conviction in a specific company

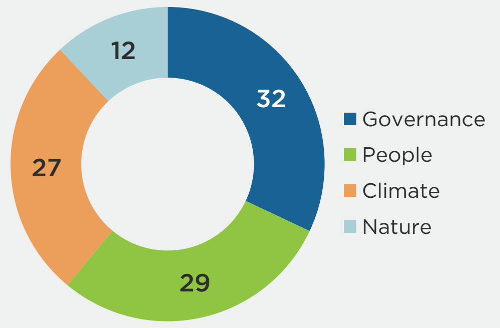
These types of objectives typically require multiple dialogues with companies, often over many years; as a result, the largest proportion of our engagement outcomes fall under the category of "progress" towards specific objectives.

We "achieved" our objectives in **13%** of engagements undertaken with companies in 2025, often following multiple years of engagement. This includes instances where:

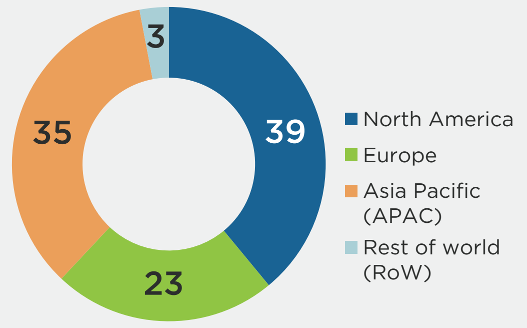
- A company has adopted or strengthened sustainability-related policies, processes and/or targets
- Transparency has been enhanced via public disclosures (e.g. CDP, Task Force on Climate-related Financial Disclosures (TCFD), issue-specific)
- There has been a measurable improvement in performance (e.g. board diversity, greenhouse gas (GHG) emissions reduction)

Where we engaged and how we voted in 2025

Engagement by theme (%)



Engagement by region (%)



Collaborative dialogues[8]

17%

One-in-six (17%) of our total engagement dialogues in 2025 were undertaken collaboratively. Impax initiates 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. Collaborative engagements are conducted across a number of issues and specific sectors and companies.

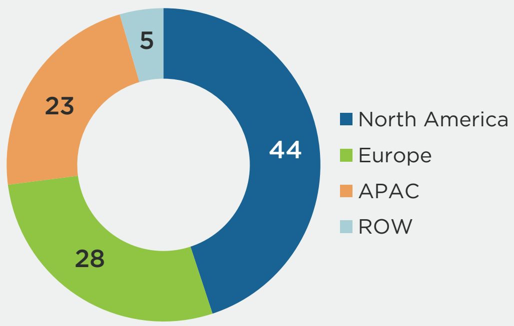
8 Where Impax participates in collaborative engagement activities with other shareholders, it does so on an independent basis and in accordance with its own policies. The purpose of such collaborative engagements is to facilitate an independent and free exchange of ideas and views among shareholders that relate to seeking improvement of the long-term performance of investee companies and/or changes in investee company practices without the purpose of acquiring, holding or disposing of securities to effect or influence a change of control in investee companies or as a participant in any transaction having such purpose or effect.

Proxy voting in 2025

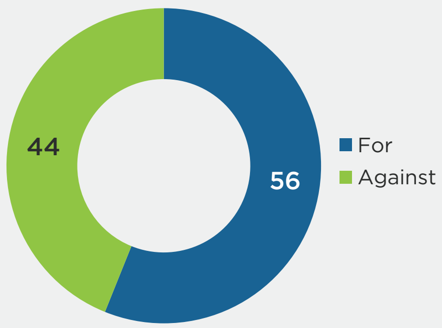
Total number of meetings voted during 2025:

661

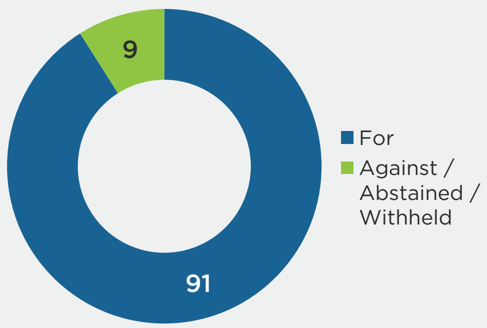
Proxy voting by region (%)



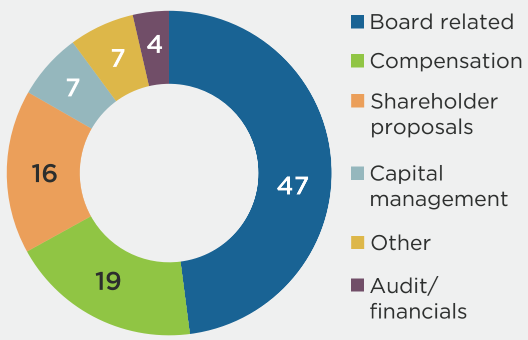
Shareholder resolutions voted (%)



Management resolutions voted (%)



Votes against management by category (%)



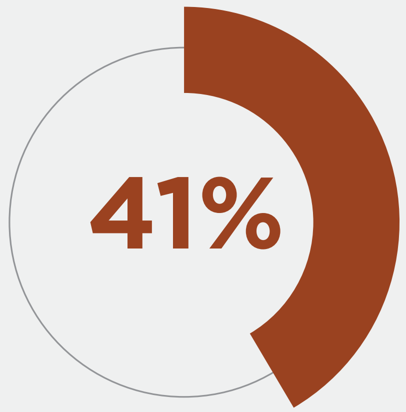
Shareholder proposal submissions in the US were down overall in 2025, as anticipated. We attribute this to a divisive political climate and regulatory uncertainty that emerged during the proxy season around shareholder proposals and collaborative engagements.

Average support for US shareholder proposals was stable, relative to 2024, but levels of support for environmental and social proposals continued to decline, as they have since 2023. Meanwhile, there continued to be a significant increase in proposals filed by a growing number of proponents in 2025 challenging companies' sustainability practices, particularly on people-related issues. Average support for these 'negative' sustainability-related proposals fell in the low single digits, similar to prior years.

Voting support for eligible shareholder proposals by theme (%)

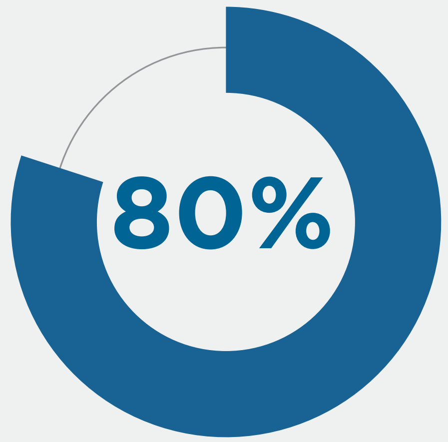
People

Human rights; equity, diversity & inclusion practices and disclosures; hiring practices



Climate

Transition plan reporting; emissions reduction targets; Scope 3 disclosures

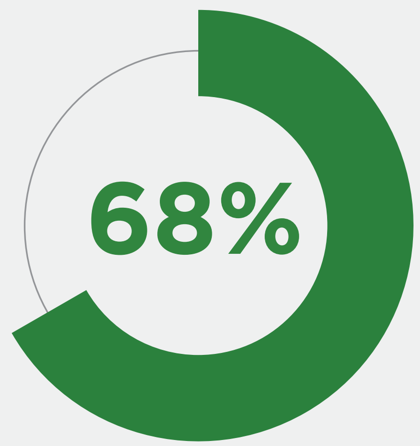


Governance

Executive compensation; board leadership structure; shareholder rights

Nature

Biodiversity assessment; plastic packaging; sustainable sourcing



Fixed income engagement

Within fixed income, our strategies invest in issuers that the team believes 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 issuers to develop enhanced structures, processes and disclosures.

There are similar drivers for engagement sourcing and prioritisation in fixed income, as for equities: 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.

There are two fixed income-specific engagement priorities:[9]

- Issuer-specific risks (as identified within our proprietary Issuer Resilience analysis), especially among those issuers with weaker internal sustainability scores
- Sector-specific risks (as identified through our Sustainability Tiering System) focusing on 'Tier 4' issuers in hard-to-transition sectors such as mining and metals, utilities and food and beverages

In 2025, most of our fixed income engagements focused on issuers in hard-to-transition sectors. We also actively participated in the formation of the Interfaith Center for Corporate Responsibility's bondholder engagement working group with other fixed income investors and continued our work engaging with capital markets teams and issuers.

CASE STUDY

Steel Dynamics

Steel Dynamics is a diversified steel producer and metal recycler.

The objective of this engagement was to gain insight regarding the company's efforts to manage sustainability risks across pillars, particularly around health & safety and GHG emissions reduction targets.

- We initiated our engagement by focusing on understanding the company's assessment of its climate and nature-related dependencies and impacts
- The discussion focused on setting science-based targets and its participation in the Global Steel Climate Council, of which it is a member. We also learned about the company's governance of sustainability issues

9 For more detail on the Impax Fixed Income Sustainability Framework.

Fixed income engagement metrics 2025

Outreach[10]

67 outreaches initiated with **62** issuers

Dialogue[11]

32 engagement dialogues with **30** issuers

Sentiment (engagement dialogues)[12]

Positive	Neutral	Negative
37%	57%	6%

Fixed income engagements by theme

People	Climate	Governance	Nature
33%	29%	26%	12%

10 Outreach: Targeted contact with a company on a specific sustainability issue. Outreach can be an effective means of raising awareness of Impax's perspective or expectations concerning a particular issue with a group of companies (a one-way communication). Outreach may also be used as a first step in establishing a dialogue with a company.
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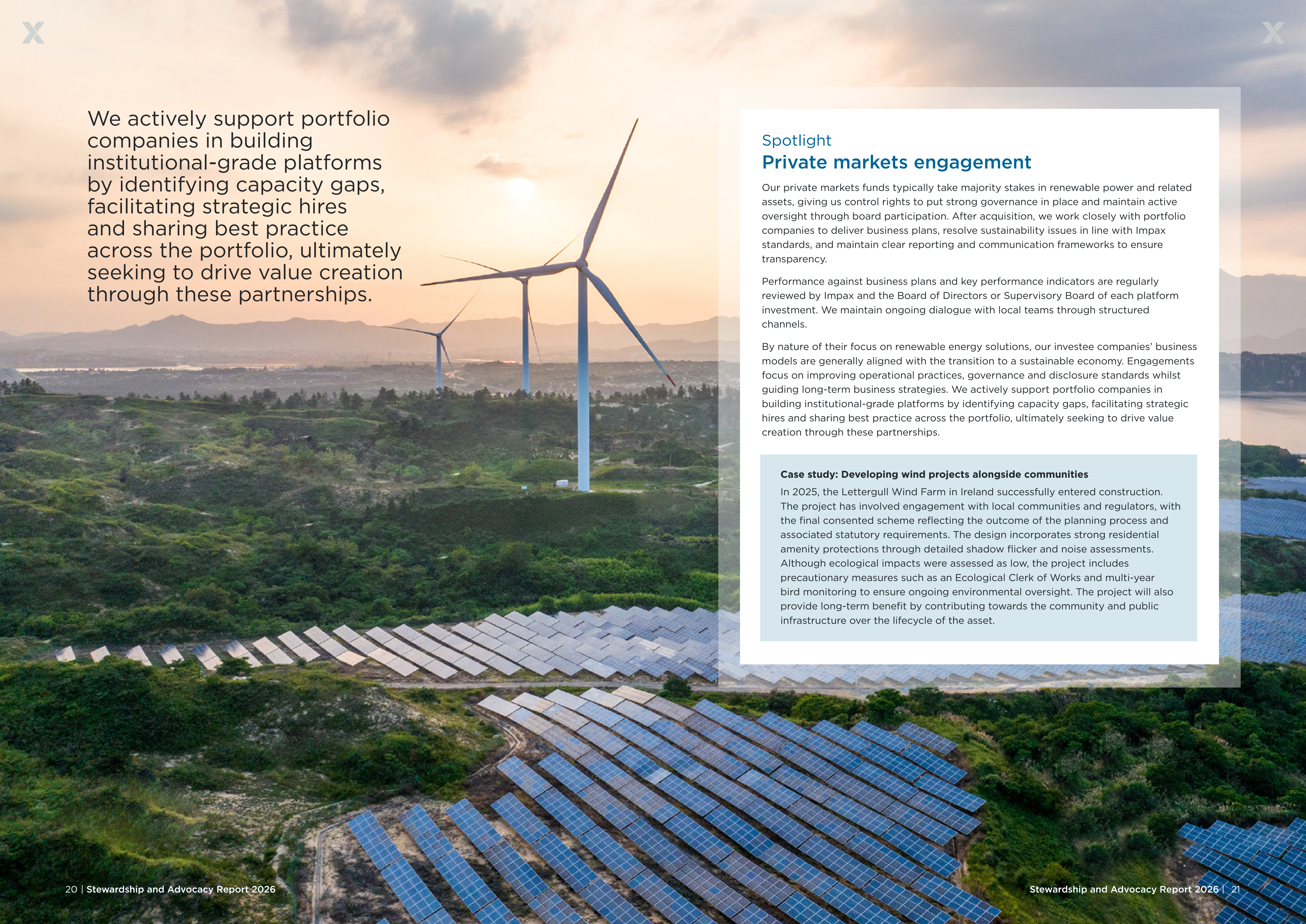


We actively support portfolio companies in building institutional-grade platforms by identifying capacity gaps, facilitating strategic hires and sharing best practice across the portfolio, ultimately seeking to drive value creation through these partnerships.

Spotlight

Private markets engagement

Our private markets funds typically take majority stakes in renewable power and related assets, giving us control rights to put strong governance in place and maintain active oversight through board participation. After acquisition, we work closely with portfolio companies to deliver business plans, resolve sustainability issues in line with Impax standards, and maintain clear reporting and communication frameworks to ensure transparency.

Performance against business plans and key performance indicators are regularly reviewed by Impax and the Board of Directors or Supervisory Board of each platform investment. We maintain ongoing dialogue with local teams through structured channels.

By nature of their focus on renewable energy solutions, our investee companies' business models are generally aligned with the transition to a sustainable economy. Engagements focus on improving operational practices, governance and disclosure standards whilst guiding long-term business strategies. We actively support portfolio companies in building institutional-grade platforms by identifying capacity gaps, facilitating strategic hires and sharing best practice across the portfolio, ultimately seeking to drive value creation through these partnerships.

Case study: Developing wind projects alongside communities

In 2025, the Lettergull Wind Farm in Ireland successfully entered construction. The project has involved engagement with local communities and regulators, with the final consented scheme reflecting the outcome of the planning process and associated statutory requirements. The design incorporates strong residential amenity protections through detailed shadow flicker and noise assessments. Although ecological impacts were assessed as low, the project includes precautionary measures such as an Ecological Clerk of Works and multi-year bird monitoring to ensure ongoing environmental oversight. The project will also provide long-term benefit by contributing towards the community and public infrastructure over the lifecycle of the asset.

External sustainability research providers are reviewed annually to understand methodological changes and areas of focus, while proxy voting research and platforms are monitored on an ongoing basis.

Oversight of stewardship service providers

2026 UK Stewardship Code mapping	☑ **Principle 6:** Signatories monitor and hold to account stewardship service providers

We use external research and service providers as inputs to our Corporate and Issuer Resilience Analysis for listed investments, but rely on proprietary methodologies and tools to assess, analyse and score sustainability risks, opportunities and quality at sector and company levels.

Corporate Resilience Analysis scores for actively-managed listed strategies are derived solely from Impax's proprietary analysis, although external ratings are used more extensively in certain systematic equity strategies.

External data is used to monitor investee company and issuer behaviour and controversies, including normative issues such as human rights breaches, litigation, labour relations and exposure to controversial activities (such as weapons, fossil fuels and tobacco). External sustainability research providers are reviewed annually to understand methodological changes and areas of focus, while proxy voting research and platforms are monitored on an ongoing basis.

Proxy voting advisory services

We engage most closely with our proxy voting adviser, Glass Lewis, to oversee voting operations, platform accuracy and policy alignment. While Glass Lewis provides vote recommendations, voting decisions are based on our own Proxy Voting Guidelines, which are updated annually (most recently in January 2026), with regular reviews to ensure correct implementation and to assess policy changes.

External research and data are also used for regulatory reporting, including EU SFDR Principal Adverse Impact indicators (PAIs) and the European ESG Template (EET). In specialist areas where data are evolving or highly location-specific – such as biodiversity and physical climate risk – we actively engage with research providers. We have recently appointed NatureAlpha for biodiversity research and data, and are currently reviewing the providers for physical climate risk.

For private markets, external service providers support sustainability data collection, reporting and due diligence.

Advocacy – addressing systemic risks

2026 UK Stewardship Code mapping	☑	**Principle 2:** Signatories identified and respond to market-wide and systemic risks to promote well-functioning financial markets

Advocacy: Policy advocacy, industry collaboration and thought leadership

The principal purpose of our advocacy work is to facilitate the systems-level change needed to unlock opportunities arising from the transition to a more sustainable economy and, in doing so, to help address risks. We gather insights from investors and policymakers to inform our priorities, and we use direct policy engagement, collaboration through industry memberships and thought leadership to help strengthen the policy frameworks and market standards that support the transition.

Key channels for our advocacy work are as follows:

Direct engagement with clients

We regularly engage with other investors to share sustainability-related insights on emerging risks, opportunities and market trends. These insights are delivered through reporting, thought leadership, meetings and tailored briefings.

Engagement with investors through industry memberships

We work with other investors through active roles in committees and working groups, helping to shape industry-wide policy positions, advance market practice and contribute to consultation responses and sign-on initiatives. The tables on pages 50-51 outline our current memberships, tiered by our level of contribution and aligned to our priority themes.

Direct engagement with policymakers and regulators

As well as responding directly to consultations on the design and implementation of public policy, we frequently meet with policymakers and regulators bilaterally and through industry associations. We strive to influence policy outcomes that support the growth of markets in solutions to environmental and social challenges.

Sustainability-related thought leadership, reporting and events

For many years, we have published reports, blogs and opinion pieces to raise awareness of sustainability-related issues and the transition to a more sustainable economy, while showcasing our expertise. We also co-author thought leadership with specialist organisations, academic partners and clients. In addition, Impax regularly hosts, sponsor and speaks at sustainability-related events and forums, often invited as a subject matter expert through our broad network of member organisations.

Sustainability-related thought leadership and events: 2025 highlights

16

Reports and insights published

73

Events in which we participated

12 events during London Climate Action Week, including:
- TFFF Investor Roundtable (hosted by Bloomberg)
- Investor Roundtable on Health, Climate, and Nature (World Benchmarking Alliance)
- Investor Policy Dialogue on Deforestation (Tropical Forest Alliance/World Economic Forum)

16 events during New York Climate Week, including:
- Impax seminar, “Beyond the Forecast: Investment Strategies for a Climate Resilient Future”
- US SIF Brunch-and-Learn, “Advising through Disruption: Understanding Systemic Climate Risk”

29 events across the Asia-Pacific (APAC) region, including:
- APAC Sustainable Finance Summit
- China SIF Annual Conference

Memberships[13]

2026 UK Stewardship Code mapping	☑ **Principle 2:** Signatories indentified and respond to market-wide and systemic risks to promote well-functioning financial markets

	Climate	Nature	People	Governance	Sust. Finance
Tier 1: Leadership role[14]					
Asian Corporate Governance Association (ACGA)				●	●
Ceres	●	●			●
Confederation of British Industry (CBI)	●				●
Diversity Project			●		
Institutional Investors Group on Climate Change (IIGCC)	●	●			
Investor Policy Dialogue on Deforestation (IPDD)		●			
Sustainable Markets Initiative (SMI)	●	●			
UK Net Zero Council	●				
US Sustainable Investment Forum (US SIF)					●
Tier 2: Active engagement[15]					
China Climate Engagement Initiative	●				
Climate Financial Risk Forum	●				●
Energy Transitions Commission	●				
FAIRR		●			
Finance Sector Deforestation Action		●			
Glasgow Financial Alliance for Net Zero	●				
Interfaith Center on Corporate Responsibility				●	
International Corporate Governance Network				●	
International Financial Reporting Standards					●
Invest Ahead			●		
Investment Association	●				●
Investors Against Slavery and Trafficking (Asia Pacific)			●		
Nature Action 100		●			
Northeast Investors Diversity Initiative			●		
Principles for Responsible Investment					●
ShareAction Investor Decarbonisation Initiative	●				
Taskforce on Nature-related Financial Disclosures		●			●
Transition Finance Council	●				●
UK-China Green Finance Taskforce	●				●
UK Sustainable Investment and Finance Association					●

13 As at 31 December 2025
14 Includes memberships where we perform a leadership role, including as a board member or chair of a working group/committee
15 Covers memberships where we play an active engagement role, such as participating in working groups

	Climate	Nature	People	Governance	Sust. Finance
Tier 3: Supporter[16]					
Carbon Disclosure Project	●				●
Climate Action 100+	●				
Confluence Philanthropy					●
Council of Institutional Investors				●	
Financing a Just Transition Alliance			●		
Global Adaptation & Resilience Investment	●				
Global Investor Coalition on Mining	●	●	●		
Investor Environmental Health Network		●			
Long-term Investors in People's Health Initiative			●		
Net Zero Asset Managers Initiative	●				
Shareholder Rights Group				●	●
Spring: A PRI stewardship initiative for nature		●			
Sustainable Investment Institute	●				●
WBA: Collective Impact Coalition for Violence & Harassment			●		
Wind Europe	●		●		
Tier 4: Signatory					
30% Club (Hong Kong Chapter)			●		
CFA DEI Code (USA and Canada)			●		
Plastic Solution Investor Alliance		●			
Race at Work charter			●		
UK Stewardship Code					●
Women in Finance charter			●		
Women's Empowerment Principles			●		

Tier 1: Leadership roles

ACGA	**Chair of China Working Group:** Nana Li[17],
Ceres	**Corporate Sponsor**, Investment Practices Working Group
CBI	**Chair of Energy Transition Committee:** Ian Simm[18], **Chair of Sustainable Finance Working Group:** Shahbano Soomro[19]
Diversity Project	**Board member:** Darren Johnson[20]
IIGCC	**Board member:** Ian Simm, **Co-Chair of UK Policy Working Group:** Chris Dodwell[21], **Co-Chair of EU Policy Working Group:** Lucas Penfold[22]
IPDD	**Co-Chair of Consumer Countries Working Group:** Chris Dodwell
SMI	**Project lead (Extreme Weather Risk):** Ian Simm, Shahbano Soomro
UK Net Zero Council	**Council member:** Ian Simm
US SIF	**Board member:** Ed Farrington[23]

16 Includes other memberships not covered by Tiers 1 and 2 (e.g. being a member, signatory, or participant)
17 Head of Sustainability & Stewardship, Asia-Pacific
18 Founder & CEO
19 Sustainable Investment Research & Strategy
20 Global Chief Operating Officer
21 Co-Head of Impax Sustainability Centre
22 Head of Sustainability Reporting
23 President, North America

Climate

We embed both physical and transition climate risks throughout our investment process by assessing how climate change may affect the operations, value chains and long-term financial performance of our investee companies and issuers. This includes assessing exposure to extreme weather events, supply chain disruption and broader physical impacts—while also evaluating transition risks arising from policy shifts, technological change and evolving market expectations.

We have reaffirmed our commitment to the Net Zero Asset Managers (NZAM) initiative, reflecting our view that effective management of climate-related financial risks is central to delivering resilient, long-term value for clients. The updated Commitment Statement sets out a clear and transparent approach, focused on targeted investment, robust governance and policy engagement to support the objectives of the Paris Agreement. We continue to value NZAM's role in elevating climate risk across the investment community and driving collective action across the global economy.

In the graphic on page 27, we set out how we have been using different levers to help us manage the climate-related risks and opportunities we are exposed to through our investments, with a focus on making progress and delivering on our 2030 net-zero target. Our target is for all active listed equity and private markets investments to be invested in 'transition-aligned' or 'transition-aligning' companies by 2030, with at least 50% already 'transition-aligned' by that date. Since committing to the target in 2021, we have broadened – and where necessary, escalated – our stewardship activities, moving from direct engagement with individual investee companies to collaborative engagements and industry initiatives and, where barriers are systemic, to policy advocacy.

During 2025, we continued to prioritise the following two critical climate sub-themes for engagement and advocacy:

- Net-zero transition planning
- Increasing resilience to physical climate risks

Voting in focus

Clean Harbors

Asset class: **Fixed Income / Listed Equities**

We have been engaging with Clean Harbors, a US-listed waste company, since 2018, most recently on climate transition risk management. Despite direct engagement, the company has made insufficient progress in improving its climate risk management processes and performance, and we classify it as transition 'non-aligned.' In 2025, we voted against the Audit Committee member standing for election, as the Audit Committee is responsible for overseeing risk. In engagement following the vote, the company shared plans to build out its Scope 3 inventory in 2026 and disclose Scope 3 emissions in 2027.

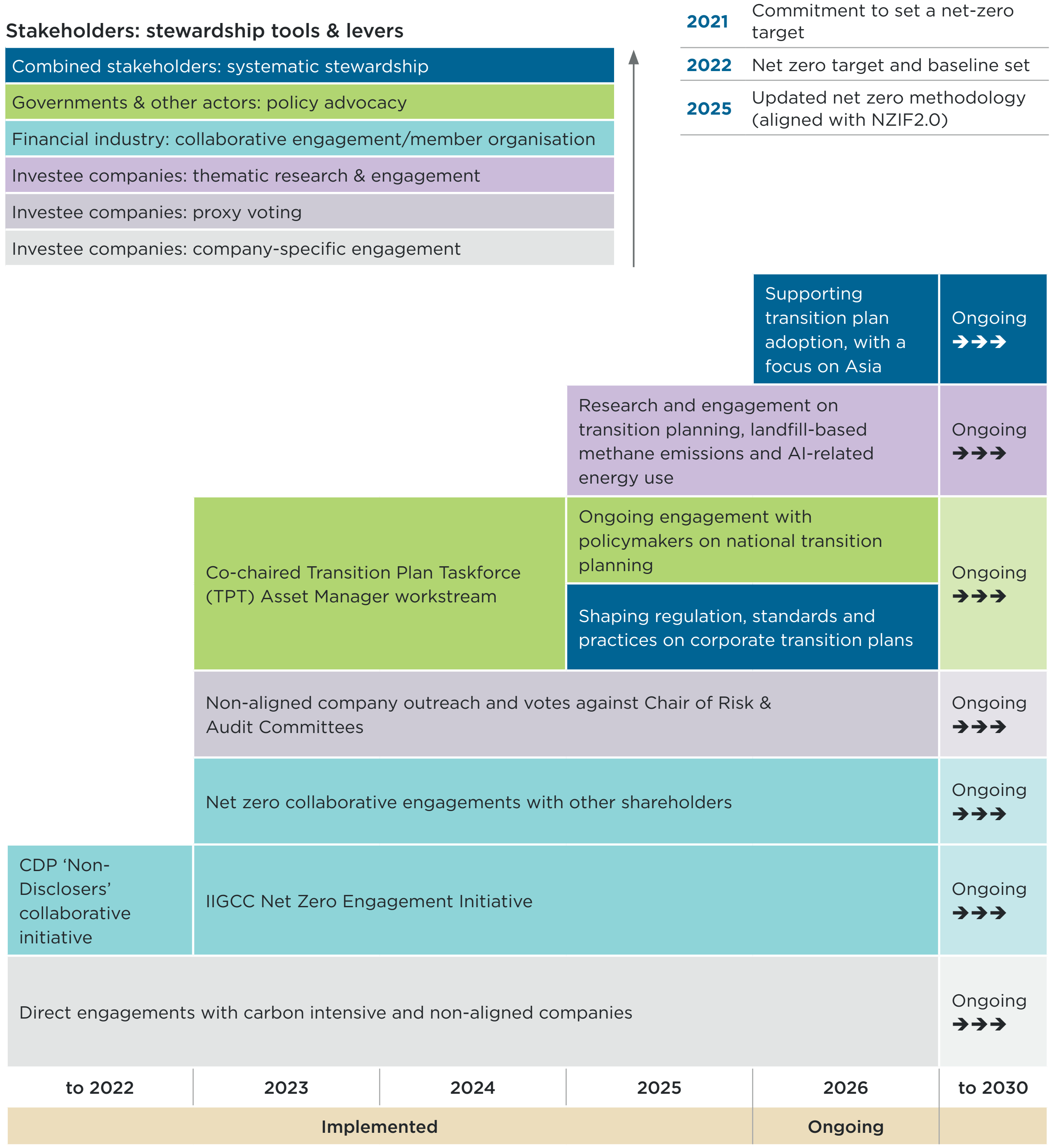
Using stewardship levers and escalation for positive outcomes over time

The graphic below illustrates how we can leverage the breadth of our stewardship and advocacy activities in pursuit of an overarching goal: in this example, working towards our 2030 net-zero target. Each year, we have built on our activities, pulling levers through different channels and with different stakeholders, ranging from individual investee companies to governments and regulators. We intend to review the 2030 target in 2027.

Example: towards Impax's net zero target

Net zero targets/methodology

2021	Commitment to set a net-zero target
2022	Net zero target and baseline set
2025	Updated net zero methodology (aligned with NZIF2.0)



Engagement

2026 UK Stewardship Code mapping	
☑	**Principle 1:** Signatories integrate stewardship and investment to deliver long-term sustainable value for their clients and beneficiaries
☑	**Principle 3:** Signatories engage to maintain or enhance the value of assets

Through engagement, we aim to help investee companies improve their climate risk management and strengthen their resilience, while recognising that systemic climate risks cannot be addressed by our actions alone.

27% of engagements in 2025 focused on Climate

ENGAGEMENTS BY SUB-THEME

76% Net zero transition planning
- **45%** Target-setting
- **28%** Emissions disclosure
- **19%** Scope 3 emissions
- **8%** Landfill methane

24% Increasing resilience to physical climate risks

A focus on methane emissions

Following engagements with waste management companies in recent years, in 2025 we undertook a series of thematic engagements on landfill methane emissions, informed by research using Climate Trace data.

Engagements provided context on the site-specific considerations driving gas capture rates, including factors such as waste composition, volumes and climatic conditions. Nearly all companies with whom we engaged are implementing new technologies to more accurately measure and monitor landfill emissions, such as drone, satellite and fixed-sensor technologies.

Companies are prioritising gas utilisation over flaring, which can extend site profitability and revenues beyond a landfill site's operational life. Most waste managers detailed renewable natural gas (RNG) and waste-to-energy projects that are expected to come online before 2030. That said, such initiatives may not be economically viable for sites with lower captured gas volumes or those remote from energy infrastructure, or in locations where the removal of policy incentives undermines project economics.

While we observed significant progress on monitoring, managing and capturing landfill gases for environmentally and economically beneficial use, we also highlighted to the companies where there were gaps and improvement opportunities; e.g. in the transparency of methane monitoring, target-setting for methane capture and GHG emissions, progress and capital expenditure (capex) plans for the increased beneficial use of landfill gases. We continue the dialogue on these topics with the waste managers.

CASE STUDY

Rational

Rational is a manufacturer of industrial kitchen equipment.

Sector
Industrial Machinery & Supplies & Components

Geographic region
Germany, Europe

Engagement theme
Climate

Engagement type
Individual

Asset class
Listed Equities

Objectives

- Disclose Scope 3 emissions
- Set science-based emissions reduction targets

Activities

We have been engaging with Rational, a German-listed manufacturer of industrial kitchen equipment, since 2020. In 2025, we met with the new Head of ESG & Risk Management in relation to the two objectives above.

Progress and outcomes

We were encouraged by the step-change in Rational's approach to sustainability and climate risk management, supported by the establishment of a dedicated ESG & Risk Management function and clearer oversight structures. The company has undertaken its first double materiality assessment, which identified climate as a top priority. It has now set 2030 emissions reduction targets for Scopes 1 and 2, and an ambition to achieve net zero by 2050, aligned with science-based pathways. The company confirmed that sustainability key performance indicators (KPIs) now comprise 25% of the overall weighting in its executives' long-term incentive plan (LTIP), further supporting the integration of climate into business strategy.

Rational has demonstrated an increased focus on Scope 3 emissions and has developed over 900 product carbon footprints using real-time data from its devices. It is also ramping up value-chain efforts on customer training to improve the energy efficiency of its products in use and has engaged with over 200 suppliers on emissions and sustainability-related factors.

We provided feedback on improvements in disclosure and transparency, including the company's material KPI dashboard.

2020	Engagement outreach and meeting: board independence and diversity
2021	Engagement meeting: climate non-aligned engagement priority
2022	Company undertakes first materiality assessment and discloses to CDP for first time
2023	Pre-AGM outreach on board diversity. Post-AGM engagement meeting with limited progress
2024	Director elections every five years; voted against affiliated directors for insufficient board independence at 2024 AGM. However, company appoints first female director to the board. Sustainability metrics incorporated into executive remuneration (LTIP)
2025	Follow-up engagement with newly appointed Head of ESG. Double materiality assessment undertaken; Scope 3 emissions and target-setting focus

Advocacy

Tackling climate-related risks at the scale and pace required demands not only company-level action but also fundamental shifts in policy, market infrastructure and capital flows. As investors, we engage with policymakers and convene stakeholders across the financial sector to help shape the systems-level solutions needed to reduce emissions, support an orderly transition to a lower-carbon economy and strengthen resilience to unavoidable climate impacts.

In 2025, our advocacy prioritised real-economy policy frameworks that accelerate decarbonisation while addressing the growing need for climate adaptation and resilience. We engaged governments and multilateral institutions on policy frameworks for high-emitting sectors and promoted the integration of physical climate risks into regulatory standards and market practice. Alongside the case studies below, we led the Sustainable Markets Initiative's (SMI) Extreme Weather Risk project and developed standards for adaptation-inclusive transition plans through the Climate Financial Risk Forum (CFRF).

2026 UK Stewardship Code mapping	☑	**Principle 2:** Signatories identified and respond to market-wide and systemic risks to promote well-functioning financial markets

CASE STUDY

National transition planning: UK Net Zero Council & Transition Finance Council

Objectives

Develop credible, financeable sector transition plans (STPs) co-created by business, investors and government to mobilise the capital necessary to achieve the UK's climate goals by providing long-term policy stability, mapping investment needs across the capital stack and addressing barriers to investment.

Activities

Through the Net Zero Council (NZC), we contributed investor perspectives on sector roadmaps and positioning of UK's energy transition as an investment opportunity. In parallel, we engaged with the Transition Finance Council (TFC) to strengthen the finance plan components of STPs, encouraging clearer articulation of use-cases for STPs and greater collaboration with the NZC. As co-chair of the Institutional Investors Group on Climate Change's (IIGCC) UK Policy Working Group, we encouraged the IIGCC to develop and publish an assessment of the UK's Clean Power 2030 Action Plan against investor principles for STPs.

Progress and outcomes

In September 2025, the TFC published its guidance Sector Transition Plans: The Finance Playbook which set out why robust finance plans are critical to STPs and detailed the components needed to mobilise capital. The following month, the NZC published its Sector Transition Plan Guidance which incorporated the TFC's finance plan framework. In March 2026, it was announced that the NZC and TFC working group would be merged into a new sub-group focused on delivering finance plans for the UK's STP programme.

Next steps aim to:

- Drive investor adoption of the STP framework through continued engagement with the new merged NZC/TFC implementation workstream
- Promote international uptake of the UK's collaborative, finance-aligned approach to sector planning, positioning STPs as essential elements for mobilising capital needed to implement Nationally Determined Contributions (NDCs)

CASE STUDY

Corporate transition planning: systematic stewardship in action

Objectives

Advance corporate adoption of credible transition plans by combining investor engagement with investee companies and policy advocacy to shape disclosure frameworks. The goal is to promote decision-useful, forward-looking climate transition plans that enhance corporate resilience, support capital allocation, and enable investors to assess alignment with climate goals.

Activities

Corporate engagement: Since 2024, we have conducted thematic engagements with investee companies on transition planning. In 2025, we focused on the quality of transition plans including how companies integrate climate strategy into business models, capital allocation, governance and value chain engagement.

Policy advocacy: We have been involved in the development of disclosure standards for transition plans since 2022 when we co-chaired the Transition Plan Taskforce's (TPT) Asset Management Working Group. In 2025, we responded to the UK government's 2025 consultation on mandatory transition plan requirements, drawing on our engagement experience to advocate for investor-relevant, scenario-based, and resilience-focused disclosures.

Thought leadership: In September 2025, we published a blog, "Climate Transition Plans: A Blueprint for Corporate Resilience," highlighting the importance of forward-looking, flexible, and adaptive transition plans. The blog emphasised the need for companies to disclose how they are responding to climate risks under multiple scenarios, with a particular focus on adaptation and resilience to physical climate risks.

Progress and outcomes

The TPT Disclosure Framework has become the global benchmark for transition plan disclosures. In June 2024, the IFRS Foundation assumed responsibility for the TPT's disclosure-specific materials, integrating them into IFRS S2 Climate-related Disclosures. This milestone has helped reduce fragmentation and improve consistency in global transition plan reporting.

The UK government's 2025 consultation on transition plan requirements reflected investor expectations shaped by TPT engagement. The proposed mandate for UK-regulated financial institutions and FTSE 100 companies to disclose credible, 1.5°C-aligned transition plans marks a significant step toward mainstreaming transition planning. The outcome of the 2025 consultation had yet to be published, as of April 2026.

In addition, our corporate engagements in 2025 demonstrated improvements in the adoption of credible transition plans, with 53% of companies engaged making measurable progress and 14% of engagements on this topic achieving their objective.

Next steps aim to:

- Monitor implementation of mandatory transition plan requirements globally, ensuring investor needs for decision-useful information are met
- Deepen corporate engagement on transition plan quality, with a focus on scenario analysis, adaptation planning, and 'just transition' considerations
- Promote global consistency through participation in the International Transition Plan Network and engagement with standard-setters
- Integrate transition plan assessment more systematically into investment decision-making and stewardship activities, reinforcing the link between robust planning and long-term value creation

Nature

We have maintained a longstanding focus on nature as part of the investment process. We assess nature-related risks in our investments by considering the exposure that companies and issuers have to biodiversity loss and ecosystem degradation. We examine opportunities arising from investing in nature-based solutions whose products and services can play a positive role in alleviating pressures on biodiversity.

We also recognise that safeguarding biodiversity and natural systems is essential to manage long-term environmental and financial risks, and to support a resilient, sustainable global economy. We strongly believe that addressing nature-related risks requires systems-level solutions alongside direct engagement with investee companies and issuers.

In 2025, we prioritised the following nature sub-themes for engagement and advocacy:

- Nature-related dependencies and impacts
- Tackling deforestation

Engagement

2026 UK Stewardship Code mapping	☑	**Principle 1:** Signatories integrate stewardship and investment to deliver long-term sustainable value for their clients and beneficiaries
	☑	**Principle 3:** Signatories engage to maintain or enhance the value of assets

Given the relatively early stage of corporate approaches to nature-related risks, during 2025 we continued to focus on encouraging companies to assess their nature dependencies and impacts, strengthen board-level oversight, and improve disclosure of governance, risk management, strategy and metrics/targets in line with Taskforce on Nature-related Financial Disclosures (TNFD) expectations. Our engagements also covered related issues such as waste, chemicals and pollution management, major drivers of nature and biodiversity loss.

12%
of engagements in 2025 focused on Nature

A focus on community and human rights with renewable energy developers

In 2025, we prioritised engagement with renewable energy developers.

Our objective was to assess current approaches to supplier due diligence and the integration of stakeholder engagement into the assessment of nature-related risks and opportunities, as recommended by the TNFD.

Across the sector, we found that few companies have effectively integrated indigenous and community engagement into nature-related assessments and strategy. Nonetheless, we identified examples of co-creation and equity partnership models implemented by Canadian-listed energy producers HydroOne and Boralex as examples of meaningful first steps for full implementation.

CASE STUDY

DSM-Firmenich

DSM-Firmenich is a supplier of ingredients to the nutrition, health and beauty industries.

Sector
Specialty Chemicals

Geographic region
Switzerland, Europe

Engagement theme
Nature

Engagement type
Collaborative

Asset class
Listed Equities

Objectives

- Assess nature-related dependencies, impacts, risks and opportunities (DIROs) across the value-chain to inform nature strategy
- Integrate biodiversity and water criteria into supplier engagement

Activities

We have been engaging with DSM-Firmenich since 2021. In 2025, we followed up on prior discussions with a focus on assessing the company's nature-related dependencies, impacts, risks and opportunities, and how these inform its broader nature strategy.

Progress and outcomes

DSM-Firmenich has made very strong progress since the previous year's engagement. It has undertaken a comprehensive assessment of its nature-related dependencies, impacts, risks and opportunities, aligned with European Sustainability Reporting Standards (ESRS), TNFD and Science Based Targets Network (SBTN) frameworks. The company confirmed that approximately 95% of its drivers of nature change arise from upstream raw materials — primarily agriculture-based ingredients — with around 5% linked to its own operations. Following this work, the company reviewed its existing 2030 targets and decided not to set a standalone nature target at this stage, noting that material dependencies and impacts are already addressed through sourcing and water-related commitments.

DSM-Firmenich indicated that it will continue to monitor the evolution of the SBTN framework and would consider setting a biodiversity-specific target in the future. It also committed to strengthening its focus on biodiversity and restoration projects through a landscape-level approach, informed by further prioritisation of high-risk water areas and key raw materials. The company has worked with the International Union for Conservation of Nature (IUCN) using a biodiversity screening tool to identify locations and sourcing areas where its activities may overlap with sensitive ecosystems. We will follow up after publication of the company's integrated annual report, which will include biodiversity disclosures for the first time.

- **2021** — Engagement meeting: materiality assessment
- **2023** — Collaborative outreach to develop climate transition plan; engagement meeting following merger with focus on remuneration and double materiality assessment
- **2024** — Engagement outreach and meeting; assess nature-related dependencies and impacts
- **2025** — Follow-up engagement: company discloses outcomes of DIROs assessment and plans to inform nature strategy

Voting in focus

Home Depot

Asset class: **Listed Equities**

In 2025, we voted in favour of shareholder proposals at US retailer Home Depot that requested the company conduct a biodiversity assessment and issue a report on plastic packaging. We are supportive of efforts that would help companies to better understand their nature-related dependencies and impacts to inform risk management initiatives and provide greater transparency to investors on a key issue for the company. Both proposals earned overall support of 17%.

Advocacy

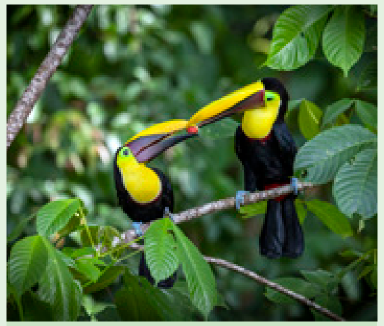
The scale and pace of nature loss – from deforestation to biodiversity collapse – create systemic financial risks and undermine real economy value chains that depend on healthy ecosystems. Yet dependencies on nature remain poorly measured and weakly governed, underscoring the need for clearer policy signals, market standards and disclosure frameworks. As investors, we engage policymakers and convene financial sector stakeholders to help align capital flows with outcomes that halt deforestation and support a nature-positive transition.

In 2025, our advocacy focused on nature-related dependencies and impacts, particularly deforestation. We facilitated investor input into the design of the Tropical Forest Forever Facility (see page 35), connected deforestation-focused coalitions with governments and multilateral institutions through the Investor Policy Dialogue on Deforestation (IPDD), and collaborated with initiatives including FAIRR, IIGCC and PRI Spring. We also continued to support the TNFD by promoting its recommendations as a foundation for action by our investee companies and sharing our experience with other financial institutions, ahead of publishing TNFD-aligned disclosures in our group-level Sustainability Report in June 2026.

2026 UK Stewardship Code mapping	☑	**Principle 2:** Signatories identified and respond to market-wide and systemic risks to promote well-functioning financial markets

CASE STUDY

Tropical Forest Forever Facility (TFFF)



The TFFF is a Brazil-led initiative designed to incentivise the conservation and expansion of tropical forest through performance-based payments to countries that maintain and grow standing forest cover.

Objectives

Support the successful launch of TFFF at the COP30 climate summit by facilitating investor inputs into its design, resulting in a high-integrity facility that channels capital to protect and restore tropical forest and can attract sponsor capital and private investment at scale.

Activities

During 2025, we convened and connected deforestation-focused investor initiatives (including IPDD and Finance Sector Deforestation Action (FSDA)) with the Brazilian government, sponsor countries and the TFFF Secretariat to bring investor perspectives into facility design. As part of London Climate Action Week, we hosted an investor roundtable to identify priorities (especially eligibility guardrails and alignment with climate and nature goals) which served as the basis for written inputs into TFFF concept notes.

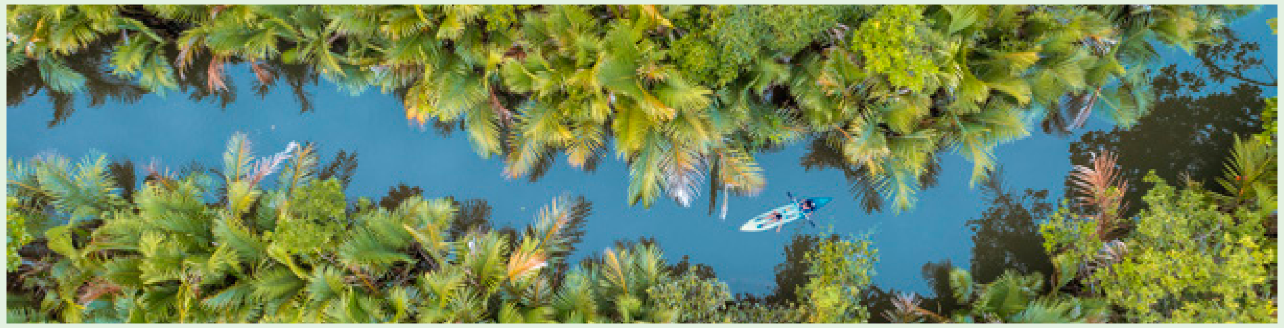
Alongside this policy engagement, we drew on practical lessons from our investment in the World Bank Amazon Reforestation Outcome Bond — including our visit to MOMBAK's restoration work in Belém during COP30 — to illustrate what high-integrity forest finance can deliver on the ground.

Progress and outcomes

Investor feedback helped strengthen the facility's integrity features, including safeguards to avoid exposure to companies linked to material environmental harm. A key outcome was recognition of the need to avoid exposure to companies linked to material environmental harm. The latest TFFF concept note confirmed the exclusion of corporate bonds in sectors such as coal, peat, oil and gas — an important step towards credibility and risk management for investors seeking nature-positive outcomes and sponsor countries.

Next steps aim to:

- Encourage sponsor countries to pledge US$10bn of junior capital by end 2026 by signalling investor support for TFFF.
- Continue facilitating dialogue between investor coalitions and the TFFF Secretariat on implementation safeguards, pipeline transparency and performance metrics



People

We recognise that effective management of people-related risks is critical to company competitiveness and long-term value creation. We assess human capital, inclusive culture and human rights as material factors within our proprietary Corporate and Issuer Resilience Analysis.

Strong corporate culture practices are consistently linked with higher motivation, retention, productivity and better financial performance, and research shows that diverse and inclusive cultures are often correlated with financial outperformance.[24]

In addition, as long-term investors, we believe that respect for human rights is fundamental to sustainable value creation and resilient economies. Our approach is grounded in the belief that businesses have a responsibility to uphold the dignity, equality and rights of individuals across their value chains.

During 2025, we continued to prioritise the following two people sub-themes for engagement and advocacy:

- Corporate culture
- Human rights

Engagement

2026 UK Stewardship Code mapping	
☑	**Principle 1:** Signatories integrate stewardship and investment to deliver long-term sustainable value for their clients and beneficiaries
☑	**Principle 3:** Signatories engage to maintain or enhance the value of assets

Through engagement we encourage investee companies to disclose and strengthen policies and practices related to talent recruitment, retention and development, and employee engagement, wellbeing and inclusion. We also focus on human rights risks within supply chains by using a regional and sector-specific approach to identify companies requiring deeper engagement.

29% of engagements in 2025 focused on People

ENGAGEMENTS BY SUB-THEME

Corporate culture
70% Human capital and equity, diversity and inclusion[25]

Human rights
16% Human rights due diligence
14% Supply chain

24 See Impax, March 2026: Why corporate culture matters for gender equity – and returns
25 Diversity can be defined as the presence of cognitive, cultural, demographic and experiential differences within a given context, such as an organisation. Cognitive diversity is the range of expertise, experiences, information, perspectives, preferences, and ways of thinking within a team. Equity means people have fair access, opportunity, resources and power to thrive. The goal is to achieve greater fairness of treatment and outcomes. Inclusion can be described as the actions taken to understand, embrace and leverage the unique strengths and facets of identity for all individuals so that they feel welcomed, valued and supported. Source: UNPRI: Diversity Equity and Inclusion / Diversity Project"

CASE STUDY

Eastern Bank

Eastern Bank is a US bank serving individuals and businesses in the Greater Boston area.

Sector
Regional Banks

Geographic region
US, North America

Engagement theme
People

Engagement type
Individual

Asset class
Listed Equities

Objectives

- Evaluate the company's human capital management strategy and culture
- Encourage regular public disclosure on human capital management and culture

Activities

Our proprietary Corporate Resilience Analysis identified Massachusetts-based Eastern Bank as a priority for engagement, after it identified changes in the company's equity, diversity and inclusion disclosures. Our first engagement dialogue with the company, which included the Chief Executive Officer (CEO) and Chief Human Resources Officer (CHRO), focused on human capital management in the context of its 2024 merger with Cambridge Trust, upcoming HarborOne acquisition and the company's approach to inclusion given the evolving landscape in the US.

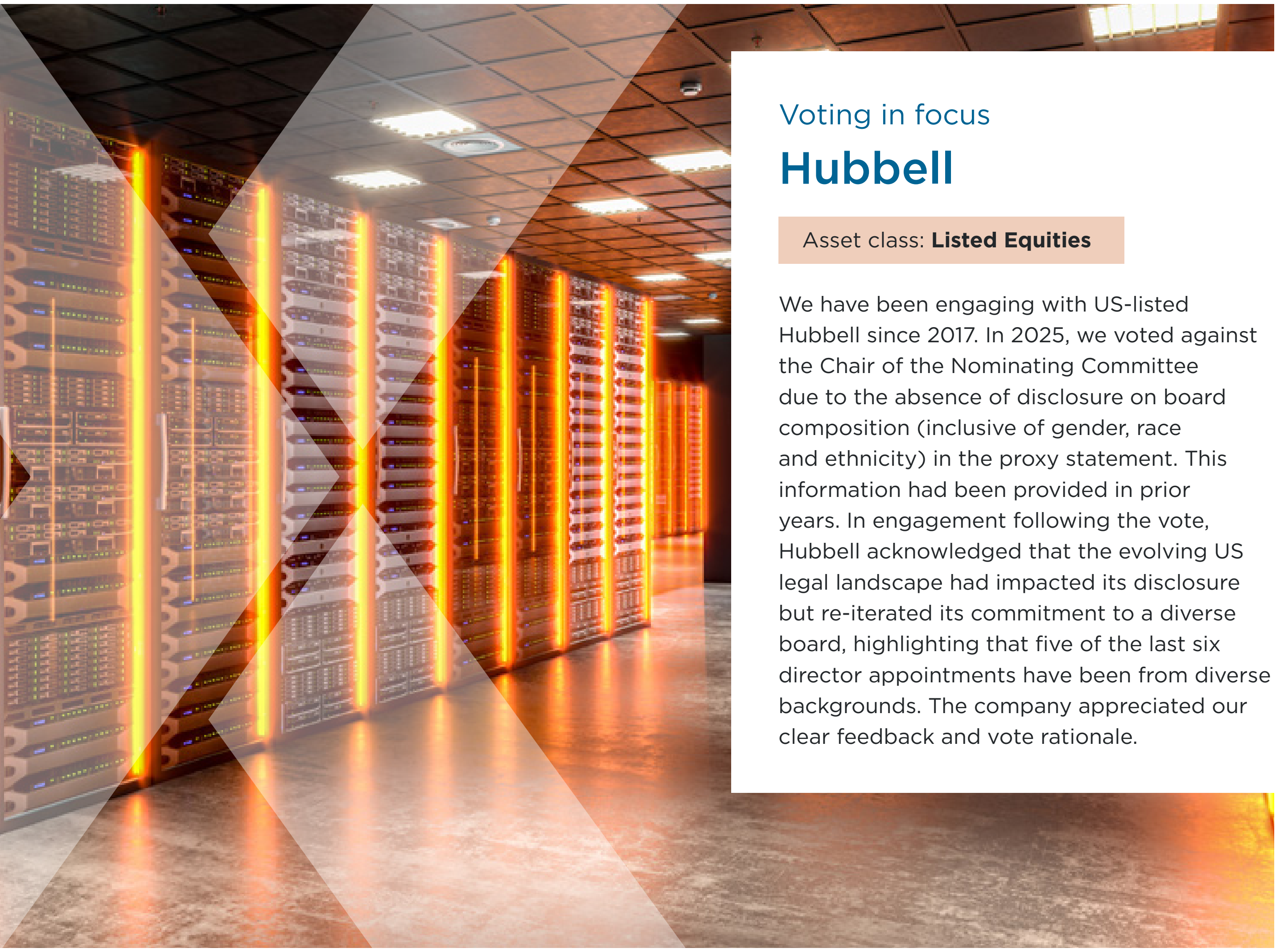
Eastern Bank emphasised that inclusion remains core to the organisation's identity and culture, and differentiates it from peers. The company continues to evolve its approach, noting the recent establishment of two new Employee Resource Groups and these groups' role in developing culture and executive participation. Regarding the integration of Cambridge Trust, the company emphasised the importance of communication (for example, regular 'Town Hall' meetings and employee surveys) in onboarding employees.

Progress and outcomes

Eastern Bank's commitment to creating an inclusive culture was evident and we understood the rationale for modifications to some disclosures in 2025. We encouraged the company to provide regular updates on human capital and culture initiatives on its website, and relevant KPIs have been published for calendar year 2025.

A focus on equity, diversity and inclusion in the US

In 2025, equity, diversity and inclusion initiatives and related disclosures in the US continued to face pressure, a trend that was evident throughout the proxy season. We saw weaker disclosure on board composition and diversity policies across companies, leading to our reduced support of nominating committee chairs standing for election. Our support for people-related shareholder proposals fell to 41% as many sought to roll back existing equity, diversity and inclusion initiatives, which we opposed given the link between inclusive cultures and company performance. Throughout the year, we engaged companies to understand whether shifts in disclosure reflected changes in practice. Despite softer public reporting, most companies reaffirmed that inclusive cultures remain core to their strategy and have not materially altered their approach.



Voting in focus

Hubbell

Asset class: **Listed Equities**

We have been engaging with US-listed Hubbell since 2017. In 2025, we voted against the Chair of the Nominating Committee due to the absence of disclosure on board composition (inclusive of gender, race and ethnicity) in the proxy statement. This information had been provided in prior years. In engagement following the vote, Hubbell acknowledged that the evolving US legal landscape had impacted its disclosure but re-iterated its commitment to a diverse board, highlighting that five of the last six director appointments have been from diverse backgrounds. The company appreciated our clear feedback and vote rationale.

Human rights in focus

BYD

Asset class: **Listed Equities**

We have engaged with Chinese car-maker BYD on multiple sustainability topics since 2023. In 2025, following reports of labour-related issues at a Brazilian facility, we collaboratively engaged the company though the Asian Corporate Governance Association (ACGA) and its China Working Group (CWG), which we chair. BYD communicated that it had strengthened supplier oversight including extensive onsite audits for new suppliers and annual on-site audits of qualified suppliers (2,474 conducted in 2024) and is preparing to align with the EU Corporate Sustainability Due Diligence Directive (CSDD) with due diligence processes covering its own workforce and value chain workers. Engagement remains ongoing, particularly in light of recent allegations of labour rights violations in Hungary, with ACGA and CWG seeking further dialogue with BYD's Chief Sustainability Officer to review the Brazil investigation, remediation measures and broader human rights risk management.

Heath and safety in focus

Stillwater Mining

Asset class: **Fixed Income**

Our first engagement with the US-based issuer in 2024 focused on assessing the company's sustainability risk management processes, with a particular focus on climate and nature. While the mining company's processes and initiatives are relatively mature, we re-engaged in 2025 to focus on workplace health and safety, where performance has been uneven. Enhanced governance structures and management processes have contributed to improved performance over the last three years, and the company remains focused on growing safety culture and employee engagement.

Advocacy

Effective management of people-related issues – including human capital, corporate culture and human rights – is critical to company competitiveness and long-term value creation. We use our investor voice to encourage stronger practices and disclosure on workforce-related issues, and to promote respect for human rights across companies' operations and supply chains.

In 2025, we continued to look for practical opportunities to use our influence, as investors, to push for positive social change through changes to public policy and market practices, with a particular focus on human rights (see case studies).

2026 UK Stewardship Code mapping	☑	**Principle 2:** Signatories identified and respond to market-wide and systemic risks to promote well-functioning financial markets

CASE STUDY

Modern slavery regulation in Australia and New Zealand

Objectives

We have been advocating to strengthen regulatory frameworks addressing modern slavery and forced labour risks within corporate supply chains in Australia and New Zealand. We would like to see greater transparency, stronger compliance and enforcement, and effective due diligence by companies to identify, mitigate and remediate modern slavery risks.

Activities

During the reporting period, we supported several collaborative investor initiatives to strengthen modern slavery regulations in the region. In Australia, we provided input to consultations on proposed reforms to the Modern Slavery Act 2018, supporting clearer reporting requirements, stronger enforcement mechanisms and improved disclosure of outcomes and remediation.

We also co-signed investor statements coordinated by the Responsible Investment Association Australasia (RIAA) and Investors Against Slavery and Trafficking Asia Pacific (IAST-APAC), calling for stronger regulatory action to address forced labour and labour exploitation risks.

In New Zealand, we co-signed a joint private-sector statement supporting the introduction of modern slavery legislation requiring companies to identify and report on risks in their operations and supply chains.

Progress and outcomes

These initiatives contributed to ongoing policy discussions in both jurisdictions on strengthening regulatory responses to modern slavery risks and improving corporate transparency across global supply chains.

We will continue to support investor advocacy initiatives aimed at strengthening modern slavery legislation and improving corporate due diligence and disclosure practices in the region.

CASE STUDY

Forced labour import ban and migrant worker protections in Taiwan

Objectives

To encourage stronger policy measures to address forced labour risks in Taiwanese supply chains, particularly those affecting migrant workers, and to align Taiwan's regulatory framework with emerging international standards on labour rights and responsible recruitment.

Activities

We participated in a collaborative investor dialogue with Taiwan's Ministry of Labor and related government agencies in November 2025 as part of the IAST-APAC initiative. During the meeting, investors highlighted risks associated with migrant worker recruitment practices, including recruitment and broker fees that may create debt-bondage risks. Investors also shared expectations for companies to adopt responsible recruitment practices and stronger supply-chain due diligence.

Progress and outcomes

In February 2026, Taiwan's Ministry of Labor announced new commitments, including the development of forced labour import restrictions, reforms related to migrant worker recruitment fees and updated guidelines aimed at improving alignment with international labour standards.

We will continue to support investor engagement with policymakers and industry stakeholders to strengthen labour protections, promote responsible recruitment practices and encourage effective implementation of new regulatory measures. This includes ongoing discussions with the Ministry of Labor on implementing its reforms on recruitment fees for migrant workers.

In Australia, we provided input to consultations on proposed reforms to the Modern Slavery Act 2018, supporting clearer reporting requirements, stronger enforcement mechanisms and improved disclosure of outcomes and remediation.

Governance

Good governance underpins corporate and issuer resilience, and sustainable risk-adjusted returns over the long term. In our investment process, we assess board composition, executive compensation, shareholder rights, internal controls and oversight of material sustainability issues, looking for independent, diverse and accountable boards that provide effective oversight and decision making. Strong governance enables companies to better manage material environmental and social risks, seize opportunities and deliver long-term value.

During 2025, we prioritised the following governance sub-themes for engagement and advocacy:

- Board composition and structure
- Executive compensation
- AI governance

Engagement

2026 UK Stewardship Code mapping	
	☑ **Principle 1:** Signatories integrate stewardship and investment to deliver long-term sustainable value for their clients and beneficiaries
	☑ **Principle 3:** Signatories engage to maintain or enhance the value of assets

We engage with investee companies — particularly in regions where ownership structures or regulation can pose challenges — to adopt governance structures that promote accountability and transparency and enhance long-term value creation.

32%
of engagements in 2025 focused on Governance

A focus on AI governance

In 2025, we engaged with companies across the software, recruitment, engineering, consultancy, telecoms and healthcare sectors to assess the effectiveness of their governance of AI-related risks. We prioritised sub-industries with high exposure to product liability, algorithmic bias, labour disruption and cybersecurity threats. Our engagements focused on three core expectations: strong governance structures with clear board and executive oversight, greater transparency on AI policies and safeguards, and improved leadership and firmwide AI training.

We identified positive practices, including anonymised data use, bias testing conducted before and after deployment, and the use of AI transparency cards. Gaps remain, however, particularly in how companies assess AI-related returns and evaluate the impacts of adoption. Looking ahead, we are focusing our engagement on mitigating algorithmic bias, supporting AI-resilient worforce cultures and improving assessment of AI-related return on investment and impact.

CASE STUDY

Daifuku

Daifuku is a Japan-listed supplier of a range of automated material handling solutions.

Sector
Industrial Machinery & Supplies & Components

Geographic region
Japan, Asia-Pacific

Engagement theme
Governance

Engagement type
Individual

Asset class
Listed Equities

Objectives

- Improve board independence and board gender diversity
- Appoint a lead independent director

Activities

We have been engaging with Daifuku since 2022 on board composition (independence, gender diversity, combined CEO/Chair) and the board has undergone recent refreshment. In 2025, the Japanese company described ongoing efforts to diversify its talent pool through recruitment and development initiatives, with a particular focus on gender diversity at the senior level and pay equity. Daifuku also shared that sustainability topics are now incorporated into Board director training.

Progress and outcomes

With the appointment of four independent directors in 2025 and 2026, board gender diversity and board independence at Daifuku has improved to 33% and 56%, respectively. The company has designated a director as having the responsibilities of a Lead Independent Director but has not formalised this appointment. Transparency on pay equity and progress toward greater employee diversity are ongoing areas of engagement.

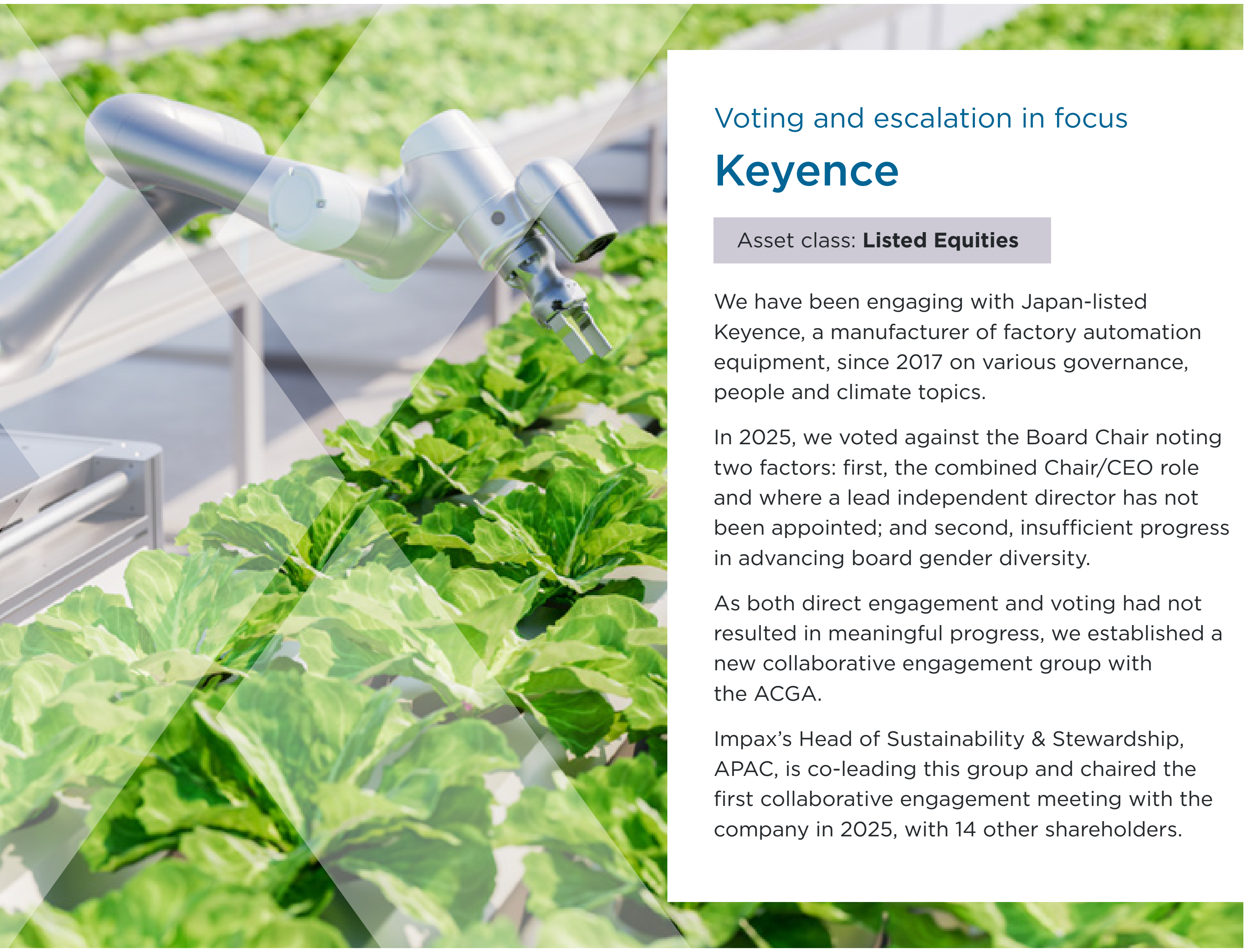
2022 First engagement meeting on board composition – board gender diversity 11%, board independence 44%

2023 Engagement meeting

2024 Vote against Board Chair due to combined CEO/Chair role and lack of progress on board gender diversity (10%); engagement meeting

2025 Two independent directors appointed, one diverse; 18% board gender diversity, 55% board independence; engagement meeting

2026 Two diverse, independent directors appointed; 33% board gender diversity; 56% board independence



Voting and escalation in focus

Keyence

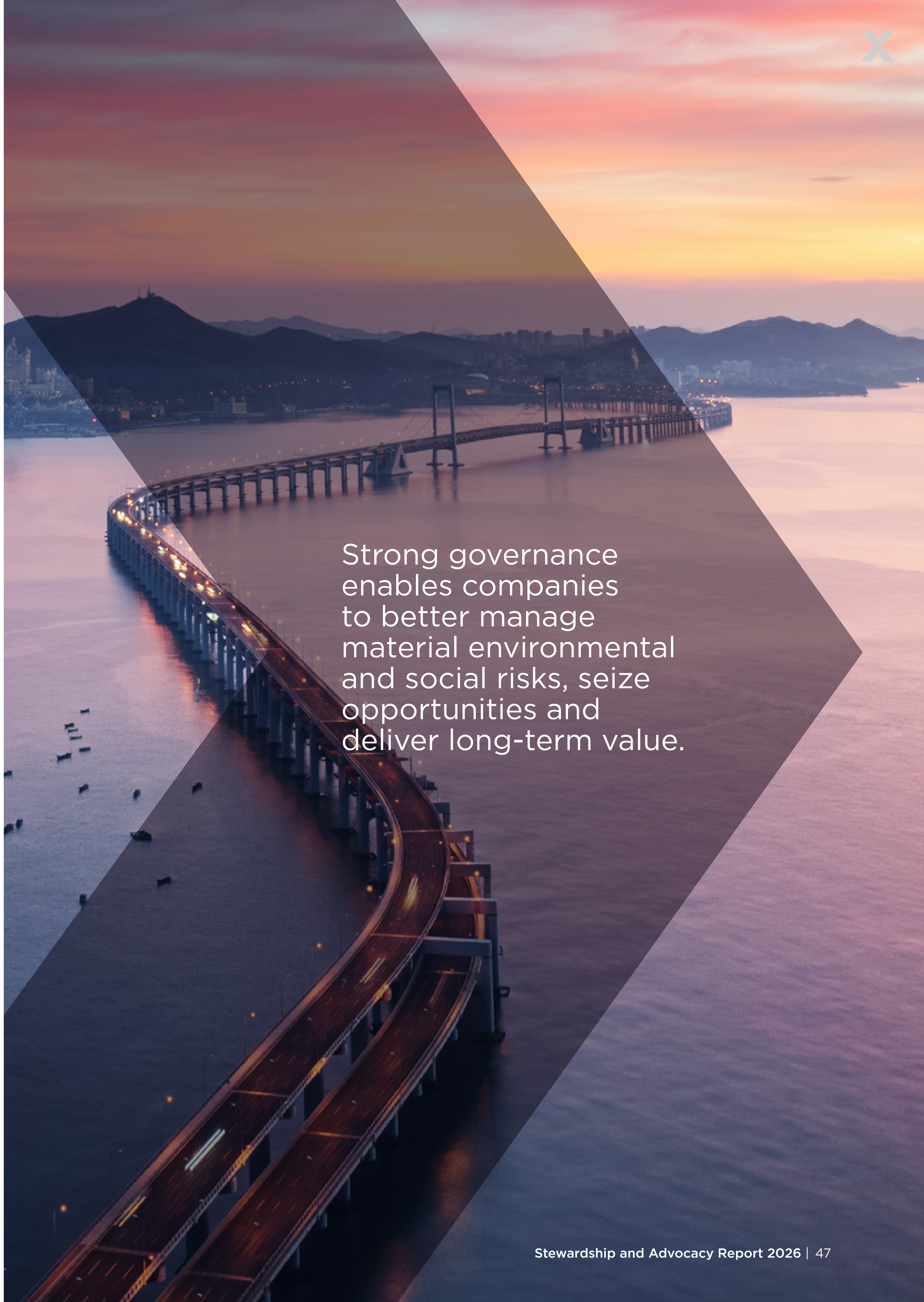
Asset class: **Listed Equities**

We have been engaging with Japan-listed Keyence, a manufacturer of factory automation equipment, since 2017 on various governance, people and climate topics.

In 2025, we voted against the Board Chair noting two factors: first, the combined Chair/CEO role and where a lead independent director has not been appointed; and second, insufficient progress in advancing board gender diversity.

As both direct engagement and voting had not resulted in meaningful progress, we established a new collaborative engagement group with the ACGA.

Impax's Head of Sustainability & Stewardship, APAC, is co-leading this group and chaired the first collaborative engagement meeting with the company in 2025, with 14 other shareholders.



Advocacy

Effective corporate governance underpins long-term value creation by strengthening board oversight, protecting shareholder rights and improving the transparency and quality of company reporting. We use our investor voice to support higher governance standards through a mix of direct engagement and participation in investor networks and governance forums, including the ACGA, the Council of Institutional Investors, the International Corporate Governance Network and the Interfaith Center on Corporate Responsibility.

In 2025, we continued to focus on Asia, especially strengthening board composition (ICGN) and improving governance transparency in China and Japan (see case studies).

2026 UK Stewardship Code mapping	☑	**Principle 2:** Signatories identified and respond to market-wide and systemic risks to promote well-functioning financial markets

CASE STUDY

China: Corporate Governance Code

Objectives

To support improvements in China's corporate governance framework, including stronger board independence, enhanced transparency and better protection of minority shareholders.

Activities

In 2025, we provided feedback on proposed updates to China's Corporate Governance Code for listed companies, focusing on strengthening board independence, improving governance disclosures and aligning governance practices with the expectations of global long-term investors. In addition, we co-signed an investor letter that advocates for measures to enhance the attractiveness of China's capital markets to long-term international investors through improved information disclosure and governance practices.

Progress and outcomes

Our advocacy efforts helped policymakers to incorporate investors' perspectives on governance reforms and improving market transparency.

We will continue to engage with policymakers and market participants to support governance reforms that enhance transparency, accountability and long-term value creation in China's capital markets.

CASE STUDY

Japan: Stewardship Code

Objectives

To support the continued strengthening of Japan's stewardship and corporate governance frameworks and encourage effective engagement between institutional investors and listed companies.

Activities

We submitted comments to the Financial Services Agency (FSA) consultation on its third review of Japan's Stewardship Code, emphasising the importance of meaningful stewardship practices and transparent reporting of engagement activities and outcomes. In parallel, we co-signed an investor letter coordinated by the ACGA to the FSA supporting further enhancements to Japan's stewardship and governance framework.

Progress and outcomes

The Stewardship Code review represents the latest stage in the evolution of Japan's stewardship framework, which has contributed to improved investor engagement and corporate governance practices since its introduction in 2024. Collaborative investor advocacy, including through the ACGA, helps ensure that global institutional investor perspectives are reflected in ongoing policy discussions.

We will continue to monitor developments in Japan's stewardship and governance frameworks and engage with regulators and industry groups to support further improvements in stewardship practices.

Sustainable finance

We are closely engaged in sustainable finance policy — and particularly sustainability reporting and investment product labelling — because we believe that clear, robust standards are essential for well-functioning markets and to give investors confidence to allocate capital in line with the transition to a more sustainable economy.

High quality sustainability reporting improves the reliability and comparability of data that informs the investment process and stewardship activities — for us and for our clients — enabling more accurate assessments of financially material risks and opportunities. Similarly, credible product labelling frameworks help ensure that asset owners and other investors can trust the integrity of sustainable investment products.

Our 2025 sustainable finance priorities were:

- Enhancing the effectiveness of sustainability reporting frameworks
- Implementation of ISSB by national governments and regulators
- Sustainability assurance

Advocacy

2026 UK Stewardship Code mapping	☑	**Principle 2:** Signatories identified and respond to market-wide and systemic risks to promote well-functioning financial markets

CASE STUDY

Helping to shape sustainability assurance standards in Malaysia

Objectives

We aim to support the development of robust and globally consistent sustainability assurance frameworks that enhance the reliability, comparability and credibility of sustainability disclosures for investors. Our advocacy focuses on promoting internationally-aligned assurance standards, strong auditor independence requirements and effective regulatory oversight to mitigate risks including misstatements and greenwashing.

Key activities

In 2025 we contributed to consultations on emerging frameworks in the Asia-Pacific region. We submitted feedback to the Malaysian authorities on a proposed framework for sustainability assurance, supporting the adoption of the International Standard on Sustainability Assurance (ISSA) 5000 as a global baseline. We emphasised the importance of ensuring that sustainability assurance engagements are conducted with strong professional competence, independence and quality management systems in order to enhance investor confidence in sustainability disclosures.

Progress and outcomes

These consultations contributed to regulatory discussions in the region on establishing sustainability assurance frameworks aligned with international standards and investor expectations.

CASE STUDY

Shaping the future of sustainability reporting

Objectives

In response to regulatory and industry reviews of sustainability reporting requirements, we have advocated for more effective principles-based, decision-useful reporting frameworks.

Key activities

During 2025, we contributed to several industry initiatives focused on the future of sustainability reporting, drawing on our practical experience in implementing regulatory requirements and of reviewing issuer disclosures. Key initiatives included:

UK TCFD reporting: Through the Investment Association (the IA), a UK industry body, we urged the UK's Financial Conduct Authority (FCA) to review its mandatory TCFD regime for asset managers and life insurers. We shared practical lessons from entity and product-level reporting and called for a more flexible approach that reduces unnecessary rigidity while ensuring asset owners continue to receive the most decision-useful information.

EU sustainable finance simplification (CSRD/ESRS/SFDR): Through the IIGCC, the IA and PRI, we supported efforts to simplify the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS) while preserving the disclosures that matter most for investment analysis. We advocated for greater focus on the most material data points and shared views on the information most relevant to our investment process; we also co-signed a joint investor and corporate letter calling for a more proportionate approach to CSRD simplification. Towards the end of 2025, we also began engaging on the European Commission's proposal for a revised Sustainable Finance Disclosure Regulation (SFDR 2.0)

Towards decision-useful investor sustainability disclosure: We contributed to the development of PRI's report published in April 2026 by setting out our recommendations to policymakers, including on the importance of transparency on policy advocacy and systematic stewardship. We see this as essential to helping clients understand how investors manage sustainability-related risks and pursue outcomes beyond company-level engagement alone.

Progress and outcomes

We have helped to coordinate a consistent position across different financial sector membership organisations, calling for more effective and proportionate sustainability reporting frameworks. We expect greater clarity on the EU's simplification agenda in 2026 and will continue to engage actively on these developments.

Appendix: policy and context disclosures

Section A: Describe your organisation, your investment beliefs, your clients or beneficiaries and how that informs your approach to stewardship

Founded in 1998, Impax is a pioneer and specialist focused on the transition to a more sustainable global economy across asset classes, and is today one of the largest investment managers dedicated to this area.

Investment philosophy

Our investment philosophy emphasises the identification and analysis of powerful secular forces – such as advancements in technology, changes in policy and regulation, and evolving social trends. These enduring and dynamic trends are not only reshaping the global economy, but are also accelerating the transition to a more sustainable economy, creating significant opportunities and challenges for investors.

Our fundamental research-driven approach to investing adds value by recognising these trends and cycles may follow non-linear paths. The combination of our proprietary knowledge and insights into the transition to a more sustainable economy – together with fundamental and macroeconomic research, quantitative insights, stewardship and engagement and a disciplined focus on valuation – comprehensively shapes our investment approach across asset classes. Recognising that each asset class has distinct characteristics, our philosophy is thoughtfully adapted to ensure our approach remains effective and relevant across the investment spectrum.

Mission statement

To generate strong investment outcomes for clients by leveraging deep analysis of the opportunities and risks associated with the transition to a more sustainable economy.

Our values

- **Be the solution:** Our core focus is to offer solutions to our clients. We are motivated by a curiosity that inspires us to innovate and adapt.
- **A passion for excellence:** We have high standards and conviction that drive us to strive for exceptional results on behalf of our clients.
- **Doing better together:** We value and respect our colleagues, clients, partners and the wider community. We are united in building a thriving and more sustainable future.
- **All voices valued:** We foster inclusion and welcome constructive challenge that transforms diverse perspectives into decisive action for our clients.

Impax is headquartered in London, UK and has offices in the US, Hong Kong, Ireland and Japan. The firm has a collegial working culture, with an experienced team of around 270 staff with diverse backgrounds, bringing together complementary skills and experience.

Informing our approach to stewardship

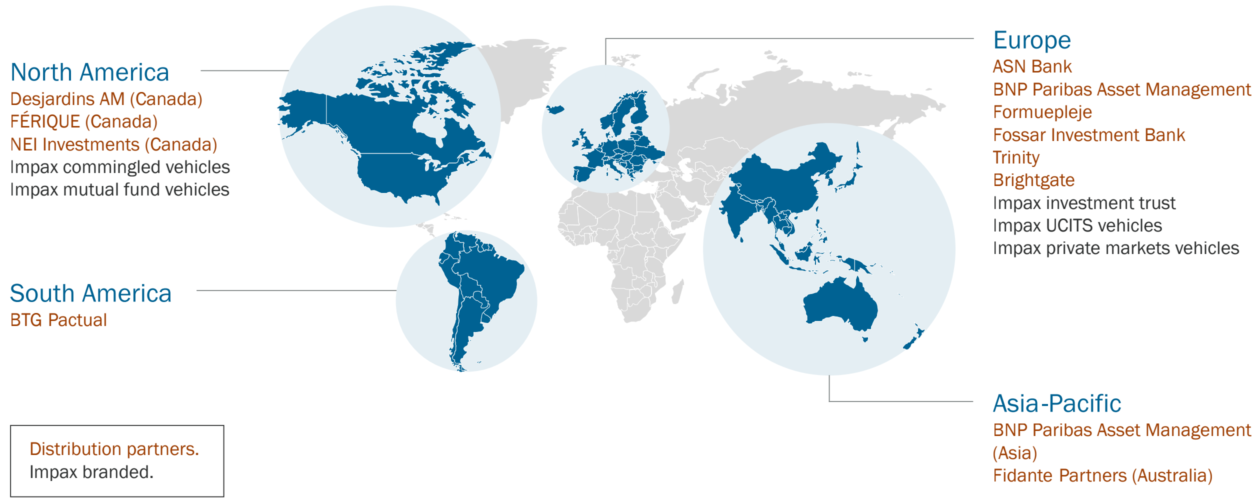
As a specialist asset manager focused on the transition to a more sustainable economy, stewardship is an integral component of Impax's investment approach across all asset classes and is fully embedded within our investment processes. Many of our clients demonstrate a high level of commitment to, and expertise in, sustainability matters, and we maintain active and ongoing dialogue with them on these topics. This includes regular meetings to discuss specific sustainability issues, comprehensive sustainability reporting, and, for selected clients, collaborative engagement activities.

Our assets under management

Impax's distribution model

We have a distribution team focused on professional investors in our home markets. Outside of these regions we have developed a partnership model for those looking to sub-contract environmental and sustainability expertise within their own broader product range.

Impax in your region[26]



As of 31 December 2025, Impax's total assets under management (AUM) and advice was £24.2 billion across active listed equities and fixed income strategies, systematic equities and private markets. All of our AUM is invested directly, rather than through an external manager. The breakdown across asset classes is as follows:

- Active listed equities: £19.1 billion (of which assets under advice was £1 billion)
- Fixed income: £2.4 billion
- Systematic equities: £2.1 billion
- Private markets: £0.6 billion

26 Products mentioned on this page are distribution vehicles made up of different fund offerings. Investment offerings may not be available or suitable for investors in all regions. Impax Funds are distributed by Foreside Financial Services, LLC. Foreside Financial Services, LLC is not affiliated with Impax Asset Management LLC.

Section B: Describe how your resources enable effective stewardship

Governance structure and arrangements

The Impax Sustainability Centre acts as our centre of excellence providing knowledge, tools and expertise on investing in the transition to a more sustainable economy to Impax's investment process and clients. This allows us to meet the growing expectations of clients, regulators and other stakeholders. It also enables us to maintain our strong position in dealing with the rapidly expanding range and depth of sustainability issues.

The Impax Sustainability Centre is co-led by Lisa Beauvilain (Global Head of Sustainability & Stewardship) and Chris Dodwell (Global Head of Policy & Advocacy) who share management responsibilities and report directly into Impax's Chief Executive, Ian Simm.

Providing sustainability knowledge, tools and expertise

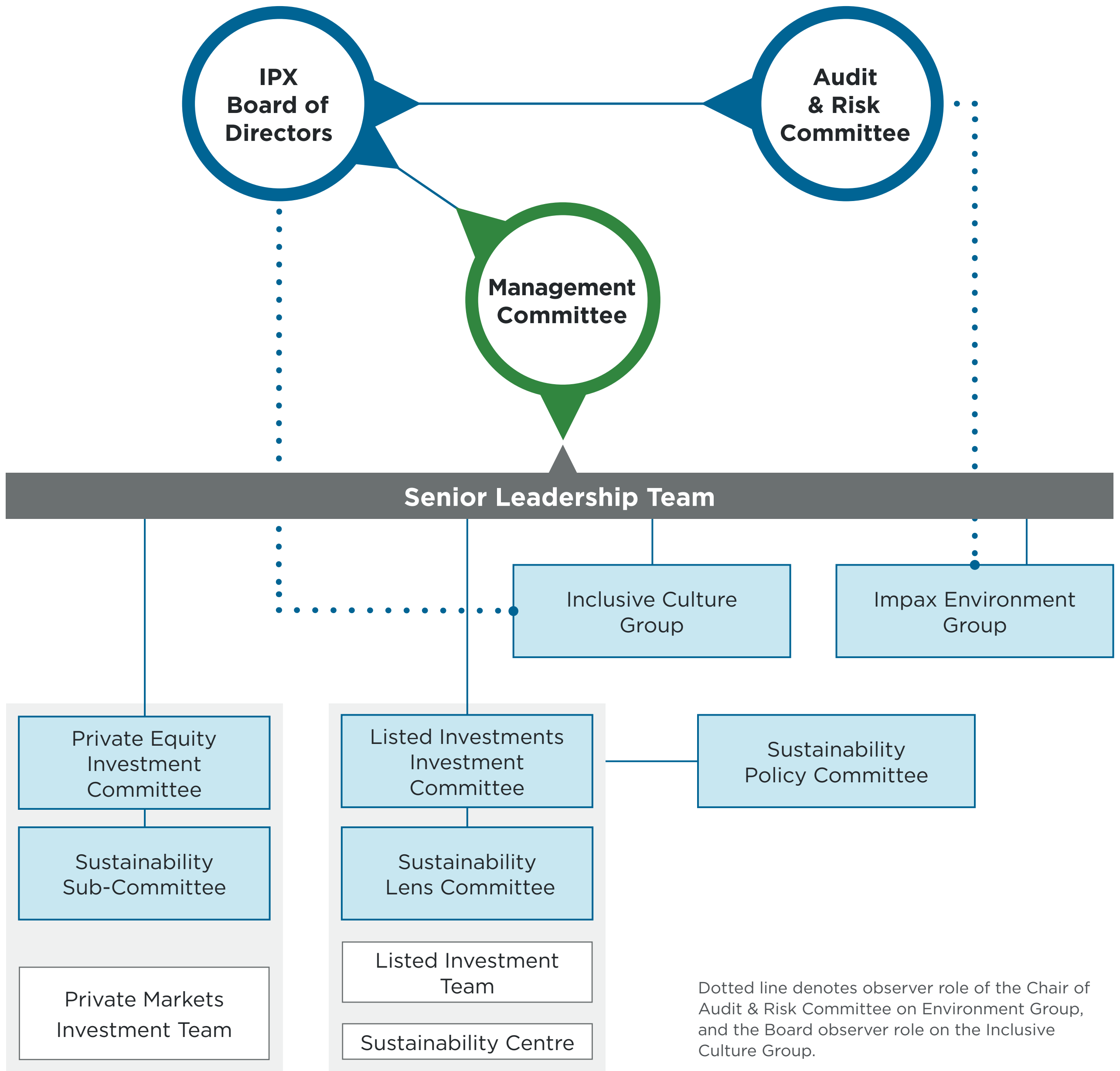
The abridged governance chart on page 57 illustrates the oversight of the key sustainability committees and groups that provide oversight functions for the Sustainability Centre and its activities.

Board oversight

The Board is responsible for governing and overseeing Impax's strategy and providing an oversight, control and monitoring role of its operations and risks. In this function the Board also oversees investment and sustainability-related risks and opportunities.

The key elements of this approach are as follows:

- The Audit & Risk Committee ("ARC"), which is comprised of independent Non-Executive Directors of the Board, is responsible for the oversight of audit and risk management across Impax, including climate and sustainability risk management, on behalf of the Board. ARC is supported by the Enterprise Risk Committee, which is responsible for oversight of risk management across each of the company's regulated entities.
- The Board discusses sustainability-related issues as part of wider discussions at periodic meetings when the topics arise, and at least annually as part of its review of risk appetite statements.
- The senior management team – which, through the Management Committee and the Chief Executive, reports to the Board and Board Committees — is responsible for managing and monitoring sustainability-related risks and opportunities.



Audit & Risk Committee

Committee details	**Chair:** Non-Executive Director (Annette Wilson, since 1 December 2023) **Membership:** Non-Executive Director
Committee description	The Committee assists the Chief Executive in designing, facilitating and overseeing the actions necessary to deliver Impax's business plan. The Committee meets monthly.

Management oversight

The key features of how management oversees climate-related issues are as follows:

- Senior management, specifically the Management Committee, is responsible for the management and monitoring of sustainability-related risks and opportunities.
- Although not a standing agenda item, sustainability-related risks are discussed as part of wider discussions at monthly Management Committee meetings and at Senior Leadership Team meetings (every two months), as and when there are new environmental policies or targets to discuss and approve, for instance.
- Specialists across the firm are responsible for identifying sustainability-related risks at a sector and thematic level via dedicated committees, most notably the Sustainability Lens Committee and the Sustainability Policy Committee.
- The Private Markets division has its own Investment Committee and Sub-Committee for discussing sustainability matters.
- The Impax Sustainability Centre oversees and supports the integration of sustainability within the investment process and the management of sustainability-related risks, both via the investment teams and specialist committees.

Name	Committee details	Committee description
Management Committee	**Chair:** Founder & Chief Executive **Membership:** Impax senior executives	The Committee assists the Chief Executive in designing, facilitating and overseeing the actions necessary to deliver Impax's business plan. The Committee meets monthly.
Listed Investments Investment Committee	**Chair:** Chief Investment Officer (Listed Equities) **Membership:** Impax investment teams	The Committee oversees investment activities, investment performance and risk management, and regularly addresses climate-related issues. The Committee meets every fortnight.
Sustainability Lens Committee	**Chair:** Chief Investment Officer (Listed Equities) and Global Head of Sustainability & Stewardship **Membership:** Impax's leading sustainability experts	The Committee assesses emerging issues, risks and opportunities, and their consequences for the Impax Sustainability Lens and for various economic activities. Outcomes and decisions from the meeting are reported at the Investment Committee meeting. The Committee meets every quarter.
Sustainability Policy Committee	**Chair:** President, North America **Membership:** Impax staff, including legal and compliance representatives	The Committee oversees, reviews and approves Impax's sustainability and stewardship-related policies and positions. Significant policy developments are reported to the Investment Committee. The Committee meets as required.
Environment Group	**Chair:** Vice President of Systematic Strategies and Senior Associate, Sustainability & Stewardship **Membership:** Impax staff, with a Board observer	The Group is responsible for measuring, monitoring and reporting on Impax's operational environmental and climate performance, as well as proposing firm-level environmental and climate policies, management systems and targets. It reports to the Management Committee and provides an annual update to the Board. The Group meets every quarter.
PE/Infrastructure Investment Committee	**Chair:** Founder & Chief Executive **Membership:** Head of the Private Equity (PE) Team, Head of the Transaction Team (PE); Head of Asset Management & Sustainability (PE), with an independent observer, Two independent, non-voting members who have held senior management positions in the infrastructure sector.[27]	The Committee approves all investments and divestment proposals for the Impax New Energy Investors Funds. The Committee ensures that all investment decisions are made in compliance with the relevant Fund's investment policy, Limited Partnership Agreement and investor side letter. The PE Team's Head of Sustainability is an observer on the Investment Committee, responsible for ensuring that investment decisions comply with the policies and other relevant rules and regulations relating to sustainability topics, including climate. The Committee meets as required.
PE/Infrastructure Sub-Committee focusing on sustainability topics	**Chair:** Head of Asset Management & Sustainability (PE) **Membership:** Representatives from the PE Team (Technical and the Head of the Team), Compliance, Legal and Sustainability Centre	The Sub-Committee discusses relevant topics, including climate, and is responsible for governing PE/Infrastructure policies on sustainability topics. The Committee meets every six months.
Inclusive Culture Group	**Chair:** Head of Stewardship and Head of Corporate Communication **Membership:** Impax Staff, with a Board observer	The Inclusive Culture Group is responsible for Impax's equity, diversity and inclusion strategy and reports regularly to the Senior Leadership Team and the Board. Non-Executive Director sponsor. The Inclusive Culture Group meets quarterly to align on ideas, actions and progress, and to communicate feedback from colleagues.

Resources

Impax has global investment teams covering listed equities, fixed income and private markets, together with the Sustainability Centre which specialises in sustainable investment research, Corporate Resilience analysis, stewardship, sustainability reporting, client advisory, and policy advocacy. The Sustainability Centre members are based in London (UK), in Portsmouth, New Hampshire (US) and in Hong Kong. The team has a broad set of backgrounds including investment, sustainability, policy and quantitative experience.

During 2025, stewardship work was led by the Head of Stewardship, who is responsible for developing and implementing the stewardship strategy. The majority of Sustainability Centre members have stewardship responsibilities in their objectives, which include leading on engagement projects or themes, leading and coordinating engagement meetings, participating in the proxy voting process and reporting on stewardship. Importantly, analysts in the Impax Listed Investments team are responsible for the engagements of the companies they are lead analyst on.

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Section C: Describe your stewardship policies and processes, and how you review them

Impax has a Global Stewardship Policy setting out our core policies and processes on stewardship across asset classes. This, as well as wider policies of relevance to stewardship, can be found on our website.

Impax's policies are reviewed and periodically updated and are maintained in a centralised repository available to all staff. The policy library is maintained by the Global Compliance team and assigned to owners throughout the business, as applicable. All Impax policies follow a standard format and review process. There is a Sustainability Policy Committee (see Section B above), whose role is to oversee, review and where applicable approve Impax's listed investment sustainability and stewardship-related policies and positions. Its members include representatives from the Investment, Sustainability, Compliance, Marketing and Legal teams. It convenes as required and has established a Terms of Reference. Impax's stewardship-related policies are periodically reviewed by Impax's Compliance team.

The key features of our Global Stewardship Policy (notably how stewardship is embedded within the investment process, the types of stewardship we typically perform, and our approach to escalation) are summarised within the "Engagement with companies and issuers" section on page 10.

Section D: Describe how you manage stewardship-related conflicts of interest

Identification of conflicts

The Impax Board of Directors, in conjunction with Legal, Compliance and business unit heads, take responsibility for implementing systems and controls designed to prevent conflicts of interest. These are outlined in our Global Conflicts Register, which is updated as and when a new conflict is identified and reviewed overall on a periodic basis and at least annually, by both the Management Committee and the Board of Directors. Impax is an international group of companies and, as such, these controls and the conflicts register take into account any circumstances which may give rise to a conflict of interest as a result of our structure or business activities in all operating jurisdictions.

Types of conflicts

When identifying conflicts of interest, our staff are trained to consider whether Impax:

- Is likely to make a financial gain, or avoid a loss, at the expense of a client (including the funds managed by the firm and their investors);
- Has an interest in the outcome of a transaction carried out on behalf of a client, which is distinct from the client's interest in that outcome;
- Has a financial or other incentive to favour the interests of one client or group of clients over another;
- Carries out the same business as the client; or
- Receives or will receive an inducement from a person other than the client in relation to services provided to the client in the form of monetary or non-monetary benefits or services.

Conflict prevention

Where a potential conflict is identified, Impax will seek to organise its business activities in a manner that prevents the crystallisation of the conflict. This will include the appropriate segregation of functions and business lines such that a level of independence may be achieved. To the extent appropriate to the size and scale of the business functions, this may involve:

- Information barriers to prevent or control the exchange of information between members of staff engaged in activities involving a risk of conflict of interest where the exchange of that information may harm the interests of one or more clients;
- Functional independence and separate supervision of relevant members of staff whose main functions involve carrying out activities or providing services for clients whose interests may conflict, or otherwise represent interests that may conflict;
- A review of remuneration arrangements in the firm where these might give rise to conflicts of interest in relation to the activities or services provided by the relevant members of staff;
- Reassignment of members of staff to prevent or control the simultaneous or sequential involvement of relevant members of staff in separate services or activities where such involvement may impair the proper management of conflicts of interest; or
- Policies and procedures covering inducements and personal account dealing.

However, it is accepted that, despite the implementation of all appropriate controls to prevent the occurrence, the complete avoidance of all conflicts may not be feasible in a commercial environment.

Outside business interests

Staff members are required to obtain prior approval from Compliance before engaging in any employment outside of their employment with Impax. Staff members are also required to obtain the prior approval of Compliance before taking an interest in any outside business organisation, and in particular before becoming a director, an officer or adviser to a company or any other entity whether or not it is a paid position. Personal interests must not affect the ability of a member of staff to make judgements or decisions in the best interests of Impax and its clients.

Conflict management

Where conflicts are unavoidable, Impax will take appropriate measures to mitigate and manage such conflicts in a manner that seeks to ensure that the Group and its staff are not advantaged, and that no client is adversely affected. Our clients' best interests remain paramount.

Conflict disclosure

Where Impax is not reasonably confident that it is able to manage a particular conflict to adequately protect the interest of a client, the fact of/or sources of conflicts of interest will be clearly disclosed to the client before the firm undertakes any business. In particular, the disclosure will detail:

- A specific description of the conflicts of interest;
- An explanation of the risks to the client that arise;
- That the organisational and administrative arrangements established by the firm to prevent or manage that conflict are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of the client will be prevented; and
- Sufficient detail to enable that client to take an informed decision with respect to the service in the context of which the conflict of interest arises.

This disclosure will only be made as a matter of last resort. Further, the fact of the disclosure is not considered to be a mitigant. All the controls detailed in Impax's policy will continue to be applied, in respect of that conflict.

The disclosure will be made via the Terms of Business or periodic reports.

Section E: Describe how you maintain a dialogue with clients and/or beneficiaries

Impax is one of the largest and longest established investors dedicated to focusing on the transition to a more sustainable economy. We manage assets for some of the world's largest asset owners. We are committed to outstanding levels of client service with comprehensive and transparent reporting related to our sustainability and stewardship activities.

Our clients receive annual sustainability reporting at a firm-level on impact outcomes associated with our investment strategies, on our approach to managing climate risks and opportunities, and on our stewardship and advocacy activities. In addition, each client receives a bespoke, account-specific Sustainability Report with a comprehensive overview of the impact and engagement outcomes for their portfolio. From 2026, we will be publishing a group-wide Sustainability Report, which expands beyond climate into nature, people and corporate governance.

We believe that adopting a partnership approach with our clients leads to stronger long-term relationships and better outcomes for both parties. Partnership activity can cover a broad range of collaborations and draws upon expertise from across our diverse teams, including: collaborative engagement with investee companies, joint policy advocacy, client-driven research projects, publication of topical briefs on sustainability trends, engagement and stewardship norms, and sustainability-related government policies and regulations; and insights into Impax's Corporate Resilience research and sustainability themes.

Through our regular engagement with clients we gather feedback on our approach to sustainability and stewardship, and insights on the priorities of our clients in these areas. This client feedback is a key input when setting our annual priorities for stewardship and advocacy.

For example, during 2025 we held discussions with a number of our asset owner and distributor clients seeking views on what they look for in stewardship reporting from asset managers. We sought to incorporate this feedback in this year's Stewardship & Advocacy Report, including providing more clarity on our approach to prioritising stewardship and advocacy themes, and providing more granular statistics on engagement activity.

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Past performance does not guarantee future results.

Impax exercises its proxy voting rights and conducts its global stewardship activities on an independent basis on behalf and in the best interests of its clients in accordance with Impax investment policies regarding good corporate governance applicable for all investee companies and not to foster a control transaction for any particular company. The application of these policies and procedures are predicated on the acquisition and ownership of securities in the ordinary course of business and were and are not acquired or held for the purpose of and do not have the effect of changing or influencing the control of the issuer of such securities, and such securities were and are not acquired in connection with or as a participant in any transaction having such purpose or effect.

Where Impax participates in collaborative engagement activities with other shareholders it does so on an independent basis and in accordance with its own policies. The purpose of such collaborative engagements is to facilitate an independent and free exchange of ideas and views among shareholders that relate to seeking improvement of the long-term performance of investee companies and/or changes in investee company practices without the purpose of acquiring, holding or disposing of securities to effect or influence a change of control in investee companies or as a participant in any transaction having such purpose or effect.

While Impax may consult with other market participants on certain engagement efforts, Impax unilaterally determines whether and to what extent to engage with other stakeholders and all of Impax's investment decisions are independent and based on its own, unilateral strategy for maximising return on investment.

Nothing presented herein is intended to constitute investment advice and no investment decision should be made solely based on this information. Nothing presented should be construed as a recommendation to purchase or sell a particular type of security or follow any investment technique or strategy. Information presented herein reflects Impax Asset Management's views at a particular time. Such views are to change at any point and Impax Asset Management shall not be obligated to provide any notice. Any forward-looking statements or forecasts are based on assumptions and actual results are expected to vary. While Impax Asset Management has used reasonable efforts to obtain information from reliable sources, we make no representations or warranties as to the accuracy, reliability or completeness of third-party information presented herein. No guarantee of investment performance is being provided and no inference to the contrary should be made. Impax is trademark of Impax Asset Management Group Plc.

Stewardship and Advocacy Report 2026

Supporting sustainable value creation: from engagement to systems-level change

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