

Sustainable investment objective

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852 establishing a list of environmentally sustainable economic activities. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

☒ Yes

- ☐ It made sustainable investments with an environmental objective: ____ %
- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ It made sustainable investments with a social objective: 97 %

☐ No

- ☐ It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ____ % of sustainable investments
- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ with a social objective
- ☐ It promoted E/S characteristics, but did not make any sustainable investments



To what extent was the sustainable investment objective of this financial product met?

The Invesco Social Progress Fund (the "Fund") aimed to invest in economic activities that contribute to social objectives by investing primarily in equity and equity related securities of companies worldwide which contribute positively to selected United Nations Sustainable Development Goals (SDGs) that relate to social issues. The Fund provided investors with exposure to companies that are characterized by strong social characteristics and the goal to strive for positive impact.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

How did the sustainability indicators perform?

The Fund used a variety of indicators to attain the sustainable objective of the Fund. This included:

Sustainability Indicator	Indicator Performance
Turnover derived from thermal coal mining, excluded if >=5%	During the reference period, there were no active breaches of the Fund's exclusion criteria.
Turnover derived from burning coal for power generation, excluded if >=5%	During the reference period, there were no active breaches of the Fund's exclusion criteria.
Proportion in electricity generation fuel mix from coal, excluded if >=5%	During the reference period, there were no active breaches of the Fund's exclusion criteria.
Structural increase of thermal coal activities over 3 years, excluded if Yes	During the reference period, there were no active breaches of the Fund's exclusion criteria.
Revenues that comes from projects or the extraction of tar sands and oil shale, as well as the proportion	During the reference period, there were no active breaches of the Fund's exclusion criteria.
Involvement in fracking activities, excluded if Yes	During the reference period, there were no active breaches of the Fund's exclusion criteria.
Involvement in arctic drilling activities, excluded if Yes	During the reference period, there were no active breaches of the Fund's exclusion criteria.
Revenues are derived from fossil fuel industries, excluded if >=5%	During the reference period, there were no active breaches of the Fund's exclusion criteria.
Structural increase of fossil activities over 3 year, excluded if Yes	During the reference period, there were no active breaches of the Fund's exclusion criteria.
Turnover from nuclear power, excluded if >=5%	During the reference period, there were no active breaches of the Fund's exclusion criteria.
Proportion in electricity generation fuel mix from nuclear power, excluded if >=5%	During the reference period, there were no active breaches of the Fund's exclusion criteria.
Production of genetically modified organisms, excluded if >=5%	During the reference period, there were no active breaches of the Fund's exclusion criteria.
Research on human embryonic stem cells or on human foetal stem cells, excluded if Yes	During the reference period, there were no active breaches of the Fund's exclusion criteria.
Manufacture or sale of civilian firearms or related products, excluded if >=5%	During the reference period, there were no active breaches of the Fund's exclusion criteria.
Sales that are related to military sales including key parts or services for conventional weapons , exclude	During the reference period, there were no active breaches of the Fund's exclusion criteria.
Controversial Weapons: cluster munitions, depleted uranium, and anti-personnel, excluded if >0%	During the reference period, there were no active breaches of the Fund's exclusion criteria.
Turnover from production and distribution of alcohol , excluded if >=5%	During the reference period, there were no active breaches of the Fund's exclusion criteria.
Turnover from production and distribution of tobacco, excluded if >=5%	During the reference period, there were no active breaches of the Fund's exclusion criteria.
Turnover from gambling operations and products, excluded if >=5%	During the reference period, there were no active breaches of the Fund's exclusion criteria.
Turnover from pornography and adult entertainment services or facilitating access, excluded if >=5%	During the reference period, there were no active breaches of the Fund's exclusion criteria.
High interest rate lending, excluded if >=5%	During the reference period, there were no active breaches of the Fund's exclusion criteria.
Production of cosmetic products tested on animals, excluded if >=5% Production of non-cosmetic product	During the reference period, there were no active breaches of the Fund's exclusion criteria.
Involvement in recreational cannabis, excluded if >=5%	During the reference period, there were no active breaches of the Fund's exclusion criteria.
Social Score	45
% of issuers that are in the Top 75% of the universe based on the Social score	100%
% of revenues derived from the provision of Social Goods and Services in the portfolio vs. % of revenues derived from the provision of Social Goods and Services in the benchmark (MSCI World)	49.9% vs. 9%

...and compared to previous periods?

Not applicable.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

● *How did the sustainable investments not cause significant harm to any sustainable investment objective?*

The Fund primarily used the mandatory principal adverse impacts (PAI) indicators defined in Table 1 of Annex I of the regulatory technical standards for Regulation 2019/2088, combined with qualitative research and/or engagement, to assess whether the sustainable investments of the Fund cause significant harm (DNSH) to a relevant environmental or social investment objective. Where a company was determined to cause such significant harm, such company was excluded from investment in the Fund. For the avoidance of doubt, the assessment was done prior to investment and on the full holding.

How were the indicators for adverse impacts on sustainability factors taken into account?

Please see above on how the indicators for adverse impacts on sustainability factors were taken into account.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

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



How did this financial product consider principal adverse impacts on sustainability factors?

The Fund considered principal adverse impacts on sustainability factors (PAIs) by carrying out a qualitative and quantitative review of key metrics (primarily the 14 indicators as defined in Table 1 of the Annex I of the regulatory technical standards for Regulation 2019/2088). The quantitative review included a review of Invesco's Article 8 and 9 product holdings and the relevant PAI data. Through this initial review an absolute threshold was set that flagged issuers that failed to meet minimum standards, as well as companies that flagged on a binary output (such as controversial weapons or UN Global Compact violations). Once issuers were flagged for the quantitative review, an assessment was completed to understand if there is publicly available information from the issuer that we are aware of that can be shown to be addressing the poor performance on the flagged PAI. The ESG research team assigned the issuer a qualitative score as to how well they were addressing the poor performance. Those issuers that received the lowest qualitative scores were then identified as engagement targets and were primarily engaged through methods such as letters, meetings, proxy voting. If no improvement was established through such corporate engagement, then the Fund could consider divesting and/or excluding investments.

The below table shows the PAI data for the Fund:

Adverse sustainability Indicator	PAI	Data	Metric
Greenhouse gas emissions	1. GHG Emissions	420.74	Scope 1 fund financed emissions (Tonnes of CO2 equivalent)
		155.97	Scope 2 fund financed emissions (Tonnes of CO2 equivalent)
		4,195.02	Scope 3 fund financed emissions (Tonnes of CO2 equivalent)
		4,771.73	Total Funded emissions (Scope 1 + Scope 2 + Scope 3) (Tonnes of CO2 equivalent)
	2. Carbon footprint	370.89	Fund level Carbon footprint (Scope 1 + Scope 2 + Scope 3) (Per Million EUR Invested)
	3. GHG Intensity of investee companies	909.32	Fund level Total Emission Intensity- Scope 1+2+3 (Per Million EUR Revenue)
	4. Exposure to companies active in the fossil fuel sector	0	% of the fund exposed to any fossil fuels revenue
	5. Share of non-renewable energy consumption	72.2	Adjusted Weighted Average of all issuers in the fund's 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 (%)
	5. Share of non-renewable energy production	14.02	
	6. Energy consumption intensity per high impact climate sector		
	Agriculture, Forestry & Fishing	6.52	
	Construction	0.05	
	Electricity, Gas, Steam & Air Conditioning Supply	0.23	
	Manufacturing	0.44	
	Mining & Quarrying	1.07	
	Real Estate Activities	0.32	
	Transportation & Storage	4.93	
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	8.75	Share of investments in the fund of investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those
	8. Emissions to water	0.27	Adjusted weighted average per issuer in the fund's emissions to water generated by investee companies per million EUR invested (Tonnes)
	9. Hazardous waste and radioactive waste ratio	0.74	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average
	10. Violations to UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	6.45	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
	12. Unadjusted gender pay gap	12.09	Weighted Average of all issuers' in the portfolio unadjusted gender pay gap of investee companies
	13. Board gender diversity	35.15	Weighted Average of all issuers in the portfolio ratio of female to male board members in investee companies, expressed as a percentage of all board members
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0	Share of investments in investee companies involved in the manufacture or selling of controversial weapons
Water			
Waste			
Social and employee matters			

Notes:

Although Scope 3 emissions are included in the above table showing the PAI scores for the Fund, they were not included in the quantitative review process to consider PAIs during the reporting period.

The data presented in the above table is 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.



What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: 28 February 2023.

Large Investments	Sector	% Assets	Country
Merck & Co Inc	Health Care	4.72%	United States
Abbott Laboratories	Health Care	2.38%	United States
Bristol-Myers Squibb Co	Health Care	2.36%	United States
Waste Management Inc	Industrials	1.93%	United States
Amgen Inc	Health Care	1.86%	United States
Sanofi	Health Care	1.77%	France
Microsoft Corp	Information Technology	1.57%	United States
Gilead Sciences Inc	Health Care	1.54%	United States
Medtronic Plc	Health Care	1.44%	Ireland
Linde Plc	Materials	1.43%	Ireland
Eversource Energy	Utilities	1.39%	United States
Autoliv Inc	Consumer Discretionary	1.22%	United States
Republic Services Inc	Industrials	1.19%	United States
Pearson Plc	Consumer Discretionary	1.12%	United Kingdom
Procter & Gamble Co/The	Consumer Staples	1.08%	United States



Asset allocation describes the share of investments in specific assets.

What was the proportion of sustainability-related investments?

The Fund invested in sustainable investments for at least 96.9% of its portfolio (#1 Sustainable) contributing to environmental objective by virtue of binding elements of the Fund's investment strategy.

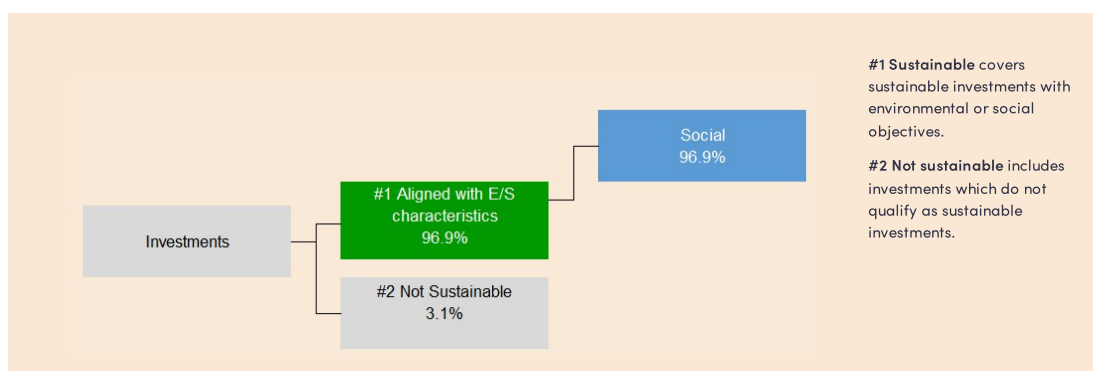
What was the asset allocation?

96.9% of the Fund's NAV was selected according to the sustainable investment objective of the Fund.

3.1% of the Fund's NAV was invested in financial derivative instruments for hedging and/or efficient portfolio management purposes, cash that was held for ancillary liquidity purposes, and investments in other funds that were not subject to the same restrictions.

96.9% of the Fund's NAV was invested in sustainable investments.

All the above data is correct as of 28 February 2023.



In which economic sectors were the investments made?

The below table shows the GICS sector breakdown as at 28 February 2023

Sector (GICS)	Weight %
Health Care	22.95
Industrials	14.61
Information Technology	13.23
Financials	12.42
Utilities	7.50
Consumer Staples	7.10
Materials	5.84
Consumer Discretionary	5.57
Real Estate	4.22
Communication Services	3.43
Energy	0.00
Sovereign	0.00
Cash	3.13
Total	100.00

GICS Level 4 breakdown for Energy Sector

Sub-Industry Code	Sub-Industry Name	Weight
10101010	Oil & Gas Drilling	0.00
10101020	Oil & Gas Equipment & Services	0.00
10102010	Integrated Oil & Gas	0.00
10102020	Oil & Gas Exploration & Production	0.00
10102030	Oil & Gas Refining & Marketing	0.00
10102040	Oil & Gas Storage & Transportation	0.00
10102050	Coal & Consumable Fuels	0.00
Total		0.00

To comply with the EU Taxonomy, the criteria for fossil gas include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For nuclear energy, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective



To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the Fund did not commit to a minimum of sustainable investments with an environmental objective aligned with EU Taxonomy, 1.33% (Turnover) of the Fund's portfolio was aligned with the EU Taxonomy.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?

☐ Yes

☐ In fossil gas

☐ In nuclear energy

☒ No

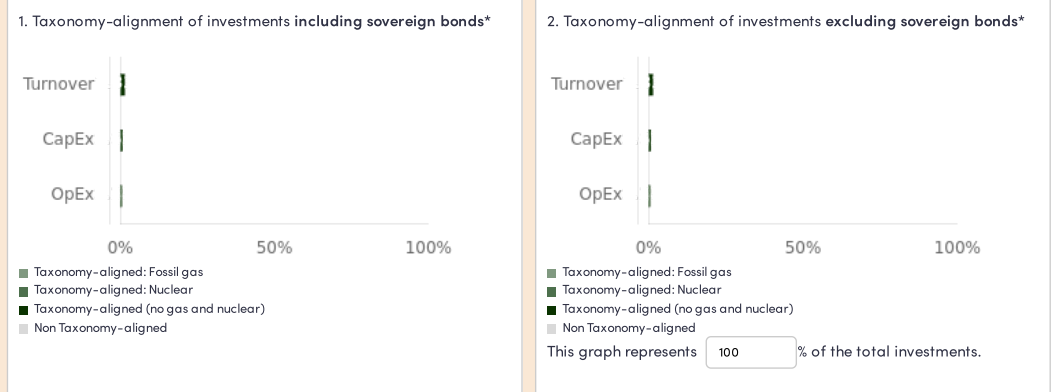
Transitional activities are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

What was the share of investments made in transitional and enabling activities?

The below table shows the share of investments in transitional and enabling activities as at 28th February 2023.

	Aligned
Enabling	0.12%
Transition	0.00%

'Aligned' means % of revenues of the investments of the Fund that are aligned to the EU Taxonomy.

How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?

Not applicable.

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.



What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

Not applicable.



What was the share of socially sustainable investments?

96.9% of the Fund's NAV was invested in socially sustainable investments. The minimum share of sustainable investments with a social objective pursued for this Fund was 90% minimum.



What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?

The investments included under "Not sustainable" were only ancillary liquid assets as well as investment in some money markets instruments and money market funds for cash management/liquidity purposes. The Investment Manager applied the minimum environmental and social safeguards as follows:

- Where the Fund holds ancillary liquid assets at the depositary of the SICAV, we confirmed that such entity was not involved in any severe controversial activities.
- Where the Fund holds money market instruments, the counterparty to such instruments was not involved in any severe controversial activities.
- Finally, where the Fund invests in money market funds, they will comply with article 8 and minimum safeguards were therefore met.

The Fund could use derivatives for hedging which were not assessed against the sustainable investment objective of the Fund, however the counterparty to such derivatives were not involved in any severe controversies.

What actions have been taken to attain the sustainable investment objective during the reference period?



Please refer to the section “How did the sustainability indicators perform” above for further information.

In addition, as part of the Fund's consideration of principal adverse impacts on sustainability factors, the ESG team monitored the investments against PAI indicators. Invesco conducted research into certain issuers in the Fund's portfolio that were deemed to flag against PAI indicators. Please see below an examples of researched issuers during the reference period:

Holding	Principal Adverse Impact	Action Taken
An EMEA Materials Issuer	PAI 1,2,3: GHG Emissions	Research conducted. The issuer initially flagged for PAI 1,2 and 3 (GHG emissions). The issuer has acknowledged the issue and set targets to address it. They commit to reduce scope 1 GHG emissions 17.5% and scope 2 GHG emissions 65% per ton of cementitious materials, alongside a target to reduce scope 3 emissions per metric ton of clinker and cement purchased by 25.1%. All targets are set for 2030, with a 2020 base year. Invesco's ESG team engaged with the company to discuss their carbon emissions. The company was the first in their sector to sign the "Business Ambition for 1.5°C" pledge and have their targets approved by the Science-Based Targets initiative (SBTi).
A North American Consumer Staples Issuer	PAI 7: Activities negatively affecting biodiversity sensitive areas	Research conducted. The issuer initially flagged on PAI 7 (Activities negatively affecting biodiversity sensitive areas), for two reasons: Land use & biodiversity and human rights. The issuer has acknowledged both issues and has strategies and associated goals in place to deal with them. On human rights, it has been enrolling the support of the Fair Labour Association (FLA), an independent and respected expert in the field of labour rights to guide and work with FGV to accelerate action and implement change. On land use & biodiversity, the issuer says it is investing in innovation in non-wood fibres and FSC-certified fast-growing wood fibres. Last year, the issuer completed four concrete actions: 1) completed a landscape assessment to understand the ability to produce non-wood fibres at the scale required. 2) Partnered with leading experts to assess the ability to source various non-wood fibres responsibly. It's critical to consider child labour, political stability, corruption and modern slavery issues, which are concerns in countries that grow non-wood fibres. 3) Invested in studying a supply chain for non-wood fibres. We are now working to scale production and ensure the fiber can be sustainably sourced. 4) Developed a higher performing and consumer preferred paper towel made with 40% more FSC-certified plantation fibre.
An EMEA Industrials Issuer	PAI 7: Activities negatively affecting biodiversity sensitive areas	Research conducted. The issuer initially flagged on PAI 7 (Activities negatively affecting biodiversity sensitive areas). Invesco conducted research on the issuer and has determined that the entity has developed a credible strategy to address the PAI and has set stretching targets to address the issue within a reasonable timeframe. The issuer supplied signalling systems for the operation of a rail link for a coal mine in Australia. Although the mine has the potential to negatively affect biodiversity, the issuer was not directly involved in its construction and has since committed to withdrawing from all new coal projects.



Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective.

How did this financial product perform compared to the reference sustainable benchmark?

The Fund was not compared to a reference benchmark.

● *How did the reference benchmark differ from a broad market index?*

Not applicable.

● *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?*

Not applicable.

● *How did this financial product perform compared with the reference benchmark?*

Not applicable.

● *How did this financial product perform compared with the broad market index?*

Not applicable.

