

European SRI Transparency Code

The European SRI Transparency Code (the Code) focuses on SRI funds distributed publicly in Europe and is designed to cover a range of assets classes, such as equity and fixed income.

All information pertaining to the European SRI Transparency Code can be found at the following website: www.eurosif.org. The Code comes with a Guidance Manual for fund managers on how to best use and respond to the Code. The present version of the Code was approved by the Board of Eurosif on February 19, 2018.

REVISION OF THE CODE

In 2017 the Code was updated to better reflect the continuing evolution of the European SRI market. A Working Group was set up to facilitate revision of the Code in line with the latest developments in the industry and in view of the latest work carried out by experts at the European and global level.

Applications to sign up to the Code will now be in line with key elements of the recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD), Article 173 of the French TECV Act and the latest recommendations made by the High-Level Group of Experts on Sustainable Finance (HLEG) in its final report published in January 2018. Questions that are specifically designed to reflect those recommendations/legislation are indicated in the Code with footnotes.

TWO KEY MOTIVATIONS UNDERPIN THIS CODE

1. The opportunity for retail SRI funds to provide clarification to investors and other stakeholders about their SRI approach in an easily accessible and comparable format.
2. Proactive strengthening of self-regulation to contribute to the development and promotion of SRI funds by setting up a common framework for transparency best practices.

GUIDING PRINCIPLE

Signatories to the Code should be open and honest and should disclose accurate, adequate and timely information to enable stakeholders, especially consumers, to understand the ESG policies and practices of the fund.

COMMITMENTS BY SIGNATORIES

- The order and exact wording of the questions should be followed;
- Responses should be informative and clear, and the resources and methodologies used should be described in as much detail and as precisely as possible;
- Funds should report data in the currency that they use for other reporting purposes;
- Reasons preventing the fund from providing all or part of the information to a given question should be clearly stated and, in such cases, signatories should state when they will be able to answer the question;
- Responses should be updated at least on an annual basis and should have a precise publication date;
- Responses to the Code should be easily accessible from the website of the fund and/or of the fund manager. In any case, signatories should make it clear where to find the information required by the Code;

- Signatories are solely responsible for the answers to the questions, and should state this in their response.

Statement of Commitment

Complete/modify the below section accordingly

Sustainable and Responsible Investing is an essential part of the strategic positioning and behaviour of Invesco. We have been involved in SRI since 2000 and welcome the European SRI Transparency Code.

This is our third statement of commitment and covers the period 01.02.2023 to 31.01.2024. Our full response to the European SRI Transparency Code can be accessed below and is available in the annual report of the retail funds and on our website.

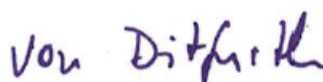
Compliance with the Transparency Code

Invesco Quantitative Strategies is committed to transparency and we believe that we are as transparent as possible given the regulatory and competitive environments that exist in the countries in which we operate. Invesco meets the full recommendations of the European SRI Transparency Code.

23 January 2023 (Date of approval by Invesco)



Alexander Uhlmann
Managing Director
Invesco Asset Management Deutschland GmbH



Manuela von Ditzfurth
Senior Portfolio Manager
Invesco Asset Management Deutschland GmbH

Eurosif classification of Sustainable and Responsible Investment¹ strategies

Sustainability Themed Investment: investment in themes or assets linked to the development of sustainability. Thematic funds focus on specific or multiple issues related to ESG. Sustainability Themed Investments inherently contribute to addressing social and/or environmental challenges, such as climate change, eco-efficiency and health. Funds are required to perform an ESG analysis or screening of investments in order to come under this category.

Best-in-Class Investment Selection: approach according to which leading or best-performing investments within a universe, category or class are selected or weighted based on ESG criteria. This

¹ Sustainable and responsible investment ("SRI") is a long-term oriented investment approach which integrates ESG factors in the research, analysis and selection process of securities within an investment portfolio. It combines fundamental analysis and engagement with an evaluation of ESG factors in order to better capture long-term returns for investors and to benefit society by influencing the behaviour of companies. Ref. Eurosif 2016

approach involves the selection or weighting of the best-performing or most improved companies or assets as identified by ESG analysis within a defined investment universe. This approach includes best-in-class, best-in-universe and best-effort.

Norms-Based Screening: screening of investments according to their compliance with international standards and norms. This approach involves the screening of investments based on international norms or combinations of norms covering ESG factors. International norms on ESG are those defined by international bodies, such as the United Nations (UN).

Exclusion of Holdings from Investment Universe: an approach that excludes specific investments or classes of investment from the investible universe, such as companies, sectors or countries. This approach systematically excludes companies, sectors or countries from the permissible investment universe if they are involved in certain activities based on specific criteria. Common criteria include weapons, pornography, tobacco and animal testing. Exclusions can be imposed at the individual fund or mandate level, but also increasingly at the asset manager or asset owner level, across the entire product range of assets. This approach is also referred to as ethical or values-based exclusion, as exclusion criteria are typically based on the choices made by asset managers or asset owners.

Integration of ESG Factors into Financial Analysis: the explicit inclusion by asset managers of ESG risks and opportunities in traditional financial analysis and investment decisions based on a systematic process and appropriate research sources. This category covers explicit consideration of ESG factors alongside financial factors in the mainstream analysis of investments. The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

Engagement and Voting on Sustainability Matters: engagement activities and active ownership through voting of shares and engagement with companies on ESG matters. This is a long-term process that seeks to influence behaviour or increase disclosure. Engagement and voting on corporate governance are necessary, but are not sufficient in themselves for inclusion in this category.

Impact Investing: impact Investments are investments in companies, organisations and funds with the intention of generating a social and environmental impact alongside a financial return. Impact investments can be made in both emerging and developed markets and target a range of returns from below market-to-market rate, depending upon the circumstances². Investments are often project-specific and distinct from philanthropy, as the investor retains ownership of the asset and expects a positive financial return. Impact investing includes microfinance, community investing, social business/entrepreneurship funds and French *fonds solidaires*.

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1. List of funds covered by the Code

| Name of the fund(s): Invesco Quantitative Strategies ESG Global Equity Multi-Factor UCITS ETF and Invesco Quantitative Strategies ESG Global Equity Multi-Factor UCITS ETF EUR PfHdg | | | | | |
|--|--|--|--|---|--|
| Dominant/preferred SRI strategy (Please choose a maximum of 2 strategies) | Asset class | Exclusions standards and norms | Fund capital as at 31 December | Other labels | Links to relevant documents |
| <input checked="" type="checkbox"/> Best-in-Class Investment section <input type="checkbox"/> Engagement & Voting <input type="checkbox"/> ESG Integration <input checked="" type="checkbox"/> Exclusions <input type="checkbox"/> Impact Investing <input type="checkbox"/> Norms-Based Screening <input type="checkbox"/> Leading to exclusions <input type="checkbox"/> Leading to risk management analysis/engagement <input type="checkbox"/> Sustainability Themed | Passively managed <input type="checkbox"/> Passive investing – core benchmark: specify the index tracking <input type="checkbox"/> Passive investing – ESG/SRI benchmark: specify the index tracking Actively managed <input type="checkbox"/> Shares in a euro area country <input type="checkbox"/> Shares in an EU country <input checked="" type="checkbox"/> International shares <input type="checkbox"/> Bonds and other debt securities denominated in euro <input type="checkbox"/> International bonds and other debt securities <input type="checkbox"/> Monetary assets | <input checked="" type="checkbox"/> Controversial weapons <input checked="" type="checkbox"/> Alcohol <input checked="" type="checkbox"/> Tobacco <input checked="" type="checkbox"/> Arms <input checked="" type="checkbox"/> Nuclear power <input checked="" type="checkbox"/> Human rights <input checked="" type="checkbox"/> Labour rights <input checked="" type="checkbox"/> Gambling <input checked="" type="checkbox"/> Pornography <input type="checkbox"/> Animal testing <input type="checkbox"/> Conflict minerals <input checked="" type="checkbox"/> Biodiversity <input type="checkbox"/> Deforestation <input checked="" type="checkbox"/> CO2 intensive (including coal) <input checked="" type="checkbox"/> Genetic engineering | To be filled out with a number of AuM AuM as of 31 December 2022: USD 151,6mn | <input type="checkbox"/> French SRI label <input type="checkbox"/> French TEEC label <input type="checkbox"/> French CIES label <input type="checkbox"/> Luxflag Label <input type="checkbox"/> FNG Label <input checked="" type="checkbox"/> Austrian Ecolabel <input checked="" type="checkbox"/> Other (please specify) Febelfin Towards Sustainability | - (KIID?) ³ - Prospectus - Management report - Financial and non-financial reporting - Corporate presentations - Other (please specify) - Invesco Stewardship Report ⁴ - Invesco Quantitative Strategies Engagement policy ⁵ |

³ <https://etf.invesco.com/de/institutional/de/product/invesco-quantitative-strategies-esg-global-equity-multi-factor-ucits-etf-acc/trading-information>

⁴ <https://www.invesco.com/content/dam/invesco/emea/en/pdf/Invesco-Stewardship-Report-2021-EMEA.pdf>

⁵ https://www.de.invesco.com/dam/jcr:2d4cddaa-d8d6-4e76-a1de-cdd123f456fc/Engagement_Policy_Invesco_Quantitative_Strategies.pdf

| | | | | | |
|--|--|---|--|--|--|
| | <input type="checkbox"/> Short-term monetary assets <input type="checkbox"/> Structured funds | <input type="checkbox"/> Other (please specify) <input checked="" type="checkbox"/> Global Compact <input checked="" type="checkbox"/> OECD Guidelines for MNCs <input checked="" type="checkbox"/> ILO Conventions <input type="checkbox"/> Other (please specify) | | | |
|--|--|---|--|--|--|

2. General information about the fund management company

2.1. Name of the fund management company that manages the applicant fund(s)

The Invesco Quantitative Strategies ESG Global Equity Multi-Factor UCITS ETF is an actively managed sub-fund of Invesco Markets II plc (a company incorporated in Ireland with limited liability as an open-ended investment company with variable capital and segregated liability between its sub-funds under the laws of Ireland with registered number 567964). The Sub-Investment manager is Invesco Asset Management Deutschland GmbH.

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 D-60322 Frankfurt am Main
 Tel.: +49 (0) 69 29807-0
kontakt@invesco.com

2.2. What are the company's track record and principles when it comes to integrating SRI into its processes?

Please provide a hyperlink to any of the company's sustainable investment webpages.

Invesco is committed to delivering an investment experience that helps people get more out of life. A key part of this effort is the firm's commitment to be a responsible investor. Invesco serves its clients in this space as a trusted partner both on specific ESG product strategies as well as part of its commitment to deliver a superior investment experience. Invesco believes that incorporating sound ESG responsibilities into activities across the firm can positively impact the value it provides to clients as well as its long-term shareholder value.

Invesco supports the UN sponsored PRI and recognises the importance of considering ESG issues as part of a robust investment process.

Invesco supports responsible investment principles via it's:

- "Investors first" approach: Invesco is committed to investing client assets in a responsible manner with a high degree of integrity as it seeks to maximise returns for its clients.

- Firm-wide commitment: At Invesco, all of the firm's people and all of its resources are dedicated to helping investors achieve their financial objectives. As a fiduciary, Invesco's first priority is to protect its clients' interests and continue building on the foundation of trust the firm has established while seeking to deliver strong, long-term investment performance. As always, Invesco's primary objective is to put its clients' interests first, while balancing the need to take responsible investment principles and ESG issues into consideration.
- Investment team commitment: With distinct investment teams spread across 20 countries, Invesco's approach to responsible investment varies across countries and regions as dictated by local market regulations, practices and client needs.

Invesco take a team-by-team approach to implementing responsible investment principles depending on:

- Each team's exposure to certain client demand and market segments
- Each team's ability to integrate ESG into its investment approach and process
- Invesco's global commitment to PRI

Invesco continues to strive for improvement in implementation of these initiatives and develop its responsible investment strategy over time.

Provided as an attachment is Invesco's Responsible Investment Policy. Please also refer to the link below for more information:

<https://www.invesco.com/corporate/about-us/esg>

2.3. How does the company formalise its sustainable investment process?

Please provide a link to the sustainable investment policy.

The Invesco Quantitative Strategies Team who is in charge of the management of the ETF discloses their sustainability policy including paragraphs on voting and engagement following this link:

For Invesco Quantitative Strategies:

https://www.de.invesco.com/dam/jcr:2d4cddaa-d8d6-4e76-a1de-ccd123f456fc/Engagement_Policy_Invesco_Quantitative_Strategies.pdf

For the Invesco Quantitative Strategies ESG Global Equity Multi-Factor UCITS ETF:

https://etf.invesco.com/sites/default/files/documents/IQS_Invesco-Quantitative-Strategies-ESG-Responsible-Investment-Policy_0.pdf

Please provide a link to the voting rights policy.

Invesco supports the theme of proxy voting and engagement with its responsible investment team. Detailed information can be found here:

<https://www.invesco.com/content/dam/invesco/corporate/en/pdfs/regulatory/Proxy-Policy-2022.pdf>

Please provide a link to the engagement policy⁶.

<https://www.invesco.com/content/dam/invesco/corporate/en/pdfs/regulatory/Proxy-Policy-2022.pdf>

2.4. How are ESG risks and opportunities – including those linked to climate change – understood/taken into account by company?⁷

Invesco Quantitative Strategies (IQS) follows a fully integrated ESG (environmental, social, governance) investment process which is built on a longstanding experience in customized ESG solutions, active engagement with companies and the Invesco proxy voting approach.

The team considers explicit and implicit key ESG aspects in their multi factor optimization process on a single stock, portfolio, and risk management level. Besides incorporating proprietary aspects of governance within the Quality factor, all portfolios implement a dedicated ESG exposure control during portfolio construction and an adverse ESG momentum measure to restrict companies which face weak ESG scores and significant ESG downgrades, respectively.

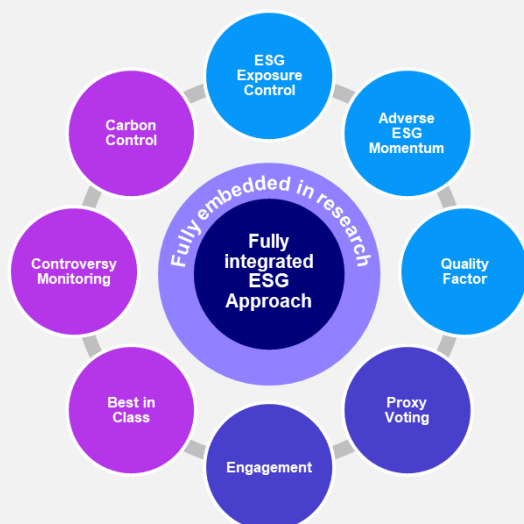
Beyond a broad-based integration across all portfolios, a carbon control is applied during portfolio construction to obtain a better overall carbon footprint in comparison to an underlying benchmark or investment universe. Additional customized ESG criteria in form of best-in-class and controversy monitoring can be implemented to meet climate change related topics and other ESG requirements, as well as internationally recognized norms, conventions and renowned ESG quality labels.

IQS and all other investment teams of Invesco have access to security level carbon and fossil fuel data provided by our vendor ISS Climate Solutions. Furthermore, IQS engages on a regular basis with companies on climate change and climate change related topics.

⁶ Reference to Article 173 of the French TECV Act and the HLEG recommendations on INVESTOR DUTIES

⁷ Reference to Article 173 of the French TECV Act and the TCFD recommendations (risks and opportunities section)

Invesco Quantitative Strategies – Integrated ESG investment process



Source: Invesco. For illustrative purposes only.

We consider ESG at several layers in our investment process:

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

2.5. How many employees are directly involved in the company's sustainable investment activity?

The incorporation of ESG considerations is conducted by investment teams on a team-by-team basis. As Invesco Quantitative Strategies follows a fully integrated ESG investment process the entire investment team (Research: 25 team members, Portfolio Management: 20 team members, Global Portfolio Analytics: 5 team members) are directly involved in sustainable investment activities.

Manuela von Ditfurth, Erhard Radatz and Tim Herzig are the team's dedicated ESG specialists and focus on the implementation of ESG criteria into the multi-factor approach and on the development of research driven ESG solutions for their clients. Furthermore, the team has a dedicated ESG research project team which analysis ESG data and alternative data sets to constantly enhance their integrated ESG approach.

Additionally, the investment teams are supported by a centralized team of responsible investment professionals located in three regions. This team is led by Cathrine De Coninck-Lopez, Global Head of ESG. In this role, Cathrine is responsible for executing a strategy that leverages best practices in ESG capabilities across the organization, supports the distribution team with client engagement, and advises the product teams on ESG innovation.

The team supports investment teams and product management groups on governance and ESG trends and topics, analyses Invesco portfolios from an ESG risk perspective and facilitates the proxy voting practice in addition to governance and oversight of responsible investment activities.

The below chart details the organisation of Invesco's Global ESG Team:

The Global ESG Team

A center of excellence collaborating with our 11 investment centers

| Greg McGreevey Senior Managing Director, Head of Investment | | | |
|--|--|--|--|
| Lance DiLorio Head of Investment Specialized Services | | | |
| Cathrine De Coninck-Lopez Global Head of ESG | | | |
| Client | Research | Governance | Analytics |
| Glen Yelton, Atlanta Head of ESG Client Strategy, Americas & EMEA | Sudip Hazra, London Director of ESG Research | Zoje Vataj, New York Global Proxy Governance & Voting Manager | Vinayaka Muppala, Hyderabad Senior ESG Specialist |
| Alexander Chan, Hong Kong Head of ESG Client Strategies, APAC | Mariela Vargova, New York Senior ESG Analyst | Vrinda Saklani, London Junior Governance Analyst | Ravi Pagadala, Hyderabad ESG Specialist |
| Conor Hartnett, London ESG Client Strategies Manager | Mayde Sykora, Atlanta Senior Fixed Income ESG Analyst | Sudhir Kumar, Hyderabad Manager, Proxy Voting | Neeraj Desai, Hyderabad ESG Specialist |
| Josephine Bellman, Henley/London ESG Client Strategies Communications manager | Tom Woodfield, Henley/London Senior ESG Analyst | Vinay Kumar Kode, Hyderabad Senior Analyst, Proxy Voting | |
| Joseph Williams, Atlanta ESG Client Strategies Implementation Manager | Mark Duffy, Boston ESG Analyst | Irfan Ahmed Khan, Hyderabad Specialist – Proxy Voting | |
| Private Markets | James Sieyes, Henley/London Junior ESG Analyst | Shravya Uppalanchi, Hyderabad Advanced Analyst, Proxy Voting | Tim Sessions, London Strategy and Operations Manager, ESG |
| Maximilian Kufer, London Head of ESG Private Markets | Sophie Conyngham Greene, Henley/London Junior ESG Analyst | Harish Trivedi, Hyderabad Specialist Proxy Voting | Cheryl Liversage, London ESG Team Administrator |
| | Mary Devlin, New York Junior ESG Analyst | Srinivasa Reddy Sanikomm, Hyderabad Senior Analyst Proxy Voting | |
| | Mélina Leprince-Ringuet, Henley/London ESG Analyst | Deepthi Devi Dessam, Hyderabad Advanced Analyst – Proxy Voting | |

Source: Invesco as of 31 December 2022.

2.6. Is the company involved in any RI initiatives?

| General Initiatives | Environmental/Climate Initiatives | Social Initiatives | Governance Initiatives |
|---|--|---|--|
| <input type="checkbox"/> ECCR – Ecumenical Council for Corporate Responsibility <input type="checkbox"/> EFAMA RI WG <input type="checkbox"/> European Commission's High-Level Expert Group on Sustainable Finance <input type="checkbox"/> ICCR – Interfaith Center on Corporate Responsibility | <input checked="" type="checkbox"/> CDP – Carbon Disclosure Project (please specify carbon, forest, water etc.) <input checked="" type="checkbox"/> Climate Bond Initiative <input type="checkbox"/> Green Bond Principles <input checked="" type="checkbox"/> IIGCC – Institutional Investors Group on Climate Change <input type="checkbox"/> Montreal Carbon pledge <input type="checkbox"/> Paris Pledge for Action <input type="checkbox"/> Portfolio Decarbonization Coalition <input checked="" type="checkbox"/> Other (please specify) | <input type="checkbox"/> Access to Medicine Foundation <input type="checkbox"/> Access to Nutrition Foundation <input type="checkbox"/> Accord on Fire and Building Safety in Bangladesh <input checked="" type="checkbox"/> Other (please specify) Please refer to our CSR reporting and activities : https://www.invesco.com/content/dam/invesco/crr/en/pdfs/2021-CR-Report-FINAL.pdf | <input checked="" type="checkbox"/> ICGN – International Corporate Governance Network <input checked="" type="checkbox"/> Other (please specify) <ul style="list-style-type: none"> Investor Forum UK Quoted Companies Alliance (QCA) The Asian Corporate Governance Association (ACGA) Global Real Estate |

| | | | |
|---|--|--|--|
| <p> <input type="checkbox"/> National Asset Manager Association (RI Group) <input checked="" type="checkbox"/> PRI - Principles For Responsible Investment <input checked="" type="checkbox"/> SIFs - Sustainable Investment Fora <input checked="" type="checkbox"/> Other (please specify) </p> <p> • Task Force for Climate Related Disclosure (TCFD) (Supporter and Discloser) • Carbon Disclosure Project (CDP) (Investor Member and Discloser) • Sustainability Accounting Standards Board (SASB) • Global Real Estate Sustainability Benchmark (GRESB) • Climate Bonds Initiative (Partner) • Confluence Philanthro </p> | <ul style="list-style-type: none"> • Climate Action 100+ (Leader & Participant) • Coalition for Climate Resilient Investment (CCRI) (Founding Member) • World Economic Forum Financing the Transition to a Net-Zero Future Working Group • Sustainability Accounting Standards Board (SASB) Standards Advisory Group • One Planet Asset Managers Initiative (OPAM) • Transition Pathway Initiative (TPI) • UKSIF Board of Directors • ICI Global ESG Task Force • Climate Financial Risk Forum (CRRF) (UK) • Climate Financial Risk Forum (CRRF) Risk Working Group (UK) • Quoted Companies Alliance (QCA) Financial Reporting Expert Group (UK) • Investor Forum (UK) • Asia Investor Group on Climate Change (AIGCC) • Institutional Investors Group on Climate Change (IIGCC) • IIGCC Net Zero Framework Working Groups • Active participation in PRI advisory committees | | <p>Sustainability Benchmark (GRESB)</p> <ul style="list-style-type: none"> • Green Rating Alliance (GRA) • Global ISO 14001 • UK Stewardship Code issued by the Financial Reporting Council (FRC) • Japanese Stewardship Code • FSC (Financial Services Council) • Company Reporting and Auditing Group • International Corporate Governance Network (ICGN) • FSC (Financial Services Council) • Company Reporting and Auditing Group |
|---|--|--|--|

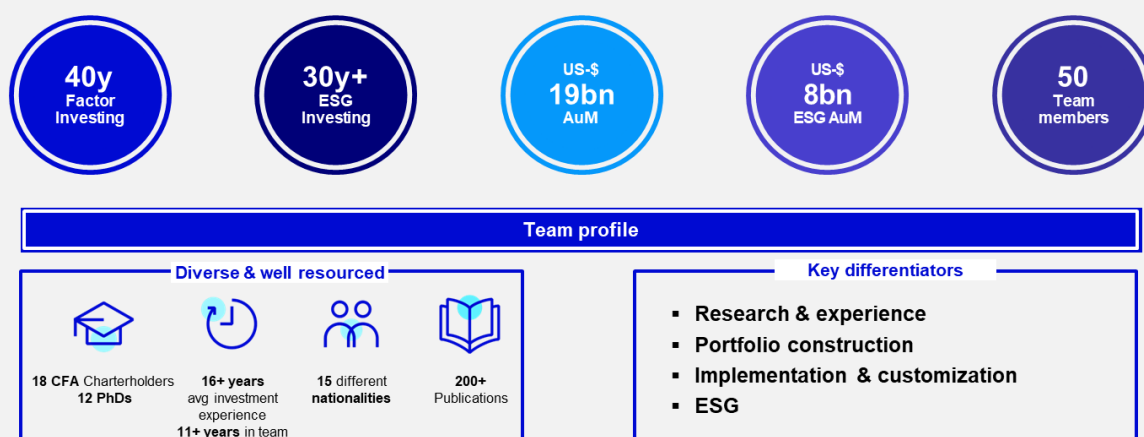
| | | | |
|---|--|--|--|
| py Associate Advisor Member • Farm Animal Investment Risk & Return Initiative (FAIRR) • UK Stewardshi p Code (Tier 1) • Japanese Stewardshi p Code (Signatory) • Quoted Companies Alliance (QCA) • UK Sustainable Investment and Finance Association (UKSIF) • Investment Association (UK) • Asian Corporate Governanc e Association (ACGA) • Italian Sustainable Forum (ItaSIF) • Council of Institutiona l Investors (CII) (US) • Responsibl e Investment Association (RIA) (Canada) | and working groups (past and current): • PRI Taxonomy Consultation Group • PRI Fixed Income Advisory Committee • PRI Global Policy Reference Group • PRI Macroeconomic Risk Advisory Group • PRI Plastics Investor Working Group | | |
|---|--|--|--|

| | | | |
|---|--|--|--|
| <ul style="list-style-type: none"> Responsible Investment Association Australia (RIAA) (Australia) | | | |
|---|--|--|--|

2.7. What is the total number of SRI assets under the company's management?

The Invesco Quantitative Strategies team, which is responsible for the management of the Invesco Quantitative Strategies ESG Global Equity Multi-Factor UCITS ETF manages USD 19bn according to their ESG integrated investment process. Thereof, USD 8bn are managed in dedicated ESG mandates on a segregated account level as well as on a mutual fund basis (Data as of 31 December 2022).

Invesco Quantitative Strategies (IQS) Specialist in ESG and multi-factor investing



Source: Invesco, for illustrative purposes only. As of 31 December 2022.

Additional information regarding Invesco's total ESG-focussed Assets under Management can be found here: <https://www.invesco.com/emea/en/insights/2021-esg-investment-stewardship-report.html>.

3. General information about the SRI fund(s) that come under the scope of the Code

3.1. What is (are) the fund(s) aiming to achieve by integrating ESG factors?

Invesco Quantitative Strategies ESG Global Equity Multi-Factor UCITS ETF's

The investment objective of the funds is to achieve a long-term return in excess of the benchmark by investing in an actively managed portfolio of global equities that integrate environmental, social, and corporate governance criteria (the “ESG criteria”).

The Invesco Quantitative Strategies ESG Global Equity Multi-Factor UCITS ETF's ESG criteria will be integrated as part of the security selection and portfolio construction process with a view to ensuring ongoing compliance with the standards of the Austrian Ecolabel (Österreichisches Umweltzeichen). The ESG approach incorporates both specifically excluded industries and areas of activities, as well as a “best in class” approach which selects those stocks from each industry that score most highly according to the investment team's ESG scoring.

3.2. What internal or external resources are used for ESG evaluation of the issuers who make up the investment universe of the fund(s)?

Invesco Quantitative Strategies follows a strict research agenda aiming at staying ahead in terms of factor research, factor definitions, factor combinations as well as the development of the proprietary IQS multi-factor risk model. This also includes the research on ESG data. Besides internal research, we also make use of MSCI ESG Research, ISS Climate Solutions, Sustainalytics, VividEconomics and Moody's ESG Solutions.

Please also refer to the corresponding links:

MSCI ESG Research: <https://www.msci.com/our-solutions/esg-investing>

ISS Climate Solutions: <https://www.issgovernance.com/esg/climate-solutions/>

Sustainalytics: <https://www.sustainalytics.com/>

VividEconomics: <https://www.vivideconomics.com/>

Moddy's ESG Solutions: <https://esg.moody's.io/>

Updates to the existing model are researched, discussed and implemented in case meaningful improvements of the model appear to be possible. In addition to that, the continuous advancement of the ESG investment process is an inherent part of IQS research activities.

3.3. What ESG criteria are taken into account by the fund(s)?

ESG Criteria are an integrated part of the IQS' security selection and portfolio construction process.

For the Invesco Quantitative Strategies ESG Global Equity Multi-Factor UCITS ETF, the applied ESG criteria ensure ongoing compliance with the standards of the Austrian Ecolabel (Österreichisches Umweltzeichen). The ESG approach incorporates both specifically excluded industries and areas of activities, as well as a “best in class” approach which selects those stocks from each industry that score most highly according to the investment team’s ESG scoring. Specific exclusions include, but are not limited to, those companies involved in business areas such as nuclear power, coal, unconventional oil and gas, military weapons, civilian firearms, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, genetically modified cells or human cloning techniques, and activities constituting violations of the UN Human Rights Directive or the International Labour Organisation’s Labour Rights Directive.

ESG Overlay: Providing transparency on ESG exclusion criteria

| | Controversial Activities | Excluded if | | Controversial Activities | Excluded if |
|---------------------------|---|-------------------------------------|-----------------------|---|-------------|
| Coal | Turnover derived from thermal coal mining | >=5% | Water | Controversies in the field of protecting water resources | Yes |
| | Turnover derived from burning coal for power generation | >=5% | Waste Management | Controversies in the field of waste management | Yes |
| | Proportion in electricity generation fuel mix from coal | >=5% | Community involvement | Controversies in the field of community involvement (including e.g. impact of operations on the local economy, responsible tax strategy, transfer of technology and skills) | Yes |
| | Structural increase of thermal coal activities over 3 years | Yes | Nuclear power | Turnover from nuclear power | >=5% |
| Un-conventional oil & gas | Revenues that comes from projects or the extraction of tar sands and oil shale, as well as the proportion of reserves in tar sands or oil shale | 0% | Nuclear power | Proportion in electricity generation fuel mix from nuclear power | >=5% |
| | Involvement in fracking activities | yes | | Manufacture or sale of civilian firearms or related products | >=5% |
| | Involvement in arctic drilling activities | yes | Civilian Firearms | Manufacture of civilian firearms or related products | >=5% |
| Fossil fuel industry | Revenues are derived from fossil fuel industries | >=5% | Military | Sales that are related to military sales including key parts or services for conventional weapons | >= 5% |
| | Structural increase of fossil activities over 3 years | Yes | | Controversial weapons | 0% |
| Environmental strategy | Company's commitment to define clear objectives and appropriate measures to ensure management of the environmental impacts of products and services | insufficient environmental strategy | Tobacco | Turnover from production and distribution | >=5% |
| Chemicals of concern | Production of restricted chemicals | 0% | UN Global Compact | Turnover from production | >=5% |
| Biodiversity | Controversies in the field of endangering biodiversity | Yes | | Fail to pass the global compact screening | Yes |
| Pollution | Controversies in the field of preventing and managing of accidental pollution or soil pollution | Yes | | | |

Source: Invesco; Moody’s ESG Solutions. As of December 2022.

3.4. What principles and criteria linked to climate change are taken into account in the fund(s)?⁸

With their integrated ESG investment process, the investment team takes into account principles and criteria to climate change. Furthermore, IQS implements dedicated ESG criteria which focus on carbon reduction, climate change and climate change related topics and engages companies on climate change issues and encourages companies to enhance their ESG performance in this area. Additionally, IQS applies a dedicated ESG voting policy across all managed funds where besides the support of shareholder proposals, specific voting decisions consider reporting on climate change and climate change action.

⁸ Reference to Article 173 of the French TECV Act see paragraphs 3 and 4 of Article D.533-16-1 of Chapter III of the French Legal Code):

<https://www.legifrance.gouv.fr/affichCodeArticle.do?cidTexte=LEGITEXT000006072026&idArticle=LEGIARTI000031793697>

3.5. What is the ESG analysis and evaluation methodology of the fund manager/fund management company (how is the investment universe built, what rating scale is used etc.)?

The ESG analysis and evaluation methodology is done on the one hand with IQS integrated ESG investment process which incorporates proprietary aspects of governance, a dedicated ESG exposure control for all portfolios as well as an adverse ESG momentum measure to restrict certain companies. On the other hand, dedicated ESG research is compiled through Moody's ESG Solutions with its database of 6,000 global companies which can be screened according to over 250 ESG criteria. With this ESG research database the investment team is able to define a set of ESG criteria which includes exclusion criteria and negative criteria which can be used to eliminate companies that fail to meet certain ESG criteria, with positive criteria, companies can be identified, which are particularly characterised by sustainable economic development, positive products or processes. With the integrated best-in-class approach companies are selected for the portfolio if they are leaders in their industries with respect to ecological and social standards. A framework of ESG criteria based on international standards are grouped into six domains of analysis. The domains of analysis are Environment, Community Involvement, Business Behaviour, Human Rights, Governance and Human Resources. These are segmented into sector sub-frameworks selecting and weighting the most relevant objectives. Each criterion is activated and weighted based on its relevance by sector. Three factors contribute to the weighting of each criterion:

- Factor 1: Nature of stakeholders' rights, interests and expectations: fundamental/essential/legitimate
- Factor 2: Vulnerability of stakeholders by sector: high/average/low
- Factor 3: Risk categories for the company: Human Capital Cohesion, operational and organisational efficiency, Reputation, Legal security, Market security, Transparency

Based on that methodology only the best 50% of each sector of the investment universe are considered as acceptable investments.

3.6. How often is the ESG evaluation of the issuers reviewed? How are any controversies managed?

The evaluation of companies is done on at least an annual basis whereas ad hoc company news or updates on ESG issues are incorporated on an ongoing basis. All companies of the underlying investment universe are monitored on a daily basis regarding significant downgrades. Stocks that experience severe downgrades to their ESG scores are then excluded from the entire investment and id invested from the portfolio. Stocks which are noticed to be involved in controversial activities are sold latest at the next regular date of monthly rebalancing.

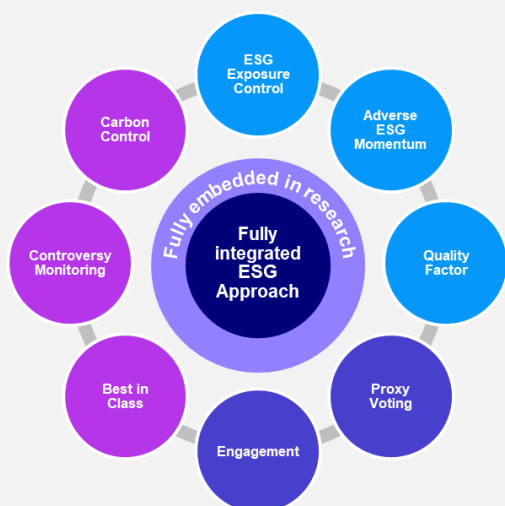
4. *Investment process*

4.1. How are the results of the ESG research integrated into portfolio construction?

As outlined in 2.4. the Invesco Quantitative Strategies (IQS) team applies an integrated ESG (environmental, social, governance) investment approach and has been managing customised sustainable investment solutions for more many years. The team offers different approaches to integrate ESG criteria into the portfolio at different stages of the investment process across all asset classes.

Holistic ESG consideration in our investment process

Integrating key aspects of ESG



Source: Invesco. For illustrative purposes only.

We **consider ESG at several layers** in our investment process:

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

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

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

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

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

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

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

Exclusion and negative criteria: By applying these criteria, companies, sectors or countries are excluded from the investment universe which fail to fulfil certain ESG criteria or that violate international norms and standards according to the definitions of the International Labour Organisation (ILO), the OECD or the United Nations.

Using the ESG research database provided by Moody's ESG Solutions, the investment team is able to define a set of ESG criteria. Exclusion criteria and negative criteria can be used to eliminate companies that fail to meet certain ESG criteria, with positive criteria, companies can be identified, which are particularly characterised by sustainable economic development, positive products or processes.

With the integrated best-in-class approach the investment team focuses on the 50% best scoring companies in their sector per region with respect to a comprehensive ESG score. The materiality of the ESG indicators for the company is considered when weighting the underlying indicators to arrive at the final ESG score.

For the best-in-class approach, the investment team uses a holistic ESG Rating with considers the issuers' ESG performance provided through 5 types of deliverables:

- Company Reports: including scores, ratings, risk analysis and ESG opinions
- Continuous Alerts: analysis of the impact of events likely to either positively or negatively affect the ESG Score
- Sector Reports: status and trends of the 36 sectors under review
- Scores & Ratings: social, environmental and governance KPIs, controversies
- Controversy Reports Each sustainability criterium is weighted to three angles – nature & intensity of the impact, the exposure, and the corporate risk – to reflect key sectorial risks and opportunities on the stakeholders and the company.

Invesco Quantitative Strategies multi-factor stock selection model

IQS manages portfolios with a bottom-up multi-factor model which is built on the factors Momentum (Earnings Momentum and Price Momentum) as well as Quality and Value. All of these factors are comprised of several building blocks that may be fundamental factors (e.g. Cash Flow Yield) as well as price data (e.g. for the Momentum factor).

In the first step, the whole investable global stocks universe (around 4,000 global stocks) is screened for ESG criteria to define the eligible ESG universe. The eligible number of stocks of the ESG universe varies depending on the ESG criteria. Afterwards the stocks are ranked according to each stock's attractiveness with respect to the above mentioned factors. To achieve comparability, these rankings are done within industry groups within regions, i.e. on an industry-neutral basis by region.

In step two, these factor rankings are weighted in order to obtain an overall multi-factor measure of a stock's attractiveness. The weightings of the factors are determined with a view through the cycle, i.e. with the intention to establish highly attractive long-term risk-adjusted return expectations. This overall multi-factor attractiveness score is considered a stock's return forecast.



Source: Invesco. As of 31 December 2022. For illustrative purposes only. Not all signals are used in all regions and sub-models. Signals often have subcomponents. Additional signals are used in specific sub-models and definitions may vary across regions.

Step three determines a corresponding risk forecast for each stock in the universe by using a proprietary risk model that uses the same multi-factor building blocks as the return forecasting model to ensure alignment of the measurement of return and risk.

Step four sets the constraints for the portfolio construction. Maximum sector, country and single stock deviations from the benchmark are determined to make sure that the risk budget is used only for rewarded risk factors while broadly neutralizing the factors that the team does not expect to be rewarded in the long run.

In the final step, the portfolio construction/optimization process establishes factor weightings aimed at a high level of attractiveness for the overall portfolio with respect to the factors applied while rigorously managing risks and neutralizing unrewarded risks. This explicitly includes consideration of transaction costs.

As outlined in step one of the IQS investment process, the whole investable global stocks universe (around 4,000 global stocks) is screened according to the ESG criteria of the Austrian Ecolabel (Österreichisches Umweltzeichen). After applying exclusion criteria as well as the best-in-class, the investable universe of the Invesco Quantitative Strategies ESG Global Equity Multi-Factor UCITS ETF consists of 1077 companies (As of 31 December). However, the number of stocks within the investable stocks universe varies over time, depending on the screening results of the underlying ESG criteria.

4.2. How are the criteria specific to climate change integrated into portfolio construction?

As mentioned before, the investment team with the application of the ESG exposure control and adverse ESG Momentum already considers climate change related topics like CO2 emissions, carbon footprint or sensitivity towards climate change. Furthermore, IQS implements dedicated ESG criteria which focus on climate change and climate change related topics and engages companies on climate

change issues and encourages companies to enhance their ESG performance in this area. Additionally, IQS applies a dedicated ESG voting policy across all managed funds where besides the support of shareholder proposals, specific voting decisions consider reporting on climate change and climate change action.

4.3. How are the issuers that are present in the portfolio, but not subject to ESG analysis evaluated (not including mutual funds)?

Please specify how much the funds can hold.

The investment team only invests in companies which comply with ESG criteria used for the specific funds. Hence, there are no issuers in the portfolio which are not covered by the ESG analysis.

4.4. Has the ESG evaluation or investment process changed in the last 12 months?

No, the ESG evaluation or investment process has not changed since inception of the described strategy.

4.5. Is a part of the fund(s) invested in entities pursuing strong social goals/social enterprises?

No, the fund invests in listed stocks, only.

4.6. Does (do) the fund(s) engage in securities lending activities?

If so,

(i) is there a policy in place to recall the securities so as to exercise the voting rights?

(ii) does the process for selecting the counterparty(ies) integrate ESG criteria?

No, the fund does not engage in securities lending.

4.7. Does (do) the fund(s) use derivative instruments?

If so, please describe

(i) their nature;

(ii) their objectives;

(iii) the potential limits in terms of exposure;

(iv) if appropriate, their impact on the SRI nature of the fund(s).

The Invesco Quantitative Strategies ESG Global Equity Multi-Factor UCITS ETF EUR PfHdg uses FX Forward contracts to hedge foreign currencies. They are used for hedging purposes, thus create no net leverage. They do not have an impact on the SRI nature of the fund.

4.8. Does (do) the fund(s) invest in mutual funds?

If so, how do you ensure compatibility between the policy for selecting mutual funds and the SRI policy of the fund(s)? How many funds can be held?

No, the fund does not invest in mutual funds.

5. ESG controls

5.1. What internal and/or external control mechanisms are in place to ensure compliance of the portfolio with the ESG rules on managing the fund(s) as defined in section 4?⁹

The compliance of the portfolio with ESG rules is permanently reviewed through the reconciliation with the ESG research database from Moody's ESG Solutions. The results of this reconciliation automatically flow into the IQS Global Portfolio Management System (GPMS) and additionally are monitored by Invesco's compliance team. This is to ensure that companies which do not comply with the pre-defined set of ESG criteria are eliminated from the portfolio and the investable stock universe. Should a portfolio holding become unacceptable over time it will be sold out of the portfolio at the next regular rebalancing date.

6. Impact measures and ESG reporting

6.1. How is the ESG quality of the fund(s) assessed?

Invesco Quantitative Strategies provide ESG reporting for all their multi-factor strategies. Within the ESG report, they disclose the ESG score, as well as other ESG indicators. For the team, it is important to show good ESG profiles as well as lower carbon intensity. Depending on the strategy, the weight in controversial areas compared to respective benchmark is a good indicator.

6.2. What ESG indicators are used by the fund(s)?¹⁰

The ESG indicators used are the following (please also refer to question 3.3)

⁹ Reference to Article 173 of the French TECV Act

¹⁰ Reference to Article 173 of the French TECV Act

ESG Overlay: Providing transparency on ESG exclusion criteria

| | Controversial Activities | Excluded if | | Controversial Activities | Excluded if |
|---------------------------|---|-------------------------------------|-----------------------|---|-------------|
| Coal | Turnover derived from thermal coal mining | >=5% | Water | Controversies in the field of protecting water resources | Yes |
| | Turnover derived from burning coal for power generation | >=5% | Waste Management | Controversies in the field of waste management | Yes |
| | Proportion in electricity generation fuel mix from coal | >=5% | Community involvement | Controversies in the field of community involvement (including e.g. impact of operations on the local economy, responsible tax strategy, transfer of technology and skills) | Yes |
| | Structural increase of thermal coal activities over 3 years | Yes | Nuclear power | Turnover from nuclear power | >=5% |
| Un-conventional oil & gas | Revenues that comes from projects or the extraction of tar sands and oil shale, as well as the proportion of reserves in tar sands or oil shale | 0% | Civilian Firearms | Proportion in electricity generation fuel mix from nuclear power | >=5% |
| | Involvement in fracking activities | yes | | Manufacture or sale of civilian firearms or related products | >=5% |
| | Involvement in arctic drilling activities | yes | Military | Manufacture of civilian firearms or related products | >=5% |
| Fossil fuel industry | Revenues are derived from fossil fuel industries | >=5% | | Sales that are related to military sales including key parts or services for conventional weapons | >= 5% |
| | Structural increase of fossil activities over 3 years | Yes | Tobacco | Controversial weapons | 0% |
| Environmental strategy | Company's commitment to define clear objectives and appropriate measures to ensure management of the environmental impacts of products and services | insufficient environmental strategy | | Turnover from production and distribution | >=5% |
| Chemicals of concern | Production of restricted chemicals | 0% | UN Global Compact | Turnover from production | >=5% |
| Biodiversity | Controversies in the field of endangering biodiversity | Yes | | Fail to pass the global compact screening | Yes |
| Pollution | Controversies in the field of preventing and managing of accidental pollution or soil pollution | Yes | | | |

Source: Invesco; Moody's ESG Solutions. As of December 2022.

6.3. What communication resources are used to provide investors with information about the SRI management of the fund(s)?

The investment team creates ESG reports for all their managed portfolio on a quarterly basis.

6.4. Does the fund management company publish the results of its voting and engagement policies?¹¹

If so, please include links to the relevant activity reports.

Results of voting and engagements are published within Invesco's Investment Stewardship and Proxy Voting Annual Report on a firmwide level and can be obtained online:

<https://www.invesco.com/corporate/about-us/esg>

¹¹ Reference to Article 173 of the French TECV Act and the HLEG recommendations on GOVERNANCE