

# Statement of ESG Investing Beliefs

At Invesco, our commitment to environmental, social and governance (ESG) investing is a key element of our ambition to be the most client-centric asset manager. We recognise that ESG matters greatly to our clients, communities and stakeholders.

**It matters to us.**

**Marty Flanagan**



**“We are motivated by the belief that doing what’s right for the environment, our people and the communities we serve helps us deliver the best possible experience to clients.”**



Our fundamental belief is that ESG investing is an essential part of the solution to a sustainable future. We view it as an important agent of change in driving a holistic perspective on the investment industry’s role in creating value. Our commitment goes far beyond delivering elements of ESG at a functional level, it goes to the heart of the way we are working with our clients to realise the value they seek.

Invesco’s purpose is to deliver an investment experience that helps people get more out of life. Sustainable value creation and effective risk mitigation are fundamental to achieving that goal. As a result, our focus is on integrating ESG into the heart of our investment process, with our investment teams taking decisions every day on how to manage this integration and how to use our leverage in important areas such as client engagement and proxy voting. We also flex this work around more specific client needs, using skills such as our self-indexing capabilities to provide the right ESG solutions. Our dedicated global ESG Team act as a center of excellence to guide, support and inform all our work in this area.

Our clients expect us to take the lead on how ESG will reshape the investment landscape. And for the next generation of investors, ESG will be a given. We have achieved much so far, but we know there is always more to do.

ESG investing is a journey not a destination. ESG will always evolve and we are committed to continually reviewing and developing our approaches further.

Sincerely,



**Marty Flanagan**  
President and Chief Executive Officer



**Greg McGreevey**  
Senior Managing Director, Investments

# What is Invesco doing to put ESG at the

## forefront of our role as investors?



### ESG integration everywhere

Various aspects of ESG have an impact on sustainable value creation, as well as risk management. We aspire to incorporate ESG considerations in all our investment capabilities and our processes.



### Climate as a focus topic

Climate change is a key focus for us and our clients. Invesco has committed to the Task Force on Climate-related Financial Disclosures and we are part of the solution by supporting and investing in companies that are allocating capital towards the transition.



### Benefiting from diversity of thought

We value diversity of thought so our ESG implementation is not generic. Our Global ESG team functions as a center of excellence, setting standards and providing specialist insights on research, engagement, voting, integration, tools, client and product solutions. Invesco's Chief Investment Officers and teams leverage this resource to tailor and implement ESG approaches relevant to their asset classes and investment styles.



### A commitment to solutions

Increasingly, our clients want us to provide the means for them to explicitly express their own ESG values through investment vehicles. We will continue to develop innovative solutions and products to deliver for them. Already, we manage more than \$25bn<sup>1</sup> in dedicated sustainable investing strategies (exclusionary/inclusionary/impact) and we will build on our experience.



### Using our influence

Much of our work is rooted in fundamental research and frequent dialogue with companies making Invesco well placed to use our ESG expertise and beliefs in ways that drive corporate change. As a provider of both active and passive strategies, we amplify our active votes as our passive vote follows the largest active holder. In addition to corporate change we also participate in extensive industry dialogue to influence systemic industry developments.



### Transparency

We have a deep belief in the need for transparency and to hold up a mirror to our own internal corporate commitment to ESG investing as well as our corporate commitment to social responsibility. We will continue to evolve our investment and corporate disclosures and have taken a leading standard through our annual Global Investment ESG Stewardship report. For details on our corporate activities please see our Corporate Responsibility Report.



### A track record to build on

We have a recognised ESG track record. For the last four consecutive years, we've achieved an A+ rating from the PRI (Principles for Responsible Investment) for our strategy and governance. In Private Markets, over the last five years, Invesco Real Estate has been recognised by GRESB as a global leader in its sustainable management of buildings. We will continue to evolve and set a leading standard for our ESG approach. We will not be afraid to raise our voice on this topic and to call for our whole industry to make meaningful progress, more quickly.

<sup>1</sup> Source: Invesco, October 2020.

## Investment risks

The value of investments and any income will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested.

## Important information

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