Impax Asset Management (AIFM) Limited

Section 172 Statement for the year ended 30 September 2025

Corporate strategy

Impax Asset Management (AIFM) Limited, a private limited company, ("Impax" or "the Company") is a specialist asset manager investing in the transition to a more sustainable global economy and seeks to be the leading investment manager in this area. Impax establishes and seeks to grow a small number of scalable products and to sustain excellent investment performance, and markets these products predominantly to larger investors who can deploy a significant quantity of capital. To achieve these objectives, Impax recognises the importance of attracting outstanding investment talent and retaining a core senior management team whose interests are aligned with those of shareholders.

Creating and promoting value for all stakeholders

Section 172 of the Companies Act 2006 requires the Board to act in the way that they consider would most likely promote the success of the Company for the benefit of all stakeholders. In turn the Directors ensure that they, and the management team, have regard, amongst other matters, to:

- The likely consequences of any decisions in the long term.
- The interests of the Company's staff;
- The need to foster the Company's business relationships with suppliers, customers, distribution partners and others;
- The need to grow the value of the business for our shareholders;
- The impact of the Company's operations on the community and the environment;
- The desirability of the Company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between members of the Company.

The Directors have given consideration to the requirements of Section 172 of the Companies Act 2006. It is one of the regulated entities of its parent company, Impax Asset Management Group plc ("the Group") and follows the policies and procedures of the Group as well as taking account of its stakeholder engagement. As a result we enclose below an extract from the Group Annual Report in order to provide in terms of the approach taken by the Company in the table below.

References to the Board herein shall be deemed to refer to the board of the Group unless the context otherwise requires.

Stakeholder	Approach to stakeholder engagement
Shareholders	We are committed to full disclosure and clear communications with institutional and private shareholders. We invest by seeking price inefficiencies in high growth markets and are focused on managing a small number of highly scalable investment strategies. The governance and management of the Group is driven by the Board and senior management team. We seek to adhere to high standards of corporate governance and reporting. We manage and optimise a scalable platform for growth, including systems, processes, and infrastructure. We balance tight costs control with the needs of an expanding business.

	The Board's approach to capital management remains firmly aligned to the Group's strategic priorities. We actively manage our capital base to support value creation for our stakeholders, maintain financial resilience and preserve flexibility in a challenging operating environment. The Group's dividend policy is to pay in normal circumstances, an annual dividend of at least 55% of adjusted profit after tax, while ensuring that we retain sufficient capital to invest in the business' future growth. From this year, we are rebalancing the split between the interim and final dividend, so that distributions to shareholders are less heavily weighted towards the final dividend, in line with common market practice. Highlights for the Group during the period: - Revenue: £141.9m (2024: £170.1m). Adjusted operating profits: £33.6m (2024: £52.7m). Adjusted operating profit margin: 23.7% (2024: 31.0%). Adjusted diluted EPS: 21.3p (2024: 32.2p). Total dividend for the Period: 2.0p (2024: 27.6p). - The Board has been instrumental in guiding the strategic development of the Group during the Period, particularly with respect to the development of the fixed income business including the acquisition the SKY Harbor team and assets. - In May the Board reported that it anticipated that the dividend payout would be close to the threshold of at least 55% of adjusted profit after tax to reflect the reduction in AUM and profits for the year and ensure we can continue to pay a sustainable dividend in future years. - In May we commenced a £10 million share buyback programme as a means to return surplus capital to shareholders. Run by our joint brokers, Peel Hunt, the programme is running to schedule. - We continue to engage with institutional investors and with groups to support our interaction with private investors.
Clients	We provide a wide range of investment products and solutions, including mutual funds and private assets to our clients who are predominantly institutional investors and pension funds. We are focused on ensuring that we are managing all our funds and accounts in line with clients' investment objectives and within a framework that is fully compliant with applicable regulations and policies. We seek to deliver consistent outcomes for our clients and superior financial returns over the longer term. We conduct fundamental analysis which incorporates long-term risks. Through the Impax Sustainability Centre, we provide our clients expertise in assessment of sustainability-related risk and opportunities; services related to stewardship advocacy; environmental and social impact reporting; and publishing research. Our client teams build long-term relationships and have a deep understanding of our clients' needs and expectations. Informed by our dialogue with clients, we develop new products to provide client solutions and invest our own balance sheet as seed capital. We have data breach procedures in place and use external security operations to monitor our network. Highlights during the Period for the Group:

	We continue to identify opportunities to partner with our clients on sustainability initiatives. This can include: engagement with investee companies, joint policy advocacy, client-driven research projects, publication of topical briefs on sustainability trends, and insights into Impax's Corporate Resilience research and sustainability themes. For example, during the Period we engaged with American Water Works in collaboration with one of our clients in relation to the assessment of its nature-related dependencies and impacts. We continue to measure and report the impact of our investments beyond financial returns. In our Impact Report 2025, we include environmental and social impact metrics and also link measurable portfolio outcomes to drivers of biodiversity loss.
Colleagues	We seek to offer a stimulating, collaborative, and supportive workplace for our people. We are focused on integrating our one-team culture, expanding our global presence, ensuring business resilience through scalability, and sustaining a high-performing environment. We prioritise investment to empower our colleagues to reach their full potential. This includes both professional and personal development training for all employees, to ensure we have the skills needed to develop the business. We are committed to Inclusive Culture. We value individuals and seek to understand our peoples' perspectives and to reflect their views. Julia Bond is the Board Sponsor of the Group's Inclusive Culture activities. We remain focused on addressing the gender pay gap at all levels of the Group. We are signatories of Women in Finance and Race at Work. We learn from and act on the feedback from our colleagues. We promote openness in our culture and regularly provide training on conduct and the values of responsibility and integrity. This includes reminding colleagues of the different ways that they can raise any concerns of a more serious nature, including formal processes and via an anonymous whistleblowing hotline that is readily accessible 24 hours a day and provided by an external supplier. Highlights for the Group during the Period include: - Reduction in gender pay gap at all three levels, junior staff, mid-level staff and senior staff, compared to 2024. - Good progress against aspirational goals relating to gender and race/ethnicity. - 95% of colleagues participated in our annual Employee Engagement Survey (2025: 94%). Colleagues continue to indicate that high engagement levels, with an overall engagement score of 74 out of 100. (2024: 86). This can be viewed in the context of a more challenging year for the business and an efficiency programme. - 28 colleagues participated in two cross-company mentorship programmes run by Moving Ahead, in association with 30% Club and other organisations. The programme focused on supporting the development of women and underrepresented groups. - The HR team also ran a Women's Development Day Conference for UK female colleagues.

	- This year we introduced a Global Fertility Treatment policy which allows employees time off to undergo fertility treatments such as IVF, egg or sperm freezing and/or to attend associated health appointments.
Investee companies	We are long-term investors and develop strong relationships with many of our holding companies. We conduct deep, ongoing research into all areas of their businesses. We engage with companies to minimise risks, protect shareholder value, promote greater transparency and encourage companies to become more resilient over time. We take a supportive rather than activist approach and often work together with other asset managers or organisations. Highlights for the Group during the period: - We took part in 147 engagement dialogues with 120 in 2024, with 46% progress against objectives and 7% objectives achieved. See the Impax Stewardship & Advocacy Report 2025. - We combine our engagement and our policy advocacy activities, seeking to shape Group practices through regulatory or policy change and focusing our activities on four pillars: climate, nature, people and governance. - We were a successful applicant to the UK Stewardship Code.
Distribution partners	We have developed strong relationships with other asset managers who distribute our white-label funds through their networks. This enables the Group to distribute its products to a much wider network of clients. Our senior management team, investment professionals and client relationship managers meet our distribution partners regularly and we have strong reporting systems in place. We are deepening the level of reporting that we provide to our clients via our distribution partners. Highlights for the Group during the period: - We are observing a relative slowdown in net outflows from our largest distribution partner, BNPP AM. Net outflows in the second half of the Period were £905 million, compared to £1.2 billion in the first half and £1.0 billion in the second half last year. - Impax has a differentiated specialism in the transition to a more sustainable economy. As competitors stepped back from the space during the Period, we saw growing interest from many asset owner clients and prospects.
External service providers	We engage proactively with service providers and have an established framework that governs our approach to selection, onboarding, and oversight. We provide an anonymous whistleblowing hotline for external parties. Our Supplier Code of Conduct sets out the high standards we expect from our suppliers, covering social inclusion, sustainability and the environment. We engage specialist external service providers to supplement our own infrastructure and staff so that we can deliver key services more cost effectively. Highlights during the period for the Group: - Reviewed our suppliers, including through our Digital Operations Resilience Act project and our implementation of a ‘vendor management’ system.

	- A number or vendors have been replaced with alternatives that better meet our current requirements, reduce operational risk, are more secure and/or cost efficient. Examples include our general ledger system, learning management and cyber security providers.
Community and the environment	We are committed to operating to the highest standards of corporate responsibility, recognising our responsibility to the community in which we operate, and to a wider society. We support a low-carbon economy, primarily through our investment decisions, company engagement, our collaboration with clients and stakeholders and policy advocacy. We are committed to reducing our operational emissions; Scope 1, 2 & 3. Annette Wilson is the Board Sponsor of the Environment Strategy Group. We are members of the Net Zero Asset Managers Initiative. Impax partners with organisations aligned with our focus on the transition to a more sustainable economy, focusing on green skills and education. We facilitate charitable giving by our colleagues via numerous schemes and match many of the contributions; we encourage colleagues to volunteer both as individuals and on Group organised initiatives. We aim to donate 0.5%–1% of pre-tax profit each year to support our charitable partners. Highlights during the period for the Group: - As of 31 December 2024, 47% of AUM were invested in assets that we assess to be 'climate solutions' (31 December 2023: 58%). - In our Climate Report 2025 we describe how we manage climate-related risks and identifying climate-related opportunities in line with the recommendations of the Task Force on Climate-related Financial Disclosures as well as the Transition Plan Taskforce. - We have set a target to source 100% of our electricity from renewable sources across all Impax offices by 2030. At the end of the Period, the figure stood at 94%. - We donated £305,195 (2024: £563,074) to charitable causes. - We supported 10,809 of learning hours (2024: 29,278) through our community partnerships.
Industry wide groups	A key mechanism for our policy advocacy activity on sustainability is through participation in industry-wide groups through the activity of the Impax Sustainability Centre. We believe that working together with like-minded organisations we can be more effective in bringing about change. During the Period we participated in a number of industry initiatives. Examples included: - Participating in the Investor Policy Dialogue on Deforestation (IPDD) to advocate for stronger regulatory action to address systemic risks created by deforestation. - Engaging with the Institutional Investor Group on Climate Change (IIGCC), UK Sustainable Investment & Finance (UKSIF), Energy Transitions Commission (ETC) and UK Net Zero Council on how to develop net-zero policy frameworks that provide the confidence needed to attract private investment.
Financial industry regulators	Impax is a global business which has a strong focus on ethical conduct and compliance with applicable requirements in all jurisdictions where we operate.

	We are committed to regulatory reporting and disclosures which benefit market transparency and integrity. We seek to contribute positively to evolving regulatory standards and actively advocate for sustainable regulatory policies relevant to our activities and clients. During the Period we responded to a range of regulatory proposals. A key area of activity was advocating to regulatory bodies for the adoption of ISSB standards in Malaysia, Singapore, Australia, mainland China, Hong Kong, India, Korea and Japan.