
Invesco Global Active ESG Equity UCITS ETF

(the “Fund”)

Sustainability-related disclosures

Contents

- | | |
|----|--|
| 02 | Summary |
| 03 | No sustainable investment objective |
| 05 | Environmental or social characteristics of the financial product |
| 06 | Investment Strategy |
| 09 | Proportion of investments
Monitoring of environmental or social characteristics |
| 10 | Methodologies for environmental or social characteristics |
| 11 | Data sources and processing |
| 12 | Limitations to methodologies and data
Due diligence |
| 13 | Engagement policies |

Summary

The Fund meets the Article 8 requirements of the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR). It promotes, among other things, environmental and/or social characteristics while also ensuring that investee companies follow good governance practices.

The Fund follows an environmental, social and governance (ESG) integrated multi-factor strategy. While strict ESG filters are applied, the investment team aims at earning factor premiums, using their proven multi-factor investment approach which considers Momentum, Quality and Value.

The Fund invests in global developed markets listed equities. The consideration of sustainability criteria is an integral part of every step of our investment process. The investment process of the Fund is based on three building blocks: ESG Policy, security selection and proxy voting and engagement.

Combination of appealing characteristics

- Implementing holistic **ESG criteria** in investment process
- Extra return potential from **Multi-Factor Model**
- Achieving **measurable improvement** of ESG characteristics



The ESG criteria are designed to ensure compliance with international conventions:

- UN Global Compact,
- UNGPs,
- OECD Guidelines for Multinational Enterprises,
- ILO Conventions,
- UNEP Stockholm Convention,
- OSPAR Convention,
- Montreal Protocol on substances that deplete the ozone layer,
- United Nations -Agenda 21 -1992,
- UN Convention on Biological Diversity, and
- The 2001 Stockholm Convention on Persistent Organic Pollutants

The investment team regularly reviews the ESG criteria in the Fund and will adapt the criteria if new knowledge on ESG is obtained. In particular, the Fund excludes securities based on:

- Level of involvement in Coal extraction and production;
- Level of involvement in conventional and unconventional Oil and Gas such as Arctic oil and gas exploration, oil sands extraction and Shale energy extraction;
- Level of involvement in Tobacco production and tobacco-related products;
- Level of involvement with recreational cannabis;
- Companies involved in the manufacture or sales of military or civil firearms.

The Fund's exclusion criteria is aligned with the exclusions for Paris-Aligned Benchmarks details in Article 12(1)(a) - (g) of Commission Delegated Regulation (EU) 2020/1818.

Whilst the Fund does not have sustainable investment as its objective, the Fund aims to allocate at least 50% of its portfolio in sustainable investments.

No sustainable investment objective

This Fund promotes environmental or social characteristics but does not have as its objective sustainable investment.

However, the Fund has 50% minimum allocated to sustainable investments (as further explained under “Environmental and social characteristics of the product”).

The Fund takes into account the mandatory principal adverse impacts (PAI) indicators defined in Table 1 of Annex I of the regulatory technical standards for Regulation 2019/2088 by using the qualitative research and/or engagement of Invesco’s ESG team, to assess whether the sustainable investments of the Fund causes significant harm to the relevant environmental or social investment objective. Where a company is determined to cause such significant harm, it can still be held within the Fund’s portfolio but will not be considered a “sustainable investment” within the Fund. Please find below the table and metrics used to assess the DNSH.

PAI Indicators used to assess Do No Significant Harm (DNSH)

PAI No.	PAI Indicator	Portfolio Rollups
1,2,3	ISS Scope 1 Emissions	1. Total Emissions (Financed) Scope 1+2
	ISS Scope 2 Emissions	2. Carbon Footprint Scope 1+2
	ISS Scope 3 Emissions	3. Total Emissions Scope 1+2+3
	ISS Scope 1 Emissions (EUR)	4. Carbon Footprint Scope 1+2+3
	ISS Scope 2 Emissions (EUR)	5. WACI 1+2
	ISS Scope 3 Emissions (USD)	6. WACI 1+2+3
4	SA Carbon – Fossil Fuel-Level of Involvement Range-SFDR	% of the Fund exposed to any fossil fuels revenue
5	SA Share of Non-Renewable Energy Production_Percentage-SFDR	Adjusted Weighted Average
	SA Share of Non-Renewable Energy Consumption_Percentage-SFDR	Adjusted Weighted Average
6	SA Energy Consumption Intensity _Agriculture, Forestry & Fishing-SFDR	Adjusted Weighted Average
	SA Energy Consumption Intensity _Construction-SFDR	Adjusted Weighted Average
	SA Energy Consumption Intensity _Electricity, Gas, Steam & Air Conditioning Supply-SFDR	Adjusted Weighted Average
	SA Energy Consumption Intensity _Manufacturing-SFDR	Adjusted Weighted Average
	SA Energy Consumption Intensity _Mining & Quarrying-SFDR	Adjusted Weighted Average
	SA Energy Consumption Intensity _Real Estate Activities-SFDR	Adjusted Weighted Average
	SA Energy Consumption Intensity _Transportation & Storage-SFDR	Adjusted Weighted Average
	SA Energy Consumption Intensity _Water Supply, Sewerage, Waste Management & Remediation Activities-SFDR	Adjusted Weighted Average

PAI No.	PAI Indicator	Portfolio Rollups
	SA Activities Negatively Affecting Biodiversity Areas-SFDR	% Weight of Portfolio
8	SA Emissions to Water _Tonnes-SFDR	((Market Value/EVIC)*(Tonnes of Emissions to water))/Million EUR Invested; Same as Carbon footprint calculation
9	SA Hazardous Waste Production _Tonnes-SFDR	((Market Value/EVIC)*(Tonnes of Hazardous Waste))/Million EUR Invested; Same as Carbon footprint calculation
10	SA Breach of UN Global Compact Principles & OECD Guidelines for Multinational Enterprises-SFDR	% Weight of Portfolio
11	SA Lack of Processes & Compliance Mechanisms to Monitor Compliance with UN Global Compact Principles & OECD Guidelines for MNEs-SFDR	% Weight of Portfolio
12	SA Unadjusted Gender Pay Gap _Percentage of Male Employees Gross Hourly Earnings-SFDR	Adjusted Weighted Average
13	SA Board Gender Diversity _Percentage of Female Board Members-SFDR	Adjusted Weighted Average
14	Controversial Weapons - manufacturer or intended use involvement	% Weight of Portfolio
	Sovereign	
15	SA Carbon Emissions Intensity-SFDR	Weighted Average
16	SA Any Country Social Violations-SFDR	No. of Counties involved in Violations; % of countries involved in violations
	Optional Indicators	
E	Lack of Carbon Emission Reduction Initiatives-SFDR	% Weight of Portfolio
S	Lack of Human Rights Policy-SFDR	% Weight of Portfolio

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

Environmental or social characteristics of the financial product

The Fund will have various environmental and social characteristics with a particular focus on environmental issues (such as carbon emissions) as further described below.

The Fund aims to select companies that display excellence in sustainable management and sustainable products or processes, fulfilling ecological and social requirements particularly well, ranging from climate efficiency and pollution to labour safety and satisfaction.

The Fund has 50% minimum allocated to sustainable investments. To determine if an investment should be considered a sustainable investment, there is a three-step process. First, several qualitative checks are performed for the Fund and the selection criteria includes:

- Alignment with the UN Sustainable Development Goals (SDGs): In scope are companies that at least derive 25% of their revenues from social or green goods & services.
- Current holding of existing Article 9 products managed by the Invesco Quantitative Strategies team
- Energy transition score & ESG score: Best in class approach. Companies that score in the top 25% within the respective peer group for either score eligible
- GICS: Issuer operates within the “Food Products Industry” or “Healthcare Sector”

Note that Invesco relies on third-party data providers to assess issuer's performance on the above criteria. In addition, it should be noted that the full weight in the portfolio will count as sustainable investments when meeting the above criteria.

Second and as disclosed in the section above, the Fund uses the mandatory principal adverse impacts (PAI) indicators defined in Table 1 of Annex I of the regulatory technical standards for Regulation 2019/2088, combined with qualitative research and/or engagement, to assess whether the sustainable investments of the Fund cause significant harm (DNSH) to a relevant environmental or social investment objective.

Where a company is determined to cause such significant harm, it can still be held within the Fund but will not count toward the “sustainable investments” within the Fund. Please refer to section “No sustainable investment objective” for more information on the PAIs and metrics used to assess the DNSH as well as how the Fund considers international norms and standards.

The Fund applies, in addition to the regulatory mandated exclusions with regards to controversial weapons and sovereign debt sanctions, additional exclusions based on the following factors, which may be periodically updated:

- Level of involvement in Coal extraction and production;
- Level of involvement in conventional and unconventional Oil and Gas such as Arctic oil and gas exploration, oil sands extraction and Shale energy extraction;
- Level of involvement in Tobacco production and tobacco-related products;
- Level of involvement with recreational cannabis;
- Companies involved in the manufacture or sales of military or civil firearms;

In addition, companies will be excluded if they are assessed as being in violation of any of the UN Global Compact's principles or significant controversies in community involvement, human rights, labour rights, pollution or biodiversity, based on third-party data and the investment team's proprietary analysis and research. Exclusions apply on a continuous basis during the life of the Fund.

The Fund's exclusion criteria is aligned with the exclusions for Paris-Aligned Benchmarks details in Article 12(1) (a) - (g) of Commission Delegated Regulation (EU) 2020/1818.

Investment strategy

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

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

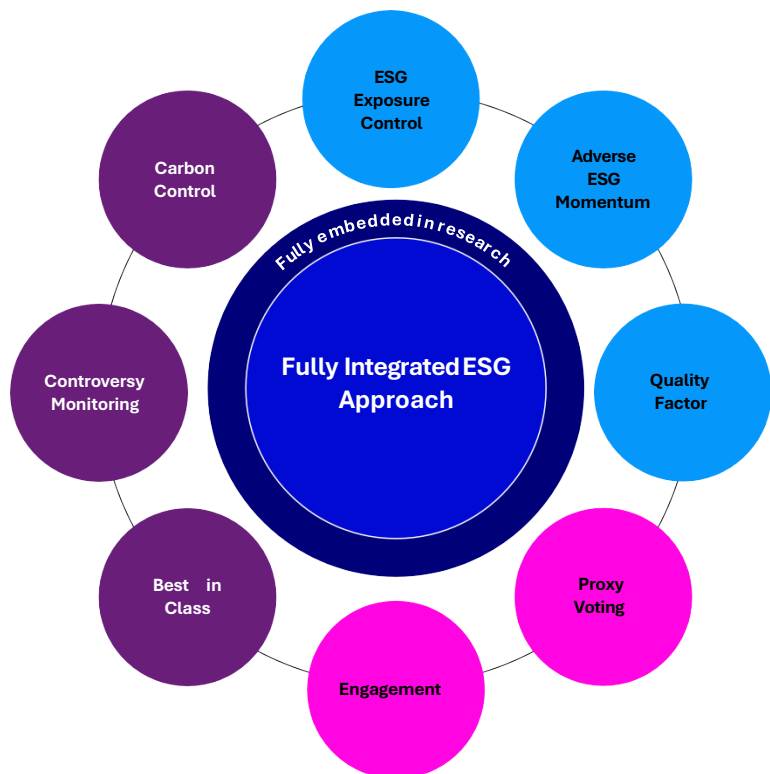
- Explicit and implicit consideration of key ESG aspects in the multi-factor optimization process
- Active dialogue with companies through engagement programs and investor-oriented proxy voting with Invesco’s proprietary proxy voting platform
- Offering optionality to implement additional, customized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

Holistic ESG consideration in our investment process

Integrating key aspects of ESG

We consider ESG at several layers in our investment process:

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



Source: Invesco. For illustrative purposes only.

The IQS team's investment process is built on the factors Momentum, Quality and Valuation, which can explain the long-term risk and return characteristics of equities. The team has identified that some signals within the Quality factor show positive correlation to governance factors. The calculation of these Quality signals is part of the daily factor score production and the multi-factor investment process. These Quality signals prefer companies with a high balance sheet quality which, for example, buy back shares and do not show disproportionate balance sheet growth. Governance factors also prefer companies in which management acts in the interests of shareholders and does not pursue unprofitable business projects.

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

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

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

Using a wide range external data vendors, the investment team is able to define a set of ESG criteria. Exclusion criteria and negative criteria can be used to eliminate companies that fail to meet certain ESG criteria, while with positive criteria, companies can be identified, which are particularly characterised by sustainable economic development, positive products or processes.

For the best-in-class approach, the IQS team uses a broad ESG score.

The Fund uses the following exclusion criteria:

Controversial Activities		Excluded If
Coal	Revenues derived from exploration, mining, distribution or refining of hard coal and lignite	>=1%
	Revenues derived from burning coal for power generation	>=5%
	Proportion in electricity generation fuel mix from coal	>=5%
	Structural increase of thermal coal activities over 3 years	Yes
	On the Urgewald Coal Exit list	Yes
Unconventional oil & gas	Revenues that comes from projects or the extraction of tar sands and oil shale, as well as the proportion of reserves in tar sands or oil shale	>0%
	Involvement in fracking activities	Yes
	Involvement in arctic drilling activities	Yes
	Involvement in coalbed methane, extra heavy oil and ultra deep drilling	Yes
	On the Urgewald Global Oil & Gas list	Yes
Fossil fuel industry	Revenues derived from fossil fuel industries including upstream (exploration and production), midstream (processing and transport), power generation from fossil sources as well as supporting activities to the fossil fuel industry	>=5%
	Structural increase of fossil activities over 3 years	Yes
Biodiversity	Controversies in the field of endangering biodiversity	Yes
Pollution	Controversies in the field of preventing and managing of accidental pollution or soil pollution	Yes
Community involvement	Controversies in the field of community involvement (including e.g. impact of operations on the local economy, responsible tax strategy, transfer of technology and skills)	Yes
Nuclear power	Revenues from nuclear power	>=5%
	Proportion in electricity generation fuel mix from nuclear power	>=5%
GMOs	Production of genetically modified organisms	>=5%
Stem cell research	Research on human embryonic stem cells or on human foetal stem cells	Yes
Civilian Firearms	Manufacture or sale of civilian firearms or related products	>=5%
	Manufacture of civilian firearms or related products	>=5%

Controversial Activities		Excluded If
Military	Sales that are related to military weapons including support systems and services	>=5%
	Controversial weapons (including nuclear weapons)	>0%
Tobacco	Revenue from production	>0%
	Revenue from distribution, including e-cigarettes	>=5%
	Support to Tobacco industry	>=25%
UN Global Compact	Non-compliant with UN Global Compact principles	Yes
Human Rights	Controversies in Labour Rights including the supply chain, forced or child labour and discrimination	Yes
Recreational Cannabis	Involvement in recreational cannabis	>=5%
Corruption	Controversies in corruption	Yes
Gambling	Revenues from production and distribution	>=10%
	Revenues from production	>=5%
Adult entertainment	Revenues from pornography and adult entertainment services or facilitating access	>=10%
	Turnover from pornography and adult entertainment services	>=5%
Corruption	Controversies in corruption	Yes

Definition of controversial weapons: Military weapons that have potential to cause excessive or indiscriminate harm, violate international norms, or mass destruction. These weapons are often subject to international treaties and agreements designed to limit their use, promote disarmament, and protect civilians from their effects. Exclusion screening includes landmines, cluster munitions, chemical weapons, biological weapons, incendiary weapons, non-detectable fragments, blinding lasers, and depleted uranium.

Definition of nuclear weapons: Weapons that use nuclear energy and reactions to cause an explosion. Exclusion screening includes companies involved in the production of nuclear weapons, exclusive and dual-use delivery platform, intended and dual-use components, and services.

Definition for support systems and Services: Support systems and services includes research, development, testing and evaluation; analysis and planning; equipment maintenance, repair, and overhaul; systems support; weapons training and simulation systems and services. Definition of support to the tobacco industry: Support includes the supply of products that do not contain tobacco themselves, but that are specifically manufactured for use in the consumption of tobacco products or their production: e.g. tobacco sorting machines, filters, pipes, cigarette paper, tobacco flavours and the packaging of tobacco products.

The Fund does not intentionally invest into fixed income securities as part of its investment strategy. In particular, the Fund will not invest in sovereign debt of countries that practice the death penalty.

For the best-in-class approach, the IQS team uses a MSCI ESG score.

During the construction of the portfolio, the Fund aims to reduce the aggregated Scope 1 and 2 greenhouse gas emission intensity by at least 50% compared to the market cap weighted benchmark. Furthermore, the Fund aims to reduce the Scope 1 and 2 financed emissions intensity by 7% per year. This annualised 7% reduction starts from 50% of the financed emissions intensity of the benchmark at the end of 2019.

The minimum reduction rate of the investment universe as a result of the above ESG screening is 51%. However, it is expected that the size of the investment universe of the Fund will be reduced by more than 51% in terms of number of issuers after the application of the above ESG screening.

The product does not structurally invest into fixed income securities neither issued by states nor by corporates.

Good governance

To ensure good governance of the investee companies, the IQS team first identifies the companies which violate this principle by systematically screening for controversies within the investable universe. To achieve this, the IQS team evaluates an extensive volume of news data for violations of good governance. These violations are aligned with the UN Global Compact and severe controversies in the area of human rights, labour relations and labour rights and community involvement and also covers tax compliance. Violations of these controversies and an inability to resolve in a timely manner, lead to a company being excluded from the investable universe and disinvested in case of a holding.

Proportion of Investments

A minimum of 90% of the Fund's NAV will be selected according to the binding elements of the investment strategy, on the basis that they align with the environmental and social characteristics of the Fund.

Up to 10% of the Fund's NAV will be invested in financial derivative instruments for hedging, efficient portfolio management and cash for ancillary liquidity purposes. These investments will not be aligned with the environmental and social characteristics of the Fund.

A minimum of 50% of the Fund's NAV will be invested in sustainable investments.

Monitoring of environmental or social characteristics

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

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

During every monthly construction of the portfolio, the Fund aims to reduce the aggregated Scope 1 and 2 greenhouse gas emission intensity by at least 50% compared to the market cap weighted benchmark (i.e. MSCI World Index).

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

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

Methodologies for environmental or social characteristics

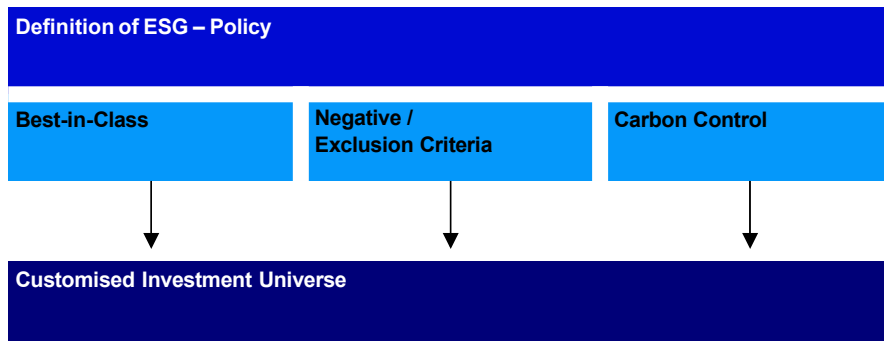
Customised ESG

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

ESG screening for equities

Environmental, social and governance focus

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



Source: Invesco. For illustrative purposes only.

Best-in-Class criteria

By applying best-in-class criteria, companies are identified that display excellence in sustainable management and sustainable products or processes. They fulfil ecological and social requirements particularly well, ranging from climate efficiency and low water consumption to labour safety and satisfaction.

Exclusion and negative criteria

By applying these criteria, companies, sectors or countries are excluded from the investment universe which fail to fulfil certain ESG criteria or that violate international norms and standards according to the definitions of the International Labour Organisation (ILO), the OECD or the United Nations. Using a wide range of data fields, the IQS team is able to define a set of ESG criteria. Exclusion criteria and negative criteria can be used to eliminate companies that fail to meet certain ESG criteria, while with positive criteria, companies can be identified, which are particularly characterised by sustainable economic development, positive products or processes.

For the best-in-class approach, the IQS team uses a broad ESG score.

Counterparty Selection

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

Securities Lending

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

Disinvestment period

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

Data sources and processing

Exclusion and negative screening – Details

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

Sustainable Investments – Details

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

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

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

Positive screening and best-in-class approach – Details

For the best-in-class approach, the IQS team uses a broad ESG score.

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

The Fund’s investment universe will be covered and assessed against the exclusion framework with the exception of investments for cash management, index derivatives, derivatives used for hedging or efficient portfolio management purposes.

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

Invesco use multiple datasets from different sources and it is difficult to generate the proportion of ESG data that is estimated. Certain categories of ESG data are more likely to be estimated (such as scope 3 emissions, certain business involvement categories, etc) due to a lack of consistent disclosure among issuers. Because of this, ESG data that is directly disclosed by an issuer is given preference over data that is generated by a vendor using a proxy, estimation model, industry average, or other means.

Invesco is committed to review the current ESG datasets that are used and will continue work with vendors to improve upon both the timeliness and accuracy of data that is used in construction of our ESG products. This data review is an ongoing process that involves members of our investment teams, ESG research team, ESG data analytics team, and our investment technology team.

Limitations to methodologies and data

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

Cash Management

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

Derivatives

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

Due diligence

All environmental and social characteristics are coded into the portfolio optimization used to construct the portfolio during the rebalance process. This ensures, that the optimizer adheres to the ESG policy. Portfolio managers review every trade to ensure the data consistency.

There are multiple levels of controls in place to ensure that the Fund meets its environmental and social characteristics and maintains a minimum of 50% of holdings allocated to sustainable investments. The first step in this due diligence process is a review of the data received from ESG data vendors to ensure that each update file is as complete as possible before ingestion into internal systems. This includes an analysis of the changes between the current data file and previous data files, highlighting significant changes and potentially requesting confirmation of these changes.

In addition to the data quality assurance process mentioned above, our internal investment compliance process checks each new transaction against a list of eligible securities and calculates if the transaction is not aligned with environmental and social characteristics and/or result in a breach of the minimum 50% sustainable investments threshold.

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

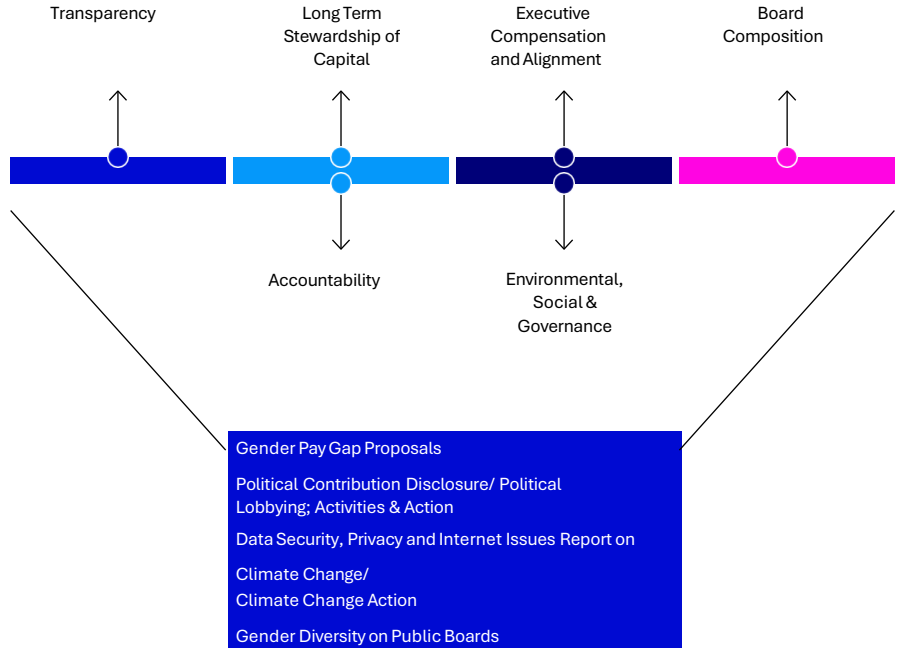
Engagement policies

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

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

Proxy Voting – Our good Governance Principles

Support of ESG shareholder proposals through Invesco's PROXYintel



Source: Invesco. For illustrative purposes only.

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

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

Engagement

IQS enters regularly into dialogue with carefully selected target companies. In general, the team look to engage on topics related to the IQS Priority ESG Themes, which are Climate Change, Human Rights, Supply Chain Management, Water and Bribery/Corruption.

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



Source: Invesco Quantitative Strategies. For illustrative purposes only.

IQS' engagement priorities follow methods:

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

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

Please click [here](#) to access our engagement and proxy voting policy.

Version	Date	Details of change
1.0	16 December 2022	Creation of the document
1.1	19 October 2023	Increase in the Minimum Sustainable Investment Percentage
1.2	9 August 2024	Update to Controversial Activities list
1.3	4 April 2025	<p>Update to exclusion criteria to incorporate the exclusions referred to in Article 12(1)(a)-(g) of Commission Delegated Regulation (EU) 2020/1818 (PAB exclusions).</p> <p>Update to reflect change from Moody's ESG Solutions to MSCI ESG data.</p> <p>Change to fund name from Invesco Quantitative Strategies ESG Global Equity Multi-Factor UCITS ETF to Invesco Global Active ESG Equity UCITS ETF.</p> <p>Change to incorporate a self-decarbonisation portfolio constraint.</p>