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# Principal adverse impact statement

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June 2025

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# 1. Summary

Invesco Investment Management Limited (549300FEA3DT84FOZ304) – hereinafter referred to as “IIML” - considers principal adverse impacts of its investment decisions on sustainability factors.

IIML is incorporated in Ireland and acts as the management company to Irish domiciled exchange traded funds and money market funds<sup>1</sup>, with combined assets under management of \$108,405 million as at 31 December 2024.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2024.

Under Regulation (EU) (Sustainable Finance Disclosure Regulation – “SFDR”), ‘financial market participants’ (FMPs) identify, measure and report on principal adverse impacts (PAIs) within their investments decisions. PAI’s are defined as the most substantial negative impacts of investment decisions on sustainability factors.

IIML has chosen to consider the material (or potentially material) effects on sustainability factors that result from, worsen, or are directly related to their investment choices.

IIML considers principal adverse impacts on sustainability factors at an entity level by measuring, reviewing and monitoring aggregate principal adverse impact data (including all mandatory and two additional indicators as defined by SFDR) with a view to carrying out mitigating actions (such as proxy voting). The measuring of principal adverse impacts is subject to the availability and quality of data.

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<sup>1</sup>As at the date of this statement, IIML acts as management company to Invesco Markets plc, Invesco Markets II plc, Invesco Markets III plc and Invesco Liquidity Funds plc

## 2. Description of the principal adverse impacts on sustainability factors

Under the guidelines issued in the Commission Delegated Regulation (EU) 2022/1288 (“SFDR Delegated Regulation”), IIML has set out the mandatory PAI indicators (contained in *Annex 1, Table 1 SFDR Delegated Regulation*) in the below table.

A subsection of the table contains the two additional PAI indicators chosen by IIML, as per the regulation:

- Investments in companies without carbon emission reduction initiatives (*Annex 1, Table 2 [4] SFDR Delegated Regulation*)
- Lack of human rights policy (*Annex 1, Table 3 [9] SFDR Delegated Regulation*)

Each indicator in the table relates to the undertakings of investee companies and sovereigns that funds under the management of IIML have invested in, with information against each PAI detailing, as far as is available, actions IIML is planning to take or has taken, to mitigate their impacts.

**Table: Description of the principal adverse impacts on sustainability factors**

| Adverse sustainability indicator                        | Metric                                                         | Impact (2024)                                                                                                                                                                                                                 | Impact (2023)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Actions taken, and actions planned and targets set for the next reference period                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
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| <b>Climate and other environment-related indicators</b> |                                                                |                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Greenhouse gas emissions</b>                         | 1. GHG Emissions                                               | Scope 1 GHG emissions                                                                                                                                                                                                         | 491897.36 tCO2e                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 379203.37CO2e                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p>The calculation methodology is consistent with the guidance provided in the SFDR Delegated Regulation. Each indicator is calculated based on the assets invested in the companies and fixed income securities.</p> <p><b>Corporate-level Activities:</b></p> <ul style="list-style-type: none"> <li>IIML's ultimate parent company, Invesco Ltd. is a signatory to the Task Force on Climate-Related Financial Disclosures (TCFD) and produces required TCFD reporting. In 2023, Invesco Ltd. published its third Climate Change report.</li> <li>Invesco Ltd. is a signatory to the Net Zero Asset Manager's initiative (Net Zero Asset Managers Initiative announced on January 13, 2025 that it has suspended its primary activities and while it reviews the initiative to ensure it remains fit for purpose in the current and future global context.)</li> </ul> <p><b>Fund-level Activities:</b></p> <ul style="list-style-type: none"> <li>For certain products that promote environmental/social characteristics or have sustainable investment as their objective, where this is aligned with the investment objective and policy of the fund, the strategy may avoid or reduce GHG emissions in high emitters through the use of screening and exclusion criteria. The exclusion frameworks (varying by product), may cover the exclusion of activities with highly negative climate impacts (e.g., thermal coal and conventional or unconventional oil and gas) in line with the investment objective of such products. Certain funds may apply additional or different ESG exclusion criteria. In some cases, funds use position sizing to target a specific reduction in GHG emissions intensity or incorporate a decarbonisation trajectory.</li> </ul> <p><b>Actions planned for the next reference period:</b></p> <ul style="list-style-type: none"> <li>IIML will continue to implement its principal adverse impact policy during the next reference period.</li> </ul> |
|                                                         |                                                                | Scope 2 GHG emissions                                                                                                                                                                                                         | 128073.84 tCO2e                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 90402.48 tCO2e                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                                         |                                                                | Scope 3 GHG emissions                                                                                                                                                                                                         | 5832575.01 tCO2e                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 4456400.90 tCO2e                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                                         |                                                                | Total GHG emissions                                                                                                                                                                                                           | 6452546.21 tCO2e                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 4926006.74 tCO2e                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                                         | 2. Carbon footprint                                            | Carbon footprint                                                                                                                                                                                                              | 289.86 tCO2e per Eur Million invested                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 242.86 tCO2e per Eur Million invested                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                                         | 3. GHG Intensity of investee companies                         | GHG Intensity of investee companies                                                                                                                                                                                           | 815.88 tCO2e per Eur Million revenue                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 784.49 tCO2e per Eur Million revenue                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                                         | 4. Exposure to companies active in the fossil fuel sector      | Share of investments in companies active in the fossil fuel sector                                                                                                                                                            | 16.92% weight of the funds                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 10.06% weight of the funds                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                                         | 5. Share of non-renewable energy consumption                   | Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources | <ul style="list-style-type: none"> <li>Consumption: 50.38 % of non-renewable energy</li> <li>Production: 24.20 % of non-renewable energy</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <ul style="list-style-type: none"> <li>Consumption: 49.29 % of non-renewable energy</li> <li>Production: 10.17 % of non-renewable energy</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                                         | 6. Energy consumption intensity per high impact climate sector | Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector                                                                                                                    | <ul style="list-style-type: none"> <li>Agriculture, Forestry &amp; Fishing: 1.61 GWH/Mil Eur Revenue</li> <li>Construction: 0.09 GWH/ Mil Eur Revenue</li> <li>Electricity, Gas, Steam &amp; Air Conditioning Supply : 4.32 GWH/Mil Eur Revenue</li> <li>Manufacturing: 0.37 GWH/Mil Eur Revenue</li> <li>Mining &amp; Quarrying: 1.62 GWH/Mil Eur Revenue</li> <li>Real Estate Activities: 0.56 GWH/Mil Eur Revenue</li> <li>Transportation &amp; Storage: 1.61 GWH/Mil Eur Revenue</li> <li>Water Supply, Sewerage, Waste Management &amp; Remediation Activities: 0.74 GWH/Mil Eur Revenue</li> <li>Wholesale &amp; Retail Trade &amp; Repair of Motor Vehicles &amp; Motorcycles: 0.06 GWH/Mil Eur Revenue</li> </ul> | <ul style="list-style-type: none"> <li>Agriculture, Forestry &amp; Fishing: 3.68 GWH/ Mil Eur Revenue</li> <li>Construction: 0.09 GWH/ Mil Eur Revenue</li> <li>Electricity, Gas, Steam &amp; Air Conditioning Supply: 4.04 GWH/Mil Eur Revenue</li> <li>Manufacturing: 0.83 GWH/Mil Eur Revenue</li> <li>Mining &amp; Quarrying: 9.92 GWH/Mil Eur Revenue (when removing outliers, this figure is 1.72 GWH/Mil Eur Revenue)</li> <li>Real Estate Activities: 0.63 GWH/Mil Eur Revenue</li> <li>Transportation &amp; Storage: 1.59 GWH/Mil Eur Revenue</li> <li>Water Supply, Sewerage, Waste Management &amp; Remediation Activities: 0.64 GWH/Mil Eur Revenue</li> <li>Wholesale &amp; Retail Trade &amp; Repair of Motor Vehicles &amp; Motorcycles: 0.20 GWH/Mil Eur Revenue</li> </ul> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Adverse sustainability indicator                        | Metric                                                         | Impact (2024)                                                                                                                                                                                                                 | Impact (2023)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Actions taken, and actions planned and targets set for the next reference period                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

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| Biodiversity | 7. Activities negatively affecting biodiversity-sensitive areas | Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas | 2.88% weight of the funds | 1.92 % weight of the funds | The calculation methodology is consistent with the guidance provided in the SFDR Delegated Regulation. Each indicator is calculated based on the assets invested in the companies and fixed income securities. | <p><b>Corporate-level activities:</b></p> <ul style="list-style-type: none"> <li>In March 2022, Invesco Ltd. became a Forum Member for the Taskforce on Nature-related Financial Disclosures (TNFD). This has allowed Invesco Ltd the opportunity to give feedback on the draft frameworks while understanding how we will be able to apply this framework upon its completion. Additionally, Invesco Ltd. has become a member of TNFD's Consultation Group contributing alongside multiple financial institutions to provide input into the usability of the framework. This initiative has kick-started Invesco Ltd's exploration into biodiversity data and further incorporating it into our investment and research processes.</li> </ul> <p><b>Portfolio-level activities</b></p> <ul style="list-style-type: none"> <li>For certain products that promote environmental/social characteristics or have sustainable investment as their objective, the funds considered the biodiversity principal adverse impact through a set of exclusion criteria or by reducing the weighting of relevant companies, where this aligned with the investment objective of the product. For many such products, these exclusion criteria removed companies involved in severe environmental controversies in the area of biodiversity.</li> </ul> <p><b>Actions planned for the next reference period:</b></p> <ul style="list-style-type: none"> <li>IIML will continue to implement its principal adverse impact policy during the next reference period.</li> </ul> |
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| Adverse sustainability indicator |                       | Metric                                                                                                                 | Impact (2024)                                      | Impact (2023)                                     | Explanation                                                                                                                                                                                                    | Actions taken, and actions planned and targets set for the next reference period                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------------|-----------------------|------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|---------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Water                            | 8. Emissions to water | Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average | 0.003 tonnes of emissions per million EUR Invested | 0.74 tonnes of emissions per million EUR Invested | The calculation methodology is consistent with the guidance provided in the SFDR Delegated Regulation. Each indicator is calculated based on the assets invested in the companies and fixed income securities. | <b>Portfolio-level activities</b> <ul style="list-style-type: none"> <li>For certain products that promote environmental/social characteristics or have sustainable investment as their objective, the emissions to water principal adverse impact was considered through a set of exclusion criteria or by reducing the weighting of relevant companies, where aligned with the investment objective of the product. For many such products, these exclusion criteria remove companies involved in severe environmental controversies in the area of emissions.</li> </ul> <b>Actions planned for the next reference period:</b> <ul style="list-style-type: none"> <li>IIML will continue to implement its principal adverse impact policy during the next reference period.</li> </ul> |
|                                  |                       |                                                                                                                        |                                                    |                                                   |                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

| Adverse sustainability indicator |                                                | Metric                                                                                                                                    | Impact (2024)                                           | Impact (2023)                                           | Explanation                                                                                                                                                                                                    | Actions taken, and actions planned and targets set for the next reference period                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
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| Waste                            | 9. Hazardous waste and radioactive waste ratio | Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average | 0.77 tonnes of hazardous waste per million EUR invested | 1.16 tonnes of hazardous waste per million EUR invested | The calculation methodology is consistent with the guidance provided in the SFDR Delegated Regulation. Each indicator is calculated based on the assets invested in the companies and fixed income securities. | <b>Portfolio-level activities:</b> <ul style="list-style-type: none"> <li>For certain products that promote environmental/social characteristics or have sustainable investment as their objective, the waste principal adverse impact was considered primarily through a set of exclusion criteria or by reducing the weighting of relevant companies, where aligned with the investment objective of the product. For many such products, these exclusion criteria remove companies involved in severe environmental controversies in the area of waste.</li> </ul> <b>Actions planned for the next reference period:</b> <ul style="list-style-type: none"> <li>IIML will continue to implement its principal adverse impact policy during the next reference period.</li> </ul> |
|                                  |                                                |                                                                                                                                           |                                                         |                                                         |                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

| Adverse sustainability indicator |                                                                                                                                                                                                                                                                                                      | Metric                                                                                                                                                                                                                                                                                                 | Impact (2024)                                                              | Impact (2023)                                                              | Explanation                                                                                                                                                                                                    | Actions taken, and actions planned and targets set for the next reference period                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
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| Social and employee matters      | 10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises                                                                                                                                             | Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises                                                                                                                                               | 0.08% weight of the funds                                                  | 0.19% weight of the funds                                                  | The calculation methodology is consistent with the guidance provided in the SFDR Delegated Regulation. Each indicator is calculated based on the assets invested in the companies and fixed income securities. | <b>Portfolio level activities:</b> <ul style="list-style-type: none"> <li>For certain products that promote environmental/social characteristics or have sustainable investment as their objective, the funds considered the social principal adverse impacts primarily through a set of exclusion criteria or by reducing the weighting of relevant companies, where aligned with the investment objective of the product. Exclusion frameworks (varying by product), may cover the Global Compact's principles or deriving revenue from controversial weapons, including companies involved in the manufacture of nuclear warheads.</li> </ul> <b>Actions planned for the next reference period:</b> <ul style="list-style-type: none"> <li>IIML will continue to implement its principal adverse impact policy during the next reference period.</li> </ul> |
|                                  | 11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises | Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises | 45.01% weight of the funds                                                 | 40.10% weight of the funds                                                 |                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                  | 12. Unadjusted gender pay gap                                                                                                                                                                                                                                                                        | Average unadjusted gender pay gap of investee companies                                                                                                                                                                                                                                                | 21.17% (Difference in earnings of female and male as a % of male earnings) | 24.90% (Difference in earnings of female and male as a % of male earnings) |                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                  | 13. Board gender diversity                                                                                                                                                                                                                                                                           | Average ratio of female to male board members in investee companies, expressed as a percentage of all board members                                                                                                                                                                                    | 34.49% female to male Board members                                        | 33.77% female to male Board members                                        |                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                  | 14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)                                                                                                                                                                             | Share of investments in investee companies involved in the manufacture or selling of controversial weapons                                                                                                                                                                                             | 0.00% weight of the funds                                                  | 0.00% weight of the funds                                                  |                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

| Adverse sustainability indicator                                            | Metric            | Impact (2024)                       | Impact (2023)                  | Explanation                    | Actions taken, and actions planned and targets set for the next reference period                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------------------------------------|-------------------|-------------------------------------|--------------------------------|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Indicators applicable to investments in sovereign and supranationals</b> |                   |                                     |                                |                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Environmental</b>                                                        | 15. GHG intensity | GHG intensity of investee countries | 0.23 Kilo Tons/Million EUR GDP | 0.21 Kilo Tons/Million EUR GDP | <p>The calculation methodology is consistent with the guidance provided in the SFDR Delegated Regulation. Each indicator is calculated based on the assets invested in the companies and fixed income securities</p> <p><b>Portfolio level activities:</b></p> <ul style="list-style-type: none"> <li>For certain products that promote environmental/social characteristics or have sustainable investment as their objective, the funds considered the GHG intensity principal adverse impact primarily through a set of exclusion criteria or by reducing the weighting of relevant countries.</li> </ul> <p><b>Actions planned for the next reference period:</b></p> <ul style="list-style-type: none"> <li>IIML will continue to implement its principal adverse impact policy during the next reference period.</li> </ul> |

| Adverse sustainability indicator |                                                     | Metric                                                                                                                                                                                                                                                     | Impact (2024)                                     | Impact (2023)                                     | Explanation                                                                                                                                                                                                    | Actions taken, and actions planned and targets set for the next reference period                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|----------------------------------|-----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Social                           | 16. Investee countries subject to social violations | Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law | 3.75 countries, 6.03% of total investee countries | 1.00 countries, 1.98% of total investee countries | The calculation methodology is consistent with the guidance provided in the SFDR Delegated Regulation. Each indicator is calculated based on the assets invested in the companies and fixed income securities. | <b>Portfolio level activities:</b> <ul style="list-style-type: none"> <li>For certain products that promote environmental/social characteristics or have sustainable investment as their objective, the funds avoided or reduced exposure to investee countries subject to social violations through screening criteria and exclusions from or by reducing the weighting of relevant countries, where aligned with the investment objective.</li> <li>IIML continuously monitors any applicable sanctions, including those imposed by the United Nations, United States of America, the European Union and the United Kingdom. These sanctions may preclude investments in the securities of various governments/regimes/entities and as such will be included in our compliance guidelines and workflows designed to ensure compliance with such sanctions.</li> </ul> <b>Actions planned for the next reference period:</b> <ul style="list-style-type: none"> <li>IIML will continue to implement its principal adverse impact policy during the next reference period.</li> </ul> |
|                                  |                                                     |                                                                                                                                                                                                                                                            |                                                   |                                                   |                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

| Adverse sustainability indicator                           |                                                                          | Metric                                                                                                                              | Impact (2024)              | Impact (2023)              | Explanation                                                                                                                                                                                                    | Actions taken, and actions planned and targets set for the next reference period                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|------------------------------------------------------------|--------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Indicators applicable to investments in real estate assets |                                                                          |                                                                                                                                     |                            |                            |                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Fossil Fuels                                               | 17. Exposure to fossil fuel through real estate assets.                  | Share of investments in real estate assets involving in the extraction, storage, transport or manufacture of fossil fuels           | n/a                        | n/a                        | n/a                                                                                                                                                                                                            | n/a                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Energy Efficiency                                          | 18. Exposure to energy inefficient real estate assets                    | Exposure to energy inefficient real estate assets                                                                                   | n/a                        | n/a                        | n/a                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Additional indicators                                      |                                                                          |                                                                                                                                     |                            |                            |                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Emissions                                                  | 4. Investments in companies without carbon emission reduction initiative | Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement | 26.57% weight of the funds | 27.00% weight of the funds | The calculation methodology is consistent with the guidance provided in the SFDR Delegated Regulation. Each indicator is calculated based on the assets invested in the companies and fixed income securities. | <p><b>Portfolio level activities:</b></p> <ul style="list-style-type: none"><li>With a particular focus on holdings in products that promote environmental/social characteristics or have sustainable investment as their objective, the funds avoid or reduce investments in companies without carbon emission reduction through their screening and exclusion criteria.</li></ul> <p><b>Actions planned for the next reference period:</b></p> <ul style="list-style-type: none"><li>IIML will continue to implement its principal adverse impact policy during the next reference period.</li></ul> |

| Adverse sustainability indicator |                                  | Metric                                                         | Impact (2024)        | Impact (2023)        | Explanation                                                                                                                                                                                                    | Actions taken, and actions planned and targets set for the next reference period                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------------------|----------------------------------|----------------------------------------------------------------|----------------------|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Human rights                     | 9. Lack of a human rights policy | Share of investments in entities without a human rights policy | 7.69% weight of fund | 5.52% weight of fund | The calculation methodology is consistent with the guidance provided in the SFDR Delegated Regulation. Each indicator is calculated based on the assets invested in the companies and fixed income securities. | <b>Portfolio level activities:</b> <ul style="list-style-type: none"> <li>With a particular focus on holdings in products that promote environmental/social characteristics or have sustainable investment as their objective, the funds avoid or reduce investments in entities without a human rights policy through their screening and exclusion or by reducing the weighting of relevant companies, where aligned with the investment objective.</li> </ul> |
|                                  |                                  |                                                                |                      |                      |                                                                                                                                                                                                                | <b>Actions planned for the next reference period:</b> <ul style="list-style-type: none"> <li>IIML will continue to implement its principal adverse impact policy during the next reference period.</li> </ul>                                                                                                                                                                                                                                                    |

The data presented in the above table are calculated using information provided by a third-party data vendor. The accuracy, completeness, and relevance of the calculated data are contingent upon the accuracy and completeness of the data provided by this third-party vendor. The numbers reported represent our best effort to provide the most accurate calculations in light of the data available. However, there are no warranties or representations, express or implied, regarding the completeness, accuracy, or suitability of this data for any particular purpose.

Derivative instruments are not included in the calculation of the data set out in the above table. Furthermore, the above data does not include consideration of the funds under the Invesco Markets plc umbrella, which attain their investment strategies by employing synthetic replication strategies (by entering into swap based financial contracts to receive the performance of the chosen reference indices).

### 3. Description of policies to identify and prioritise principal adverse impacts on sustainability factors

IIML's policy on consideration of principal adverse impacts of its investment decisions on sustainability factors was initially approved by the board of IIML in December 2022. It is reviewed when necessary, and at least annually, updated as needed to ensure that it remains current and in line with IIML's activities, its operating structure, strategic plans, and applicable regulatory changes.

Underpinning IIML's process of considering principal adverse impacts is the flexibility for investment teams and the Sustainable Investing Services team to challenge and verify the third-party principal adverse impacts data it receives by conducting their own proprietary qualitative analysis. This approach recognises the reality of the challenges of obtaining reliable ESG data and is in line with our regulatory obligation to make best efforts to fill any data gaps.

Our principal adverse impacts consideration process addresses data gaps by:

- Engaging with investee companies;
- Carrying out additional qualitative research and analysis;
- Leveraging third party data providers; and
- Making reasonable assumptions using proxies where available.

The internal ESG Data and Tech Forum has responsibility for overseeing the quality of ESG data, including principal adverse impact data.

#### Methodologies for selecting additional indicators for principal adverse impacts on sustainability factors

In accordance with SFDR's Delegated Regulation 2022/1288, IIML is also providing information on an additional environmental PAI indicator and an additional social PAI indicator based on:

1. **Materiality** – the ESG considerations that have the potential to most impact investee companies' ability to deliver long-term value creation, and concurrently, those that are particularly vulnerable to exacerbation from the operations of our investment entities.
2. **Data availability/quality** – with larger data sets and developed processes, IIML believes it can deliver more accurate data in its reporting and increasing transparency.

**Emissions – Investments in companies without carbon emission reduction initiatives – Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement.** GHG emissions continue to drive global warming effects. This in turn can translate to varied systemic

risks across markets, including physical damage from severe weather conditions and supply chain disruptions. A proliferation of such events is likely if emissions are not curbed, potentially leading to irreversible environmental damage.

**Human rights – Lack of human rights policy – Share of investments in entities without a human rights policy.**

Without the implementation of certain safeguards there is a potential for a company's operations to violate individuals' human rights which could represent a significant operations and / reputation risk to the company.

**Limitations to methodology and margins of error**

IIML recognises factors that may limit the efficacy of methodologies and processes related to PAIs.

As the emphasis on sustainable finance grows, regulatory frameworks will continue to develop and standardise across markets. This ongoing evolution can lead to inconsistencies in the collection, measuring and reporting of data. IIML is largely reliant on third party providers for the information it receives.

Data providers in relation to reported data in this statement are selected following robust selection processes led by the Sustainable Investing Services team. The process includes reviews of methodologies, universe coverage, research process and quality and control processes. Stakeholders should be aware that there may be data gaps in procedures due to lack of availability, requiring reasonable estimations to account for them. This leaves the potential for margins of error within calculations.

Data coverage can differ substantially between PAI indicators. Depending on the PAI, the data gaps could be in the range of 15% (such as for PAI 14) to 96% (such as for PAI 12).

There may be insufficient data coverage by third party data providers for certain issuers. In such circumstances, the ability of the Manager to perform monitoring and measurement of the environmental and/or social characteristics and the sustainable investment objectives may be impaired. IIML will monitor the attainment of the environmental and/or social characteristics and sustainable investment objectives of the funds. In relation to passively managed funds, IIML does not independently verify an issuer's eligibility for inclusion in a reference index and is reliant on the data, research and expertise of the index provider to select the issuers in accordance with the methodology of the reference index. The index provider is subject to initial and ongoing due diligence checks by IIML to verify their skill and expertise. To meet the stated investment objective and policy of the funds, IIML may rely on financial, economic, environmental and other data made available by companies, index providers, governmental agencies, rating agencies, exchanges, professional services firms, central banks or other third-party providers (the "external data providers"). Where a fund passively replicates a reference index, the primary source of third-party data is the index composition as disseminated by the index provider. Invesco may also use third-party data from other sources besides an index provider. Invesco performs due diligence on index providers and has internal controls to monitor constituent data, however Invesco may not in all cases be able to verify the integrity of third party data used in the index construction. In placing reliance on external data providers there may be risks associated with errors in third party data. Such errors may be undetectable

by either Invesco or the index provider and can result in holdings weightings that are inconsistent with the that are inconsistent with the stated methodology of the index and/or the investment objective and/or policy of the funds. Funds could incur unexpected costs as a result such errors, for which losses Invesco and external data providers, acting in good faith, will not be held liable. Where errors in third party data are identified, as the investment objective of the passive funds are to track the index, the funds may continue to hold investments that are inconsistent with the stated investment policy, or environmental and/or social characteristics or sustainable investments of the funds, until such time that the data is corrected or, where the error has impacted the composition of the reference indices, until the reference indices are rebalanced. This applies to ESG data which may not only impact funds' holdings but also the reporting done by the IIML under relevant regulation.

#### **Data sources**

IIML collects aggregated principal adverse impact data for the mandatory and selected additional indicators across all in-scope financial products for reporting, using third-party providers (currently, MSCI, Sustainalytics and ISS).

## **4. Engagement policies**

Pursuant to Article 3g of the Shareholder Rights Directive II 2017/828 (SRD II), IIML is required to publicly disclose its approach to engagement.

Invesco UCITS ETFs do not use engagement to attain the environmental and social characteristics they promote or to attain their sustainable investment objectives.

#### **Proxy voting policy**

Invesco's Policy Statement on Global Corporate Governance and Proxy Voting (Global Proxy Policy) sets forth the framework for our broad voting philosophy and the guiding principles that inform the proxy voting practices of our investors globally.

The majority of Invesco ETFs are passively managed and hold stocks in companies included in the relevant index which it tracks. The index is typically created by a third-party index provider. Changes to the portfolio are driven by changes to the underlying index. For passively managed ETFs, the Investment Manager does not exercise discretion to actively select/deselect stocks. To the extent that the ETF is following an ESG strategy, the index provider would be responsible for monitoring of underlying companies in line with ESG criteria for passively managed ETFs. Our passive strategies and certain other client accounts managed in accordance with fixed income, money market and index strategies will typically vote in line with the largest holder of the security from our actively managed funds.

To the extent a stock is not held in any actively managed Invesco portfolio, then Invesco ETFs follow Invesco's good governance principles and voting guidelines. Under the Global Proxy Policy, portfolio managers and analysts of Invesco

ETFs retain full discretion to vote the shares as they determine to be in the best interest of those accounts, absent any relevant conflicts of interest, which are discussed in the Global Proxy Policy.

## 5. References to international standards

Invesco's minimum safeguards across its range of products that promote environmental/social characteristics or have sustainable investment as their objective may exclude issuers that are not compliant with the following standards:

- **UN Global Compact Principles**  
Violations of UN Global Compact principals and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (Table 1 [10]), Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises (Table 1 [11]).
- **OECD Guidelines for Multinational Enterprises**  
Violations of UN Global Compact principals and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (Table 1 [10]), Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises (Table 1 [11]).
- **UN Guiding Principles on Business and Human Rights**
- **Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and principles and rights set out in the eight fundamental conventions identified in it).**

For passive strategies, the exclusions are based on the index providers' criteria.

## 6. Historical comparison

The year-on year changes (either positive or negative) on PAIs are caused by multiple factors including but not limited to, changes in portfolio holdings, portfolio weightings, data coverage, market movement, data quality and company performance against these indicators.