IMPAX Asset Management

Impact Report 2025

Measuring impact from environmental and social investment opportunities

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1 "Professional and Institutional investor" within the meaning of the EU Directive 2014/65/EU on markets in financial instruments (MiFID II) and the UK Financial Conduct Authority COBS 3.5; "Qualified investor" as defined by CISA, Switzerland; "Accredited investor" within the meaning of OSC Rule 45-501, New Zealand and Chapter 7 of the Corporations Act 2001, Australia.

IMPAX Asset Management

Contents

Introduction 4

Journey to impact 6

Measuring impact 8

Environmental 9

- Avoided GHG emissions 10
- Beyond avoided GHG emissions 13
- Renewable electricity generated 14
- Private Markets: Impax New Energy 16
- Water treated, saved or provided 18
- Materials recovered and waste treated 22
- Measuring nature impact 26

Social 28

- Healthy and nutritious food produced 31
- Individuals provided with access to financial services 32
- Individuals digitally connected 35
- Patients treated and/or supported by healthcare services 36

Spotlight: Social impact through our fixed income investments 38

UN Sustainable Development Goal alignment 41

Appendix 44

Our impact reporting shows the environmental and social benefits contributed by Impax's portfolio companies.

Introduction

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Welcome to our latest annual Impact Report. We continue to build on the evolution of our measurement and reporting of impact associated with our investee companies. We are delighted to demonstrate this commitment – for the 11th year – again here.

The transition to a more sustainable economy has remained fundamental to our investment thesis since we were founded in 1998. Targeting the opportunities arising from this transition, we have developed and evolved detailed classification systems, or taxonomies, to identify activities and companies that provide solutions to environmental and, more recently, social challenges.

Through their products and services, many of these companies deliver positive impacts. It is those impacts that we report here, based on company reporting and our own in-depth analysis.

Our focus on impact is consistent with our fiduciary duty to pursue risk-adjusted financial returns for our clients. Many of Impax's strategies look to invest in companies whose solutions to environmental and social challenges present long-term investment opportunities, supported by structural trends in the global economy. Those companies also have a real-world impact through their business activities and can help to address system-level risks like climate change and biodiversity loss.

Our four-step 'theory of change' framework, which describes our philosophy and approach to impact across the asset classes in which we invest, is outlined on page 6.

Key evolutions in reporting

The environmental impact metrics that we have now reported on for a decade – greenhouse gas (GHG) emissions avoided, as well as metrics relating to renewable energy generation, water, and materials and waste – remain as relevant and important as ever. We report on these for all active listed equities strategies as well as our private markets strategy and two fixed income strategies.

For relevant active listed equities strategies, we report on four metrics of social impact related to access to nutritious food, finance, digital connectivity and healthcare services. Alongside these, two separate social impact metrics are reported for two fixed income portfolios.

Our methodology for each metric is outlined in the Appendix from page 44.

For consistency with our broader sustainability-related reporting, to paint a holistic picture of impact across the entire Impax product portfolio, and to make this report more accessible, we now report on impact metrics at an **asset-class level**. We do, however, provide strategy-level data on environmental impact in the Appendix, to ensure continuity of reporting year-on-year.

Mapping environmental impact metrics to nature

We continue our work linking environmental markets solutions and activities to the solutions alleviating the pressures on nature and biodiversity loss, and have this year integrated external biodiversity data into our investment process.

On page 26, we include a heat map illustrating the link between our key positive impact metrics to the five 'direct drivers' of biodiversity loss – changing use of sea and land, direct exploitation of organisms, climate change, pollution, and invasive non-native species – as articulated by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES). It demonstrates how positive environmental outcomes in climate, resource efficiency and pollution prevention intersect with biodiversity protection.

Ultimately, by linking measurable portfolio outcomes to drivers of biodiversity loss, we strengthen our ability to identify and track opportunities arising from the growing imperative to address the systemic risks posed by the loss of natural capital.

In 2026, we will be publishing our first Nature Report in line with recommendations of the Taskforce for Nature-related Financial Disclosures (TNFD). In advance of that, we are reviewing our approach to nature-related impact metrics.

A constant work in progress

We recognise that standardising the measurement and reporting of impact metrics is still very much a work-in-progress. Due to the lack of recognised standards, we have always sought to be conservative in our approach and to evolve our reporting for improved transparency.

We continue to collaborate with peers and industry groups to help standardise impact measurement and reporting for the ultimate benefit of our investors and the broader investment community.

By linking measurable portfolio outcomes to drivers of biodiversity loss, we strengthen our ability to identify and track opportunities arising from the growing imperative to address the systemic risks posed by the loss of natural capital.

Journey to impact

Impax ‘theory of change’ framework

For more than 25 years, Impax has pioneered investment in companies that are enabling the transition to a more sustainable economy, underpinned, where relevant, by environmental and social taxonomies. This four-step ‘theory of change’ framework describes our philosophy and approach to ‘impact’, primarily in thematic listed equities strategies.

1 Investment philosophy

Investing in the opportunities arising from the transition to a more sustainable economy is attractive to asset owners with narrowly defined fiduciary duties, as well as those asset owners who are seeking to achieve positive, measurable non-financial impact outcomes through their investments, across asset classes.

Focus themes

- Climate change
- Access to clean water
- Circular economy
- Wellbeing and nutrition
- Access to finance
- Equitable connectivity
- Access to healthcare

2 Investment objective

Generating strong, risk-adjusted financial returns from investing in companies and assets that we believe are well positioned to benefit from the transition to a more sustainable economy, as well as quantifying, calibrating and reporting on the positive non-financial impact outcomes that these companies and issuers are producing.

Taxonomies

Environmental Markets: This taxonomy, as well as the **Water** & **Sustainable Food** taxonomies, identifies high-growth markets delivering solutions to environmental and resource efficiency challenges (launched in 1998)

Climate: This taxonomy identifies companies enabling mitigation of climate change or adaptation to its consequences (2021)

Sustainable Infrastructure: This taxonomy identifies infrastructure solutions that advance environmental and societal wellbeing (2022)

Social: This taxonomy Identifies long-term growth opportunities driven by demographics and societal needs (2023)

3 Additional activities contributing to impact

Managing investment risk through structured company engagement to improve standards and disclosures which, in turn, can drive real-economy impact.

Contributing to thought leadership in the marketplace, for example in topics such as the development of taxonomies, methodologies for measuring thematic revenues and the definition of impact metrics for reporting.

Engaging with policymakers and regulators to help address systemic risks and facilitate the system-level change needed to realise the opportunities arising from the transition to a more sustainable economy.

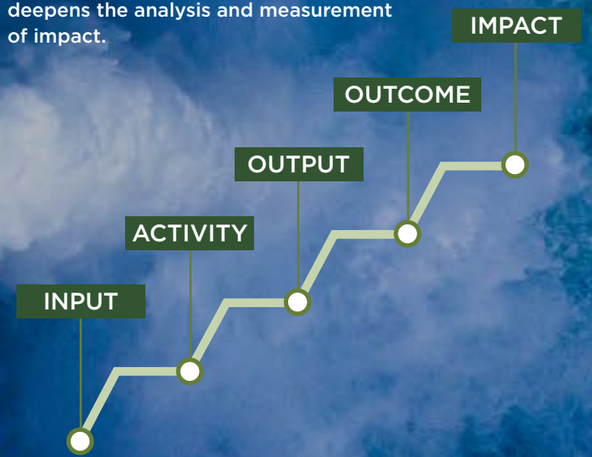
4 Reporting

Measuring and publicly reporting the contributions of investee companies and issuers to positive impact in our annual Impact Report.

Describing our additional work to enhance impact outcomes and reporting in our annual Stewardship & Advocacy Report.

Impact value chain

Impax’s underlying thematic taxonomies, related company revenue and impact analysis link to measurable, positive impact. Each step further deepens the analysis and measurement of impact.



The outcomes and real-economy impact of investment and stewardship activities are reported in our annual Stewardship & Advocacy and Impact reports.

Measuring impact

In this report, we provide detailed information on the impact of companies and issuers held within our investment strategies, divided into two categories: Environmental and Social.

We have identified relevant metrics for all portfolio companies and issuers where data was available or could be estimated, prioritising self-reported data, which we in turn scrutinise. When this is unavailable, we may set assumptions and use internally-calculated estimates, in some cases based on previous years' figures when the business has not changed significantly. The analysis includes all companies and issuers in which relevant investment strategies were invested as at 31 December 2024.

Environmental

- Avoided GHG emissions (tonnes of CO_2 equivalent)[2]
- Renewable electricity generated (MWh)
- Water treated, saved or provided (megalitres)
- Materials recovered/waste treated (tonnes)

Social

- Healthy and nutritious food provided (tonnes)
- Individuals provided with access to essential financial services
- Individuals digitally connected
- Patients treated and/or supported by healthcare services

In this year's report, we present our impact metrics at an asset-class level, including both total numbers – to illustrate the magnitude of impact – and per US$1mn invested – to show the depth of impact. For context, our assets under management (AUM) as at 31 December 2024 was US$42.7bn, of which 94% was in listed equities, 4% in fixed income, and 2% in private markets.

To provide real-world context, we include equivalencies for each environmental impact metric: for example, the number of households' annual electricity consumption as a measure of total renewable electricity generated. Our calculations are based on data for households and cars taken off the street in the UK (which serves as a proxy for developed markets). Details are included in the Appendix on page 52.

Please see pages 56 and 57 for a year-on-year comparison by strategy.

2 Please see the Impax Climate Report 2025 for financed GHG emissions data for 2024

Environmental

We have been measuring four environmental impact metrics since 2015 – and they remain as relevant as ever.

In this year's report, we continue to report the impact of our portfolio companies against four metrics: emissions avoided; renewable electricity generated; water provided, saved or treated; and materials recovered/waste treated. For a decade, they have been the most relevant impact metrics reflecting the impact of companies' products and services in the Impax Environmental Markets taxonomy.

Figure 1: Overview of environmental impact of portfolio companies in 2024

	Total avoided emissions (tonnes) Equivalent to number of **cars taken off the street** for a year	Total renewable electricity generated (MWh) Equivalent to number of **households' electricity consumption** for a year	Total water provided, saved or treated (megalitres) Equivalent to number of **households' water consumption** for a year	Total materials recovered/waste treated (tonnes) Equivalent to number of **households' waste output** for a year
Active Listed Equities	6,540,610 4,523,240	2,083,940 578,870	2,765,240 22,693,620	2,623,230 2,898,600
Private Markets	337,830 232,990	1,885,150 523,650	n/a n/a	n/a n/a
Fixed Income[3]	185,000 127,590	231,820 64,390	130 1,070	640 710

Total avoided emissions across our active listed equities, private markets and fixed income strategies:

7,063,440 tonnes

Equivalent to number of cars taken off the street for a year:

4,883,810

3 Fixed Income numbers cover Impax's Core Bond and Core Plus Bond strategies

There can be no assurance that impact results in the future will be comparable to the results presented in Figure 1. Impax impact calculations are based on strategy AUM and portfolio holdings as at 31 December 2024. Please refer to our Methodology in the Appendix for details including sources for the equivalencies data used in our calculations.

Avoided GHG emissions

Figure 2: Total avoided emissions in 2024

	Active Listed Equities	Private Markets	Fixed Income[4]
Total avoided emissions (tonnes)	6,540,610 (170 per US$1mn invested)	337,830 (395 per US$1mn invested)	185,000 (257 per US$1mn invested)
Equivalent number of cars taken off the street for a year	4,523,240 (118 per US$1mn invested)	232,990 (272 per US$1mn invested)	127,590 (178 per US$1mn invested)

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4 Fixed Income numbers cover Impax's Core Bond and Core Plus Bond strategies

Spotlight on:

Specialists strategy

59%

Companies in the strategy contributing to avoided emissions (35 out of 59 companies)

~87%

Strategy-level avoided emissions made up by top 10 contributors

Signify
Spirax Group
EDP Renováveis

Illustrative examples of companies within the top 10 contributors

The specific securities identified and described are for informational purposes only and do not represent recommendations

Addressing the drivers of climate change is one of the most pressing environmental challenges facing global society

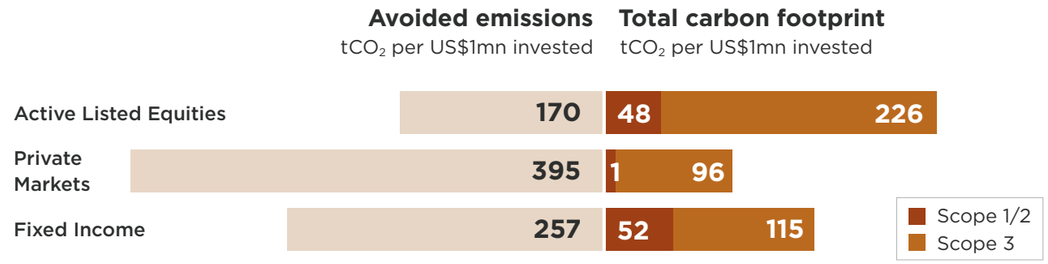
The acceleration and rapid scaling of climate solutions is critical to combating climate change and abating GHG emissions. Despite efforts and advancements in climate change mitigation, research has shown that global surface air temperatures are set this decade to surpass the 1.5°C target agreed in the Paris Agreement.[5]

Accelerating and broadening the deployment of climate solutions will contribute to reductions in GHG emissions. Economics, supported by enabling policy environments, will determine rates of adoption. We observe this in key sectors, particularly energy and transport, where clean technologies are cost competitive, as well as in demand for energy-efficient solutions.

There is ongoing momentum to support the adoption of avoided emissions as a metric to help mobilise capital towards climate solutions. For example, in June 2025, the World Business Council for Sustainable Development (WBCSD) published new guidance aimed at helping businesses and investors to develop robust methodologies for calculating avoided emissions. We measure the avoided emissions associated with the products and services of our investee companies to help demonstrate their contribution to a lower-carbon economy.[6]

We calculate the positive impact that a product or service has on society by measuring the GHG emissions arising from its use compared to the emissions in a world in which that product does not exist. This calculation provides us with an 'avoided emissions' metric pertinent to the impact of climate solutions.

Figure 3: CO_2 impact per US$1mn invested in 2024



These products and services will either:

Act as substitutes for higher-emitting alternatives, such as renewable energy displacing coal generation. For example, solar panels and wind farms.

OR

Provide incremental energy or resource efficiency gains, such as circular business models that reduce material use. For example, sustainable packaging or computer-aided design tools that optimise materials used in construction.

5 Kirchengast, G. & Pichler, M., June 2025: A traceable global warming record and clarity for the 1.5 °C and well-below-2 °C goals. *Nature*. Based on 20-year mean temperatures
6 WBCSD, June 2025: Avoided Emissions & Climate Investing: A Guide for Investors and Businesses

Improving energy efficiency:
Applied Materials

Applied Materials develops, manufactures and services equipment and spare parts for use by the global semiconductor industry. The US-listed company directly contributes to energy and resource efficiency via R&D and providing equipment and services to semiconductor manufacturers. Its products – which include pump solutions that use less energy and data monitoring services – help users mitigate the negative environmental aspects of semiconductor manufacturing.

Impact

Semiconductor manufacturing is a complex process with notable GHG emissions, particularly when including Scope 3. Applied Materials estimates that one product, a controller tasked with optimising energy efficiency in the 'sub-fab' level of semiconductor factories, enabled the avoidance of 84,600 tCO_2e in GHG emissions in 2024, compared to baseline scenarios.[7] The controller synchronises 'sub-fab' components – pumps, transformers, power cabinets, scrubbers and treatment systems needed to support chipmaking tools – to match operational energy requirements.

7 Applied Materials, 2024: 2024 CDP Corporate Questionnaire

Beyond avoided GHG emissions – measuring wider environmental impact

Environmental challenges extend well beyond the dangers posed by climate change. Impax's thematic Environmental Markets strategies invest in companies that deliver a breadth of positive environmental solutions.

The products and services provided by portfolio companies deliver materially positive water and waste impacts that, where possible, we quantify by strategy – as we have year-on-year since our first Impact Report in 2015. Water impact is typically delivered by holdings in water utilities and water technology companies. Recycling and waste management companies are typically major contributors to portfolios' 'materials recovered/waste treated' impact figures.

Using the data available, we also report the total 'renewable electricity generated' as an indicator of the contribution of our investments to the clean energy transition. Generating renewable electricity can reduce demand for fossil fuel fired generating capacity, thereby lowering CO_2 emissions and other air pollutants in markets where companies operate and delivering progress towards national net-zero targets.

We collaborate with asset management peers, external data providers and research organisations like Ceres to enhance the quality, transparency, and credibility of future avoided emissions methodologies and reporting standards.[8]

8 See page 63 for additional information on our approach to participating in collaborative engagement activities

Renewable electricity generated

Figure 4: Total renewable electricity in 2024

	Active Listed Equities	Private Markets	Fixed Income[9]
Total renewable electricity generated (MWh)	2,083,940 (54 per US$1mn invested)	1,885,150 (2,204 per US$1mn invested)	231,820 (306 per US$1mn invested)
Equivalent to number of households' electricity consumption for a year	578,870 (15 per US$1mn invested)	523,650 (612 per US$1mn invested)	64,390 (85 per US$1mn invested)

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Climate challenges are exacerbated by a carbon-intensive energy system

BloombergNEF found that, in 2024, global investment in the energy transition surpassed US$2.1tn, up by 11% from the prior year. However, to align with a net-zero scenario, it estimates that annual investment must average US$5.6tn a year between 2025 and 2030, indicating that current investment levels are only 37% of what is needed.[10]

Global climate challenges are exacerbated by a carbon-intensive energy system that continues to be dominated by fossil fuels. The current energy mix has adverse environmental impacts across the value chain – from extraction to consumption.

The transition to a cleaner, less resource intensive energy system is critical to limiting climate change and environmental damage. Encouragingly, the economics of renewables are increasingly compelling – even without subsidy – and lower costs of electricity generation are driving adoption by governments, companies and consumers. Additionally, technologies that enhance energy efficiency are transforming energy use in verticals like buildings.

Impact value chain

Environmental sustainability challenge: **Clean energy generation and provision**

Environmental solution	Electric utilities and renewable energy equipment
Environmental activities	Renewable energy developers & independent power producers (IPPs), solar and wind equipment
Relevant measures/KPIs	Renewable electricity generated (MWh)

9 Fixed Income numbers cover Impax's Core Bond and Core Plus Bond strategies
10 BloombergNEF, January 2025: Energy Transition Investment Trends: Tracking global investment in the low-carbon transition

The Impax Environmental Markets taxonomy identifies investable opportunities arising from the following activities:

- Energy generation from renewable sources such as solar, wind, geothermal, bioenergy, waste and water
- Equipment, products and other associated services facilitating renewable energy generation
- Technologies and assets that can reduce the environmental impacts of fossil fuel intensive energy generation
- Smart, efficient and digitally connected electricity grids, power storage and efficient lighting, to help lower electricity consumption as global populations rise
- Technology that promotes resource-efficient products and services in industrial processes

Generating renewable electricity: China Longyuan

China Longyuan Power Group is China's largest wind farm developer and operator by installed electricity generation capacity.[11] The company is a pioneer in wind power development in China, leading advancements in offshore, low wind velocity and high-altitude wind farms. China Longyuan operates a diverse portfolio of wind and solar energy projects across 32 provinces in China, as well as in countries including South Africa, whose grid is still dominated by coal-based power generation.[12]

Impact
China Longyuan's renewable generation contributes to the advancement of China's energy transition, displacing coal and other non-sustainable power sources in the electricity mix and thereby avoiding GHG emissions and addressing air pollution. By the end of 2024, its installed wind and solar generation capacity reached 41 GW. In 2024, the company generated 68,400 GWh of renewable electricity – enough to power 24.7mn homes in China.[13]

11 Sustainalytics, July 2025
12 IEA, 2025: Energy system of South Africa
13 Impax analysis / China Longyuan Power Group, April 2025

Case studies are provided for illustrative purposes only. The securities mentioned in this document should not be considered a recommendation to purchase or sell any particular security and there can be no assurance that any securities discussed herein are or will remain in strategies managed by Impax. Impax makes no representation that any of the securities discussed were or will be profitable, or that future investment decisions will be profitable. The selection criteria for case study examples is not based on performance. We selected companies based on their contributions in the relevant impact area.

Private Markets:
Impax New Energy

The Impax New Energy strategy invests in the build-out of renewable energy projects and adjacent renewables sectors. This Private Markets strategy includes enabling infrastructure, like battery storage, and demand-side opportunities, like electric vehicle charging stations.

Positive environmental benefits are a natural outcome of the New Energy strategy. The strategy invests in platforms that develop pipelines of renewable energy assets and create joint venture partnerships with developers. As such, rather than purchasing operating assets, the investment team takes assets into and through construction. This brings new renewable energy capacity into the grid, thereby displacing fossil fuels and creating a measurable positive impact that can be directly attributed to our investments. For example, in 2024 a US$1mn investment in the New Energy strategy resulted in 2,204 MWh of renewable energy generated – and, by extension, 395 tonnes of CO_2 emissions avoided.[14]

14 Figures include exited assets. For assets still owned in the portfolio at the end of 2024, the amounts would total 284 MWh of renewable electricity and 28 tonnes of avoided GHG emissions.

Developing renewables projects:
Solar power in Ireland

The Dunmurray solar project is transforming a former golf course and grazing land in County Kildare into a productive 19.5MWp renewable energy site. To enhance biodiversity on site, existing man-made lakes were reinforced to support new wildlife habitats, now thriving with insects and other species. Trees from the centre of the site were relocated to its edges to preserve natural cover and encourage ecological connectivity. A badger sett identified during a mammal survey led to the creation of buffer zones and ongoing monitoring to avoid disturbance. Fencing includes mammal gaps to allow wildlife movement, and the site will be re-seeded after construction to restore vegetation. The project is due for completion by the end of 2025.

Impact

With expected annual electricity generation of approximately 18,000 MWh (which is the equivalent of approximately 5,000 homes, based on the UK 2024 figure), the project will generate an estimated 270,000 MWh over its 15-year operational life — equivalent to avoiding approximately 78,000 tonnes of CO_2e, based on Ireland's IEA emissions factor.[15]

15 Impax analysis based on UK equivalencies (see page 52)

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Water treated, saved, or provided

Figure 5: Total water provided, saved or treated in 2024

	Active Listed Equities	Private Markets	Fixed Income[16]
Total water provided, saved or treated (megalitres)	2,765,240 (72 per US$1mn invested)	n/a	130 (0.3 per US$1mn invested)
Equivalent to number of households' water consumption for a year	22,693,620 (591 per US$1mn invested)	n/a	1,070 (1 per US$1mn invested)

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The world's water resources are under considerable strain

Water is vital to virtually every business in the world, all sectors of the economy and everyday life. Yet global water resources are under strain, with water availability and quality concerns posing material risks, exacerbated by population and economic growth, and by climate change.

Over the 20th century, global water use grew at more than twice the rate of global population increases.[17] Approximately 4bn people, or half of the global population, are estimated to experience severe water scarcity for at least part of the year.[18]

Stress on water systems will be exacerbated by the impacts of climate change. Droughts and floods are becoming more frequent and intense as global temperatures rise.[19]

Water quality issues meanwhile intensify local environmental challenges around water availability.

An estimated US$20tn needs to be invested in global water infrastructure by 2040 to even maintain current levels of water security.[20] This supports opportunities for companies providing solutions to critical water-related challenges.

Impact value chain

Environmental sustainability challenge: **Water quality/availability**

Environmental solution	Water treatment, distribution and efficiency solutions
Environmental activities	Water utilities, water technology
Relevant measures/KPIs	Water treated, saved, provided (megalitres)

16 Fixed Income numbers cover Impax's Core Bond and Core Plus Bond strategies
17 UN, 2025: Sustainable Development Goal Indicators – Clean Water and Sanitation
18 UNESCO, 2025: United Nations World Water Development Report 2025
19 European Environment Agency, June 2025: Climate change impacts, risks and adaptation
20 Global Water Intelligence, 2025: Rethinking Resilience

The Impax Environmental Markets taxonomy seeks to identify investable opportunities arising from the following activities:

1. **Water distribution and infrastructure** – Helping to move and provide water to communities around the world
2. **Water efficiency** – Improving and reducing society's reliance on water through a wide variety of solutions
3. **Water treatment** – Treating wastewater from various sources or treating feedwater to achieve a high drinking water quality standard
4. **Water utilities** – Treating and distributing water around the world; maintaining and expanding water infrastructure

Spotlight on:
Water strategy

55%

Companies in the strategy contributing to water provided, saved or treated (24 out of 44 companies)

~99%

Strategy-level water provided, saved or treated made up by top 10 contributors

Kemira
Veolia
Veralto

Illustrative examples of companies within the top 10 contributors

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Supporting access to clean water:
Kemira

Kemira supports clean water access by providing chemical and digital solutions for municipal and industrial water treatment. The Finland-based company works across diverse sectors — including the pulp and paper industry — to improve water quality, reduce pollution and enable its clients meet tightening environmental standards. By offering a broad range of treatment products, Kemira helps address diverse water challenges: from improving water clarity to reducing energy use in wastewater treatment.

Impact
Kemira's technologies helped treat 21mn megalitres of water in 2024 — equivalent to the annual consumption of approximately 370mn people.[21] Its chemical solutions help remove impurities and bacteria from water, often with a smaller environmental footprint than alternative methods. Its digital tools assist treatment plants in monitoring water conditions and adjusting processes to use resources more efficiently.

21 Kemira, July 2025: Half-Year 2025 Investor Presentation

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Materials recovered and waste treated

Figure 6: Total materials recovered and waste treated in 2024

	Active Listed Equities	Private Markets	Fixed Income[22]
Total materials recovered/ waste treated (tonnes)	2,623,230 (68 per US$1mn invested)	n/a	640 (1 per US$1mn invested)
Equivalent to number of households' waste output for a year	2,898,600 (75 per US$1mn invested)	n/a	710 (1 per US$1mn invested)

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The current linear economic model is wasteful, polluting and resource intensive

The pressures placed on the planet far exceed its capacity to regenerate – an estimated 1.75 Earths would be needed to supply the natural resources and ecological services we use.[23] This is a function of a wasteful economic model that depends on unsustainable extraction of finite natural resources.

The 'take, make and waste' model creates severe environmental problems, including:

- GHG emissions across the product lifecycle – manufacturing, use, disposal and landfill. Adopting circular models in five key sectors could reduce GHG emissions by 9.3bn tonnes of CO_2 by 2050, the equivalent of eliminating current emissions from global transport.[24]
- Pollution issues such as plastics on land and in the ocean. Currently, 98% of plastic is not recycled and it is predicted that there will be more plastic than fish in the oceans by 2050 unless pollution is addressed.[25]
- Wasteful use of scarce resources. It is now projected that global material extraction will more than double by 2060.[26] For example, demand for critical minerals such as lithium, cobalt, nickel, copper and rare earths – all of which are key to clean energy systems – could rise fivefold by 2040 under current trajectories.[27] Better recycling of products containing these materials would mitigate environmental damage arising from mineral extraction and manufacturing processes.
- Biodiversity loss from further resource extraction and land use for activities such as agriculture. In agriculture, regenerative practices can reverse soil depletion and enhance food security.[28] Creating a sustainable 'closed loop' model uses fewer natural resources, reduces pressure on biodiversity, generates fewer GHG emissions and produces less waste by extracting more value out of existing materials and products.

22 Fixed Income numbers cover Impax's Core Bond and Core Plus Bond strategies
23 Global Footprint Network, 2022: National Footprint and Biocapacity Accounts
24 Ellen MacArthur Foundation, 2020: Financing the circular economy: Capturing the opportunity
25 World Economic Forum, Ellen MacArthur Foundation and McKinsey & Company, 2016: The New Plastics Economy: Rethinking the future of plastics
26 Ellen MacArthur Foundation, 2020: Financing the circular economy: Capturing the opportunity
27 Ellen MacArthur Foundation, 2025: Exploring the circular economy opportunity for critical minerals
28 World Business Council for Sustainable Development, 2021: These regenerative agriculture trials prove that farming can improve soil health without sacrificing yield

Impact value chain

Environmental sustainability challenge: **Creating a sustainable, closed loop economy**

Environmental solution	Waste management and recycling technologies
Environmental activities	General waste management, sustainable packaging
Relevant measures/KPIs	Materials recovered, waste treated (tonnes)

Four key principles of the circular economic model

01
Incorporating circular principles into design and production to both facilitate recyclability/reuse of products and maximise the use of recycled/ regenerative materials.

02
Extending asset lives through refurbishment, repurposing and resale.

03
Best in class waste management and resource recovery at the end of an asset's useful life through recycling of products and raw materials.

04
Maximising asset utilisation through the adoption of the sharing economy.

Enabling a more circular economy: **eBay**

eBay is a global e-commerce company that connects sellers and buyers worldwide. The US-listed company provides an accessible platform for sellers to earn income and offers discounted second-hand items to price-sensitive buyers. A key focus is on 'recommerce', which involves reselling second-hand goods; an approach that supports the circular economy by giving items a second life. In 2024, 40% of gross merchandise value was from pre-owned or refurbished goods.[29]

Impact
The US company's focus on the resale of refurbished and pre-owned items promotes sustainability. It supports the circular economy model by diverting waste from landfills, extending the life of products, reducing resource depletion and lowering system-wide carbon emissions. By facilitating the reuse of goods, eBay helps lower the demand for the production of new goods and therefore reduces associated GHG emissions. In 2023, the company avoided nearly 2mn tonnes of CO_2e and prevented 69,000 metric tonnes of goods being discarded as waste.[30]

29 CDP, 2024
30 eBay, 2024: 2023 Impact Report

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Measuring nature impact

In last year's Impact Report, we outlined our ambition to link environmental markets solutions and activities to solutions that help to alleviate the pressures driving nature and biodiversity loss.

Biodiversity loss is driven by a set of well-recognised pressures identified by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES). These five "direct drivers" – changing use of sea and land, direct exploitation of organisms, climate change, pollution and invasive non-native species – are responsible for the majority of observed declines in ecosystems and species worldwide. Understanding how our investments contribute to mitigating these drivers is essential to integrating nature considerations into portfolio management and impact measurement.

The table below presents a heat map illustrating the link between our key positive impact metrics and the five IPBES drivers. These metrics are drawn from the environmental performance of portfolio companies. Each cell is shaded according to the strength of the link.

Mapping our impact metrics to biodiversity drivers

	Avoided GHG emissions	Renewable electricity generated	Waste/ materials recovered/ recycled	Water treated/ saved/ provided	Water treated	Water saved
IPBES 1: Changing use of sea and land (eg. deforestation)	Strong	Moderate	Moderate	Strong	Weak	Strong
IPBES 2: Direct exploitation of organisms (eg. over-fishing)				Moderate	Weak	Moderate
IPBES 3: Climate change (GHG emissions mitigation)	Strong	Strong	Weak			
IPBES 4: Pollution (to air, soil, water, inc plastic waste)	Weak	Moderate	Moderate	Strong	Strong	Moderate
IPBES 5: Invasive non-native species (from trade, travel)				Strong	Strong	Weak

Strong indicates a direct, significant positive contribution in helping to alleviate a biodiversity loss driver

Moderate indicates an indirect or partial contribution in helping to alleviate a biodiversity loss driver

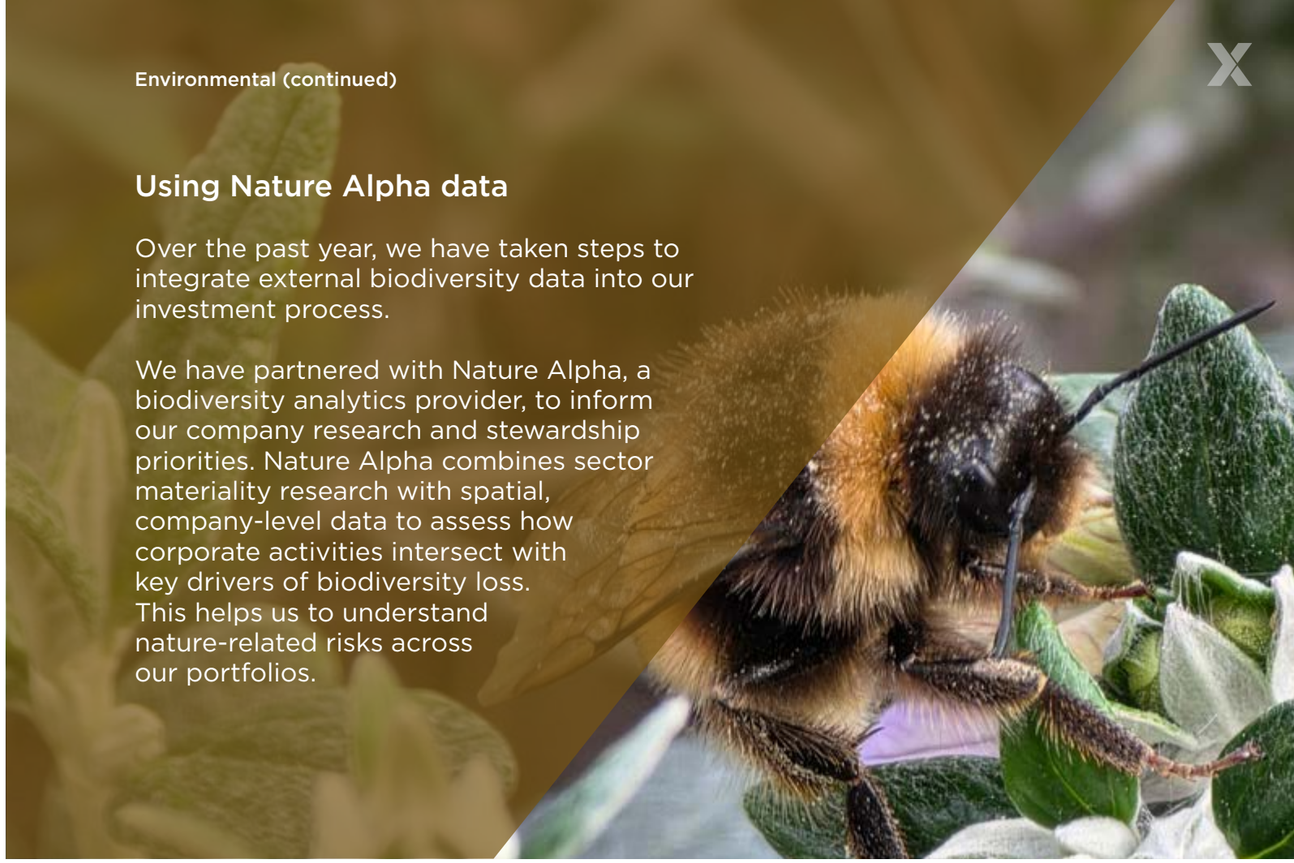
Weak indicates a limited or context-specific contribution in helping to alleviate a biodiversity loss driver

The following direct relationships between these drivers of biodiversity loss and our environmental impact metrics stand out:

IPBES 1: Water treated or saved strongly contributes to alleviating pressures from the changing use of sea and land in water-stressed regions, where efficient water use can limit the expansion of agriculture or industry into natural areas. There is also a 'moderate' connection between deforestation and avoided emissions.

IPBES 3: Both avoided GHG emissions and renewable electricity generated have a strong link to climate change mitigation given that reducing emissions directly addresses one of the main drivers of biodiversity loss.

IPBES 4: Waste treated and materials recovered strongly supports the reduction of pollution. Water treated or saved is also relevant to addressing pollution by reducing contaminant loads in rivers, lakes and aquifers.



Using Nature Alpha data

Over the past year, we have taken steps to integrate external biodiversity data into our investment process.

We have partnered with Nature Alpha, a biodiversity analytics provider, to inform our company research and stewardship priorities. Nature Alpha combines sector materiality research with spatial, company-level data to assess how corporate activities intersect with key drivers of biodiversity loss. This helps us to understand nature-related risks across our portfolios.

This mapping exercise demonstrates how positive environmental outcomes in climate, resource efficiency and pollution prevention intersect with biodiversity protection. It helps us to identify:

- Where current metrics already address biodiversity drivers
- Where additional metrics or qualitative indicators may be needed to capture nature-related benefits more fully
- Opportunities to target investments towards under-addressed drivers, such as invasive species control

By linking measurable portfolio outcomes to globally recognised biodiversity drivers, we enhance our ability to track, report and strengthen our contribution to halting and reversing nature loss.

Illustrative examples in our portfolios

A solar PV manufacturer contributes to Renewable Electricity Generated ('strong' link to IPBES 3). When deployed on rooftops, carparks, brownfield sites or via agrivoltaics, solar PV can avoid new habitat conversion and displace coal mining in forested regions ('moderate' link to IPBES 1).

An advanced water technology company delivering industrial wastewater treatment directly reduces chemical pollution in freshwater habitats ('strong' link to IPBES 4) and improves water availability for communities, reducing pressure to extract water from sensitive ecosystems ('moderate' link to IPBES 1).

A recycling and resource recovery business diverts significant waste from landfill, reducing leachate and plastic leakage to oceans ('strong' link to IPBES 4) and lowering demand for new raw materials, which can reduce habitat loss from mining or logging ('moderate' link to IPBES 1).

Social

In our 2024 Impact Report, we included additional metrics for social impact for the first time.

These metrics – which are presented in Figure 7 below – are focused on Impax's Global Social Leaders strategy, which seeks to invest in companies that provide products or services benefitting society. The 'healthy and nutritious food provided' metric also includes data related to our Sustainable Food strategy.

A further description of these social impact metrics, and the methodologies used to calculate them, is set out in the Appendix on page 49.

Figure 7: Overview of social impact of portfolio companies in 2024

	Active Listed Equities
Healthy and nutritious food provided (tonnes) *Global Social Leaders & Sustainable Food*	**262,040** **(324 per US$1mn invested)**
Number of individuals provided with access to essential financial services *Global Social Leaders only*	**32,640** **(287 per US$1mn invested)**
Number of individuals digitally connected *Global Social Leaders only*	**26,580** **(234 per US$1mn invested)**
Number of patients treated and/or supported by healthcare services *Global Social Leaders only*	**3,950** **(35 per US$1mn invested)**

There can be no assurance that impact results in the future will be comparable to the results presented herein. Impax impact calculations are based on strategy AUM and portfolio holdings as at 31 December 2024.

We will be considering how we can apply these social metrics to our Core Equities strategies in the future.

Producing healthy food:
Danone

Danone is a global food and beverage company focused on improving health through nutrition. Its products range from early life formula and plant-based dairy alternatives to medical nutrition. The French-listed company aims to support healthier lives across all age groups while also addressing environmental challenges linked to food production.

Impact
Food and drink play a major role in public health. On average across 32 OECD countries, 54% of the adult population were overweight or obese, and 18% were obese, in 2021.[31] Danone's range of healthier, tailored products can help address the challenges of undernourishment, overnourishment and micronutrient deficiencies. In 2023, the company produced over 32.7mn tonnes of food, 17.9mn tonnes of which we classify as 'healthy'.[32] Danone's portfolio includes gut-friendly dairy products, fortified plant-based alternatives and specialist medical nutrition to support patients with conditions like cancer, stroke and metabolic disorders.

31 OECD: Health at a Glance 2023
32 Danone, 2024 / Impax analysis

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Healthy and nutritious food produced

The food and agriculture sector is in the early stages of a far-reaching transition towards more sustainable food production and consumption. Increasing environmental and resource pressures, changing consumer demands, technological innovation and evolving regulatory interventions are disrupting existing depletive practices and unhealthy preferences.

The aim of the Impax Sustainable Food taxonomy is to help identify the most innovative leaders in sustainable food supply, resource efficiency and nutrition. Within this taxonomy, there is a focus on companies that grow, manufacture or distribute high quality, natural foods.

Examples of healthy foods include fruits, vegetables, whole grains, lean and minimally processed meat (excluding beef), nuts, seeds and healthy oils, as well as healthy dairy products such as whole milk and yoghurts, alternative proteins, and child and adult nutritional supplements.

Based on our analysis, portfolio companies that contributed to this metric included three producers of fresh food, two global food and beverage companies and a producer of plant-based food and drinks.

Impact value chain

Social sustainability challenge: **Provision of healthy and nutritious food**

Social solution	Growing, manufacturing and distributing healthy and nutritious food
Social activities	Food producers and growers
Relevant measures/KPIs	Healthy and nutritious food produced (tonnes)

The aim of the Impax Sustainable Food taxonomy is to help identify the most innovative leaders in sustainable food supply, resource efficiency and nutrition.

Individuals provided with access to financial services

There have been longstanding barriers to entry, asymmetric information and knowledge gaps associated with the financial system. The potential economic benefits of addressing this issue and expanding financial inclusion are vast: it is estimated that connecting the world's 'unbanked' population to banking products could add US$250bn to global GDP, for example.[33] Meanwhile, as the global middle class rapidly expands so does demand for products that support more financially secure and healthier ageing.

This translates into large opportunities for companies that can offer solutions to finance-related challenges. Innovative technologies and digital infrastructure have ushered in a new era of low-cost, secure payments and better financial information, lowering barriers to financial transactions and products.

The Impax Social taxonomy looks to identify companies that are enabling access to essential financial services and addressing participation in the formal economy. Impax's view of 'essential' financial services is broadly aligned with the Finance Watch Report's definition of 'basic' financial services, and it is broken down by the Impax Social taxonomy into two main areas: financial security and inclusion, and financial platforms.[34]

Financial security and inclusion

This includes companies providing financial security, resilience and preparedness through life and health insurance and retirement solutions. Companies providing access to useful and appropriate financial products or services to people who otherwise may not have had access, or an adequate range of choice, are also in scope. This can be achieved through building distribution capabilities in geographic areas where access to financial services is lacking, as well as into underserved segments of populations, or by developing low-cost products and decentralised distribution channels, such as those offered by digital finance.

Financial platforms

This includes companies contributing to increasing trust, transparency and customer engagement with their own financial futures. These companies can empower consumers across the globe by:

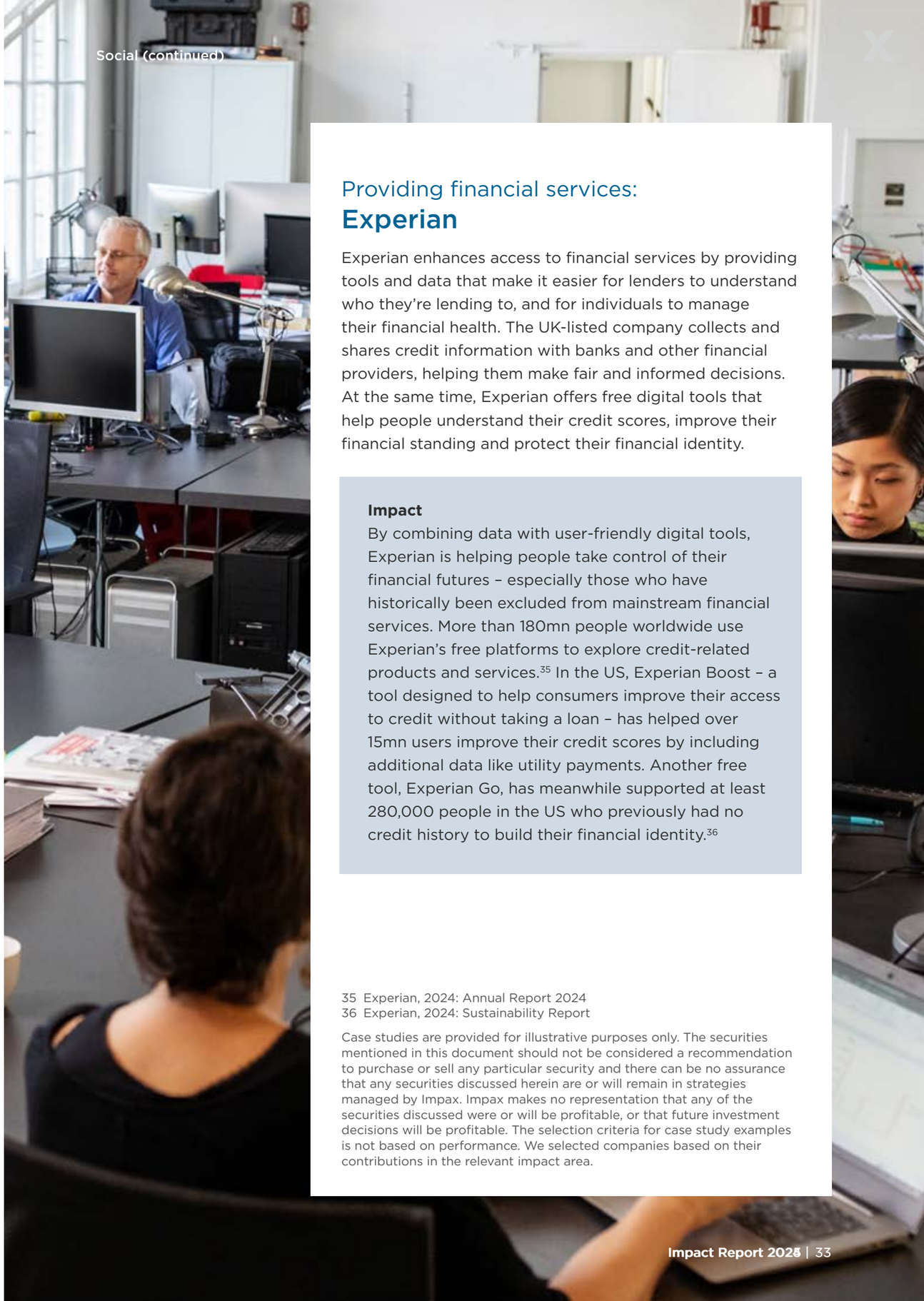
- Increasing transparency on pricing and decision-making of third-party companies (e.g. credit bureaus, marketplaces, data providers)
- Enhancing customer experience by providing technological solutions that ensure the integrity of the financial system as a whole (e.g. regulatory technology, data protection)
- Enhance ease of use and engagement (e.g. payments processing, accounting)

Impact value chain

Social sustainability challenge: **Access to finance**

Social solution	Improved access to essential financial services for safety and prosperity
Social activities	Insurance, diversified banks and financial platforms
Relevant measures/KPIs	Individuals provided with access to essential financial services

33 Oxford Economics and Juvo, 2019: The 'YES' Economy: Giving the world financial identity
34 Finance Watch, 2020: Conclusions and recommendations of the Finance Watch report



Providing financial services: Experian

Experian enhances access to financial services by providing tools and data that make it easier for lenders to understand who they're lending to, and for individuals to manage their financial health. The UK-listed company collects and shares credit information with banks and other financial providers, helping them make fair and informed decisions. At the same time, Experian offers free digital tools that help people understand their credit scores, improve their financial standing and protect their financial identity.

Impact
By combining data with user-friendly digital tools, Experian is helping people take control of their financial futures – especially those who have historically been excluded from mainstream financial services. More than 180mn people worldwide use Experian's free platforms to explore credit-related products and services.[35] In the US, Experian Boost – a tool designed to help consumers improve their access to credit without taking a loan – has helped over 15mn users improve their credit scores by including additional data like utility payments. Another free tool, Experian Go, has meanwhile supported at least 280,000 people in the US who previously had no credit history to build their financial identity.[36]

35 Experian, 2024: Annual Report 2024
36 Experian, 2024: Sustainability Report

Providing digital infrastructure:
Vodacom

Vodacom operates mobile telephone networks in South Africa, Egypt, the Democratic Republic of Congo and elsewhere in Africa. The South African-listed company provides critical digital infrastructure, improving access to vital services and advancing equitable inclusion in often remote areas of developing economies.

Impact
Mobile networks have been shown to have a transformational impact on financial inclusion, as in Kenya where the adoption of mobile banking services led to a trebling in access to finance among the poorest in society from 2011 to 2014, to 63%. Research shows that overcoming geographic, demographic and institutional barriers to financial services can help spur economic growth.[37] Vodacom had enabled digital connectivity for 203mn individuals as of March 2024.[38]

37 Rosengard, J., 2016: A Quantum Leap over High Hurdles to Financial Inclusion: The Mobile Banking Revolution in Kenya
38 Vodacom, 2024: Integrated Report

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Individuals digitally connected

Digital infrastructure is key to enabling more resilient and inclusive economies. Connecting more than two-thirds of the world's population to internet-based services helps broaden access to essential services and professional opportunities in both developed and developing countries.[39]

The 'data age' supports vast growth opportunities for companies whose services underpin the near-instant transmission of information around the world. Global mobile data traffic, for instance, is projected to grow by a factor of 2.6 between 2025 and 2030 as 5G networks – which can transfer data up to 16 times faster than 4G – are rolled out.[40]

The Impax Social taxonomy looks to identify companies that are providing critical hardware and software for telecommunications. These companies enable information sharing and digital services, as well as developing or enabling transformational technology with significant implications for access, affordability, accuracy, productivity and equity.

The Impax Social taxonomy is primarily focused on social inclusion, cohesion, wellbeing and development. In this context, we are most interested in measuring the number of individuals gaining improved access to digital services and connectivity in less developed countries.[41]

Impact value chain

Social sustainability challenge: **Access to digital services**

Social solution	Improved access to digital services and connectivity globally
Social activities	Communication services and infrastructure
Relevant measures/KPIs	Individuals digitally connected

39 Statista, 2025: Number of Internet and Social Media Users Worldwide, May 2023
40 Ericsson, 2025: Mobile data traffic outlook
41 Includes 4G, 5G, broadband and high-speed broadband

Patients treated or supported by healthcare services

Ageing populations, persistent cost inflation and practitioner shortages are combining to place healthcare systems under rising strain across developed markets.

Delivering modern healthcare is notoriously labour and resource intensive. Healthcare spending growth outpaced inflation across the OECD group of high-income countries each year between 2007 and 2021, and by 2.2 percentage points on average.[42]

The Impax Social taxonomy looks to identify companies working to improve medical and critical health outcomes by transforming the treatment and management landscape through innovation, diagnostics, access and affordability. This pertains to chronic diseases, mental health, new drug development and biotechnology, and personalised medicine advancements.

The Impax Social taxonomy breaks the opportunity set down into three main areas:

- **Advanced medical solutions:** Companies producing clinically meaningful benefits including cures and preventative treatments through solutions like vaccines. Companies in this area are also creating innovative supply chain solutions and working in underserved areas, whether defined by social group or therapeutic need.
- **Healthcare access and affordability:** Companies enabling or broadening patient access to therapy and services, as well as companies reducing patient or healthcare system cost burdens.
- **Diagnostics:** Companies driving molecular diagnostics, genetic sequencing, imaging, screening and patient monitoring advancements.

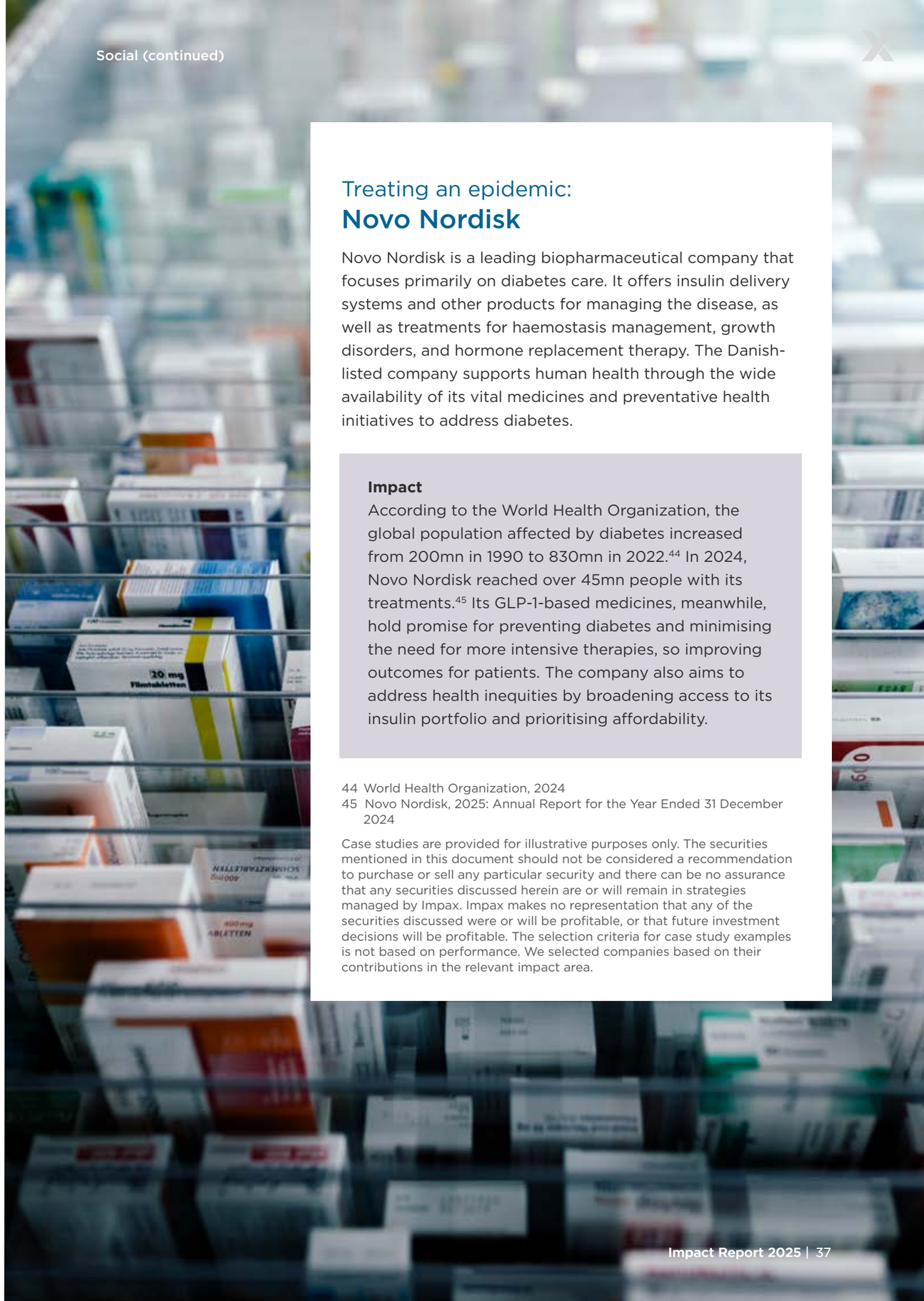
The Impax Social taxonomy is primarily focused on social inclusion, cohesion, wellbeing and development, so we measure the number of individuals gaining access to healthcare and treatment globally.[43]

Impact value chain

Social sustainability challenge: **Access to healthcare**

Social solution	Improved access to healthcare and treatment, globally
Social activities	Healthcare equipment, services and pharmaceuticals providers
Relevant measures/KPIs	Number of patients treated and/or supported by healthcare services

42 OECD, 2023: Health care financing in times of high inflation
43 The Social Taxonomy described here is not aligned with the requirements of Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (commonly referred to as the "Taxonomy Regulation")



Treating an epidemic: **Novo Nordisk**

Novo Nordisk is a leading biopharmaceutical company that focuses primarily on diabetes care. It offers insulin delivery systems and other products for managing the disease, as well as treatments for haemostasis management, growth disorders, and hormone replacement therapy. The Danish-listed company supports human health through the wide availability of its vital medicines and preventative health initiatives to address diabetes.

Impact

According to the World Health Organization, the global population affected by diabetes increased from 200mn in 1990 to 830mn in 2022.[44] In 2024, Novo Nordisk reached over 45mn people with its treatments.[45] Its GLP-1-based medicines, meanwhile, hold promise for preventing diabetes and minimising the need for more intensive therapies, so improving outcomes for patients. The company also aims to address health inequities by broadening access to its insulin portfolio and prioritising affordability.

44 World Health Organization, 2024
45 Novo Nordisk, 2025: Annual Report for the Year Ended 31 December 2024

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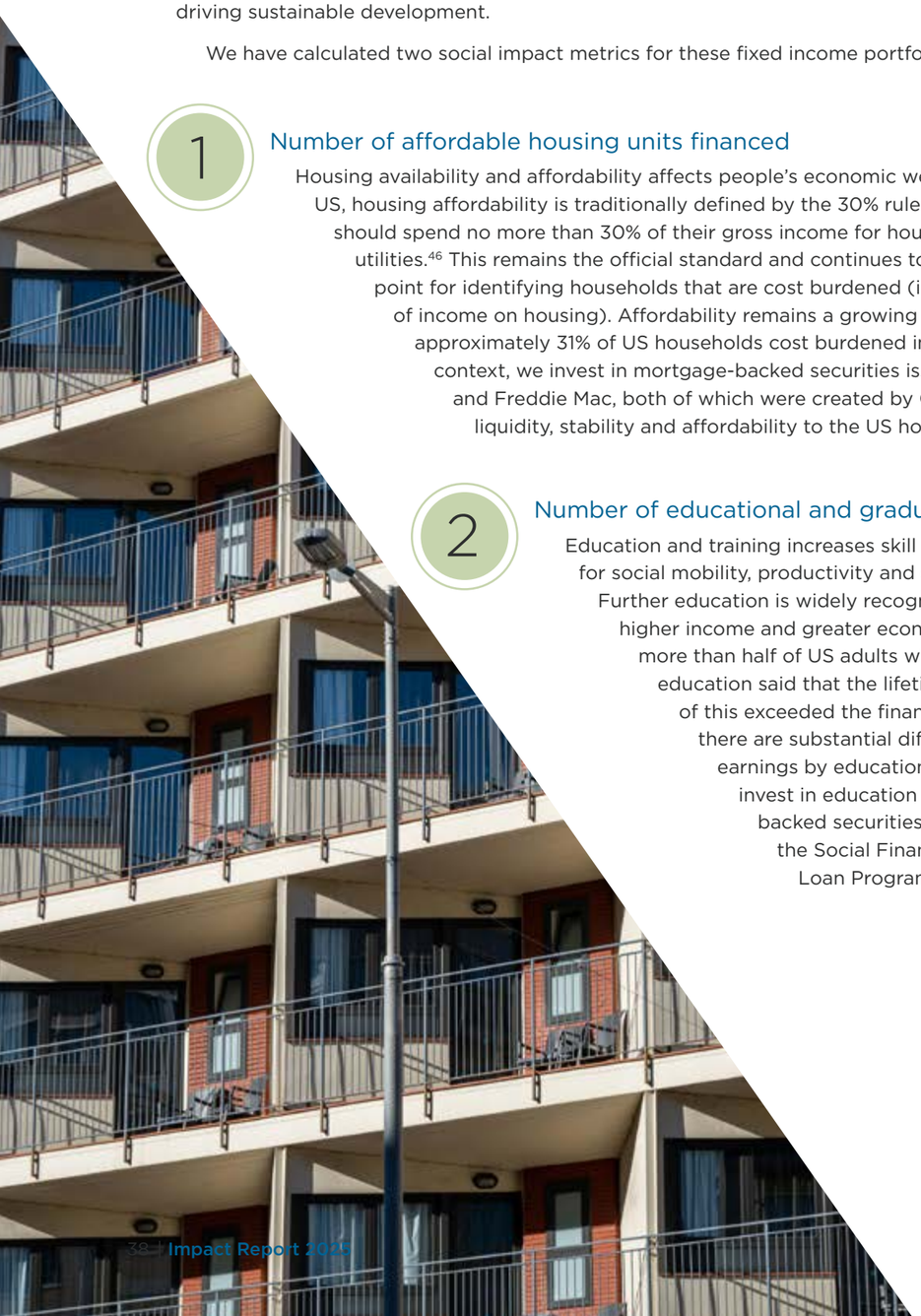
Spotlight: **Social impact through our fixed income investments**

The transition to a more sustainable economy is creating opportunities for investors to finance positive social outcomes through fixed income investments.

The Impax Core Bond and Core Plus Bond portfolios, for example, seek out these opportunities including securities that support affordable housing, community development, development finance, education and gender equality. We believe that quantifying the positive environmental and social impact of these portfolios demonstrates the importance of bond issuance as a source of capital driving sustainable development.

We have calculated two social impact metrics for these fixed income portfolios.



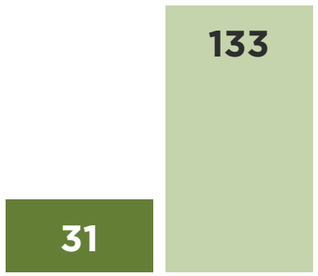
1 Number of affordable housing units financed

Housing availability and affordability affects people's economic wellbeing. In the US, housing affordability is traditionally defined by the 30% rule – that is, occupants should spend no more than 30% of their gross income for housing costs, including utilities.[46] This remains the official standard and continues to be a reference point for identifying households that are cost burdened (i.e. spend over 30% of income on housing). Affordability remains a growing challenge, with approximately 31% of US households cost burdened in 2023.[47] In this context, we invest in mortgage-backed securities issued by Fannie Mae and Freddie Mac, both of which were created by Congress to provide liquidity, stability and affordability to the US housing market.

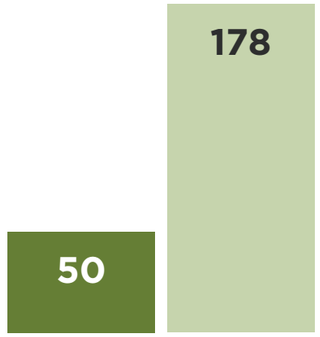
2 Number of educational and graduate loans financed

Education and training increases skill levels, with benefits for social mobility, productivity and economic growth. Further education is widely recognised as a path to higher income and greater economic wellbeing: more than half of US adults who went on to higher education said that the lifetime financial benefits of this exceeded the financial costs.[48] Moreover, there are substantial differences in lifetime earnings by educational attainment.[49] We invest in education mainly through asset-backed securities, like those issued by the Social Finance (SoFi) Professional Loan Programme.

Affordable housing units financed (total) in 2024



Educational and graduate loans financed (total) in 2024



A further description of what these social impact metrics are measuring, as well the methodologies used for calculating them, are set out in the Appendix (page 49).

Impact value chain

Social sustainability challenge: **Access to affordable housing**

Social solution	Increased access to housing loans or dedicated affordable housing projects
Social activities	Housing lending
Relevant measures/KPIs	Affordable housing units financed

Social sustainability challenge: **Access to higher education**

Social solution	Increased access to education loans or education infrastructure, including K-12 and higher education facilities
Social activities	Educational lending
Relevant measures/KPIs	Student loans financed

46 US Department of Housing and Urban Development, 2025: Glossary of terms to affordable housing
47 Pew Research Center, 2024: The state of the affordable housing in the US
48 US Federal Reserve, 2025
49 US Social Security Administration, 2025: Education and Lifetime Earnings; Social Mobility Commission, 2024: Income returns to education

The UN Sustainable Development Goals have been increasingly adopted by investors as a tool for evaluating funds' impact outcomes. Impax's focus on the transition to a more sustainable economy results in meaningful exposure to the SDGs as part of the investment process.

UN Sustainable Development Goal alignment

The UN Sustainable Development Goals (SDGs) encompass 17 sets of targets to be met by the world's economies by 2030.[50] The SDGs have been increasingly adopted by investors as a tool for evaluating funds' impact outcomes.

Impax's focus on the transition to a more sustainable economy results in meaningful exposure to the SDGs as part of the investment process. Figure 8 on page 43 summarises portfolio company exposure to the UN SDGs by strategy, as at the end of 2024.

It is important to emphasise that our investment process does not analyse alignment with SDGs as an investment objective or component of portfolio construction. Instead, we use the SDG framework to understand which portfolio companies are involved in activities that contribute towards addressing these critical global challenges as a mapping and reporting exercise.

We evaluate alignment with this framework by identifying the proportion of portfolio companies' activities and related revenues that contribute to the achievement of the SDGs. We map more than 70 categories of business activities linked to the SDGs and their underlying targets and indicators (see mapping on page 42).

We focus on those SDGs where the underlying targets are relevant to private sector investment opportunities, rather than public funding or policy action. For example, our portfolio companies – even those held within the Climate strategy – have practically no exposure to SDG 13, climate action. While this may seem counterintuitive, given our focus on the transition to a more sustainable economy, this is because we consider most of the Goal's sub-targets to be aimed at, and implemented by, governments.

Our methodology for measuring SDG-related exposure does not differentiate between geographic regions, with two exceptions: in the case of financial services and telecoms companies, where their business activities relate to SDG 8 (decent work and economic growth) and SDG 9 (industry, innovation and infrastructure), we only focus on company activities in less developed countries. Over time, portfolio companies' exposure to SDGs will vary and depend on our portfolio management decisions.

50 For further information on the UN Sustainable Development Goals, please visit www.un.org/sustainabledevelopment/sustainable-development-goals

Impax mapping of company exposures to UN SDGs*

- Sustainable agricultural inputs
- Growers & operators
- Sustainable agricultural products
- Natural food ingredients
- Agricultural machinery & equipment
- Food processing equipment
- Healthy/nutritious foods
- Efficient food distribution
- Healthy/nutritious food distribution
- Fresh food distribution
- Access to safe food

- Prevention of disease (diagnostics, testing, vaccines)
- Bio-pharmaceuticals (innovation, drug discovery)
- Medical technology
- Healthcare access & affordability
- Personal care & wellness

- Access to quality education
- Provision of technical, vocational & tertiary education/training
- Services facilitating inter-cultural exchange

- Water distribution & infrastructure
- Water treatment
- Water efficiency
- Water utilities

- Renewable energy developers & independent power producers
- Biofuels
- Hydrogen infrastructure
- Solar energy generation equipment
- Wind power generation equipment
- Other renewables equipment
- Cleaner energy

- SME lending revenues from the least developed countries (LDC) & emerging market (EM) regions
- Insurance revenues from LDC & EM regions
- SME insurance revenues (global)
- Payment infrastructure & technology revenues from LDC & EM regions
- Employment services

- Smart & efficient grids
- Power storage & uninterruptible power supply
- Industrial energy efficiency
- Consumer energy efficiency
- Buildings energy efficiency
- Efficient lighting
- Advanced road vehicles & devices
- Advanced aviation
- Advanced shipping
- Railways
- Efficient IT
- Cloud computing
- Digital collaboration solutions
- Environmental R&D & consultancies
- Supply chain logistics
- Activities linked to R&D (to capture the innovation enabling further efficiency gains through technology)
- Activities directly linked to digital infrastructure or operations relating to telecoms in LDC & EM regions

- E-bikes & bicycles
- Buses & coaches
- Shared mobility
- Transport pollution reduction
- Pollution control solutions
- General waste management
- Hazardous waste management
- Environmental testing & monitoring
- Safe & affordable housing
- Social buildings

- Sustainable agriculture
- Sustainable aquaculture
- Organic & alternative foods
- Technology & logistics
- Food safety & packaging
- Recycling & waste technologies
- Recycled, recyclable products & biomaterials
- Resource circularity & efficiency
- Environmental resources
- Evolving marketplaces

- Finance & investment

- Sustainable forestry
- Sustainable land management

*SDG mapping based on Impax Listed Equities Thematic Taxonomies. Excludes Fixed Income.

The UN SDGs encompass 17 goals. For further information, please visit www.un.org/sustainabledevelopment/sustainable-development-goals

UN Sustainable Development Goal alignment (continued)

Figure 8: SDG alignment by investment strategy in 2024

Strategy	Overall alignment	2	3	4	5	6	7	8	9	10	11	12	13	15	17
Thematic Equities: Environmental Markets strategies															
Asian Environmental	60%					2%	2%		43%		6%	7%			
Climate	78%		1%			14%	8%	10%	35%		2%	16%		2%	
Leaders	53%					8%			27%		7%	11%			
Specialists	80%					13%	7%		29%		6%	23%		2%	
Sustainable Food	59%	40%	2%						1%			12%		4%	
US Environmental Leaders	51%					11%		1%	24%		9%	7%			
Water	71%														
Thematic Equities: Social strategies															
Global Social Leaders	54%	2%	18%	2%		2%		14%	7%		6%	4%			
Core Equities strategies															
Global Emerging Markets Opportunities	67%	2%	11%			2%		20%	30%			2%			
Global Opportunities	52%	1%	16%			2%		9%	17%		1%	6%			
US Large Cap	35%	2%	10%			3%	1%	2%	12%		2%	2%		1%	
US Small Cap	44%	4%	21%			1%	2%	1%	8%		2%	5%		1%	
Sustainable Infrastructure strategies															
New Energy	100%						100%								
Sustainable Infrastructure	52%					16%	8%		19%		7%	1%			
Fixed Income strategies															
Core Bond	23%		1%		1%		5%		4%		5%			1%	4%
Core Plus Bond	42%	1%	2%		1%	1%	8%		8%	1%	4%		1%	3%	10%

These figures refer to the past. Past performance is not a reliable indicator of future results.

The UN SDGs encompass 17 goals. For further information, please visit www.un.org/sustainabledevelopment/sustainable-development-goals.

Impax impact calculations are based on strategy AUM and portfolio holdings as at 31 December 2024. Figures are based on Impax internal data. Impax's investment process does not identify alignment with SDGs as a specific objective. Instead, the nature of Impax's investment philosophy results in some meaningful revenue exposure across the breadth of strategies, especially among Thematic Equities and Sustainable Infrastructure strategies. Data is rounded to the nearest full percentage point, so weightings less than 0.5% are not included. Individual revenue alignment numbers may not add up to total revenue alignment numbers, by respective strategy, due to rounding.

Appendix

Methodology for calculating impact metrics	46
Environmental impact metrics	47
Social impact metrics	49
Relevance and availability of metrics	50
Exclusions and limitations	51
Equivalencies data	52
Environmental impact data by strategy	53
Impact data availability by strategy	54
Impact summary by strategy, 2024 vs 2023	56
Important information	60

Methodology for calculating impact metrics

The relevant environmental and social metrics for all portfolio companies and issuers were measured where data was available or could be estimated. The analysis included all companies and issuers in which the strategies were invested as at 31 December 2024.

At the time of preparing the report, we aimed to obtain the most recently available and commonly collected impact data from our investee companies and issuers.

For the calculation of impact attribution for the listed companies we invest in, Impax's methodology is based on equity value. Under this approach, we use the percentage of the equity owned in each underlying company by Impax (based on its proportion to total outstanding shares) to measure the environmental or social benefit attributable to each relevant strategy.

For the calculation of impact attribution for the fixed income issuers we invest in, equity value would be unsuitable. The impact attributed to each relevant strategy is instead based on the percentage owned in each underlying issuer, calculated by dividing the value of the bonds by the company's enterprise value (the sum of its equity value and net debt). For certain government-related issuers, enterprise value was substituted with total assets in our calculations. For labelled bonds, such as social and green bonds, the impact attributable to a strategy is based on the percentage ownership of that issuance. Generally, we only consider bonds which have been held for over one year in our fixed income reporting because funds raised through an issuance will take some time to be deployed and deliver any social or environmental benefit.

Environmental impact metrics

Avoided emissions

We rely mainly on companies' reported data; we make estimates when avoided emissions are not reported, but robust industry or academic data is available.

We believe a structured approach ensures a robust and credible assessment of avoided emissions, helping us understand and effectively communicate the potential impact of climate solutions in the real world. We recognise that there is not yet a universally agreed-upon, standardised methodology for calculating avoided emissions. Despite the progress made by the World Business Council for Sustainable Development (WBCSD), World Resources Institute, Glasgow Financial Alliance for Net Zero (GFANZ) and others, the field is still evolving. To address this, we have strengthened our collaboration with peers and external data providers, and have supported research with organisations such as Ceres to provide further clarity on the topic. Through these collaborations, we aim to enhance the quality, transparency, and credibility of future avoided emissions methodologies and reporting standards.[51]

1. Using reported data

   Where companies report their own data on avoided emissions, we assess the reliability of their methodology. This includes a review of each company's reference scenario, use of life cycle emissions, and the assumptions of the length of product lifecycles. In certain cases, we adjust the reported avoided emissions figure by applying attribution factors. For example, a Chinese solar component manufacturer's products represented approximately 20% of the total cost of a solar module, and so we only attributed 20% of the reported avoided emissions to the final figure. In the near future, we aim to refine our attribution methodology in line with avoided emissions standards like the WBCSD, leveraging external data sources and capabilities.

   The robustness of a company's methodology is assessed to determine whether the data is appropriate and can be used in our calculations. If a company has provided insufficient transparency on their methodology, its avoided emissions claims may not be considered. This was the case for a forestry company that reported avoided emissions through its wood products in its 2023 CDP Climate report. We did not consider this to meet the adequate legitimacy criteria as the baseline scenario was not credible.

2. Estimating avoided emissions

   If a company offers a credible climate solution but reports neither its avoided emissions, nor the information required to judge its reference scenario, we may estimate the figure ourselves using the following approach:

   Identify the solution
   Determine its functional output and, if possible, where it will be deployed.

   Timeframe
   When a company reports an avoided emissions figure based on a lifecycle analysis, we annualise this total figure to the current year of sales.

   Defining the reference scenario
   The reference scenario reflects our best estimate of how emissions would evolve over time if the solution in question was not used. This approach relies on the assumption that solutions are displacing the reference products in the market, without considering that they may be 'additional' to these in some cases. Our choice of the reference scenario will depend on the context (geography, industry, etc.) in which the solution will be implemented. The reference case will be either a 'specific' product or service or the 'average' product or service in the market where the solution will be deployed.

51 Ceres, 2024: Investing in the Future; Unlocking Value Through Avoided Emissions

Leveraging external data and research to assess lifecycle emissions
We assess the lifecycle emissions of both the reference scenario and the climate solution. This includes emissions from production, use, and end-of-life stages, ensuring a comprehensive comparison. Given the difficulty in obtaining product- or service-level emissions data, we rely on emissions factors, other external data and industry research.

Quantifying avoided emissions
The final avoided emissions are calculated by comparing the emissions from the reference scenario with those from the climate solution. The difference between these two figures gives us the avoided emissions, indicating the positive impact of the climate solution.

We collaborate with asset management peers, external data providers and research organisations like Ceres to enhance the quality, transparency, and credibility of future avoided emissions methodologies and reporting standards.[52]

Renewable electricity generated

'Renewable electricity generated' is calculated as the number of megawatt-hours (MWh) of renewable electricity generated by companies.

When renewable energy generation is not explicitly reported, CDP data (C8.2) may be used for those companies that we assume self-generate renewable energy and return excess electricity to the grid.[53] We calculate the difference between self-generated renewable energy and internal consumption, allowing us to estimate the quantity of electricity sold to the grid by the company in question. Where relevant, this data can also be used to quantify avoided emissions using IEA geographical emissions factors.

Water saved, treated, or provided

'Water saved, treated, or provided' is calculated as the total number of megalitres of water saved, treated, or provided by a company, primarily focusing on specific industries like water distribution and water technology.

These key performance indicators (KPIs) are typically self-reported by companies through their sustainability reports, annual reports and websites, particularly water 'treated', and water 'provided'. If self-reported data is unavailable, estimates may be made leveraging additional external industry data.

For example, a textile fibre manufacturer produces an eco-friendly botanic fibre that uses significantly less resources – it requires 10 to 20 times less water than cotton. By comparing resource use to cotton, we can estimate the water saved through the product's sales using a reference scenario which reflects how much water can be saved if cotton, as a market average product, was not used. This approach relies on the assumption that this solution is displacing the reference products in the market, without considering that they may be 'additional' to the existing products in some cases.

Materials recovered and waste treated

The calculation of 'materials recovered, and waste treated' is based on the total number of tonnes of materials (mostly expressed as 'tonnes of waste treated, recovered or materials recycled') either reported or estimated by the companies. This methodology encompasses a broad range of activities, from waste collection and treatment to the recycling of materials; all of which contribute to the circular economy.

Material recovered

This includes companies that contribute significantly to the circular economy by recovering and recycling materials. A key example is the paper packaging industry, which utilises recycled materials as inputs.

Waste treated

This category primarily includes companies involved in the waste collection and treatment value chain, particularly those handling hazardous waste. Proper disposal of hazardous waste is critical to minimising environmental impact and preventing toxic substances from leaching into the water, air and soil. The companies within this category play a vital role in ensuring safe and effective waste treatment processes.

52 See page 63 for additional information on our approach to participating in collaborative engagement activities
53 CDP, 2025

Social impact metrics

Healthy and nutritious food produced

The calculation of 'healthy and nutritious food produced' is based on the total number of tonnes either reported or estimated by companies within Impax's Sustainable Food taxonomy. Due to the lack of standardised definition for 'healthy and nutritious' foods, we utilise the specific range of products delineated by the taxonomy.

Using available data, we calculated the percentage of each company's revenue aligned with our Sustainable Food taxonomy. We chose to use alignment with our own taxonomy, rather than use companies' own estimates, as our estimates tend to be more conservative. Multiplying these respective alignment figures by companies' total food production volumes (as reported by the companies) provided us with estimated volumes of healthy and nutritious food produced, in tonnes.

While companies within the food sector may set specific health-related sales targets – such as a percentage of sales derived from foods with a Nutri-Score of 'B' or above – they rarely disclose these metrics as absolute KPIs. Consequently, our estimates for this KPI are derived from a combination of company-reported data, external research and, where necessary, direct engagement with companies.

Number of individuals provided with access to essential financial services

'Number of individuals provided with access to essential financial services' is calculated as the number of customers of the following types of companies:

Health & Life Insurance
Global exposure is considered.

Diversified Banks
Only emerging markets exposure is considered.[54]

Financial Platforms
Global exposure is considered.

Diversified Financial Services
Global or emerging markets exposure is considered depending on the type of company activities.

We assume the number of customers disclosed by companies at year end (including daily average figures) as a yearly proxy.

Individuals digitally connected

'Individuals digitally connected' is calculated as the number of global customers for Communication Services companies. For developed countries only, the total number of individuals digitally connected is multiplied by the percentage of people lacking internet connection.[55] To minimise the risk of overcounting for service providers, we only include the daily average figure, which is used as an annual proxy.

Number of patients treated and/or supported by healthcare services

'Number of patients treated and/or supported by healthcare services' is calculated as the number of patients medically treated by the products and services of the following types of healthcare companies:

Healthcare equipment
Global exposure is considered.

Healthcare providers & services
Global exposure is considered.

Pharmaceuticals
Global exposure is considered. We assume the number of patients or customers disclosed by companies at year end (including daily average figures), as a yearly proxy.

Number of affordable housing units

'Number of affordable housing units' is calculated as the total number of units created by the issuance of the asset-backed securities held by the strategy at the end of the reporting period:

Example: Freddie Mac Multifamily Structured Pass-Through Certificates

Number of student loans financed

'Number of student loans financed' is calculated as the total number of student loans created by the issuance of the asset-backed securities held by the strategy at the end of the reporting period:

Example: SoFi Professional Loan Programme

54 Emerging markets as defined by the latest MSCI classification available
55 Global Finance, 2021: World's Most Unbanked Countries

Relevance and availability of metrics

We also assessed the relevance of each metric for each company based on their business activities:

- We created a heat map to demonstrate the relevance of each impact metric for investee companies from a variety of industries (e.g. water utilities, digital infrastructure, food/ produce distribution)
- We collected relevant data from company and issuer disclosures, including sources such as annual reports, CDP and sustainability reports. Where information was not available, we contacted companies to request additional disclosure, which in some cases produced additional relevant data
- However, some companies and issuers could not/did not provide information on several metrics. We therefore created estimates, where robust data was obtained for these metrics:
  - For missing Scope 1 and 2 GHG emissions data, we used a third-party data vendor's methodology that estimated emissions based on a precise peer grouping of companies
  - For missing environmental impact data, industry or academic data was sought to set robust assumptions, including baselines relating to environmental performance and impact. In cases where robust data could not be found, zero impact was reported for a company or issuer.

The table on pages 54 and 55 summarises the proportion of data that was available and estimated. Note that the impact reported will always depend on the mix of underlying holdings and so is subject to change. The information contained in this report is therefore specific to the reporting date.

Impax strives to be conservative with estimates in an effort to ensure that positive impact is not overstated.

Figure 9: Illustrative indication of companies (from our environmental strategies) with their relevant impact metrics

Company	1	2	3	4	5	6	7	8	9	10
Materials recovered/ waste treated (tonnes)	+				+	+				
Water treated, saved or provided (megalitres)	+			+	+	+		+		+
Renewable electricity generated (MWh)		+			+	+				+
Avoided GHG emissions (tCO_2e)	+	+			+	+		+	+	+

Please note that this is an illustrative example of portfolio company impact metrics.

Exclusions and limitations

Although we have made investments in companies providing pollution control solutions, including air pollution mitigation technologies (for example, the avoidance of sulphur dioxide and nitrogen oxides), we have so far been unable to meaningfully quantify their environmental impact. This also applies to some energy efficiency investments and solutions related to food waste avoidance. These are all important environmental solutions in our investments, however the quantification of related impact metrics remains difficult.

We found that several companies (particularly in the water sector) reported that the positive impact of their products largely depends on the way in which end users utilise them and therefore we could not quantify their impact information.

Equivalencies data

UK household equivalencies

Average annual UK household electricity usage of 3.60 MWh.

Source: Department for Energy Security and Net Zero.[56]

Average annual UK household water usage of 121,852 litres.

Source: Impax calculations, based on an average of the most recent water usage data from 12 different sources, including regional UK water companies, and average household size data from the Office for National Statistics.[57]

Average annual UK household waste of 0.9 metric tonnes.

Source: Impax calculations based on data from the Department for Environment, Food & Rural Affairs and average household size data from the Office for National Statistics.[58]

UK cars on the street equivalency. Average annual emissions of a car as 1.4tCO_2.

Source: Impax calculations based on UK government vehicle licensing statistics.[59]

56 Department for Energy Security and Net Zero, 2025: Annual domestic energy bills
57 Impax water usage estimate based on data from Statista: Average household water usage per person per day in England and Wales from 2016 to 2024
58 Department for Environment, Food & Rural Affairs, 2025: Local authority collected waste management – annual results 2023/24. Office for National Statistics, 2022: Household and resident characteristics, England and Wales: Census 2021
59 UK government, 2025: Vehicle licensing statistics data tables

Environmental impact data by strategy, with real-world equivalencies

Based on US$1mn invested, companies held in Impax strategies contributed to:

	Total avoided emissions (tonnes)	Total materials recovered/waste treated (tonnes)	Total renewable electricity generated (MWh)	Total water provided, saved or treated (megalitres)
	Equivalent to number of cars taken off the street for a year)	Equivalent to number of households' waste output for a year	Equivalent to number of households' electricity consumption for a year	Equivalent to number of households' water consumption for a year
Thematic Equities: Environmental Markets strategies				
Asian Environmental	389	7	291	0
	131	14	105	0
Climate	401	116	239	42
	277	128	66	345
Global Environmental Leaders	180	95	18	63
	124	105	5	517
Specialists	340	27	208	52
	235	30	58	427
Sustainable Food	167	37	7	53
	115	41	2	435
US Environmental Leaders	83	35	7	59
	57	39	2	484
Water	223	174	32	256
	154	192	9	2,101
Sustainable Infrastructure strategies				
New Energy	395	n/a	2,204	n/a
	272	n/a	612	n/a
Sustainable Infrastructure	244	135	240	59
	169	149	67	484
Fixed Income strategies				
Core Bond	146	0.5	184	0.1
	101	0.6	51	0.7
Core Plus Bond	111	0.4	122	0.2
	77	0.5	34	2

There can be no assurance that impact results in the future will be comparable to the results presented herein. Impax impact calculations are based on strategy AUM and portfolio holdings as at 31 December 2024. Please refer to page 52 for the equivalencies data used in our calculations.

Impact data availability by strategy

KPIs estimated/disclosed by portfolio companies, as at 31 December 2024

	KPI is relevant	KPI was available	KPI was estimated	KPI not relevant/ not available/ not estimated	KPI is relevant but cannot be quantified
	Number of companies				
Thematic Equities: Environmental Markets strategies					
Asian Environmental					
GHG emissions avoided	31	14	6	0	11
GHG emissions emitted	45	44	1	0	0
Materials recovered/waste treated	2	2	0	0	0
Renewable electricity generated	5	3	0	0	2
Water treated, saved or provided	4	1	0	0	3
Climate					
GHG emissions avoided	43	22	10	0	11
GHG emissions emitted	57	56	1	0	0
Materials recovered/waste treated	7	5	1	0	1
Renewable electricity generated	8	5	1	0	2
Water treated, saved or provided	11	6	3	0	2
Leaders					
GHG emissions avoided	35	16	9	0	10
GHG emissions emitted	46	46	0	0	0
Materials recovered/waste treated	3	3	0	0	0
Renewable electricity generated	5	4	1	0	0
Water treated, saved or provided	13	6	2	0	5
Specialists					
GHG emissions avoided	46	24	10	0	12
GHG emissions emitted	60	57	3	0	0
Materials recovered/waste treated	9	8	0	0	1
Renewable electricity generated	5	4	0	0	1
Water treated, saved or provided	15	6	5	0	4
Sustainable Food					
GHG emissions avoided	27	8	11	0	8
GHG emissions emitted	44	44	0	0	0
Healthy food produced	5	0	4	0	1
Materials recovered/waste treated	6	5	0	0	1
Renewable electricity generated	0	0	0	0	0
Water treated, saved or provided	11	3	5	0	3
US Environmental Leaders					
GHG emissions avoided	26	10	6	0	10
GHG emissions emitted	34	34	0	0	0
Materials recovered/waste treated	3	2	1	0	0
Renewable electricity generated	3	2	1	0	0
Water treated, saved or provided	8	4	1	0	3
Water					
GHG emissions avoided	31	18	4	0	9
GHG emissions emitted	44	41	3	0	0
Materials recovered/waste treated	7	4	2	0	1
Renewable electricity generated	3	3	0	0	0
Water treated, saved or provided	30	15	6	0	9

KPIs estimated/disclosed by portfolio companies, as at 31 December 2024 (continued)

	KPI relevant	KPI available	KPI estimated	KPI not relevant/ not available/ not estimated	KPI relevant but cannot be quantified
	Number of companies				
Thematic Equities: Social strategies					
Global Social Leaders					
Access to finance	7	5	2	0	0
Digitally connected individuals	2	1	0	0	1
GHG emissions avoided	17	12	0	0	5
GHG emissions emitted	44	43	1	0	0
Healthy food produced	2	0	1	0	1
Materials recovered/waste treated	3	1	1	0	1
Patients treated	7	6	0	0	1
Renewable electricity generated	3	1	0	0	2
Water treated, saved or produced	5	2	0	0	3
Core Equities strategies					
Global Opportunities					
GHG emissions avoided	24	9	9	0	6
GHG emissions emitted	41	41	0	0	0
Materials recovered/waste treated	0	0	0	0	0
Renewable electricity generated	1	1	0	0	0
Water treated, saved or provided	6	0	3	0	3
US Large Cap					
GHG emissions avoided	22	6	7	0	9
GHG emissions emitted	52	51	1	0	0
Materials recovered/waste treated	1	0	1	0	0
Renewable electricity generated	1	1	0	0	0
Water treated, saved or provided	5	1	0	0	4
US Small Cap					
GHG emissions avoided	18	6	1	0	11
GHG emissions emitted	65	43	22	0	0
Materials recovered/waste treated	4	4	0	0	0
Renewable electricity generated	1	1	0	0	0
Water treated, saved or provided	1	0	1	0	0
Sustainable Infrastructure strategies					
Sustainable Infrastructure					
GHG emissions avoided	29	17	8	0	4
GHG emissions emitted	41	40	1	0	0
Materials recovered/waste treated	6	5	1	0	0
Renewable electricity generated	13	12	1	0	0
Water treated, saved or provided	8	6	0	0	2
Fixed Income strategies					
Core Bond					
GHG emissions avoided	134	94	27	321	40
GHG emissions emitted	175	143	0	280	32
Materials recovered/waste treated	114	68	0	341	46
Renewable electricity generated	86	54	25	369	32
Water treated, saved or provided	80	30	0	375	50
Core Plus Bond					
GHG emissions avoided	107	74	18	144	33
GHG emissions emitted	121	95	0	130	26
Materials recovered/waste treated	104	44	0	147	60
Renewable electricity generated	64	41	18	187	23
Water treated, saved or provided	71	23	0	180	48

Impact summary by strategy, 2024 vs 2023

Thematic Equities: Environmental Markets strategies, 2024 vs 2023

Based on US$1mn invested, companies held in Impax strategies contributed to:

	Asian Env.	Climate	Leaders	Specialists	Sustainable Food	US Env. Leaders	Water
2024							
GHG emitted (tCO_2e)	636	420	310	389	699	113	355
GHG avoided (tCO_2e)	389	401	180	340	167	83	223
Total renewable electricity generated (MWh)	291	239	18	208	7	7	32
Total materials recovered/ waste treated (tonnes)	7	116	95	27	37	35	174
Total water provided (megalitres)	0	20	11	6	0	1	39
Total water saved (megalitres)	0	3	3	9	53	1	42
Total water treated (megalitres)	0	19	49	38	0	57	175
2023							
GHG emitted (tCO_2e)	224	381	270	373	768	224	265
GHG avoided (tCO_2e)	388	519	167	490	321	104	308
Total renewable electricity generated (MWh)	353	241	23	190	4	11	26
Total materials recovered/ waste treated (tonnes)	7	97	104	13	48	50	118
Total water provided (megalitres)	0	17	11	5	0	3	33
Total water saved (megalitres)	0	43	0	10	87	0	47
Total water treated (megalitres)	0	11	44	26	0	47	156

Thematic Equities: Social strategies, 2024 vs 2023

Based on US$1mn invested, companies held in Impax strategies contributed to:

	Global Social Leaders
2024	
GHG emitted (tCO_2e)	68
GHG avoided (tCO_2e)	7
2023	
GHG emitted (tCO_2e)	104
GHG avoided (tCO_2e)	14

Core Equities strategies, 2024 vs 2023

Based on US$1mn invested, companies held in Impax strategies contributed to:

	Global Opportunities	US Large Cap	US Small Cap
2024			
GHG emitted (tCO_2e)	126	155	235
GHG avoided (tCO_2e)	63	11	32
2023			
GHG emitted (tCO_2e)	117	209	199
GHG avoided (tCO_2e)	66	5	39

Sustainable Infrastructure strategies, 2024 vs 2023

Based on US$1mn invested, companies held in Impax strategies contributed to:

	New Energy	Sustainable Infrastructure
2024		
GHG emitted (tCO_2e)	97	357
GHG avoided (tCO_2e)	395	244
Total renewable electricity generated (MWh)	2,204	240
Water treated, saved or provided (megalitres)		135
Total materials recovered/waste treated (tonnes)		59
2023		
GHG emitted (tCO_2e)	37	285
GHG avoided (tCO_2e)	382	232
Total renewable electricity generated (MWh)	2,242	165
Water treated, saved or provided (megalitres)		75
Total materials recovered/waste treated (tonnes)		87

Fixed Income strategies, 2024 vs 2023

Based on US$1mn invested, companies held in Impax strategies contributed to:

	Core Bond	Core Plus Bond
2024		
GHG emitted (tCO_2e)	68	99
GHG avoided (tCO_2e)	146	111
Affordable housing units financed	0	0
Student loans financed	0	1
2023		
GHG emitted (tCO_2e)		58
GHG avoided (tCO_2e)		329
Affordable housing units financed		0
Student loans financed		0

We believe that our impact reporting is a concrete demonstration that our investments are strongly aligned to companies benefiting from, and contributing to, the transition to a more sustainable economy.

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