Invesco

April 2024

Invesco Energy Transition Fund

(the “Fund”)

Sustainability-related disclosures

Contents

UCITS have no guaranteed return and past performance does not guarantee the future ones.

Summary

The Fund has sustainable investment as its objective as covered under Article 9 of the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector.

The Fund aims to contribute towards the global transition towards lower-carbon sources of energy and achieve long-term capital growth.

The Fund invests in companies which contribute to the environmental objectives of usage of renewable energy. This includes companies active in the production of renewable energy, the distribution of it, the development of renewable power stations and green mobility as a main source of energy usage. Such "clean" or "enabling" companies are identified via a sophisticated Natural Language Process (NLP) technique which assesses the company's exposure towards these themes based on unstructured news data.
The identification of companies via NLP focuses on two areas:

- **Clean energy theme**
  Focus on the production and supply of clean energy including but not limited to renewable energy sources such as wind, solar, green hydrogen or tide. This includes companies providing the technology and the supply for clean energy production, sustainable energy storage as well as clean energy utilities and energy companies.
- **Energy transition & efficiency theme**
  While clean energy is an important enabler to transition to a low carbon economy, the fund additionally focuses on energy transition and efficiency management. This includes the areas such as low carbon technologies, smart grid and green mobility.

Companies with significant hits are then screened to ensure they a) either already have significant revenue derived from clean energy and climate change activities[1] or b) are the leaders in energy transition[2] and are expected to develop significant business activities in that area. Furthermore, ESG criteria are applied to ensure that a company is not only positively exposed to transition themes in the news, but also fulfils defined ESG standards, especially the "do not significant harm" principle. In a final portfolio construction step, the balance sheet quality and the price momentum of the companies is reviewed to create a financially sound portfolio.

[1] Based on Vigeo Eiris Social Goods and Services involvement data.
[2] Based on Vigeo Eiris Energy Transition Score.

No significant harm to the sustainable investment objective

The Fund uses the mandatory principal adverse impacts (PAI) indicators defined in Table 1 of Annex I of the regulatory technical standards for Regulation 2019/2088, combined with qualitative research and/or engagement, to assess whether the sustainable investments of the Fund cause significant harm (DNSH) to a relevant environmental or social investment objective. Where a company is determined to cause such significant harm, such company will be excluded from investment in the Fund.

PAI Indicator Thresholds used

PAI No.	PAI Indicator	Portfolio Rollups
1,2,3	ISS Scope 1 Emissions ISS Scope 2 Emissions ISS Scope 3 Emissions ISS Scope 1 Emissions (EUR) ISS Scope 2 Emissions (EUR) ISS Scope 3 Emissions (USD)	1. Total Emissions (Financed) Scope 1+2 2. Carbon Footprint Scope 1+2 3. Total Emissions Scope 1+2+3 4. Carbon Footprint Scope 1+2+3 5. WACI 1+2 6. WACI 1+2+3
4	SA Carbon – Fossil Fuel-Level of Involvement Range-SFDR	% of the Fund exposed to any fossil fuels revenue
5	SA Share of Non-Renewable Energy Production_Percentage-SFDR	Adjusted Weighted Average
	SA Share of Non-Renewable Energy Consumption_Percentage-SFDR	Adjusted Weighted Average
6	SA Energy Consumption Intensity _Agriculture, Forestry & Fishing-SFDR	Adjusted Weighted Average
	SA Energy Consumption Intensity _Construction-SFDR	Adjusted Weighted Average
	SA Energy Consumption Intensity _Electricity, Gas, Steam & Air Conditioning Supply-SFDR	Adjusted Weighted Average
	SA Energy Consumption Intensity _Manufacturing-SFDR	Adjusted Weighted Average
	SA Energy Consumption Intensity _Mining & Quarrying-SFDR	Adjusted Weighted Average
	SA Energy Consumption Intensity _Real Estate Activities-SFDR	Adjusted Weighted Average
	SA Energy Consumption Intensity _Transportation & Storage-SFDR	Adjusted Weighted Average
	SA Energy Consumption Intensity _Water Supply, Sewerage, Waste Management & Remediation Activities-SFDR	Adjusted Weighted Average
	SA Energy Consumption Intensity _Wholesale & Retail Trade & Repair of Motor Vehicles & Motorcycles-SFDR	Adjusted Weighted Average
7	SA Activities Negatively Affecting Biodiversity Areas-SFDR	% Weight of Portfolio
8	SA Emissions to Water _Tonnes-SFDR	((Market Value/EVIC)*(Tonnes of Emissions to water))/Million EUR Invested; Same as Carbon footprint calculation
9	SA Hazardous Waste Production _Tonnes-SFDR	((Market Value/EVIC)*(Tonnes of Hazardous Waste))/Million EUR Invested; Same as Carbon footprint calculation
10	SA Breach of UN Global Compact Principles & OECD Guidelines for Multinational Enterprises-SFDR	% Weight of Portfolio
11	SA Lack of Processes & Compliance Mechanisms to Monitor Compliance with UN Global Compact Principles & OECD Guidelines for MNEs-SFDR	% Weight of Portfolio
12	SA Unadjusted Gender Pay Gap _Percentage of Male Employees Gross Hourly Earnings-SFDR	Adjusted Weighted Average

PAI No.	PAI Indicator	Portfolio Rollups
13	SA Board Gender Diversity _Percentage of Female Board Members-SFDR	Adjusted Weighted Average
14	SA Controversial Weapons-Evidence of Activity-SFDR	% Weight of Portfolio
	Sovereign	
15	SA Carbon Emissions Intensity-SFDR	Weighted Average
16	SA Any Country Social Violations-SFDR	No. of Counties involved in Violations; % of countries involved in violations
	Optional Indicators	
E	Lack of Carbon Emission Reduction Initiatives-SFDR	% Weight of Portfolio
S	Lack of Human Rights Policy-SFDR	% Weight of Portfolio

The Fund also excludes companies, sectors or countries from the investment universe when such companies violate international norms and standards according to the definitions of the International Labour Organisation (ILO), the OECD or the United Nations. All issuers considered for investment will be screened for compliance with, and excluded if they do not meet, UN Global Compact principles, based on third-party data and the Investment Manager’s proprietary analysis and research.

Sustainable investment objective of the financial product

The Fund aims to contribute towards the global transition towards lower-carbon sources of energy. The Fund invests in sustainable investments which contribute to the environmental objective of climate change mitigation within the meaning of EU Taxonomy.

The Fund considers principal adverse impacts on sustainability factors by carrying out a qualitative and quantitative review of 14 mandatory indicators as defined by the Sustainable Finance Disclosure Regulation (primarily the indicators as defined in Table 1 of the Annex I of the regulatory technical standards for Regulation 2019/2088 and subject to availability of data). Please refer to the pre-contractual disclosures embedded to the prospectus and the annual report of the Fund for more information.

Investment Strategy

Holistic ESG consideration in the investment process
The investment team, the Invesco Quantitative Strategies (hereafter "IQS") team applies an integrated ESG (environmental, social, governance) investment approach and has been managing customised sustainable investment solutions for more than 30 years. With many years of experience, the team offers different approaches to integrate ESG criteria into the portfolio at different stages of the investment process across all asset classes.

The investment team follows an integrated ESG approach. The team takes ESG factors into account at several levels of their management process:

- Explicit and implicit consideration of key ESG aspects in the portfolio construction
- Active dialogue with companies through engagement programs and investor-oriented proxy voting with Invesco's proprietary proxy voting platform
- Offering optionality to implement additional, customized ESG criteria

Holistic ESG consideration in our investment process

Integrating key aspects of ESG
We consider ESG at several layers in our investment process:

- Standardized explicit and implicit incorporation of ESG key aspects into our investment process
- Active dialogue with companies and investor-driven proxy voting using Invesco's proprietary Proxy Voting Platform
- Offering optionality to implement additional, customized ESG criteria tailored towards the client's needs
- ESG fully embedded in research processes and analytics and documented in every research note

Source: Invesco. For illustrative purposes only.

The IQS team's investment process is controlling for financial criteria such as the quality of a firm. The team has identified that some signals within the Quality factor show positive correlation to governance factors. These Quality signals prefer companies with a high balance sheet quality which, for example, buy back shares and do not show disproportionate balance sheet growth. Governance factors also prefer companies in which management acts in the interests of shareholders and does not pursue unprofitable business projects.

Besides the implicit integration via the Quality factor, the team also explicitly uses its measures Adverse ESG momentum and ESG exposure control. The team uses these measures to manage the risks which are associated with weakly scoring companies or portfolios.

For the Adverse ESG Momentum, the investment universe is daily screened for significant ESG downgrades. The team's research has shown that companies that experienced severe downgrades tend to underperform their peers in the following months. Therefore, the investment in companies which suffered severe downgrades would be restricted.

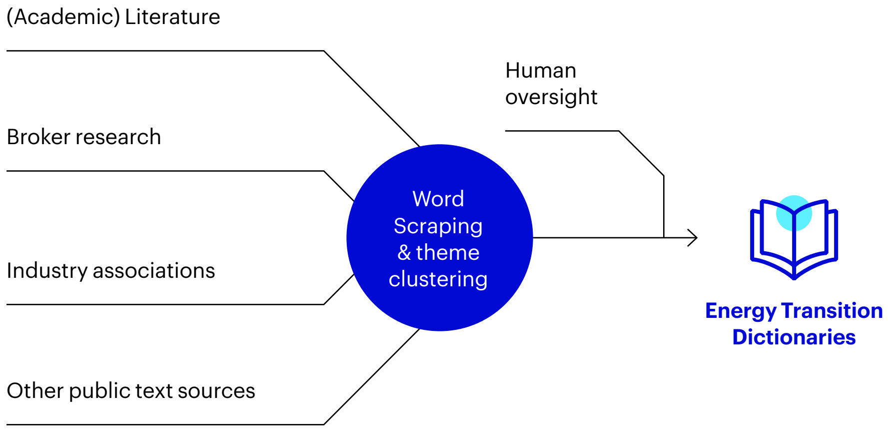
Approach to Energy Transition

The Fund enables the investor to build up exposure to the topic Energy Transition. The Fund invests in the thematic areas of "Clean Energy" as well as "Energy Transition & Efficiency". These topics are subject to constant development and undergo enormous progress driven by research from academia and companies.

1. Theme identification & dictionary creation

A major challenge is the creation of up-to-date dictionaries which capture developments in science and technology as well as the market on energy transition. The team uses word scraping techniques, which read various sources such as (academic) literature, broker research, or other professional articles coming from industry associations and identifies relevant, new terms for various topics in the area of energy transition. In order to identify new trends and technologies early on, the IQS team regularly updates the Fund's dictionaries. Once the dictionaries are updated, they are checked by the research and portfolio management team before they are released for the NLP process.

The advantage of this process is that huge amounts of data can be easily processed and new developments and resulting terms can be systemically found and integrated into the Fund management process without human biases.



2. Systematic investment process to build up the theme exposure in a responsible manner

Energy Transition: Natural Language Process	• Identification of company's **theme exposure** based on: – News frequency for each topic – Aggregated news score • **NLP transition score**
ESG Overlay	• Application of minimum **ESG & environmental safeguards** • Focus on companies with high **Energy Transition Score** or revenue share derived from **climate change mitigating activities** • Exclusion of controversial activities using social and environmental criteria • Screening for UN Global Compact
Portfolio Construction	• Controlling for **financial criteria** such as **quality** or **price momentum** • Application of **diversification & liquidity parameter**

Energy Transition Portfolio

After the creation of the thematic dictionaries, the IQS team uses NLP tools to analyze the Ravenpack news data package. The NLP identifies companies which show news exposure to the defined transition themes. These themes include, among others, energy efficiency, energy transition, green mobility, clean energy production (solar, wind, other renewable sources) as well as energy storage. The news hits are set in relation to the overall news volume of a company to identify the importance of the theme for a firm. Subsequently, the team creates a proprietary aggregated thematic score, the NLP transition score. This score serves as a starting point for the portfolio construction in the final step.

In the second step, the team reviews the compliance with the ESG criteria of the Fund. Companies which show a low environmental score and overall ESG score or show business involvements in defined controversial activities will be excluded from the theme portfolio independent of their NLP transition score. Furthermore, the team applies an UN Global Compact screening to avoid investment in companies which fail to adhere to the norm's 10 principles.

Furthermore, the process selects companies contributing to the environmental objectives of the Fund by a screening process based on the revenues a company derives from activities in energy transition and clean energy, using the Moody's ESG (previously Vigeo Eiris) Social Goods and Services dataset. If a company does not already have a significant share of its revenues associated with climate change mitigation related activities, it must demonstrate its potential to be a leader in energy transition. The latter item is measured using the Moody's ESG (previously Vigeo Eiris) Energy Transition Score, a measure for a company's readiness to transition to a low carbon economy based on current results and the strategy. Finally, the IQS team constructs the portfolio using their proprietary NLP transition score as anchor for the portfolio weighting process. More precisely, the stock weighting is based on the relevance of a theme for a company and the company relevance for a theme and is based on the amount of news hits as identified by our NLP approach.

The process is designed to consider only firms that are already active or are expected to be active in the relevant fields.

In this portfolio construction step, the team is also controlling for factor criteria such as quality and price momentum to avoid being the investment in very low quality and strongly declining companies. Furthermore, the portfolio construction process is subject to diversification constraints to limit the exposure to a single issuer. The Fund aims to reduce the weighted average carbon intensity by at least 30% compared to the MSCI World All Country Index. Derivatives, which are utilized to gain exposure to capital markets have to fulfill the ESG criteria on a constituent's level. This includes derivatives used for efficient portfolio management.

The Fund does not use any derivatives on agricultural commodities.

The product does not structurally invest into fixed income securities neither issued by states nor by corporates. The Fund does not invest in sovereigns of countries that practice the death penalty, as it is the ultimate cruel, inhuman and degrading punishment and a violation of the right to life.

Additional elements to the Fund's ESG framework that will be reflected through the portfolio construction process are:

1. Sector exclusions. Systemically excluding sectors and business activities that are inconsistent with the sustainability or socially responsible objectives.
2. Good governance assessment. Invests in companies with good governance via the strong engagement and proxy voting policy and some exclusions cover the good governance aspect as well.

These elements are described in more detail below.

Sector Exclusions
Exclusion and negative criteria: By applying these criteria, companies, sectors or countries are excluded from the investment universe which fail to fulfil certain ESG criteria or that violate international norms and standards according to the definitions of the International Labour Organisation (ILO), the OECD or the United Nations.

Using the data provided by Moody's ESG (previously Vigeo Eiris) and MSCI, the investment team is able to define a set of ESG criteria. Exclusion criteria and negative criteria can be used to eliminate companies that fail to meet certain ESG criteria, with positive criteria, companies can be identified, which are particularly characterised by sustainable economic development, positive products or processes.

In order to ensure that the investments of the Fund do not significantly harm other environmental and social objectives, the Fund will employ screening to exclude issuers that do not meet the Fund's criteria on a range of other environmental and social metrics, including but not limited to the principal adverse impacts required to be considered pursuant to the applicable EU regulation and the level of involvement in those activities. In this context, the Fund uses the following exclusion criteria, which may evolve over time:

Controversial Activities		Excluded If
Coal	Turnover derived from thermal coal mining	>=5%
	Turnover derived from burning coal for power generation	>=5%
	Proportion in electricity generation fuel mix from coal	>=5%
	Structural increase of thermal coal activities over 3 years	Yes
Unconventional oil & gas	Revenues that comes from projects or the extraction of tar sands and oil shale, as well as the proportion of reserves in tar sands or oil shale	0%
	Involvement in fracking activities	Yes
	Involvement in arctic drilling activities	Yes
	Involvement in coalbed methane, extra heavy oil and ultra deep drilling	Yes
Fossil fuel industry	Revenues are derived from fossil fuel industries	>=5%
	Structural increase of fossil activities over 3 years	Yes
	Support to fossil fuel industry (thermal coal, oil and gas)	>=25%
Environmental strategy	Company's commitment to define clear objectives and appropriate measures to ensure management of the environmental impacts of products and services	Insufficient environmental strategy
Chemicals of concern	Production of restricted chemicals	0%
Biodiversity	Controversies in the field of endangering biodiversity	Yes
Pollution	Controversies in the field of preventing and managing of accidental pollution or soil pollution	Yes
Water	Controversies in the field of protecting water resources	Yes
Waste Management	Controversies in the field of waste management	Yes
Community involvement	Controversies in the field of community involvement (including e.g. impact of operations on the local economy, responsible tax strategy, transfer of technology and skills)	Yes
Nuclear power	Turnover from nuclear power	>=5%
	Proportion in electricity generation fuel mix from nuclear power	>=5%

Controversial Activities		Excluded If
Civilian Firearms	Manufacture or sale of civilian firearms or related products	>=5%
	Manufacture of civilian firearms or related products	>=5%
Military	Sales that are related to military sales including key parts or services for conventional weapons	>= 5%
	Controversial weapons	0%
Tobacco	Turnover from production and distribution	>=5%
	Turnover from production	>=5%
	Turnover from production of e-cigarettes	0%
	Support to the tobacco industry	>=25%
UN Global Compact	UN Global Compact	Non-compliant
Recreational Cannabis	Involvement in recreational cannabis	>=5%
Urgewald	On Urgewald Coal Exit List	Yes
	On Urgewald Global Oil & Gas Exit List	Yes
Human Rights	Controversies in Labour Rights including the supply chain, forced or child labour and discrimination	Yes
Corruption	Controversies in corruption	Yes

Good governance

IQS has and remains steadfast in its belief that strong governance is the cornerstone for long-term prosperity and sustainably delivering against stakeholders' expectations. To ensure our philosophy of good governance we first identify the companies which violate this principle by systematically screening for controversies within the investable universe. We are able to do this by evaluating an extensive volume of news data for violations of good governance. These violations are aligned with the UN Global Compact and severe controversies in the area of human rights, labour relations and labour rights and community involvement and also covers tax compliance. Violations of these controversies and an inability to resolve in a timely manner led to a company being excluded from the investable universe and disinvested in case of a holding.

Proportion of investments that have sustainable investment as their objective

The Fund will invest in sustainable investments for at least 90% of its portfolio contributing to environmental objective. At least 25% of the sustainable investments will be aligned with the EU Taxonomy. For the avoidance of doubt, any derivatives used by the Fund (regardless of purpose) will not be taken into consideration in this calculation. As a result, the calculation is therefore intended to represent the physical investments and holdings of the Fund.

Monitoring of sustainable investment objective

In order to assess companies around the controversial activities mentioned above, the IQS≈team uses a combination of Moody's ESG, MSCI, Sustainalytics and ISS (Institutional Shareholder Services) to assess compliance. However, this can be supplemented with other service providers where appropriate. This data is used in order to place trade restrictions on issuers that breach the defined thresholds.

For the low carbon best-in-class approach the IQS team uses the Energy Transition score from Moody's ESG. The score seeks to inform on a company's strategic approach to reducing their emissions and to adapt their business model to address the risks and opportunities tied to the transition to a low carbon economy.

During every monthly construction of the portfolio, the Fund aims to reduce the aggregated Scope 1 and 2 greenhouse gas emission intensity by at least 30% compared to the market cap weighted benchmark.

As mentioned in the section "Investment Strategy", the minimum reduction rate of the investment universe as a result of the ESG screening applied to the Fund is 30%. However, it is expected that the size of the investment universe of the Fund will be reduced by about 40% – 50% in terms of number of issuers after the application of the above ESG screening.

When there are proposed changes to the ESG metrics used, a formal sign off procedure takes place that includes members of the global ESG team, investment team, product and legal team.

The team uses the ESG Exposure Control. During the regular rebalancing, the ESG exposure of the equity portfolio is managed against the exposure of the Fund's equity benchmark, hence the MSCI All Country World. The team targets an exposure that is approximately at or above benchmark level. The key point is guarding against a risk that historically has been small but is expected to be material in the future.

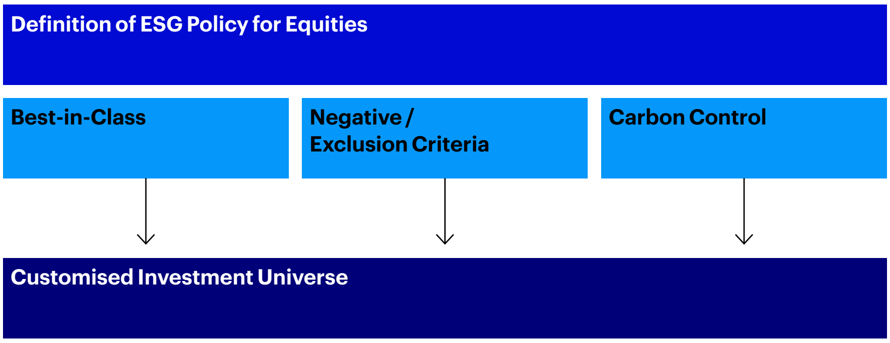
Methodologies

Customised ESG

In addition to the standard ESG integration, IQS implements further individual ESG requirements in numerous respects:

ESG screening for equities
Environmental, social and governance focus

- Flexible use through an individual definition of over 250 ESG criteria
- Global universe of over 6,000 companies



Source: Invesco. For illustrative purposes only.

Counterparty Selection
While some counterparties may be excluded as investable entities under the Fund's ESG framework due to failure on one or more screens, it is felt that restricting their use as counterparties would impose an undue burden on the Fund and would impair our ability to ensure best execution.

Securities Lending
To the extent the Fund engages in securities lending, the Fund will reserve the right to recall securities in advance of an important vote. In addition, the investment manager will ensure that any collateral received is aligned with these website disclosures.

Disinvestment period
Where a previously eligible company subsequently fails an appropriate screen, subject to secondary validation the investment teams will ensure disinvestment in the next rebalancing but certainly within a period of 60 days, subject to liquidity/regulatory and other factors. At all times the best interests of shareholders will be taken into consideration.

Data Sources and processing

Exclusion and negative screening – Details

In order to assess companies around the above-mentioned controversial activities, Invesco uses a combination of Moody's ESG, MSCI, Sustainalytics and ISS (Institutional Shareholder Services) to assess compliance, however, this can be supplemented with other service providers where appropriate.

Sustainable Investments – Details

The process to determine if an investment should be considered a sustainable investment is described in "Environmental or social characteristics of the financial product".

For the qualitative checks and the selection criteria, Invesco uses a combination of Sustainalytics and the data sources mentioned above for the positive screening and best-in-class approach.

For the PAI indicators used to assess whether the sustainable investments cause significant harm (DNSH) to a relevant environment or social objective, Invesco uses a combination of Sustainalytics and ISS (Institutional Shareholder Services) as well as qualitative research and/or engagement, to assess whether the sustainable investments of the Fund cause significant harm (DNSH) to a relevant environmental or social investment objective. It is recognised that data in certain instances is limited and as a result the team may where deemed appropriate use proxies or where the data set is so limited as to not be representative of the investment universe to prioritise other actions, such as engagement to help increase the pool of data available.

Positive screening and best-in-class approach – Details

For the low carbon best-in-class approach the IQS team uses the Energy Transition score from Moody's ESG.

All securities have to be covered by the ESG rating agencies to ensure compliance with the investment framework.

The Fund's investment universe will be covered and assessed against the exclusion framework with the only exception of asset classes (including cash management and index derivatives) that are not aligned with the environmental or social characteristics promoted by the Fund and are further explained below.

Taxonomy-alignments – Details

At least 25% of investments will be allocated to sustainable investments contributing to the environmental climate change mitigation aligned with the EU Taxonomy following a weighted revenue approach.

Data related to the EU Taxonomy are provided by Clarity AI and are not reviewed by an auditor or third party. Only estimated data are used.

Due diligence monitoring is done to ensure data providers are providing on-time deliverables such as ESG data, research and recommendations. Invesco conduct these due diligence meetings with select service providers as necessary. Invesco is constantly evaluating vendors to ensure our investment teams/clients are provided with the current information and our expectations are met. When we identify an issue or our expectations are not met, our teams report the issue and follow up with the service provider to resolve it.

Invesco use multiple datasets from different sources and it is difficult to generate the proportion of ESG data that is estimated. However, it should be noted that the majority of the data received from third party providers (as listed above) are estimated as of the date of the document. Certain categories of ESG data are more likely to be estimated (such as scope 3 emissions, certain business involvement categories, etc) due to a lack of consistent disclosure among issuers. Because of this, ESG data that is directly disclosed by an issuer is given preference over data that is generated by a vendor using a proxy, estimation model, industry average, or other means. Invesco is committed to review the current ESG datasets that are used and will continue work with vendors to improve upon both the timeliness and accuracy of data that is used in construction of our ESG products. This data review is an ongoing process that involves members of our investment teams, ESG research team, ESG data analytics team, and our investment technology team.

Limitations to methodologies and data

As mentioned above in "Data sources and processing", except for the cash management and index derivatives used for hedging or efficient portfolio management, the Fund's investment universe will be covered and assessed against the ESG framework.

Cash Management

Currencies, cash and money market instruments that are held for cash management/ liquidity purposes may not be assessed for compliance within the above framework. Where cash equivalents are held for investment purposes, they will be compliant with the framework.

Derivatives

Index derivatives will not be assessed on a look-through basis, unless such an index has a significant allocation to prohibited activities.

ESG data and methodologies can present certain limitations:

Standardization Concerns
Varying ESG reporting methodologies across companies can impede comparative analytics and evaluations.

Data Integrity
ESG data accuracy is contingent on reliable company disclosures.

Data Availability
Selective ESG disclosure by entities can limit the insight into potential ESG-related risks and opportunities.

Timeliness of Data
The reporting lag in ESG data can impact the ability to react promptly to shifting scenarios.

Subjectivity in Interpretation
The inherent subjectivity of ESG factors can lead to varied interpretations, thereby posing challenges to maintaining consistent ESG-related investment strategies.

Scope of Data
ESG reporting is not standardized among issuers. This lack of standardization means that there can be a difference in available data between issuers.

Reliance on Estimates
Largely due to lack of standardization in disclosure and the potential data gaps found in certain ESG related datasets, many ratings and analyses often rely on estimates. This has the benefit of filling in missing information in a dataset, however the various methodologies behind these estimates introduce an additional level of complexity. Direct company disclosure is always preferred.

Despite these limitations, ESG data remains essential to our investment analysis and does not affect how the Fund meets its sustainable investment objective. We incorporate ESG data as part of a comprehensive analysis process alongside key elements such as financial performance and market trends. In addition, we conduct multiple checks on the data prior to it being loaded into our proprietary ESG platform. Our investment analysts and portfolio managers have the ability to challenge the ESG data, overseen by a dedicated team of independent ESG analysts. This multifaceted approach diminishes the potential impact of data limitations.

Due Diligence

The sustainable investment objective is coded into the portfolio optimization used to construct the portfolio during the rebalance process. This ensures, that the optimizer adheres to the ESG policy. Portfolio managers review every trade to ensure the data consistency.

There are multiple levels of controls in place to ensure that the Fund meets its sustainable investment objective. The first step in this due diligence process is a review of the data received from ESG data vendors to ensure that each update file is as complete as possible before ingestion into internal systems. This includes an analysis of the changes between the current data file and previous data files, highlighting significant changes and potentially requesting confirmation of these changes.

In addition to the data quality assurance process mentioned above, our internal investment compliance process checks each new transaction against a list of eligible sustainable investments securities and calculates if the transaction will result in a breach of the sustainable investment objective of the Fund.

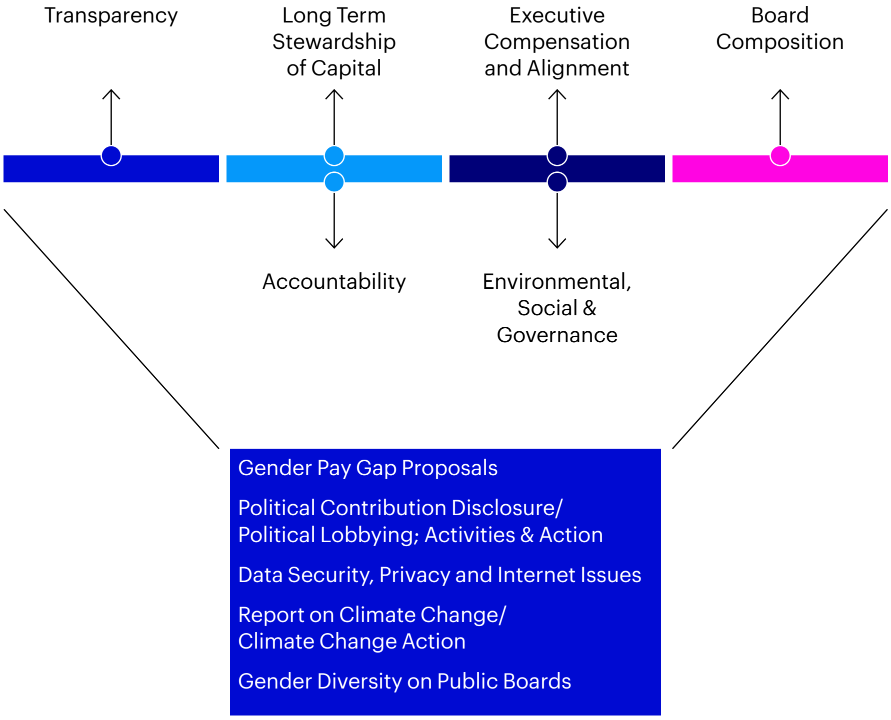
Any changes to the ESG criteria of the Fund must be reviewed and approved by Invesco's ESG client strategies team. This team is composed of ESG professionals with experience working with both clients and portfolio managers in the creation of ESG-labelled or related products. This process ensures that the criteria selected represent industry best practices for ESG-related products.

Engagement policies

Invesco's Proxy Voting approach is governed by the Global Proxy Voting Policy, which is premised on respecting the fund manager's freedom to vote in what they believe is the best interests of the investors in the relevant fund or portfolio in order to achieve positive outcomes for clients.

To this effect, Invesco maintains a proprietary global proxy administration platform, known as "PROXYintel". The platform streamlines the proxy voting and ballot reconciliation processes, as well as related functions, such as share blocking and managing conflicts of interest issues. This enables fund managers to vote in an efficient manner, increase transparency, share knowledge and effectively influence corporate practices and behaviours.

Proxy Voting – Our good Governance Principles
Support of ESG shareholder proposals through Invesco's PROXYintel



Source: Invesco. For illustrative purposes only.

Invesco adopts and applies a dedicated ESG voting policy across managed funds, portfolios and mandates. Besides the support of shareholder proposals through Invesco's proprietary "PROXYintel" Fund Manager Portal, specific voting decisions on the following ESG topics are taken if applicable:

- Gender Pay Gap Proposals,
- Political contribution disclosure/political lobbying
- Disclosure/political activities and action data security
- Privacy and internet issues
- Report on Climate Change/climate change action and
- Gender Diversity on public boards.

Engagement
IQS enters regularly into dialogue with carefully selected target companies via the Global Engagement Service of Moody's ESG The potential target companies are selected by IQS and a final selection of the companies to be engaged with is then agreed with Moody's ESG. In general, the team look to engage on topics related to the IQS Priority ESG Themes, which are Climate Change, Human Rights, Supply Chain Management, Water and Bribery/Corruption.

IQS selects investee companies which are at a size and stage making them likely to be influenceable. The objective is to identify weaknesses in the company's sustainability management and discuss these with management to enable the companies to achieve a better ESG performance in the medium to long term. Discussions can take place via telephone calls, personal meetings and written communication. Engagements are followed through over a period of years where necessary.

Direct dialogue with companies

- Address ESG risks and weaknesses
- Enhance ESG performance of companies
- Pooling of interest of different asset managers

IQS Engagement
ESG themes

- Climate change
- Water management
- Bribery & corruption
- Supply Chain labour standards
- Human rights
- Global norms & conventions

Joint Engagement with Invesco
ESG areas

- Good governance
- Climate change
- Social Equity

Source: Invesco Quantitative Strategies, Vigeo Eiris. For illustrative purposes only.

IQS' engagement priorities follow methods:

- Theme-based engagement, which aims to encourage companies to expose and reduce systemic risks in areas such as bribery reporting; climate change; human rights management systems; supply chain labour policy and water scarcity.
- Controversy-led engagement, which aims to prompt companies to observe internationally-recognized standards and conventions and correspondingly improve their company guidelines.

Moody's ESG undertakes a detailed assessment of the themes for each company that the IQS team has selected. This is based upon a long established and rigorous methodology and involves assessing the level of risk that a company is exposed to in any one area and then analysing how the company mitigates these risks.

Please click here to access our engagement and proxy voting policy.

Version	Date	Details of change
1.0	16 December 2022	Creation of the document
1.1	2 April 2024	Updated Febelfin criteria

UCITS have no guaranteed return and past performance does not guarantee the future ones.