ENVIRONMENTAL RISK MANAGEMENT POLICY

APPLICABLE TO	Mutual funds / unit trusts managed by with Invesco Hong Kong Limited ("**IHKL**") with discretionary authority and mutual funds / unit trust and mandates managed by Invesco Asset Management Singapore Limited ("**IAMSL**") with discretionary authority and/or passive strategy (Collectively "**Applicable Accounts**")
DEPARTMENTS IMPACTED	Investment Teams in HK, Singapore and other jurisdiction who manage or advise the applicable funds under IHKL, and applicable funds and mandates under IAMSL, Asia Pacific Investment Risk Team, Global Investment Risk Team (including, but not limited to, Risk Measurement Team), AP ESG Team, Compliance
RISK ADDRESSED BY POLICY	This policy addresses the environmental risk that includes climate change, loss of biodiversity, pollution and changes in land use. Environmental risk may represent physical risks which stem from the impact of weather events and long-term or widespread environmental changes and transitional risks associated with the transition to a low-carbon economy.
RELEVANT LAW & RELATED RESOURCES	• Fund Manager Code of Conduct and corresponding circular issued by the Securities and Futures Commission in Hong Kong • Guidelines on Environmental Risk Management issued by the Monetary Authority of Singapore ("MAS")
APPROVED BY	• Greater China Risk Management Committee ("GCRMC"): Jun 2022
DATE OF LAST REVIEW	Oct 2026
POLICY INCEPTION DATE	Jun 2022

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1. Environmental risk management governance structure

This policy addresses the environmental risk that includes climate change, loss of biodiversity, pollution and changes in land use. Environmental risk may represent physical risk which stems from the impact of weather events and long-term or widespread environmental changes and transitional risk associated with the transition to a low-carbon economy.

a. Physical risk stems from the direct impact of extreme weather events and progressive, longer-term shifts in the environmental pattern. For instance, rising frequency and severity of extreme weather events could impair the value of assets held by companies or indirectly impact supply chains, thus affecting companies' operations and profitability, and potentially their viability.

b. Transitional risk arises from the process of adjustment to an environmentally sustainable economy, including changes in public policies, disruptive technological developments, and shifts in consumer and investor preferences. For instance, the transition to a low-carbon economy can impair the profitability of companies in carbon-intensive businesses. Punitive actions taken against companies that pollute the environment (e.g., revocation of operational permits for companies involved in open burning practices) could have a material impact on the valuation of companies in these sectors and result in stranded assets.

Due to the varying regulatory requirements for this topic by the respective Hong Kong and Singapore Regulators, Invesco has adopted a master risk oversight approach which is applied to the Applicable Accounts. For the avoidance of doubt, the IHKL's managed mutual funds / unit trusts will be adhered towards the relevant Securities & Futures Commission of Hong Kong ("HKSFC") requirements which focus on the climate-related risks. Similarly, the IAMSL managed mutual funds/mandates will be adhered towards the relevant Monetary Authority of Singapore ("MAS") requirements which stipulate a broader scope of environmental risk.

The Board of IHKL and IAMSL (the "Board") maintains the overall oversight responsibility of environmental risk issues for the purpose of setting the direction from the top. The Board is responsible:

a. approving the environmental risk management framework and policies to assess and manage the environmental risk of the assets managed

b. setting clear roles and responsibilities of the Board and senior management, including personnel and functions responsible for oversight of environmental risk of the assets managed

c. ensuring that directors have adequate understanding of environmental risk, and senior management is equipped with appropriate expertise for managing environmental risk

The Board delegates the environmental risk management oversight responsibility to the Greater China Risk Management Committee ("GCRMC") covering both IHKL and IAMSL, which is required to supervise and monitor the integration of environmental-related considerations into the investment and risk management processes.

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The delegated Committee is responsible for:

a. ensuring the development and implementation of an environmental risk management framework and policies, as well as tools and metrics to monitor exposures to the risk, including integration of environmental risk considerations in its investment research, portfolio construction, risk management and stewardship practices across different asset classes and investment strategies

b. regularly reviewing the effectiveness of the framework, policies, tools and metrics and making appropriate revisions

c. establishing an internal escalation process for managing environmental risk, and that appropriate and timely actions are taken to address the risk

d. allocating adequate resources with appropriate expertise to manage the environmental risk of the assets manage

e. updating the Board on material environmental risk issues in a timely manner

Invesco has put the three lines of defense model in place to oversee environmental risk. Business line should take environmental risk into consideration when establishing and managing funds, particularly if they invest in sectors with higher environmental risk. The Risk Management Function monitor the business line's implementation of environmental risk management policy, including challenging practices and decisions where appropriate, while Compliance ascertain the established policies and procedures adherence to applicable rules and regulations. The Internal Audit Function consider as part of its independent review, the robustness of the asset manager's risk management framework in managing environmental risks.

Asia Pacific Investment Risk Team and Global Investment Risk Team ("Risk Team") work together to integrate environmental risk into the investment risk oversight process through assessing, monitoring and escalating material and relevant environmental related risks to the portfolio managers, senior leaders of investment function, the Greater China Risk Management Committee (or such other appropriate internal committee as may be designated from time to time) and the Board on a regular basis. The material and relevant environmental related risks will be discussed in the portfolio review meeting facilitated by Risk Team with portfolio managers.

The AP ESG Team works with various departments to ensure proper environmental risk disclosure is met on both entity and fund level according to the requirements stipulated by the regulator and internal policy. The disclosure includes both the entity level environmental risk management policy and fund level environmental risk metrics. If a fund deviates from the environmental risk management policy, it shall be subject to the regular assessment with rationale being disclosed.

On at least an annual basis, or as and when required, the Risk Team reviews the Environmental Risk Management Policy to determine whether the policy in place is still adequate and updates it if needed. The Environmental Risk Management Policy is then presented to the Greater China Risk Management Committee ("GCRMC") for approvals.

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2. Investment management process

Investment teams are required to properly manage environmental risk according to the investment objective and the environmental risk management policy. Due to the rapidly evolving nature of environmental-related risk management methodologies, it is difficult to provide a single set of practice which is universally applicable across the investment teams. Therefore, each investment team is required to integrate the environmental risk into their investment process by properly identifying material and relevant environmental related risks, such as physical and transitional risks, for each investment strategy and fund they manage, factoring the material environmental related risks into the investment management process and taking reasonable steps to assess the impact of these risks on the performance of underlying investments. Investment teams shall apply their professional expertise to define what is deemed as material and relevant from an environmental risk perspective.

In considering the materiality of environmental risk with respect to the different asset classes, asset managers can take reference to international best practice. For instance, portfolio manager should consider environmental related risks including but not limited to the level of Greenhouse Gas ("GHG") emissions, vulnerability to extreme weather events, and linkages to unsustainable energy practices, deforestation and pollution. For portfolio construction, portfolio managers should consider measurement and management of the various environmental risk metrics that are present in a portfolio on an aggregate basis, when it is material.

Should there be developments that could materially affect the operations and financials of an investee company, portfolio manager should re-assess the risk and return profile of the investment or portfolio. It allows the portfolio manager to make an informed decision on whether to continue with the investment, make adjustments to the composition of the portfolio, or put in place other mitigating measures to better manage the environmental risk in the investment or portfolio.

Portfolio managers should consider environmental scenario analysis results of portfolios for risk management purposes. The analysis includes an assessment of physical and transitional risks across a range of climate-related scenarios, including increases in global temperature, and whether the transition to a low-carbon economy occurs in an orderly or disorderly fashion. For example, on physical risk, an asset manager could assess the impact on revenue and profitability of investee companies that are more exposed to sea level rise (such as companies owning seafront properties) or extreme weather events (such as agricultural companies). On transitional risk, asset managers could assess the level of sensitivity of an investee company's cost of doing business to higher carbon price.

Engagement with company management and proxy voting play a fundamental role in our efforts to help manage, bolster, and enhance the value of Invesco's clients' investments. The proxy voting process at Invesco, focuses on protecting clients' rights and promoting governance structures and practices that reinforce the accountability of corporate management and boards of directors to shareholders. Voting decision lies with our portfolio managers and analysts with input and support from our Global ESG team and Proxy Operations functions. Invesco's approach to engagement is investment team-led, which is defined as where investment teams participate in dialogue with issuers. As active owners and good stewards, Invesco considers engagement with issuers as a powerful and effective tool to promote long-term value creation, for the benefit of our clients.

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For issuers that have financially material ESG risks including environmental and climate-related risks that may be material for fixed income security valuations or impact significantly on an issuer ability to meet its debt obligation, engagements may include dialogue on these matters taking into account relationship with the investee company and the investee company's willingness and ability to improve its environmental risk profile, as well as the availability of alternative options to effectively mitigate the investment's exposure to environmental risk. Momentum trend for each's issuer ESG grade is also assessed relative to sector pace for each issuer.

3. Environmental risk management framework

Risk Team has implemented an environmental risk management framework that entails the following key aspects. Risk Team is responsible for:

a. evaluating the material and relevant environmental related risks of the portfolio and benchmark (when there is an official benchmark or applicable proxy benchmark) for the investment strategy managed.

b. regularly monitoring the environmental risk metrics of the portfolio in relative / absolute terms where appropriate. If there are any material and relevant environmental related risks, Risk Team will notify the portfolio managers for their consideration. Further, the risks will be discussed in the portfolio review meeting, facilitated by Risk Team.

c. using third-party data providers for ESG risk score, carbon footprint, temperature alignment and scenario analysis data on each security/issuer.

d. conducting scenario analysis for portfolios and benchmarks on a regular basis. Risk Team selects seven scenarios following the recommendation of The Network of Central Banks and Supervisors for Greening the Financial System ("NGFS") and simulates portfolio's physical, transitional and combined impact to the environmental risks under different pathways.

e. where it is assessed that environmental risks are irrelevant to certain types of investment strategies or funds under management, maintaining appropriate records to explain why environmental risks are irrelevant in those cases.

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A. Risk monitoring

The Risk Team uses Invesco's internal risks system, i.e., Multi Analytics Platform ("MAP") to prepare reports and monitor the below risk metrics monthly on relative / absolute basis where appropriate. For portfolios without an official benchmark, Risk Team would try to assign a proxy benchmark (if applicable) to the portfolio for monitoring on relative basis. If there is no appropriate benchmark, then the portfolio will be monitored on absolute basis. Reports are available through MAP to relevant internal teams, including Investment, Product, ESG, and Sales, and predefined alerts and thresholds automatically notify the portfolio manager by email when triggered.

- Environmental risk rating
- Overall ESG risk rating (For MPFA regulated funds only)

Approach	Alert	Threshold
Relative	Portfolio's rating is 2 notches below the benchmark	Portfolio's rating is 3 notches or more below the benchmark
Absolute	B rating	CCC rating

When the environmental risk rating or the overall ESG risk rating exceeded the threshold level, the portfolio is considered to have material environmental risk / ESG risk. The material risk incident will be reported in the GCRMC meeting.

- Yellow alert exceedance

The yellow alert serves as an early warning signal, but it does not represent an environmental / ESG target or a predetermined environmental / ESG risk profile for the portfolio. It is triggered when the portfolio exhibits elevated environmental or ESG risk, assessed on a benchmark-relative or absolute basis, as applicable.

Risk Team will notify the portfolio manager of the alert exceedance and continue to monitor the metric closely. The fund managers are expected to diligently monitor and evaluate the risk level and exercise caution in their decision-making process. While no immediate action is mandated, it is important for fund managers to remain mindful of the potential increased risk due to change in external risk factors.

- Amber threshold exceedance

The amber threshold serves as an internal soft limit. An exceedance generally indicates that the portfolio is materially exposed to environmental /ESG risk and there is an action that needs to be taken. The Risk Team will discuss with the portfolio manager to evaluate the remedial action, ensuring it is appropriate given the specific root cause/circumstances of the exceedance, properly documented, and undertaken in a timely manner. Amber threshold exceedances are reported to the GCRMC with the associated remedial action plan.

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B. Escalation procedure

- Yellow alert exceedance

1. Upon identification of a yellow alert exceedance, an email is generated notifying the Investment Risk Team along with the portfolio manager for information purposes.
2. On a monthly basis, an email is generated highlighting all current alert exceedances. This is shared with the Investment Risk Team and the impacted portfolio managers, and contains the age of the exceedance and any follow-up actions required.
3. As part of the portfolio review sessions, all alert exceedances are presented in the meeting and follow-up actions (if any) will be noted.
4. An alert exceedance that has been active for more than three months, will be documented with the specific rationale and what, if any, remedial action is being sought.

- Amber threshold exceedance

1. Upon identification of an amber threshold exceedance, Investment Risk will discuss the exceedance with the portfolio manager. Together the portfolio manager and Investment Risk will evaluate the remedial action, ensuring it is appropriate given the specific root cause/circumstances of the exceedance, properly documented, and undertaken in a timely manner.
2. Each amber threshold exceedance is required to have a documented action plan proposed by the portfolio manager and approved/accepted by Investment Risk.
3. All amber threshold exceedances are escalated to the GCRMC

C. Portfolio review

The environmental risk report is included as part of the portfolio review materials to be circulated before the regular portfolio review meeting which is a forum for discussion of investment and performance related issues including environmental risk and ESG issues. During the review meeting, both Risk Team and/or ESG specialist will highlight the material and relevant environmental risk within the portfolio. Portfolio manager should take reasonable steps to assess the impact of the risks on the performance of underlying investments and determine if remediation is required.

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4. Environmental risk report

In the environmental risk report, Invesco adopts several metrics to assess the environmental risk of the portfolio. These metrics include:

a. Environmental risk score
b. Carbon footprint
c. Temperature alignment
d. Scenario analysis

A. Environmental risk score

The report shows the environmental risk score from either external ESG data providers or internal ESG resources.



Top 10 Environmental Risk Holdings

No.	Identifier	Security Name	MSCI Sector	Port %	Bmk %	Active	P Adj%	B Adj%	Score	Rating
1		Company A	Consumer Staples	0.27	0.03	0.25	0.33	0.03	1.1	CCC
2		Company B	Information Technolo	0.25	0.03	0.22	0.29	0.03	2.0	B
3		Company C	Materials	0.48	0.27	0.21	0.57	0.28	2.2	B
4		Company D	Information Technolo	0.37	0.14	0.23	0.44	0.14	2.3	B
5		Company E	Information Technolo	0.88	0.18	0.70	1.05	0.19	2.7	B
6		Company F	Consumer Discretiona	0.09	0.29	-0.21	0.10	0.31	2.8	B
7		Company G	Information Technolo	0.27	0.01	0.26	0.32	0.01	2.9	BB
8		Company H	Financials	1.03	0.12	0.91	1.23	0.13	3.2	BB
9		Company I	Information Technolo	0.63	0.03	0.60	0.75	0.03	3.2	BB
10		Company J	Information Technolo	0.52	0.12	0.40	0.62	0.13	3.2	BB
		Top 10 Total		4.79	1.23	3.56	5.70	1.29		

Port Coverage %
84.6%
Bmk Coverage %
95.5%

**For illustrative purposes only*

The environmental risk score is calculated from a bottom-up approach based on the security weight (excluding uncovered assets and rebase to 100%). Risk Team calculates the 5-year historical environment risk score for the portfolio and benchmark (if applicable) based on the historical holdings to see how the trend evolves over time.

Furthermore, the report shows the distribution of assets under different environmental risk rating against the benchmark as well as the top 10 contributors to the portfolio environmental risk score. It helps portfolio manager to understand the overall risk profile against the benchmark and assess the environmental risk for those assets with worser environmental risk score.

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B. Carbon footprint

Risk Team calculates the portfolio and benchmark level carbon footprint on a regular basis according to the formula below.

$$\sum_{N}^{i} \frac{\left(\frac{Current\ value\ of\ investment_i}{Investee\ company's\ enterprise\ value_i} \times Investee\ company's\ Scope\ 1,2\ and\ 3\ Greenhouse\ gas\ emissions_{\ i}\right)}{\text{Current Portfolio Value (\$ million)}}$$

Scope 1, 2 and 3 greenhouse gas emission data is presented in the report. The current portfolio and benchmark level carbon footprint is calculated against their historical range for comparison. The report also includes the top 10 contributors to the carbon footprint of the portfolio for the portfolio manager to consider.

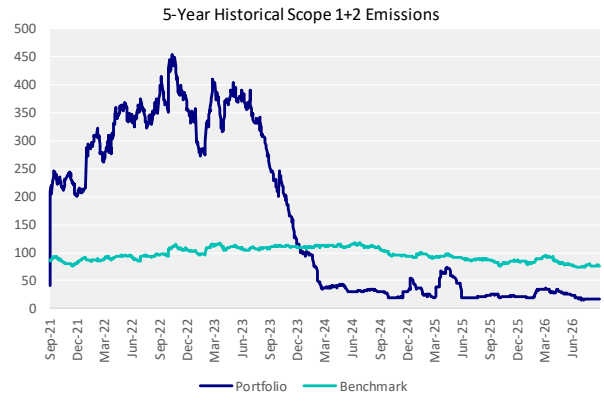
5. Carbon Footprint

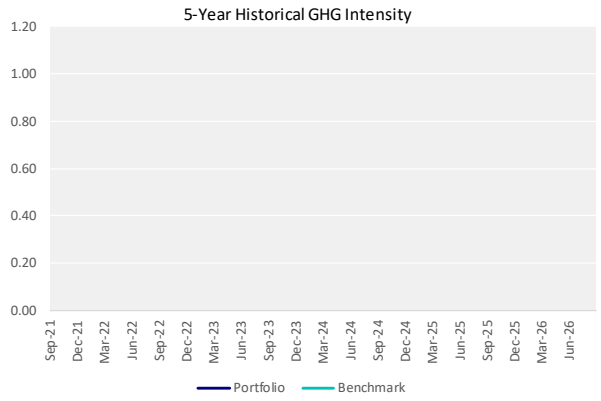
Corporate Carbon Emission (tons CO2e per M USD$)

	Portfolio	Benchmark	Relative	Port Coverage %
Scope 1	8.2	59.7	-51.4	97.6%
Scope 2	8.7	17.0	-8.3	**Bmk Coverage %**
Scope 3	180.9	333.1	-152.1	99.8%
Scope 1+2	16.9	76.7	-59.7	
Scope 1+2+3	197.8	409.7	-211.9	

Sovereign GHG Intensity (Kton per M€ GDP)

	Portfolio	Benchmark	Relative	Port Coverage %
GHG Intensity	--	--	--	--
				Bmk Coverage %
				--





Top 10 Carbon Emissions Contributors

No.	Identifier	Security Name	MSCI Sector	Port %	Bmk %	Active	Scope 1	Scope 2	Scope 1+2	Scope 3	Scope 1+2+3
1		Company A	Materials	0.21	0.19	0.02	4.3	1.4	5.7	3.1	8.8
2		Company B	Utilities	0.78	0.06	0.71	2.0	0.3	2.3	1.0	3.3
3		Company C	Materials	0.58	0.75	-0.16	0.3	0.6	0.9	1.4	2.3
4		Company D	Information Te	3.81	1.26	2.55	0.0	0.6	0.7	6.8	7.4
5		Company E	Information Te	9.07	8.43	0.64	0.1	0.5	0.6	0.4	1.0
6		Company F	Consumer Dis	0.43	0.11	0.32	0.2	0.3	0.6	0.4	0.9
7		Company G	Consumer Dis	0.63	0.93	-0.30	0.1	0.5	0.5	10.0	10.6
8		Company H	Consumer Dis	5.11	5.00	0.12	0.1	0.4	0.5	4.7	5.2
9		Company I	Materials	0.76	0.70	0.06	0.2	0.2	0.4	2.2	2.7
10		Company J	Materials	0.58	0.12	0.46	0.0	0.4	0.4	14.0	14.4

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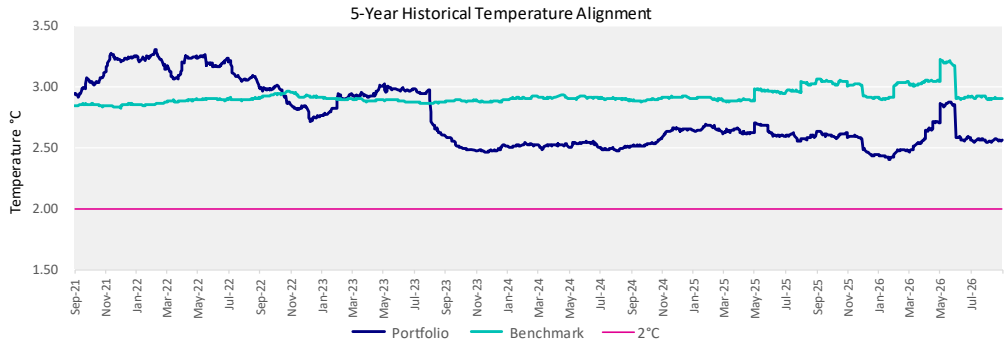
C. Temperature alignment

The temperature alignment is a forward-looking metric that attempts to convey the future trajectory of greenhouse gas emissions of a given entity or portfolio in terms of its estimated global temperature rise from pre-industrial levels. The report also shows the trend of temperature alignment of the portfolio against the benchmark level over the past 5 years for comparison. The temperature alignment is calculated from a bottom-up approach taking into consideration the security weight (excluding uncovered assets and rebase to 100%). The report also compares the percentage of the time the portfolio's temperature alignment is above/below the benchmark over the past 5 years. It helps the portfolio manager to understand the trend of temperate alignment of the portfolio against the benchmark, and assess if there is any material and relevant environmental related risks.

The report includes the percentage of the AUM of the portfolio and benchmark with temperature alignment below 2°C and the top 10 contributors to the temperature alignment in the portfolio.

4. Temperature Alignment

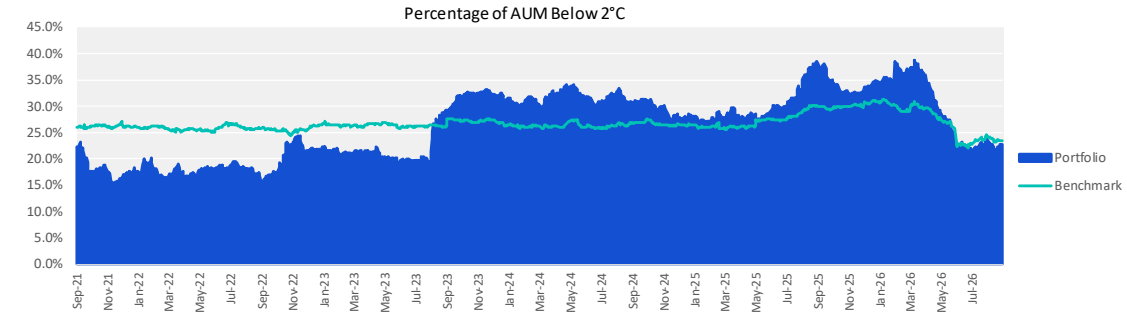
Historical Temperature Alignment



Current Temperature °C	
Portfolio	2.57
Benchmark	2.91

% of Time Above/Below Bmk	
Below Bmk	67%
Above Bmk	33%

Coverage %	
Portfolio	79.2%
Benchmark	82.4%



Top 10 Temperature Contributors

No.	Identifier	Security Name	MSCI Sector	Port %	Bmk %	Active	P Adj%	B Adj%	°C	% Contrib to Temp.
1		Company A	Information Technolo	9.07	8.43	0.64	11.48	10.23	3.00	13.41
2		Company B	Consumer Discretiona	5.11	5.00	0.12	6.47	6.06	3.30	8.32
3		Company C	Information Technolo	6.79	3.66	3.13	8.59	4.44	2.30	7.69
4		Company D	Information Technolo	3.81	1.26	2.55	4.82	1.53	2.70	5.07
5		Company E	Information Technolo	4.75	2.31	2.43	6.01	2.81	2.10	4.91
6		Company F	Communication Servi	7.01	7.29	-0.28	8.88	8.85	1.40	4.84
7		Company G	Utilities	0.78	0.06	0.71	0.98	0.08	10.00	3.83
8		Company H	Information Technolo	1.61	0.47	1.15	2.04	0.57	3.80	3.02
9		Company I	Information Technolo	2.26	1.02	1.25	2.87	1.23	2.70	3.01
10		Company J	Information Technolo	1.90	0.46	1.44	2.41	0.56	3.20	3.00
		Top 10 Total		43.09	29.95	13.14	54.56	36.35		57.11

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D. Scenario analysis

The report compares the scenario analysis results of the portfolio against the benchmark. The scenario analysis helps portfolio managers to understand the resilience of the investment strategy to the environmental risk under different pathways based on the portfolio holdings. The seven scenarios recommended by NGFS are chosen for the portfolios scenario analysis as shown in the table below.

#	Scenario	Description
1	Net Zero 2050	Global CO2 emissions are at net-zero in 2050.
2	Below 2°C	Optimal carbon prices in line with long-term targets are implemented after 2020 and keeps 67-percentile of warming <2°C throughout the 21st century.
3	Delayed Transition	The next 10 years see a "fossil recovery" and thus follow the trajectory of the current policies scenario until 2030.
4	NDCs ("National Defined Commitment")	Currently pledged unconditional NDCs are implemented fully, and respective targets on energy and emissions in 2025 and 2030 are reached in all countries.
5	Hot House World	Existing environmental policies remain in place, and there is no strengthening of ambition level of these policies.
6	Low Demand	Assumes the global efforts (reducing energy demand) needed to be able to limit global warming to below 1.5°C by 2050 in an orderly fashion.
7	Fragmented World	Assumes policies being implemented in a fragmented manner, meaning that countries delay the implementation, with climate policies starting only in 2030. From 2030 onwards, there is divergence in mitigation stringency across sectors and geographies, rendering efforts overall insufficient to reach net zero.

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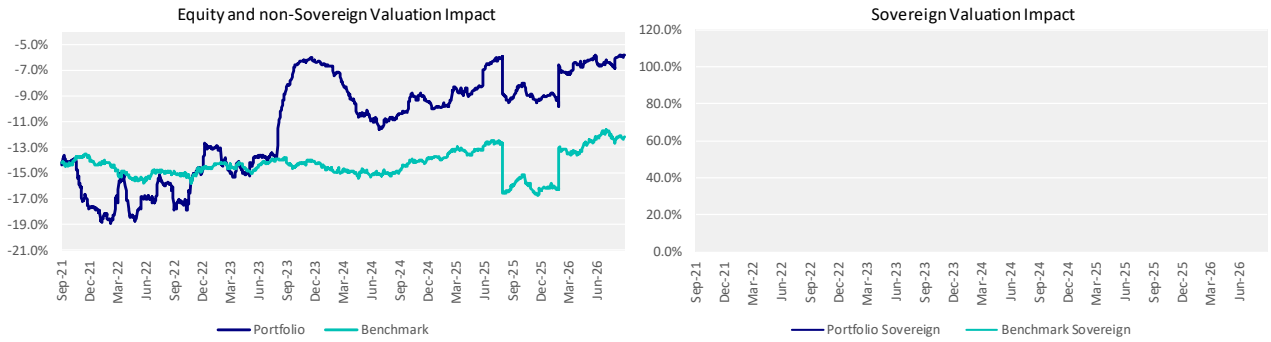
The scenario analysis simulates the impact of physical, transitional risk and the combination of both risks on the portfolio against the benchmark, from a bottom-up approach based on the security weight (excluding uncovered assets and rebase to 100%) under different environmental pathways. Also, the environmental risk report highlights the top 5 valuation detractors in the portfolio.

6. Scenario Analysis

Net Zero 2050 - Global CO2 emissions are at net-zero in 2050

Equity and non-Sovereign	Physical	Transitional	Total	Coverage %
Impact on Portfolio	-0.58%	-5.07%	-5.84%	96.3%
Impact on Benchmark	-1.09%	-10.68%	-12.23%	97.9%
Relative Valuation Impact	0.51%	5.61%	6.39%	

Sovereign	Total	Coverage %
Impact on Portfolio	--	--
Impact on Benchmark	--	--
Relative Valuation Impact	--	



Top 5 Valuation Impact Contributors

No.	Identifier	Security Name	MSCI Sector	Port %	Bmk %	Active	P Adj%	B Adj%	Total Impact	% Contrib to Total Impact
1		Company A	Utilities	0.78	0.06	0.71	0.81	0.07	-93.9%	13.01
2		Company B	Materials	0.58	0.12	0.46	0.60	0.12	-90.6%	9.35
3		Company C	Information Technolo	2.26	1.97	0.28	2.35	2.01	-18.7%	7.52
4		Company D	Information Technolo	1.29	0.58	0.71	1.34	0.60	-20.5%	4.70
5		Company E	Consumer Discretiona	5.11	5.00	0.12	5.32	5.10	-4.7%	4.32
		Top 5 Total								38.90

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