

Task Force on Climate-related Financial Disclosures Report

June 2026

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1.0

Introduction



Introduction

Invesco Ltd., along with its consolidated entities (collectively, Invesco or the Company), is an independent investment management firm dedicated to delivering a superior investment experience. Our comprehensive range of active, passive and alternative investment capabilities has been constructed over many years to help clients achieve their investment objectives. We draw on this comprehensive range of capabilities to provide solutions designed to deliver key outcomes aligned to client needs.

Invesco’s approach to sustainable investing is designed to support clients with sustainable investing goals in meeting their investment objectives while incorporating relevant sustainable investing considerations. Anchored in a long-term focus on delivering the excellence clients expect, we offer investment solutions across asset classes that can be tailored to specific climate-related goals. Where relevant and aligned with client objectives, these solutions may incorporate a climate lens alongside active ownership and engagement, leveraging our stewardship capabilities to support long-term value creation.

About Invesco

At Invesco, we seek to drive sustainable profitable growth by delivering capabilities that build enduring relationships and create better outcomes for our clients. We believe we have an advantageous position globally as a diversified, client-centric asset manager and a strategy to deliver for our shareholders.

With approximately 7,500 employees and an on-the-ground presence in more than 20 countries, Invesco is well positioned to meet the needs of investors across the globe. We have specialized investment teams managing investments across a broad range of asset classes, investment styles and geographies. We have a significant presence in the retail and institutional markets within the investment management industry in the Americas, Europe, Middle East

and Africa (EMEA) and Asia-Pacific (APAC), serving clients in more than 120 countries. As of 31 December 2025, the firm managed approximately \$2.2 trillion in assets for investors around the world.

The key drivers of success for Invesco are strong long-term investment performance, positive market performance, high-quality client service, effective distribution relationships delivered across a diverse spectrum of investment management capabilities, distribution channels, geographic areas and market exposures, and competitive pricing. Through our focus on these areas, we seek to deliver better outcomes for clients, generate competitive investment results and positive net flows, and increase AUM and revenues.

Figure 1
AUM diversification¹

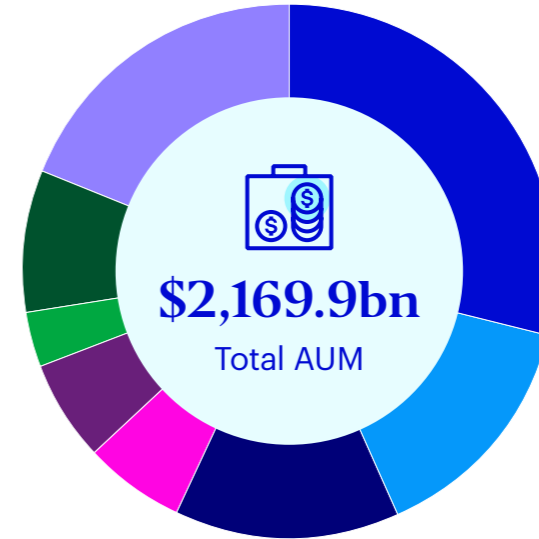
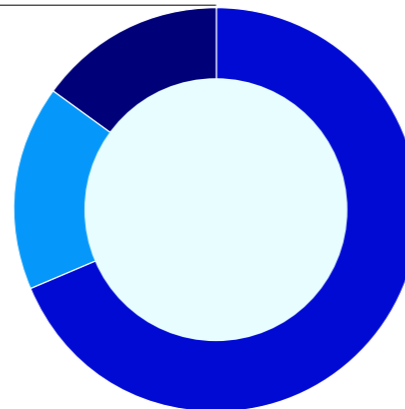
We believe one of Invesco’s competitive strengths is the diversification of AUM by client domicile, distribution channel and investment capability. We serve clients in more than 120 countries. The following tables present a breakdown of AUM by investment capability, client domicile, and distribution channel as of 31 December 2025.

By investment capability (in billions)

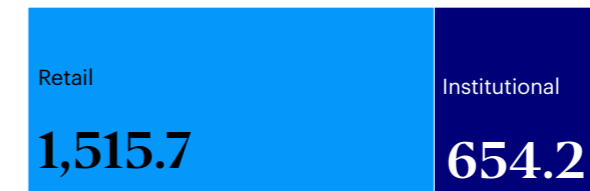
ETFs and Index	630.2
Fundamental Fixed Income	311.5
Fundamental Equities	298.4
Private Markets	130.7
China JV	132.5
Multi-Asset/Other	69.7
Global Liquidity	189.7
QQQ	407.2

By client domicile (in billions)

Americas	1,492.4
EMEA	356.5
Asia Pacific	321.0



By distribution channel (in billions)



1. Invesco Ltd. AUM of \$2,169.9 billion as of 31 December 2025.

Scope of Report

This report is prepared in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) regulatory framework². It covers the reporting period from 1 January 2025 through 31 December 2025, unless otherwise specified. The purpose of this report is to describe how Invesco addresses the TCFD's disclosure recommendations. In general, climate-related risks and opportunities were evaluated based on their relevance to our business as an asset manager, our various investment strategies, and their potential impact on clients and shareholders. The content is organized around TCFD's four core pillars, Governance, Strategy, Risk management, and Metrics and Targets. Figure 2 provides an overview of the TCFD recommendations to support navigation of the report.

Invesco has reported against the TCFD framework since 2020. The climate-related disclosures in this report have been prepared on a best-efforts basis using sourced data from a third-party analytics platform³ that covers publicly traded equities and bonds, including money market instruments. The disclosures in this report also leverage internal expertise which has informed the identification of climate-related risks and opportunities that could potentially impact financial performance and client outcomes. Climate data is available for approximately \$1.5 trillion, or 72%, of the firm's total AUM. The latest climate dataset available for this analysis is from 2024. This reflects a standard reporting lag: companies typically report their emissions data after their financial year-end, and data providers then collect, verify and publish this data in the following months. As a result, the most recent emissions data available at the time of this report relates to the 2024 reporting year. The relevant data coverage of these asset classes is explained in more detail in the Strategy section of this report.

Figure 2

TCFD recommendations and supporting recommended disclosures

Governance	
Disclose the organization's governance around climate-related risks and opportunities	
a) Describe the board's oversight of climate-related risks and opportunities.	Page 7
b) Describe management's role in assessing and managing climate-related risks and opportunities.	Page 7
Strategy	
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long-term.	Page 9
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Pages 10 - 12
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Pages 13 - 15
Risk management	
Disclose how the organization identifies, assesses, and manages climate-related risks.	
a) Describe the organization's processes for identifying and assessing climate-related risks.	Page 17
b) Describe the organization's processes for managing climate-related risks.	Pages 17 - 18
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Pages 17 - 18
Metrics and targets	
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Page 20
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Pages 20 - 22
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Pages 20 - 23

2. Taskforce for Climate-related Financial Disclosures (TCFD), June 2017 Framework: [Publications | Task Force on Climate-Related Financial Disclosures](#)

3. Notice and Disclaimer for Reporting Licenses | MSCI: [Notice and Disclaimer for Reporting Licenses | MSCI](#).

2.0

Governance



2.1 Board-level oversight

At Invesco, integrity and responsibility are core principles. We ensure ethical conduct, risk management, and strong corporate governance through comprehensive principles, adherence to laws and regulations, and robust data security policies.

Our Board seeks to maintain the highest standards of integrity and accountability in the stewardship of the Company's affairs and recognizes that proper and effective corporate governance is important to shareholders and other stakeholders.

Oversight responsibility

The Board has oversight responsibility for the company's enterprise risk management program and processes. This includes oversight over the management of material risks with respect to the company's business, including, without limitation, business strategy, governance, financial, investment, operational, technology (including AI), cyber risk, regulatory compliance and human capital management.

Risks and risk process

Though Board committees address specific risks and risk processes within their purview, the Board maintains overall responsibility for oversight of all material risks as full Board engagement supports appropriate consideration of risk in strategy setting and a more holistic understanding of risk across the enterprise.

Board Leadership

As described in our [Corporate Governance Guideline](#), the Company's business is conducted day-to-day by its officers, managers and employees, under the direction of the Chief Executive Officer and the oversight of the Board, to serve the interest of our clients and enhance the long-term value of the Company for its shareholders. The Board is elected by the shareholders to oversee our management team and to seek to assure that the long-term interests of the shareholders are being served.

There are various regional boards across Invesco that oversee Invesco affiliates, many of which holds responsibility for the oversight of sustainability-related risks at the product level.

2.2 Management oversight

Invesco has an investment team-led and client-centric investment approach, including managing to sustainable investing related requirements or objectives if included in fund or client mandates or where required by regulation. To us, responsible stewardship means creating long-term value for our clients in alignment with their objectives. Our investment teams exercise their rights and responsibilities as stewards of capital, and apply their analysis and expertise to cast voting decisions, in alignment with client objectives and best interests. The following functions, teams, and committees may contribute to Invesco's governance of financially material climate-related investment risks.

- 1. Invesco's investment leaders** provide oversight of our specialized investment teams and offer a balance of global expertise, support and connectivity. Their oversight drives teams towards better outcomes and consistency over the long-term.
- 2. Sustainable Investing Services team** provides expertise and insights on environmental and social topics to support investment decision-making by conducting proprietary research and contributing to meeting client objectives for relevant products and strategies. It partners with investment teams, distribution, and clients to support engagement on sustainability topics and to meet strategy and client-specific commitments.
- 3. Corporate Governance & Advisory team** provides governance expertise and supports stewardship across global investment teams. The core responsibility of this team is to support investment teams in considering corporate governance factors within their investment process and to contribute to proxy voting decisions in alignment with Invesco's Policy Statement on Global Corporate Governance and Proxy Voting. The team collaborates with investment teams in conducting corporate governance engagements and actively participates in industry-wide initiatives and regulatory consultations. It includes our proxy operations and voting capabilities, which execute proxy voting across thousands of shareholder meetings annually.
- 4. Investment Stewardship Leadership Committee ("ISLC")** is a governance and oversight body for investment stewardship, responsible for decision-making, defining roles, overseeing implementation, and addressing material issues and remediation. The ISLC is comprised of senior members of the firm from various functions.
- 5. Global Invesco Proxy Advisory Committee ("Global IPAC")** is an investment-driven committee comprised of representatives from various investment management teams globally. Representatives from Invesco's Legal, Compliance, Risk, Sustainable Investing Services and Government Affairs departments may also participate in Global IPAC meetings. The Global Head of the Corporate Governance & Advisory team chairs the committee. The Global IPAC is responsible for overseeing the proxy voting process and setting Invesco's Global Proxy Voting Policy and internal guidelines for voting.

3.0

Strategy



Introduction

Invesco's approach to climate investing is investment team-led and client centric: we partner closely with clients to align outcomes with their climate objectives, embedding climate considerations into investment decision making where material and relevant, supporting portfolio managers with insights and tools, engaging with portfolio companies on climate-related risks and opportunities, and contributing to industry initiatives.

3.1 Climate-related risks

Invesco manages assets on behalf of clients that may be exposed to climate-related risks.

This section outlines the climate-related risks and opportunities we have identified as potentially relevant to our investment activities and describes how we seek to address them through our investment approach, stewardship activities, product development, and industry engagement.

Market and demand shifts also warrant consideration. Client preferences around climate-aware investment continue to evolve, with varying demand across regions and client segments. Failing to anticipate these shifts could affect our ability to meet client needs.

The climate-related risks to which companies in our investment portfolios are exposed to broadly fall into two main categories:

Physical risks

The assets underlying our client portfolios may be exposed to physical climate risks, both acute (such as extreme weather events including floods, wildfires, and storms) and chronic (such as rising sea levels, shifting precipitation patterns, and temperature changes). These risks have the potential to impact asset valuations, disrupt operations, and affect the financial performance of investee companies across various sectors and geographies. Physical risks may be particularly pronounced in certain regions and for infrastructure-intensive sectors.

Transition risks

As some economies transition toward lower-carbon models, several transition-related risks may affect our investments and business:

Regulatory and policy developments represent a key area of uncertainty. Climate-related regulation continues to evolve across jurisdictions, with differing requirements for corporate disclosure, carbon pricing mechanisms, and sectoral standards. These developments may affect the companies in which we invest and keeping pace with these changes requires ongoing monitoring and adaptation.

Technology shifts present both risks and opportunities. Investee companies in certain sectors face risks from technological disruption as lower-carbon alternatives emerge, while others may benefit from the development and deployment of climate-related technologies.



3.2 How we address climate-related risks

Where climate-related factors are financially material to client objectives, Invesco seeks to address them through several interconnected approaches. Climate-related risks and opportunities vary significantly depending on the time horizon and nature of the risk, the product offered, and region. Physical risks may materialise across both short and long-term horizons, while transition risks related to policy, technology, and market shifts may be more pronounced in the medium term. For the purposes of this report, climate-related risks and opportunities are commonly assessed over the following time horizons: (a) Short-term: up to 3 years, aligned to business planning and risk monitoring cycles, (b) Medium-term: 3 to 10 years, aligned to investment strategy and portfolio positioning, and (c) Long-term: beyond 10 years, reflecting structural climate transition and physical risk. These time horizons assist with the identification and assessment of climate-related risks and opportunities, including the application of climate scenario analysis. Different risks may crystallize over different time horizons, and our investment teams may consider these varying time horizons in the context of specific investment strategies and client objectives.

Capability development

Invesco has continued to strengthen and evolve its capabilities for assessing and managing climate-related risks across investment activities. This includes targeted investment in data, technology, and analytics, alongside structured training and knowledge sharing initiatives designed to support informed investment decision making and stewardship practices where climate-related factors are financially material and relevant to client objectives.

Data, technology and analytics

Invesco has expanded its climate data and analytical capabilities to support more granular assessment of climate-related risks and opportunities at issuer, portfolio and strategy level. This includes the development of proprietary analytical tools that link climate-related factors to traditional investment analysis.

In 2025, this work included further development of attribution analytics designed to assess how climate-related characteristics - such as greenhouse gas emissions profiles and Net Zero alignment indicators - contribute to portfolio outcomes through allocation, selection and interaction effects, alongside other financial drivers. These analytics are intended to help investments teams to better understand how climate-related risks and opportunities may influence performance.

Invesco has also continued to develop its proprietary Net Zero quantitative model, which provides a systematic assessment of transition preparedness and alignment across approximately 7,700 publicly listed issuers globally. The model draws on a range of forward and backward-looking indicators informed by the Institutional Investors Group on Climate Change (IIGCC) Net Zero Investment Framework (detailed on the next page), and is used to support issuer level analysis, portfolio monitoring and engagement prioritization within strategies with Net Zero alignment objectives.

Training and investment professional enablement

Training is a component of Invesco's approach to supporting effective investment stewardship and enabling investment teams to stay informed on climate-related topics where relevant to their strategies. Invesco's Investment Stewardship team provides ongoing training and subject matter support to investment teams on a broad range of stewardship and sustainability related topics, including climate-related risks, regulatory developments, data considerations and engagement practices.

Training sessions may be tailored by region, asset class and investment strategy, recognizing differences in mandates, regulatory contexts and investment horizons. Stewardship professionals may also coordinate additional learning sessions with external specialists and provide guidance on stewardship related procedures.

Investment analysis and portfolio management

Our portfolio managers are supported in their assessment of material climate-related risks and opportunities through access to third-party climate data, internal analytical platforms, and centralized specialist support. This support is provided by the Sustainable Investing Services team and is intended to help portfolio managers assess climate-related information at the issuer and portfolio level. Portfolio managers retain discretion over how, and whether, these inputs are applied within their investment processes, consistent with fiduciary responsibilities and client mandates.

At a baseline level, this support is available on a continuous basis and is typically applied at the discretion of portfolio managers, reflecting differences in asset class, investment style, time horizon, and the financial materiality of climate-related considerations.

When managing portfolios where clients have requested the consideration of climate-related factors, or where portfolio managers have identified material climate risks, they may consider factors such as:

- Exposure to physical climate risks, particularly for assets in vulnerable regions or infrastructure-intensive sectors
- Transition risks including regulatory exposure, carbon pricing implications, and technological disruption
- Regional diversification as a means of managing climate-related vulnerabilities
- Alignment with specific client mandates and objectives

Portfolio managers maintain discretion on how to weight these considerations alongside other financially material factors, consistent with their fiduciary responsibilities to clients.

Active ownership and stewardship

Invesco's approach to stewardship is investment-led and client centric. Our approach to issuer engagement is led by our investment teams, with input from Invesco's Sustainable Investing Services team as needed to drive long-term value creation or risk mitigation for client assets. For issuers where climate-related factors are financially material, our engagement typically emphasizes issuers' emissions management, the robustness and credibility of transition plans, climate-related governance, and the quality of climate-related disclosures.

In 2025, our investment teams carried out over 430 engagements on environmental topics, with a portion of those engagements conducted alongside our Sustainable Investing Services team focusing on climate change and low-carbon transition themes. For climate-related engagements, Invesco engages on behalf of the relevant product or client(s) and not on behalf of Invesco as a whole.

Engagement approaches for strategies with climate or Net Zero objectives

Where strategies have explicit climate or Net Zero related objectives, engagement priorities may focus on specific climate-related elements of issuers' strategies, transition planning, governance, or disclosure practices, consistent with those objectives. For example, in managing the Invesco Net Zero Global Investment Grade Corporate Bond Fund, engagement is used alongside issuer classification on a Net Zero alignment spectrum (from "Not Aligned" through "Committed/Aligning/Aligned" to "Achieving Net Zero"), informed by the IIGCC Net Zero Investment Framework criteria (e.g., ambition, targets, emissions performance, disclosure, decarbonization strategy and capital allocation). Engagement priorities for the strategy can therefore focus on issuers based on the Net Zero alignment status.

Partnering with clients and asset owners on engagement

Where directed, Invesco partners with institutional asset owners to incorporate their climate objectives into the mandates we manage on their behalf. This can include co-developing engagement plans that translate client climate priorities into defined engagement plans, and prioritizing issuers based on factors such as contribution to financed emissions, sector relevance, and Net Zero alignment status.

Proxy Voting as part of stewardship

Invesco's Policy Statement on Global Corporate Governance and Proxy Voting (The "Global Proxy Policy") also reflects our investment-led and client centric approach to proxy voting. When evaluating shareholder proposals that address environmental issues, we recognize such proposals can be nuanced and require company specific analysis. Therefore, Invesco will analyze such proposals on a case-by-case basis and will consider the following factors, among others:

- whether we consider the adoption of such a proposal, would promote long-term shareholder value;
- the materiality of the issue(s) being raised;
- whether there are fines or litigation, significant controversies, including reputational risks associated with the company's practices, or policies related to the issue(s) raised in the proposal; and
- the board's written response to the proposal in the proxy, and whether the company has already responded, or taken action to appropriately address the issue(s) raised in the proposal.

Additionally, Invesco may consider the company's existing level of disclosure and track record on environmental issues or if the company already complies with relevant local laws and regulations as it relates to the issue(s) raised in the proposal; the intentions of the proponent(s) and how they impact the company's long-term economic success; if the proposal requests greater transparency or disclosure to make an informed assessment; and whether the proposal's requested action is unduly burdensome (scope or timeframe) or overly prescriptive.

For more information on Invesco's proxy voting policy and approach, please visit: <https://www.invesco.com/corporate/en/our-capabilities/investment-stewardship.html>.

Climate-related investment solutions

Our capabilities extend across public equities and fixed income, including active, systematic and passive strategies, as well as private markets and real estate. Solutions may be delivered through off-the-shelf products or developed on a bespoke basis in partnership with clients, depending on their objectives, constraints and regulatory requirements.

Invesco offers a range of climate-related investment solutions designed to support clients in achieving their specific investment and sustainability objectives. These solutions span asset classes, investment styles, and levels of customization.

Clients' climate-related objectives vary and may include, for example, reducing portfolio carbon intensity, aligning portfolios to Net Zero pathways, managing exposure to transition or physical risks, or incorporating stewardship priorities into investment processes. Our approach is to work with clients to translate these objectives into implementable investment strategies.

Depending on the mandate, this may include the use of portfolio construction and optimization techniques - such as portfolio decarbonization, emissions intensity constraints, or alignment metrics - alongside integration of climate-related data and analytics into investment decision making. In strategies where relevant, this may also be complemented by engagement and stewardship activities.

While specific implementation varies across strategies and mandates, Invesco's stewardship capabilities support investment teams and clients in managing climate-related risks and opportunities in a manner consistent with their respective investment objectives and time horizons, without prescribing outcomes across portfolios.

For example, in public markets, approaches may combine top-down portfolio design with bottom-up issuer analysis, supported by internal tools and third-party data. In systematic strategies, climate considerations may be incorporated through factor design, constraints, or optimization frameworks. Passive solutions may incorporate climate benchmarks or enhanced index methodologies, while active strategies may integrate climate-related insights alongside broader fundamental analysis.

For example in real estate, climate considerations are implemented at the asset level and focus on managing operational emissions, improving energy performance, and aligning assets to sector specific decarbonization pathways. This may include the use of tools such as the Carbon Risk Real Estate Monitor (CRREM) to assess asset level transition risk and alignment with Net Zero trajectories, alongside monitoring of energy consumption, emissions, and regulatory requirements across managed properties.

Investment teams may also consider broader resilience and adaptation factors, including physical climate risks, as part of their ongoing asset management and capital planning processes. These approaches reflect the distinct characteristics of real estate as an operational asset class, where climate-related risks and opportunities are often addressed through building level interventions and long-term asset management strategies.

Industry engagement

Invesco participates in a range of industry initiatives and market associations to stay informed on the evolving climate and sustainable finance landscape, to contribute to the development of market practices, and to support alignment with emerging frameworks where consistent with client objectives and fiduciary responsibilities.

This includes participation in investor led climate initiatives such as the Institutional Investors Group on Climate Change (IIGCC), where Invesco engages in research and working group activity focused on topics including transition planning, climate metrics, and stewardship practices.

In Asia Pacific, Invesco engages with the Asia Investor Group on Climate Change (AIGCC) to support regional dialogue on climate-related investment risks, regulatory developments, and stewardship expectations, recognizing the importance of region-specific market context in climate transition pathways. Invesco is currently co-chair of AIGCC's Physical Risks & Resilience Working Group. As part of the partnership with the Asia Investors Group on Climate Change (AIGCC), Invesco has contributed to research-led publications such as the Asia 2030 Playbook, which focuses on how asset owners are targeting returns while navigating climate investment risks and opportunities.

Invesco also engages directly with data providers and analytical platforms to support the development and refinement of climate-related datasets and tools relevant to investment analysis. This includes participation in initiatives such as the Bloomberg Transition Analytics Data Development Partner Program, through which Invesco has contributed feedback on the design and application of transition-related metrics. More broadly, Invesco engages regularly with a range of data providers, including Bloomberg, MSCI, Sustainalytics and third-party research organization such as the Transition Pathway Initiative (TPI), to provide input on data quality, methodological approaches and areas of evolving investor need across both transition and physical climate risk. These interactions are intended to support the ongoing development of decision useful climate data and analytics, while informing Invesco's internal capabilities and investment processes.

Our industry engagement activities do not commit us to specific investment actions that would conflict with client objectives or our fiduciary responsibilities.

3.3 Portfolio Resilience

In line with TCFD recommendations, Invesco uses forward-looking climate scenario analysis to assess how selected portfolio exposures may be affected under different climate transition and physical risk pathways, using commercially available third-party climate analytics.⁴

3.3.1 Scope

The scenario analysis discussed in this section covers publicly traded equities, corporate bonds and sovereign bonds⁵ held as of 31 December 2025, which together represented approximately \$1.78 trillion, or 82% of Invesco's total global AUM of \$2.17 trillion. For the purposes of this report, we will refer to this as the "Aggregate Portfolio" (shown in Figure 3, below).

Invesco uses MSCI ESG Research LLC ("MSCI") as the third-party data provider for the scenario analysis. MSCI has relevant data coverage of 87% of the Aggregate Portfolio. Data availability also varies by individual climate metric within MSCI's universe. The scenario analysis observations should therefore be interpreted in light of these coverage limitations.

Sovereign bonds are included in the Aggregate Portfolio because MSCI offers a sovereign climate methodology. However, coverage for the relevant sovereign climate metrics is below a level Invesco considers to be sufficiently representative of the sovereign bond portfolio's overall climate risk profile. The qualitative discussion in the Analysis Observations section therefore relates only to the publicly traded equities and corporate bonds portion of the Aggregate Portfolio.

To provide a basis for comparison for the results of the analysis, a composite benchmark was constructed by blending asset-class-specific market indices⁶ in proportion to the Aggregate Portfolio's equity, corporate bond, and sovereign bond allocations.

Exclusions

The following categories are excluded from the Aggregate Portfolio and therefore from the analysis:

- Direct Real Estate
- Bank Loans
- Synthetic ETFs
- Invesco India portfolios
- External holdings
- Invesco Great Wall China portfolios

These holdings are not recorded in Invesco's Investments Data Portal, which serves as the source for firm-level TCFD analysis. While not included in the scenario analysis due to a lack of methodological coverage in MSCI, Invesco Real Estate has relevant climate targets which are discussed separately in section 5.2.2.

For the remaining assets within the Investments Data Portal, the following asset classes and security types are not uploaded to MSCI because they fall outside MSCI's climate analytics framework (MSCI does not provide Climate Value-at-Risk estimates for them) or cannot be reliably mapped:

- Cash and cash equivalents
- Derivatives
- Index instruments
- Commodities
- Currency forwards
- Securities without a valid security identifier
- Securities held through pooled fund or ETF structures where security-level look-through data is not available
- Other residual instruments for which MSCI does not currently provide Climate VaR estimates

These exclusions reflect the current boundaries of commercially available analytical coverage and data availability, and do not represent a judgement about the materiality or absence of climate risk in excluded asset classes.

Figure 3
Portfolio analysis scope

Portfolio analysis scope	Market value (USD trillion)	% of global portfolio
Invesco Global Portfolio	2.17	100%
Aggregate Portfolio (submitted to MSCI for analysis) ⁷	1.78	82%

Source: Invesco. As of 31 December 2025.

4. This disclosure addresses the recommendation of the Task Force on Climate-related Financial Disclosures (TCFD) under Strategy (c): "Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario."

5. These asset classes are included in the scenario analysis because they are the asset classes for which our third-party climate analytics provider, MSCI, has available methodologies.

6. Indices selected for the composite benchmark are: MSCI ACWI (Listed Equities), BBG Global Agg Corp Total Return Index (Corporate credit market), and FTSE World Government Bond Index (Sovereign debt market).

7. The Aggregate Portfolio excludes holdings not recorded in Invesco's Investments Data Portal and asset classes not covered by MSCI's climate analytics framework, as detailed under Exclusions above.

3.3.2 Scenario analysis

Overview and purpose

Invesco conducts climate scenario analysis to explore the potential range of long-term financial implications of climate change across the MSCI-covered holdings of the Aggregate Portfolio as defined on the previous page.⁸ The analysis uses externally sourced scenario frameworks – specifically, scenarios from the Network for Greening the Financial System (NGFS) – implemented through analytical tools provided by MSCI. This scenario analysis is not proprietary research and should not be construed as such.

As the NGFS states: “The NGFS scenarios are not forecasts. They are intended to explore the range of plausible futures (neither the most probable nor the most desirable) for the assessment of financial risk” and to “prepare the financial system for the shocks that may arise.”⁹

The purpose of this exercise is to describe the scenarios considered, the analytical framework

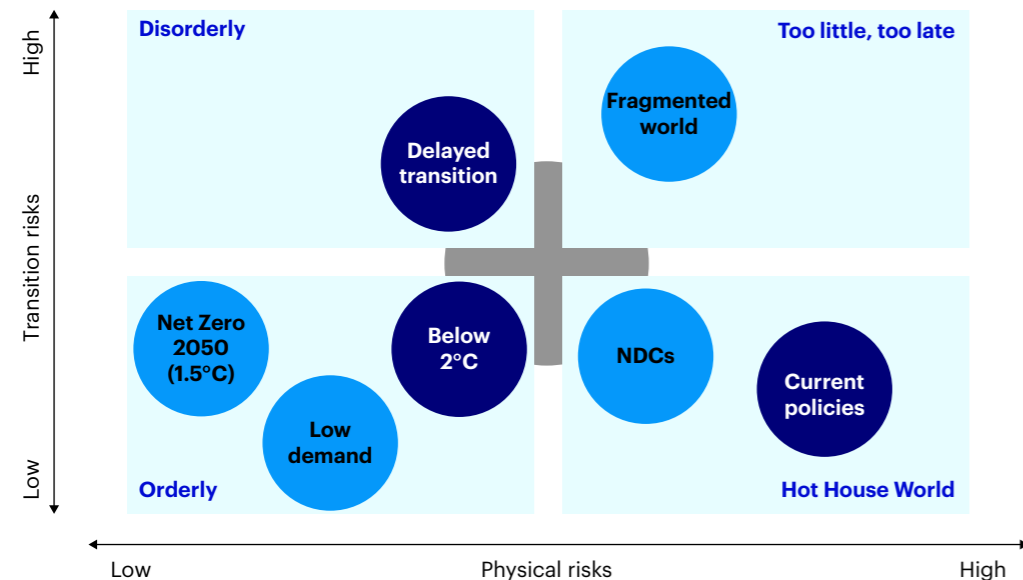
applied, the scope of the exercise, and what the analysis illustrates directionally about the resilience of relevant portfolio exposures under different climate pathways. This section describes the exercise and its outputs; it does not purport to represent a prediction of actual portfolio performance or of climate outcomes.

Scenario framework

The analysis references the NGFS scenario framework, which, as the NGFS describes, “has been created to provide a common starting point for analysing the impact of climate risks on the economy and financial system. They map out different futures, depending on how climate change (physical risk), transition policies, technological developments and changes in preferences (transition risk) evolve.”¹⁰

The NGFS Phase V framework, published in November 2024, organizes scenarios into four quadrants based on the degree of policy ambition and resulting physical warming outcomes (see Figure 4).

Figure 4
The NGFS scenario framework in Phase V



■ Selected scenarios used in this analysis

Source: Invesco, NGFS

The Network for Greening the Financial System (NGFS) climate scenario framework maps a range of possible climate pathways across two key dimensions - physical risks and transition risks - to help assess how different climate outcomes, from orderly transitions aligned with net zero targets to “hot house world” scenarios driven by current policies, could affect investment portfolios.

Scenario selection

Invesco’s analysis focuses on three NGFS scenarios spanning the Orderly, Disorderly, and Hot House World quadrants. Together, these capture the principal trade-offs between transition risk and physical risk across the upper and lower bounds of the NGFS framework. Each is defined by a distinct combination of transition risk and physical risk:

Figure 5
Three NGFS scenarios

NGFS quadrant	Description	Selected scenario used in this analysis
Orderly	Early, coordinated policy action; moderate transition risk, low physical risk	✓ Below 2°C
Disorderly	Delayed or divergent policy action; high transition risk, moderate physical risk	✓ Delayed Transition
Hot House World	No additional policy action; minimal transition risk, severe physical risk	✓ Current Policies

Source: NGFS, Climate Scenarios for Central Banks and Supervisors, Phase V, November 2024.

Scenario main assumptions

- Current Policies (NGFS Hot House World – approximately 3.0°C):**
 Only currently implemented policies are maintained; no further climate action is assumed globally. The NGFS characterizes this pathway as resulting in “severe physical risk including irreversible impacts.” Transition risk is minimal by construction in this scenario – absent new policy action, no additional carbon pricing cost is imposed on holdings – while physical risk is highest of the three scenarios and accumulates progressively across the century.
- Delayed Transition (NGFS Disorderly – approximately 1.5–1.7°C):**
 No additional climate policies are introduced until 2030, after which sharp and disruptive policy action is required to limit warming. As the NGFS describes, disorderly scenarios “assume that climate policies are delayed or divergent across countries and sectors. These scenarios are associated with subdued physical but high transition risks, as, for instance, carbon prices might need to rise sharply and abruptly.” Transition risk levels are greater in magnitude to the Below 2°C scenario and are concentrated in a more compressed post-2030 window, creating more acute economic adjustment pressures for affected holdings.
- Below 2°C (NGFS Orderly – approximately 1.7–2.0°C):**
 Early, coordinated, and gradually strengthening climate policies are introduced globally, enabling an orderly transition that limits warming to below 2°C. In NGFS terminology, orderly scenarios “assume that climate policies are introduced early and become gradually more stringent,” allowing economic actors time to anticipate and adjust. As a result, transition risks are present but more moderate and spread over a longer time horizon, with steadily rising carbon prices and predictable policy signals reducing the likelihood of abrupt asset repricing. Physical risks are materially lower than in the Current Policies (Hot House World) pathway and remain constrained through the century, reflecting earlier mitigation of emissions. Overall, this scenario is characterized by lower acute adjustment pressures and a more manageable balance between transition and residual physical risks compared with disorderly pathways.

8. The scenario analysis is a hypothetical, modelled exercise for risk exploration. It is not a forecast, does not determine investment decisions or business strategy, and does not override Invesco’s fiduciary obligations or client mandates. No finding from this analysis supersedes those obligations or applies uniformly across strategies without regard to client mandate or investment thesis.

9. NGFS, Climate Scenarios Technical Documentation, Phase V, November 2024, p. 7.

10. NGFS, Climate Scenarios for Central Banks and Supervisors, Phase V, November 2024, p. 7.

Time Horizons

Consistent with TCFD guidance, the scenario analysis considers climate risks across short, medium, and long-time horizons, defined as follows: (a) Short-term: up to 3 years, aligned to business planning and risk monitoring cycles, (b) Medium-term: 3 to 10 years, aligned to investment strategy and portfolio positioning, and (c) Long-term: beyond 10 years, reflecting structural climate transition and physical risk.

MSCI Climate Value-at-Risk (Climate VaR)

MSCI applies the NGFS scenario variables through its Climate VaR model. Climate VaR metric aggregates modelled costs and opportunities across the full analytical horizon to 2050 (with physical risk discounting extended beyond 2050), expressed as a present value. It is therefore a long-horizon measure and should not be interpreted as a short-term performance forecast. In practice, transition risk costs are typically more concentrated in near-to-medium-term horizons under scenarios involving early or abrupt policy action, while physical risk impacts increase in materiality over longer time horizons and under higher-warming scenarios. Climate VaR measures portfolio impact through three pillars:

- Policy risk
- Technological opportunities
- Physical risks and opportunities

Each pillar then measures a range of channels through which financial impacts could materialize.

Analysis observations

The climate scenario analysis highlights a core trade-off at the center of climate outcomes with the Aggregate Portfolio. More ambitious climate action reduces long-term physical damage to assets but creates meaningful near-to-medium term financial pressure from climate policy. By contrast, limited policy action avoids transition costs in the short run but results in steadily worsening physical climate risks over time.

Across the scenarios modelled, the analysis did not indicate that the Aggregate Portfolio exhibits a materially different climate-related risk profile to that of its benchmark. This reflects the diversified nature of the Aggregate Portfolio and is consistent with broader market-wide patterns in corporate decarbonization trajectories. These observations should, however, be interpreted in the context of the underlying assumptions, data coverage and methodological limitations inherent in the scenario analysis. The observed risk profile under each scenario in the analysis is summarized in Figure 6.

Separately, the Aggregate Portfolio's Implied Temperature Rise – which measures the alignment of portfolio holdings with global temperature outcomes rather than financial impact – indicates that, in aggregate, the companies held are on trajectories that imply warming above the Paris Agreement's well-below-2°C threshold. This is broadly consistent with the benchmark's Implied Temperature Rise (ITR)..

Limitations

The outputs of this exercise carry significant inherent uncertainty and should be interpreted with appropriate caution. The NGFS scenarios are not forecasts, and tipping points and other non-linear physical impacts are not represented in the current scenario set. Climate VaR outputs produced by MSCI ESG Research represent modelled upper bounds under specified assumptions; actual financial outcomes will depend on the timing and nature of policy action, market responses, and individual company adaptation, none of which can be predicted. Coverage of the Climate VaR analysis is limited to approximately 80% of the Aggregate Portfolio market value, and the ITR analysis to approximately 84%; findings may not be representative of excluded holdings. The underlying NGFS scenario data used in MSCI's Climate VaR model reflects Phase V inputs.

Figure 6
Observed risk profile of scenario analysis exercise

Scenario	Policy environment	Transition risk profile	Physical risk profile	Implied warming	Analysis observations on the Aggregate Portfolio
Below 2° C (NGFS Orderly)	Immediate, globally coordinated, gradually more stringent	Elevated – near-to-medium term; energy, utilities, and materials most exposed	Low – constrained by effective policy action	-1.7–2.0°C	In the Below 2°C scenario, governments act early and decisively to limit global warming. Under this pathway, climate policy is the dominant source of financial impact for the Aggregate Portfolio. Carbon pricing, stricter emissions regulations, and related supply chain effects drive higher costs, particularly for carbon intensive businesses. The Aggregate Portfolio's energy, utilities, and materials exposures are most affected, reflecting their higher emissions profiles and sensitivity to carbon pricing. While companies with clean technology capabilities or low-carbon products show some benefit, these gains are relatively modest compared with the overall policy driven costs.
Delayed transition (NGFS Disorderly)	No new action until 2030; abrupt policy action thereafter	Elevated – concentrated post-2030; higher adjustment risk	Moderate	-1.5–1.7°C	The Delayed Transition scenario results in a similar overall level of transition related impact, but with a very different timing profile. Climate policies tighten rapidly after 2030 rather than gradually, producing a more abrupt and concentrated adjustment. This leaves companies less time to adapt and increases financial stress over a shorter period, again with the greatest impact on energy, utilities, and materials. As with the Below 2°C case, low-carbon opportunities provide only limited offset.
Current policies (NGFS Hot House World)	Only current policies maintained; no additional action	Minimal – no new carbon pricing assumed	High and escalating; irreversible physical impacts over the long-term	-3.0°C	Under the Current Policies scenario, governments do not materially strengthen climate policy. There are no transition costs, and physical climate risk becomes the sole driver of financial impact. For the Aggregate Portfolio, the most significant risks stem from extreme heat and reduced river flows, which build gradually as temperatures rise. These risks are most evident in utilities and large technology firms with dispersed assets. Overall, the Aggregate Portfolio's physical climate risk remains lower than the benchmark's.

4.0

Risk management



4.1 Enterprise risk

Requirements, expectations, commitments, and disclosures around sustainability or ESG topics continue to evolve globally. Invesco is subject to sustainability-related regulations and regulatory guidance across the globe. We regularly assess the impact of new regulations on our business and operations.

Invesco's Enterprise Risk Management (ERM) framework provides a consistent approach for the management of risks, proportionate to the nature, scale and complexity of risks inherent in the firm's business model. The adoption of ERM practices across Invesco is designed to prevent, detect, correct, and/or mitigate the materialization and impact of risks where there is potential for loss or harm to our clients, the firm, our staff, or the safe and sound functioning of the markets in which we operate. Invesco adopts a 'three lines' risk model to define and delineate the structure and responsibilities for risk management:

- The First Line is made up of the functions that design, develop, and deliver investment capabilities and services to clients, including broader support functions. Comprised of both regional and global functions, is responsible for managing the risks inherent in the setting and delivery of its business objectives, including maintaining an effective internal control environment.
- The Second Line is responsible for independent risk and control advice, guidance, oversight, challenge, and monitoring. This is provided by the Enterprise Risk Management function, which supports the first line in managing their risk and control environment. Other functions, such as Compliance or Global Security, may support second line activities in partnership and collaboration with the Enterprise Risk Management function.
- The Third Line consists of Internal Audit, which is responsible for providing independent assurance designed to add value and improve Invesco's operations by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

4.2 Investment risk

At Invesco, managing investment risk is a core part of our culture and commitment to clients. We believe that robust risk management is essential to delivering consistent results for our clients. We believe the best outcomes are achieved through distinct investment teams across the globe, with discrete investment perspectives, operating under a disciplined philosophy and process. To support this, every team has a tailored Investment Risk Management Framework that is owned by its Chief Investment Officer (CIO). These frameworks are designed to reflect the specific characteristics of each strategy, ensuring that risk is assessed and managed in a way that is both rigorous and relevant. At the same time, investment teams are supported by a global infrastructure that enhances their risk management capabilities. This includes access to advanced analytical tools, performance attribution systems, and the expertise of the Investment Risk team, who provide independent oversight and challenge.

Risk Management Framework

At Invesco, we take a comprehensive and structured approach to managing investment risk across our portfolios. Our Risk Management Framework is designed to ensure that risks are identified early, measured accurately, monitored consistently, and addressed promptly. This framework is supported by well-defined processes, tools, and documentation that guide our teams in maintaining the integrity and resilience of our investment strategies.

At the heart of our approach is the Investment Risk Management Lifecycle, which encompasses five key activities: Identifying, Measuring, Monitoring, Escalating, and Remediating investment risk. These activities are not isolated; they are part of a continuous process that ensures our portfolios remain aligned with the commitments made to our clients and stakeholders.

A central component of this lifecycle is the Risk Profiling Process. This process ensures that each portfolio maintains a consistent risk profile over time. It begins with identifying the material risks that could affect a portfolio, followed by selecting appropriate metrics and indicators to measure those risks.

Sustainability risk management

Sustainability risk refers to the possibility that environmental, social, or governance (ESG) factors could negatively impact the financial value of an investment. These risks can arise from events such as climate change, regulatory shifts, social unrest, or governance failures, and they are increasingly relevant to long-term investment outcomes.

Sustainability risk considerations are integrated into investment processes, taking into account client objectives and applicable regulatory requirements. Our Investment Risk team plays a key role in this effort by providing independent oversight through a dedicated sustainability Risk Management Framework. This framework is built around the use of ESG Key Risk Indicators (KRIs), which are monitored across all ESG-labelled mandates. If any of these indicators exceed predefined alert levels, the issue is assessed by the Investment Risk team and reviewed with the appropriate investment team(s), where relevant. Where necessary, the matter is escalated to senior risk leadership or the appropriate governance body to ensure timely and appropriate action.

4.3 Assessing financially material climate risks

Access to climate-related and carbon-related data is essential for the investment teams that consider financially material climate-related risks as part of their investment process. Sourced from various data providers, external scores may be used by investment teams to analyze climate change risk. The main providers are MSCI and Sustainalytics. All investment centers can access this data, either directly or through the Sustainable Investing Services team's data analytics colleagues.

When managing products on behalf of clients who request the implementation of climate-related guidelines in their portfolios, investment teams can leverage climate risk management data to support their investment processes, thereby meeting our clients' specific needs.

To support our investment teams, Invesco's Sustainable Investing Services team uses various proprietary tools and third-party data sources, including a carbon analysis screening tool, financed emissions analysis and absolute emissions data to assess issuer risk.

In all the above steps, we recognize and acknowledge the industry-wide challenges of sustainable-focused investing data availability and coverage.

In certain jurisdictions, the identification and assessment of climate-related risks may also be supported by regional risk or oversight functions in line with applicable regulatory requirements. For example, in Hong Kong and Singapore, the Investment Risk team supports the integration of environmental risk into investment risk oversight processes through the assessment, monitoring and escalation of material risks to relevant stakeholders.

These approaches are intended to support investment teams in understanding how climate-related factors may influence risk and return across different time horizons, without prescribing uniform processes or investment outcomes across strategies.

4.4 Global regulatory environment

The landscape of climate and sustainable finance policy continued to evolve during 2025. Invesco monitors developments that may affect our business, both as a reporting entity and as a user of sustainability related data.

At a global level, the International Financial Reporting Standards (IFRS) Foundation continued to support the adoption and implementation of the International Sustainability Standards Board (ISSB) Sustainability Disclosure Standards (S1 and S2) as a global baseline for sustainability-related financial disclosures.

In the European Union, policymakers undertook a review of key sustainable finance regulations, including the Corporate Sustainability Reporting Directive (CSRD), the Corporate Sustainability Due Diligence Directive (CSDDD), and the EU Green Taxonomy Regulation. During 2025, proposed updates to the Sustainable Finance Disclosure Regulation (SFDR) were also introduced. Once finalized, these developments are expected to influence disclosure requirements for our entities and products, as well as the availability of sustainability-related data for investment teams.

In the United Kingdom, the Government continued to consider how ISSB standards (S1 and S2) could be incorporated into the domestic framework, alongside consultations on potential transition plan requirements for corporates and regulated financial institutions.

In the United States, the sustainability-related regulatory landscape continued to evolve, with changes affecting both disclosure expectations and broader energy and climate-related policy. During 2025, the U.S. Securities and Exchange Commission (SEC)

announced that it would not proceed with defending its proposed climate disclosure rules. The SEC also issued updated guidance affecting the treatment of shareholder proposals, including those related to environmental and social topics. More broadly, legislative and regulatory developments reflected ongoing adjustments to energy policy and the review of existing incentives.

In the Asia-Pacific region, there was continued progress towards more internationally aligned sustainability and climate disclosure frameworks. Several markets advanced implementation or roadmaps aligned with ISSB standards. Hong Kong SAR began applying enhanced climate disclosure requirements for listed companies from January 2025, with full alignment targeted over time. Australia introduced mandatory climate-related financial reporting for in-scope entities from January 2025. Japan published sustainability disclosure standards aligned with ISSB, with a phased approach to adoption. Singapore continued implementing climate-related disclosure requirements aligned with ISSB on a phased basis, including emissions reporting obligations. China further developed its national framework through draft standards and implementation guidance, while South Korea continued its consultation process.

More broadly across Asia-Pacific, regulatory developments increasingly extended beyond disclosure to include areas such as transition planning and the management of sustainability-related risks, alongside a growing focus on the relationship between ESG considerations, capital allocation, and long-term value creation.

5.0

Metrics and targets



5.1 Emissions metrics – Aggregate Portfolio

Within our investment strategies that specifically focus on decarbonization, we use carbon emissions indicators as part of our sustainable-focused investing analysis. We also engage proactively with investee companies to better understand their energy transition activities and plans to achieve stated transition goals.

Invesco maintains a comprehensive suite of carbon related metrics and climate analytics tools to support portfolio analysis and construction. Climate-related metrics are continuously evolving and subject to certain limitations. Our analysis relies primarily on third-party data providers, who prioritize primary data where available but may utilize modelling techniques to fill gaps or correct potential inaccuracies in self-reported data. Data quality and coverage can vary significantly across sectors, geographies, and reporting periods. Therefore, these metrics should be considered indicative rather than definitive and interpreted alongside other relevant investment analysis tools. We remain committed to improving data quality and coverage, but investors should remain aware of potential inaccuracies and inconsistencies inherent in current climate-related data.

Understanding carbon metrics

The table below attempts to explain in simple terms what some of the common metrics seek to measure and what their use case is in a financial / valuation context.

Figure 7
Carbon metrics summary

Metric	Description	Purpose
Total carbon emissions	Total carbon emissions, also referred to as financed or absolute emissions, represents the total Greenhouse Gas (GHG) associated with the companies held in the portfolio. They are estimated by attributing each company's emissions to the investor in proportion to the investor's share of financing provided to that company, typically by enterprise value including cash.	This metric provides an absolute measure and can be used to monitor whether emissions reduction strategies are leading to lower portfolio-associated emissions over time. Because it is an absolute measure, it will vary with portfolio size and is not directly comparable across portfolios of different sizes.
Carbon footprint	Carbon footprint uses the same financed-emissions approach as total carbon emissions, but expresses the result relative to the amount invested. It shows the portfolio's associated emissions per million of assets under management.	This metric links the amount invested to the emissions associated with the portfolio and can support comparison across portfolios more effectively than absolute emissions alone. However, it should still be considered alongside other climate metrics and qualitative information.
Weighted Average Carbon Intensity (WACI)	Weighted Average Carbon Intensity (WACI) measures a portfolio's exposure to carbon emissions by weighting each holding's emissions, relative to its revenue, by its share of the portfolio. A lower WACI indicates that, on average, the portfolio is invested in companies that emit less carbon per unit of revenue.	This metric can help compare portfolios as it normalizes emissions by company revenue and then weights the result by portfolio holdings. It is useful as an indicator of relative carbon efficiency, but it should be considered alongside other climate metrics.
Scope 1 emissions	Direct greenhouse gas emissions that occur from sources that are owned or controlled by an organization. This could include emissions from fuel combustion for heating, power generation, and transportation.	To identify where a company has the most direct ability to reduce emissions, and where it faces the most immediate exposure to carbon pricing and regulation.
Scope 2 emissions	Indirect greenhouse gas emissions that occur from the generation of purchased electricity, steam, heat, and cooling.	To account for a company's energy-related emissions separately, enabling assessment of energy sourcing decisions, reduction opportunities, and progress toward targets.
Scope 3 emissions	All other indirect greenhouse gas emissions that occur in the value chain of an organization, excluding Scope 2 emissions. This includes emissions from transportation of goods and services, use of sold products and services, and other upstream and downstream activities in the value chain.	To understand a company's total carbon footprint across its entire value chain. Scope 3 typically represents the largest share of total emissions and helps identify where the most material risks and reduction opportunities lie beyond a company's direct operations.

Source: Invesco 2025.

Figure 8

Carbon metrics for our Aggregate Portfolio, excluding sovereign debt.

Metric	Unit	Scope	2025	2024	2023
Weighted average carbon intensity	tCO ₂ e per USD million revenue	Scope 1	81.89	83.70	87.27
		Scope 2	19.21	20.22	20.25
		Scope 3	915.63	935.19	968.93
Total carbon emissions	tCO ₂ e	Scope 1	23,197,140.39	35,578,358.77	35,468,630.23
		Scope 2	4,864,815.88	7,864,654.13	7,731,020.21
		Scope 3	286,797,647.80	467,992,283.44	433,235,668.95
Carbon footprint¹¹	tCO ₂ e/million AUM	Scope 1	22.42	36.70	37.41
		Scope 2	4.62	8.36	8.43
		Scope 3	280.38	350.26	358.4

Source: Invesco, as of 31 December 2025.

11. Carbon footprint has been calculated using EVIC (enterprise value including cash) as the denominator, in line with PCAF standards.

5.2 Emissions targets

5.2.1 Operational activities

This section provides detail on Invesco's corporate emissions and does not include metrics related to assets under management.

Energy and emissions

We seek to manage our environmental footprint by monitoring corporate energy use and greenhouse gas emissions and by using metrics and performance indicators to inform operational efficiency.

Invesco uses a corporate emissions reference pathway for Scope 1, Scope 2, and relevant Scope 3 operational emissions. This includes monitoring progress against a 2019 baseline and a 2030 reference pathway and may support longer-term planning considerations, where relevant to operational emissions. The Scope 3 element of this approach does not include emissions associated with investments, further detail on that approach is provided on page 20 of this report.

Figure 9

Within our corporate operations, greenhouse gas (GHG) emissions are an environmental consideration and are monitored across three principal categories:

Scope 1	Direct emissions originating from sources owned or controlled by Invesco, such as company-owned vehicles and on-site fuel combustion.
Scope 2	Indirect emissions resulting from the consumption of purchased electricity, steam, heat, and cooling. These emissions occur as a consequence of our energy use in facilities and office spaces.
Scope 3	All other emissions associated with our activities, which include those from purchased goods and services, capital goods, waste generated in operations, business travel, and employee commuting. Scope 3 covers a broad range of indirect emissions that are not directly controlled by Invesco but arise from our operational footprint.

Source: Invesco 2025.

Emissions associated with investments undertaken on behalf of clients (Scope 3, category 15) are not included within the operational emissions reporting presented in this section.

As of December 31, 2025, and compared with the baseline year, reported energy consumption and operational emissions were lower across a number of categories. Progress is monitored using both market-based and location-based reporting approaches, consistent with recognized greenhouse gas accounting practices.

Changes in reported Scope 1 and Scope 2 emissions reflect a combination of factors, including energy efficiency initiatives across offices, increased use of renewable energy tariffs, installation of solar panels, changes in office space, and reduced use of refrigerants and fuels for heating or generators.

Reported Scope 3 operational emissions, excluding investments, also changed compared with the baseline year. This was influenced in part by updated carbon emission factors published in 2025 by the UK Department for Environment, Food & Rural Affairs (DEFRA) for flights, which affected the reported tCO₂e associated with air travel. Emissions from working from home and employee commuting remained broadly stable over the period.

Figure 10

Corporate metrics on climate change for 2023-2025

Environmental indicators		2025	2024	2023
Greenhouse gas emissions and energy	Total Energy Consumed (kWh)	20,104,955	23,526,398	29,182,074
	Scope 1 emissions (tCO ₂ e)	407	714	776
	Scope 2 emissions (Location based) (tCO ₂ e)	7,179	7,630	11,123
	Scope 2 emission (Market based) (tCO ₂ e)	6,569	7,721	10,780
	Scope 3 emissions (Excluding investments) (tCO ₂ e)	187,495	223,387	212,566
	Scope 1, 2 and 3 emissions (Location based) (tCO ₂ e)	195,081	231,731	224,465
	Scope 1, 2 and 3 emissions (Market based) (tCO ₂ e)	194,065	231,822	224,122

Source: Invesco 2025.

5.2.2 Invesco Real Estate - investments targets

Invesco has implemented a framework that focuses on managing risk while enhancing value on behalf of clients, demonstrating the benefits of lower energy costs and more efficient buildings. A key objective is to continuously improve performance across managed portfolios from an economic as well as environmental perspective.

As jurisdictions worldwide enforce stricter building codes and regulations to meet carbon and energy performance standards, Invesco's approach ensures compliance and positions Invesco Real Estate and its clients to capitalize on the growing demand for more sustainable buildings. To mitigate its environmental impact, managing real estate assets involves designing, constructing, and operating buildings to minimize carbon emissions and maximize energy efficiency.

The real estate sector is one of the largest energy-consuming sectors globally, accounting for approximately 30% of energy consumption and 40% of carbon emissions.¹² To mitigate this, Invesco Real Estate manages assets in alignment with decarbonization pathways specific to the sector, aiming for Net Zero carbon emissions by 2050 or sooner for relevant strategies. This analysis is informed using Carbon Risk Real Estate Monitor (CRREM), an open-source tool together with primary data from managed buildings. Our ongoing efforts include measuring and regularly reporting buildings' energy, emissions, water and waste levels against targets at the portfolio level, reviewed at least annually. This initiative not only helps reduce carbon emissions but also offers economic benefits, such as and increased property value.

Invesco Real Estate manages \$66 billion in AUM, which is not included in the Aggregate Portfolio analysis described in this report due to methodological and asset class differences.

5.2.3 Corporate sustainability related targets

Through consideration of green building standards and responsible resource management, we seek to support operational efficiency and better understand the environmental impacts associated with our corporate operations. The following section outlines selected sustainability-related initiatives and indicators.

Invesco monitors global and regional indicators for energy use, GHG emissions and related operational metrics to inform sustainability activity, track progress over time and support TCFD-aligned disclosure.

Figure 11
Selected corporate sustainability-related indicators

Selected global and regional indicators are monitored to support operational efficiency, inform environmental management activities, and track progress over time:

Indicator / area of focus	2025 update
Monitor operational energy use and emissions, using year-on-year indicators and the 2030 reference pathway to support operational efficiency and longer-term planning considerations.	Reported Scope 1 and 2 emissions were monitored against prior-year performance on a location-based basis. Reported Scope 1, 2 and 3 operational emissions were monitored against prior-year performance on a location-based basis.
Assess options to address corporate air and rail travel emissions globally, where appropriate.	Travel-related emissions for the 2025 period are expected to be addressed through selected offsetting arrangements, where applicable.
Continue to align operational and procurement activities to support data quality, supply chain engagement and more informed emissions management.	Data categorisation and internal engagement across sustainability and procurement teams continued to support consistency, quality and oversight of supply-chain emissions data.
Review the use of renewable energy certificates for Scope 2 emissions where green tariff electricity is not available.	Renewable energy certificates remain in place for the Atlanta headquarters following the 2023 purchase covering a 10-year term.
Identify opportunities to reduce single-use plastics at corporate properties where reasonably practicable.	Corporate property audits continue to identify opportunities to reduce single-use products and encourage reusable alternatives.
Encourage participation in local environmental or community initiatives, where opportunities are available.	Employees participated in selected environmental and community initiatives facilitated by Invesco Cares and Green Teams. In 2025, activities included volunteering efforts and awareness campaigns for events such as Earth Day and World Wetlands Day.

Source: Invesco 2025.

12. Carbon Risk Real Estate Monitor (CCREM Project): [Carbon Risk Real Estate Monitor – CRREM Project](#)

Important information

All data is as of 31 December 2025 and sourced by Invesco unless otherwise noted.

All images are sourced from AdobeStock unless otherwise noted.

This document may contain statements that are not purely historical in nature but are “forward-looking statements,” which are based on certain assumptions of future events. Forward-looking statements are based on information available on the date hereof, and Invesco does not assume any duty to update any forward-looking statement. Actual events may differ from those assumed. There can be no assurance that forward-looking statements, including any projected returns, will materialize or that actual market conditions and/or performance results will not be materially different or worse than those presented.

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