Press Release
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Invesco launches US equity ETF with forward-looking focus on climate transition

London, 30 January 2025 – Invesco is launching an ETF that will seek to track (minus fees) a version of the S&P 500 index aligned with a 1.5˚C climate scenario using a forward-looking Transition Pathway model. The Invesco S&P 500 CTB Net Zero Pathway ESG UCITS ETF incorporates Trucost's Transition Pathway data in the forward-looking element of S&P's index methodology, a crucial factor when considering mitigation of climate risks and greater exposure to opportunities in the transition towards decarbonisation. The ETF is classified as an Article 8 fund under the SFDR guidelines.

Gary Buxton, Head of EMEA ETFs and Indexed Strategies at Invesco, said: "Many investors who want to include climate-related objectives in their portfolios also want similar performance to standard benchmarks. These two aims can be at odds with each other, so investors need to understand what they want to achieve personally with their investment and the acceptable level of deviation from the benchmark. We believe our new ETF offers investors the potential for closer tracking and a more representative path towards decarbonisation."

The Invesco ETF will seek to physically replicate the S&P 500 Climate Transition Base Pathway-Aligned ESG Index (minus fees), which has stricter ESG exclusions than the minimum Climate Transition Benchmark ("CTB") requirements. This index is constructed from the parent S&P 500 index by excluding securities that are involved in tobacco, controversial weapons, oil sands, small arms, military contracting or thermal coal; do not comply to the UN Global Compact principles; or are not covered by the Index Provider's ESG data solution.

The index then applies an optimisation approach to find a solution that meets all the intended climate and ESG objectives while minimising the difference in constituent, sector and industry weights to the parent S&P 500 index. Some of those objectives are: (1) alignment with the minimum standards for EU Climate Transition Benchmarks; (2) alignment to a 1.5˚C climate scenario using the Index Provider's selected Transition Pathway Model; and (3) an increase in the weighted average S&P Global ESG Score such that this exceeds the corresponding score of the parent S&P 500 index after 20% of the lowest ESG scoring stocks by count are removed.

Chris Mellor, Head of EMEA Equity ETF Product Management at Invesco, said: "The European Commission established two benchmark frameworks for climate investing: Climate Transition and Paris-Aligned Benchmarks. They share the same end-goal, but one of the few differences is that CTB indices do not have the blanket ban on oil and gas companies that the stricter PAB indices do. This allows a CTB index, and in turn our ETF, to follow a more representative pathway to decarbonisation, acknowledging that fossil fuels will play an important interim role during the transition to cleaner sources of energy."

Jas Duhra, Global Head of Sustainability Indices at S&P DJI said: "We are pleased that Invesco has licensed the S&P 500 Climate Transition Base Pathway-Aligned ESG Index for its new exchange-traded fund. The index is designed to meet the requirements of CTB benchmarks whilst also incorporating select additional climate and sustainability factors such as forward-looking transition pathway data. As a pioneer in the development of sustainability and climate-focused indices, S&P DJI continues to offer innovative indexing solutions for investors and market participants in Europe and globally to help them navigate the transition to a low carbon economy."

The baseline CTB and PAB requirements can rely on backward-looking company historical greenhouse gas (GHG) emissions. The S&P 500 Climate Transition Base Pathway-Aligned ESG index goes a step further by also incorporating a forward-looking perspective on a company's future 1.5^{0}C alignment.

This fund is Invesco's first ETF constructed to follow a CTB index and expands the range of ESG equity and fixed income ETFs the firm now makes available to its investors. Others in the 35-strong range include ETFs following PAB indices, more targeted thematic exposures to clean energy technologies and actively managed ESG strategies.

ETF details*

	Invesco S&P 500 CTB Net Zero Pathway ESG UCITS ETF
Index name	S&P 500 Climate Transition Base Pathway-Aligned ESG Index
ETF BBG ticker	SCTB
SFDR Classification	Article 8
Base / trading currency	USD / USD
Income treatment	Accumulation
Annual charge	0.09% p.a.

Costs may increase or decrease as result of currency and exchange rate fluctuations. Consult the legal documents for further information on costs. An investment in this fund is an acquisition of units in a passively managed, index tracking fund rather than in the underlying assets owned by the fund.
*BBG ticker shown is for the USD share class on the LSE. A GBP share class is also available on the LSE, while EUR share classes are available on Xetra and Euronext Milan, and CHF share class on the SIX Swiss Exchange

ENDS

Investment risks
For complete information on risks, refer to the legal documents.
The value of investments, and any income from them, will fluctuate. This may partly be the result of changes in exchange rates. Investors may not get back the full amount invested. As a large portion of this fund is invested in less developed countries, investors should be prepared to accept a higher degree of risk than for an ETF that invests only in developed markets. The Fund may be

exposed to the risk of the borrower defaulting on its obligation to return the securities at the end of the loan period and of being unable to sell the collateral provided to it if the borrower defaults. The Fund intends to invest in securities of issuers that manage their ESG exposures better relative to their peers. This may affect the Fund's exposure to certain issuers and cause the Fund to forego certain investment opportunities. The Fund may perform differently to other funds, including underperforming other funds that do not seek to invest in securities of issuers based on their ESG ratings. The Fund might be concentrated in a specific region or sector or be exposed to a limited number of positions, which might result in greater fluctuations in the value of the Fund than for a fund that is more diversified. The value of equities and equity-related securities can be affected by a number of factors including the activities and results of the issuer and general and regional economic and market conditions. This may result in fluctuations in the value of the Fund.

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The representative and paying agent in Switzerland is BNP PARIBAS, Paris, Zurich Branch, Selnaustrasse 16 8002 Zürich. The Prospectus, Key Information Document, and financial reports may be obtained free of charge from the Representative. The ETFs are domiciled in Ireland.

German investors may obtain the offering documents free of charge in paper or electronic form from the issuer or from the German information agent (Marcard, Stein & Co AG, Ballindamm 36, 20095 Hamburg, Germany).

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The publication of the supplement in Italy does not imply any judgment by CONSOB on an investment in a product. The list of products listed in Italy, and the offering documents for and the supplement of each product are available: (i) at etf.invesco.com (along with the audited annual report and the unaudited half-year reports); and (ii) on the website of the Italian Stock Exchange borsaitaliana.it.

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