



# Shareholder Rights Directive II and EFAMA Stewardship Report

## March 2021

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**This document contains additional disclosures required by the Shareholder Rights Directive II (EU) 2017/828 (“SRD II”) and describes how our policies and procedures meet the requirements of the European Fund and Asset Management Association (“EFAMA”) Stewardship Code. Pursuant to SRD II, Invesco is required to publish an annual report on the engagement policy’s implementation, including a general description of voting behavior, votes cast, an explanation of the most significant votes and the use of proxy advisors. Invesco’s overall engagement and voting activities are reported on in our annual Invesco Environmental, Social and Governance Investment Stewardship Report.**

#### What is SRD II

The Shareholder Rights Directive II (SRD II) is a European Union (EU) directive which sets out to encourage long-term shareholder engagement through transparency between companies and investors, and to reduce short termism and excessive risk taking in line with its investment strategies. It amends SRD I which came into effect in 2007, with the objective of improving corporate governance in companies that have their registered office in the EU and their shares listed on an EU regulated market. SRD II came into force as of June 10, 2019 and establishes requirements in relation to engagement with companies and the exercise of certain shareholder rights attached to voting shares of companies.

#### What is the EFAMA Stewardship Code

The EFAMA Stewardship Code provides a framework of 6 high-level principles designed to be a guidance document of best practice recommendations for asset managers to improve transparency and demonstrate their commitment to stewardship covering the monitoring of, voting the shares of, and engagement with investee companies. Asset managers are encouraged to publicly confirm adherence to the EFAMA Stewardship Code and publicly disclose their engagement policy. EFAMA produced its "Code for external governance" in 2011 and in 2017 updated it following the adoption of the revised Shareholder Rights Directive, renaming it to the EFAMA Stewardship Code. The revised EFAMA Stewardship Code should be applied on a 'comply or explain' basis and aims to be a European reference document, notably for asset managers seeking to comply with the revised Shareholder Rights Directive (in particular article 3g regarding engagement policy). The EFAMA Stewardship Code will be reviewed by EFAMA every two years.

#### Our Compliance

At Invesco, we are committed to investment environmental, social and governance stewardship as well as corporate responsibility. The obligations set out in SRD II impact Invesco in its role as asset manager and those fund umbrellas managed by Invesco that invest in equities which are listed on a recognized EU trading venue. This document is intended to cover the following Invesco entities which are required to comply with Article 3g of the SRD II:

- Invesco Management S.A., regulated by the Commission de Surveillance du Secteur Financier, Luxembourg.
- Invesco Fund Managers Limited, authorised and regulated by the Financial Conduct Authority, United Kingdom.
- Invesco Investment Management Limited regulated by the Central Bank of Ireland, Ireland.

As well as the following Invesco entities, which may be authorized to vote on behalf of Invesco:

- Invesco Asset Management Limited, authorised and regulated by the Financial Conduct Authority, United Kingdom.
- Invesco Asset Management Deutschland GmbH, authorised and regulated by the Bundesanstalt für Finanzdienstleistungsaufsicht, Germany.
- Invesco Advisers Inc., authorised and regulated by the U.S. Security and Exchange Commission, United States.
- Invesco Hong Kong Limited, authorised and regulated by the Securities and Futures Commission, Hong Kong.

Where Invesco Advisers Inc. and Invesco Hong Kong Limited may have submitted significant votes, these will be reported for the period from June 2020 to June 2021.

The above entities are collectively referred to as “Invesco” in this report.

# Introduction

## Invesco's Commitment to PRI

Invesco is a strong advocate of responsible investing practices, formalizing our commitment globally in 2013 when we became a signatory of the PRI. We believe that our policies, processes and overall company approach value the spirit of the PRI and demonstrate Invesco's commitment to stewardship.

We are honored to be awarded an A+ rating in 2020 for our overall approach to responsible investment (Strategy and Governance) for the fourth consecutive year as well as achieving an A or A+ across all categories in the 2020 assessment period.



We manage more than

# US\$34.5<sup>bn</sup>

in dedicated sustainable investing strategies

For more than 30 years, Invesco has demonstrated its commitment to responsible investing by actively encouraging ESG (environmental, social, governance) practices across every area of our business. We serve our clients in this space as a trusted partner. As such, our Chief Investment Officers each own a carefully thought-out ESG approach, with our Global ESG team functioning as a center of excellence, providing specialist insights on research, engagement, voting, integration, tools, client and product solutions. Invesco has developed engagement policies and stewardship codes in line with applicable laws and regulations including the UK Stewardship Code, EFAMA Stewardship Code and SRD II which reflect the diversity of approaches and investment philosophies of its investment teams.

**At Invesco, our purpose is to deliver an investment experience that helps people get more out of life.** We direct all our intellectual capital, global strength and operational stability toward helping clients achieve their investment objectives. As a purpose-driven firm, we strive to continuously provide an exceptional investment experience, embrace diversity of thought and embody a passion to exceed. Our purpose shapes our culture, how we manage our clients' money responsibly and how we strive to contribute to global sustainability.

We believe that diversity of thought supports the best outcomes for our people, our clients and our communities. This broad definition of diversity promotes employee well-being, equity and inclusion across our organization creating an environment where diversity of thought can thrive, and it distinguishes us from other firms within our industry. To ensure that our employees can deliver on our clients' goals, we invest significantly in talent development, technology and tools and resources that help our employees reach their full potential both personally and professionally. We are committed to improving diversity at all levels and in all functions across our global business as evidenced by our CEO and SMDs—the most senior leaders for key parts of our business—all have diversity and inclusion as part of their annual performance goals.

We have a highly inclusive culture that reflects the broad diversity of thought across our organization and encourages everyone to contribute to delivering value to clients. We strive to create a culture that values the varied skills, expertise and unique perspectives of our highly motivated colleagues. We empower each employee to collaborate and find the best ideas and solutions for our clients as we work together across geographies and functions to achieve Invesco's purpose. We take our responsibility as a global corporate citizen seriously and support organizations in our local communities through both charitable contributions and hands-on volunteering activities. Ultimately, we are motivated by the belief that doing what is right for our people and the communities in which we operate helps us deliver positive outcomes for our clients and shareholders. For more information on our commitment to our people, our communities and the environment, please visit our [website](#).

Invesco believes in diversity of thought so our investment beliefs and our ESG implementation is not generic. Our approach focuses on integrating ESG risk and opportunity factors into investment decisions, differentiated by asset classes and by local investment centers. We serve our clients in this space as a trusted partner by adopting and implementing ESG principles in a manner consistent with our fiduciary responsibilities to our clients, consistent with local requirements and legal frameworks. Our ESG philosophy is based on our belief that ESG aspects can have an impact on sustainable value creation as well as risk management, and that companies with ESG momentum may present investment opportunities. As one of the largest asset managers globally, we are in a unique position to encourage change and have an impact through our engagement and dialogue with companies. Please see Invesco's recently published [Statement of ESG Investing Beliefs](#).

**We are committed to Investment Environmental, Social and Governance Stewardship as well as Corporate Responsibility. These efforts are demonstrated in our below reports:**

- Invesco Environmental, Social and Governance Investment Stewardship Report [here](#)
- Invesco Climate Change Report [here](#)
- Invesco Corporate Social Responsibility Report [here](#)

# Engagement policy, implementation and reporting

Pursuant to SRD II and the EFAMA Stewardship Code, Invesco is required to publicly disclose an engagement policy that describes how Invesco integrates shareholder engagement in their investment strategy and publicly disclose how their engagement policy has been implemented. The policy must describe how Invesco:

- monitors and conducts dialogue with investee companies on relevant matters (e.g., strategy, financial and non-financial performance, risk, capital structure and ESG);
- cooperates with other shareholders;
- communicates with relevant stakeholders;
- exercises voting rights and other rights attached to shares;
- uses of proxy advisory services;
- approaches to stock lending;
- how issues around insider information are handled; and
- manages actual and potential conflicts of interests in relation to engagement.

Our policies demonstrate how Invesco meets the requirements of SRD II and the EFAMA Stewardship Code related to engagement with public companies and other parties in the investment ecosystem. Each investment centre covered by the SRD II has an engagement policy which can be found [here](#):

- Invesco UK Stewardship Code [here](#)
- Invesco Henley Investment Centre ESG Guiding Framework [here](#)
- Engagement Policy for Invesco Real Estate (“IRE”) [here](#)
- Engagement Policy for Invesco Qualitative Strategies (“IQS”) [here](#)
- Engagement Policy for Invesco Investment Management Limited (IIML) [here](#)

A key document that demonstrates how we have implemented these policies and cooperated with other stakeholders is Invesco’s ESG Investment Stewardship Report which can be found on our [website](#) and outlines our approach to engagements including active ownership outcomes, case studies and current statistical data on past engagements.

## Engagement Approach

Engagement with company management and proxy voting play a fundamental role in our efforts to help manage, protect, and enhance the value of Invesco’s clients’ investments. As such, we may question or challenge a company about ESG issues that could have an impact on future value. Before and during investment in a company, many of our investment teams will engage with company management on a number of issues, including those that are ESG-related. At Invesco we take our responsibility as active owners very seriously and see engagement as an opportunity to encourage continuous improvement. As the majority of Invesco ETF holdings follow the voting of Invesco active fund managers, they participate in the associated engagement activities. From the perspective of investee companies, the Invesco ETF holdings are part of the overall Invesco holding and relationship.

## Engagement Objectives

We believe the success of any engagement is dependent upon having clear and consistent engagement objectives that are challenging for a company to meet but also provide demonstrable goals to measure individual performance and monitor wider trends. To make the most of limited time with management teams, we prioritize ESG risk factors and key issue relevance per internal and external resources. We take a bottom approach, which means that the topics covered and our objective is specific to each company. The ESG research team prepares for ESG engagement meetings by doing company level research, identifying key topics for the sector and how the company is performing and identifying areas that the company could improve. This is what then shapes the objective of the engagement meeting.

Through our engagement process, we take advantage of Invesco’s scale, which increases the chance of meaningful engagement. We are able to draw on this collective power to capture managements’ attention and use our influence to encourage stronger sustainability-related behavior from the firms and entities in which we invest. We take a highly active approach to achieving our clients’ dual objectives of maximizing return on capital and delivering on ESG principles. Engaging management teams on the importance of ESG from an investor perspective has been a notable benefit of our approach.

## Methods of Escalation

We believe the success of any engagement is dependent upon having clear and consistent objectives that are challenging for a company to meet but also provide demonstrable goals to measure individual performance and monitor wider trends. To make the most of limited time with management teams, we prioritize ESG risk factors and key issue relevance per internal and external resources. ESG integration is evolving as companies are expanding ESG reporting and working to enhance the overall quality of their corporate disclosures.

Overall, we aim to influence the strategy of a company via active engagement with management and at board level. Part of our ongoing interaction with company management teams is to ensure that we agree with the vision for the company. If we find ourselves in a position where management are digressing from where we, as shareholders, feel they should be, we will engage directly with the board and other board members. Engagement at board level will change from case to case, however in many cases we will reach a satisfactory position in advance of voting. Following an unsuccessful vote or engagement, Invesco may use escalation strategies, such as further engagement directly with the company's board and/or senior management, collaborating with fellow shareholders, sponsoring service provider engagement, reducing investment and/or ultimately divesting. We recognize that each situation is unique and as such we make use of several different approaches as per Figure 1. For examples of our engagement escalations and case studies, please see our 2020 UK Stewardship Code Report and Invesco's 2020 ESG Investment Stewardship Report [here](#).

## Monitoring

We use ESG engagements as part of our due diligence prior to investments and after investments to monitor corporate behavior and practices. We set ESG related agenda and goals for each of our engagements and assess engagement outcomes after each engagement. We record engagement outcomes on an ongoing basis and report them to Invesco stakeholders monthly. By assessing engagement outcomes, we are able to monitor companies and to track their progress on ESG disclosures and performance.

Figure 1  
Our Approaches

Methods of engagement	Description	Roles and responsibilities
Company meetings	<ul style="list-style-type: none"> <li>- Dialogue is core to the investment process and ESG can form part of this dialogue</li> <li>- ESG may be the core focus of a meeting with companies that have flags</li> <li>- We regularly meet with non-executive directors to raise our views</li> </ul>	<ul style="list-style-type: none"> <li>- Core to the investor process and teams record when ESG has been discussed</li> <li>- ESG team focused on companies with particular risks</li> </ul>
Other forms of company dialogue	<ul style="list-style-type: none"> <li>- Emails, letters, phone calls are regular parts of our interaction</li> </ul>	<ul style="list-style-type: none"> <li>- Core to the investor process</li> <li>- ESG team focused on companies with particular risks</li> </ul>
AGM voting	<ul style="list-style-type: none"> <li>- Equity investors get a vote in AGMs of companies</li> <li>- We may also attend the meetings in person if needed</li> </ul>	<ul style="list-style-type: none"> <li>- Portfolio manager decisions</li> <li>- ESG team assist with analysis for focus companies</li> </ul>
Collaborative engagement	<ul style="list-style-type: none"> <li>- Part of several organizations that facilitate collective dialogue with companies</li> </ul>	<ul style="list-style-type: none"> <li>- UN sponsored PRI; UK investor forum</li> <li>- ESG team main point of contact</li> </ul>
Indirect influence	<ul style="list-style-type: none"> <li>- We make use of several research providers that through their ratings and advice wield substantial influence</li> <li>- Company disclosure and focus on particular ESG issues may be driven via these external resource providers</li> </ul>	<ul style="list-style-type: none"> <li>- Credit rating agencies; proxy voting research agencies; ESG research providers</li> </ul>

For illustrative purposes only.

**Engagement with company management and proxy voting play a fundamental role in our efforts to help manage, protect, and enhance the value of Invesco's clients' investments.**

## Collaborative Engagements

Invesco is part of several organizations that facilitate collective dialogue with companies and are assessing other collective engagement opportunities that we would like to be more actively involved in the future. We recognize the importance of participating in collaborative investor engagement alongside our own one-to-one company engagements and having due regard to local rules and regulations. For information on our management of conflicts of interest please refer to page 10: Management of conflicts of interest.

**Invesco's Global ESG team works in collaboration with investment teams to have targeted, outcomes focused ESG engagements with our investee companies, leading to over 2,000 engagements in 2020.**



## Climate Action 100+

Climate Action 100+ is an investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take action on climate change. Engagement through Climate Action 100+ is focused on 167 companies who have a major role to play in the transition to a net-zero emissions economy. As a signatory, we are seeking commitments from companies regarding implementation of a strong governance framework on climate change, actions to reduce greenhouse gas emissions across the value chain and provision of enhanced corporate disclosures.

Invesco became a signatory at the beginning of 2020, acting as the co-lead investor with one company and actively participating with seven other companies. Our Global ESG research team worked with investment teams to identify appropriate holdings to actively engage with through the initiative.

For the company where we are the co-lead, the Global ESG research team and largest active equity Invesco holder engaged in a 1-1 conversation with the Chairman regarding climate topics. We knew that the company had made progress, but we considered that there was still room to evolve significantly on their climate strategy and their approach to climate-related topics. As lead investors we also signed and sent a letter to the company's CEO and Chairman to explain the new Climate Action 100+ framework and benchmark which launched in September 2020. This benchmark has been designed to clarify investor expectations and serves to evaluate company action and degree of ambition in tackling climate change. The company has made progress this year by issuing their first lobbying report, setting a net zero target on scope 1 and 2 emissions, updating its scope 3 near term target, and enhancing the inclusion of emissions in the Long-Term incentive plan for executives. We have provided detailed feedback to the company on their first lobbying report and held two constructive engagement meetings where we were able to ask clarifying questions but also state the evolutions that we are looking for. We will continue to actively monitor and engage with the company, who has stated that these meetings with investors have provided useful insight as they shape their strategy.

## Investor Mining and Tailings Safety Initiative

We joined the Investor Mining and Tailings Safety initiative led by the Church Commissioners for England when it was first launched in 2019, following the major collapse of a tailings dam. This collaborative initiative was created with the primary objective of preventing another catastrophic tailings dam collapse from occurring again. Working alongside organizations such as the PRI and International Council on Mining & Metals (ICMM), a great deal has been achieved in a short space of time, including the creation of an online tailings database and the Global Industry Standard on Tailings Management. Invesco has been a strong supporter of the initiative and was a co-signatory of a letter sent out to 726 extractive companies requesting greater disclosure of the tailings facilities they operate. Our active participation in meetings with companies and governments demonstrate our efforts to ensure the development of higher standards and to evolve the tools to assess companies in this space. Going forward, we will consider whether or not an extractive company has signed up to the Global Tailings Standards as a key ESG indicator and will strongly encourage companies to sign up in our corporate engagements.

# Proxy voting approach and reporting

## Significant Votes

The criteria defined by Invesco for a vote to be considered “significant” is based on:

- Invesco must hold more than 1% of the total equity of the security;
- The content of the agenda item on the proxy ballot must be specific to an Invesco key theme (e.g. climate change, material event such as mergers or buybacks); and
- The investee company is listed on our Global ESG Severe Risk Watchlist or a conflict list.

During this reporting period, Invesco voted proxies on 2,807 significant proposals for 323 shareholder meetings of which we voted 25.87% of votes against management and 74.13% in support of management.

**To access Invesco’s SRD II proxy voting reporting on significant votes for reporting period June 10, 2019 – July 9, 2020, please click [here](#).**

SRDII and the EFAMA Stewardship Code require annual reporting on the policy’s implementation, including:

- A general description of voting behavior, an explanation of the most significant votes and the use of the services of proxy advisors.
- How Invesco cast votes in the general meetings of companies in which they hold shares. Such disclosure may exclude votes that are insignificant due to the subject matter of the vote or the size of the holding in the company.

## Proxy Voting Approach

As active investors, we view proxy voting as an integral part of our investment management responsibilities. The proxy voting process at Invesco, focuses on protecting clients’ rights and promoting governance structures and practices that reinforce the accountability of corporate management and boards of directors to shareholders. The voting decision lies with our portfolio managers and analysts with input and support from our Global ESG team and Proxy Operations functions. Our proprietary proxy voting platform (“PROXYintel”) facilitates implementation of voting decisions and rationales across global investment teams. Our good governance principles, governance structure and processes are designed to ensure that proxy votes are cast in accordance with clients’ best interests. Invesco’s approach to corporate governance and proxy voting is set out in our Policy Statement on Global Corporate Governance and Proxy Voting (“Global Proxy Policy”) available on our [website](#).

As their fiduciary, our clients rely on our expertise and commitment to active engagement and dialogue with investee companies to make voting decisions in the best interests of all clients. To ensure that our passive strategies benefit from the engagement and deep dialogue of our active investors, our passive strategies and certain other client accounts managed in accordance with fixed income, money market and index strategies (including exchange traded funds) will typically vote in line with the majority holder of the active-equity shares held by Invesco outside of those strategies. This approach effectively aggregates our passive holdings giving our active equity investors greater clout through engagement and voting with their portfolio companies.

Invesco aims to vote all proxies where we have been granted voting authority. Globally, we voted on 247,465 resolutions at 10,399 company meetings across 74 markets, representing 98% of the ballots which we were entitled to vote in 2020. This represents an excellent level of voting execution. Unvoted meetings were due to market and operational limitations including circumstances where the economic or other opportunity costs of voting exceeds any benefit to clients. Such circumstances could include for example, share blocking or power of attorney requirements. For securities on loan as part of a securities lending program, the relevant portfolio manager will make the determination to recall shares so that Invesco will be entitled to vote.

## Vote Disclosure

We are committed to being transparent with our clients and companies about our investment stewardship and voting activities. Our Global Proxy Policy is intended to help Invesco’s clients understand our commitment to responsible investing and proxy voting, as well as the good governance principles that inform our approach to engagement and voting at shareholder meetings. It is reviewed on an annual basis and updated as necessary to ensure it remains consistent with Invesco’s views on best practice in corporate governance and long-term investment stewardship. In the UK and Europe, Invesco publicly discloses our proxy voting records monthly in compliance with the Code and discloses our significant votes including vote rationales in compliance with SRD II annually on our [website](#).

Invesco publicly discloses our approach to voting and an overview of our global voting statistics including vote outcomes in our annual ESG Investment Stewardship Report on our [website](#). Invesco discloses detailed portfolio specific proxy voting reports detailing all votes including rationales to clients upon request. Our publication of Invesco’s Global Proxy Policy, disclosure of voting records and ESG investment stewardship reporting enhances our accountability and transparency to our clients.

## Invesco Qualitative Strategies (“IQS”) Approach

IQS adopts and applies a dedicated ESG voting policy across managed funds, portfolios and mandates. Besides the support of shareholder proposals through Invesco’s proprietary voting tool, specific voting decisions on the following ESG topics are taken if applicable:

- Gender pay gap proposals
- Political contribution disclosure/political lobbying
- Disclosure/political activities and action data security
- Privacy and internet issues
- Report on climate change/climate change action
- Gender diversity on public boards

Where none of the ESG topics listed above are affected, IQS will generally follow the voting decision taken by the biggest active equity holder (“Majority Voting”) in the Invesco Group as this reflects the relationship and dialogue that active managers within the group have with investee companies. In this manner, we also seek to leverage the active-equity expertise and comprehensive proxy voting reviews conducted by teams employing active-equity strategies, which typically incorporate analysis of proxy issues as a core component of the investment process.

## Invesco Investment Management Limited (IIML) Approach

Invesco ETFs are able to benefit from the voting and engagement activities of the group by the following system: where a stock is held by an active fund manager in the group, that fund manager decides how the Invesco holdings will be voted, including those of Invesco ETFs. We believe this leads to a better-quality voting decision as it will be made by an active fund manager close to the relevant company. Where two active managers hold the stock and have different views on a vote, Invesco ETFs will be voted with the larger active holder. (Minority active holders are free to vote their holdings differently.) Where a stock is not held in any actively managed Invesco portfolio, then Invesco ETFs have chosen to default to vote with ISS. (This affects a minority of positions.)

## Invesco Real Estate (“IRE”) Approach

The IRE Senior Portfolio Manager team are ultimately responsible for determining, agreeing and submitting voting intentions. The team act independently, with freedom to vote with or against management or the recommendations of third-party proxy research providers. The portfolio management team will draw upon their deep knowledge of their investment universe and often long-term engagement with senior listed company executives in understanding specific company issues or regional or industry nuances in forming judgement. Ultimately, the investment teams’ decisions are motivated with the long-term economic interest of shareholders in mind. Collective agreement among the decision-making Senior Fund Managers is required before votes are cast.



**Invesco’s Global Proxy Policy is intended to help Invesco’s clients understand our commitment to responsible investing and proxy voting, as well as the good governance principles that inform our approach to engagement and voting at shareholder meetings.**



## Use of third-party proxy advisory firms

Globally, Invesco leverages research from Institutional Shareholder Services Inc. (“ISS”) and Glass Lewis (“GL”). We use the Investment Association IVIS for research for UK securities. Invesco generally retains full and independent discretion with respect to proxy voting decisions. As part of its fiduciary obligation to clients, Invesco performs extensive initial and ongoing due diligence on the proxy advisory firms it engages globally. Invesco Quantitative Strategies (IQS) regularly enters into dialogue with carefully selected target companies via the Global Engagement Service of Vigeo Eiris.

Invesco has engaged Institutional Shareholder Services Inc. (“ISS”), to provide recommendations based on Invesco’s internally developed custom guidelines and to assist with services that include receipt of proxy ballots, vote execution through PROXYintel and vote disclosure in the UK and Europe to meet regulatory reporting requirements.

As part of its fiduciary obligation to clients, Invesco performs extensive initial and ongoing due diligence on the proxy advisory firms it engages globally. This includes reviews of information regarding the capabilities of their research staff, methodologies for formulating voting recommendations, the adequacy and quality of personnel and technology, as applicable, and internal controls, policies and procedures, including those relating to possible conflicts of interest. For more information on the monitoring of third-party proxy advisory firms, please see Invesco’s Policy Statement on Global Corporate Governance and Proxy Voting [here](#).

## Securities lending

When Invesco’s funds participate in a securities lending program, in circumstances where shares are on loan, the voting rights of those shares are transferred to the borrower. If the security in question is on loan as part of a securities lending program, Invesco may determine that the benefit to the client of voting a particular proxy outweighs the benefits of securities lending. In those instances, Invesco may determine to recall securities that are on loan prior to the meeting record date, so that we will be entitled to vote those shares. There may be instances where Invesco may be unable to recall shares or may choose not to recall shares. The relevant portfolio manager will make these determinations.

## Management of conflicts of interest

Invesco endeavours to maintain and operate effective organizational and administrative arrangements with a view to taking all appropriate steps to prevent and manage conflicts of interest whose existence may damage the interests of clients. Under Invesco's Global Code of Conduct, Invesco entities and individuals must act in the best interests of clients and must avoid any situation that gives rise to an actual or apparent conflict of interest.

Invesco seeks to prevent conflicts and where they cannot be prevented, seek to ensure that its clients are treated in a fair manner. Invesco's approach to conflicts management is to have appropriate measures in place to effectively identify and manage conflicts ensuring the interests of clients are not adversely impacted. Examples of arrangements in place to facilitate conflicts management include conflicts registers, processes, detailed conflicts assessments where required, training, and governance arrangements with appropriate oversight. From a proxy voting perspective, arrangements are in place to identify and manage potential conflicts to ensure Invesco casts votes to serve our clients best interests. Currently, we rely on the individual raising potential conflicts where they hold proxy voting responsibilities. In EMEA, staff periodically receive scenario based conflicts training touching on the different types of conflicts. In addition, conflicts registers are in place by business / function (with relevant investment centres having proxy voting related conflicts in their registers) along with processes to facilitate the identification, recording and management of such conflicts. Systematic arrangements are currently in place to check for Firm/Client conflicts where there is a material business relationship (as defined from a Client, Vendor, Distributor, Research Provider, Counterparty perspective). Please refer to our EMEA Conflicts of Interest Policy found on our [website](#) for further details.

Invesco has a global and interconnected asset management business without internal information barriers, which means that the receipt of inside information by one area of Invesco's global business results in all of Invesco's global business being deemed to be in receipt of inside information. Invesco acknowledges that the receipt of inside information needs to be managed securely in order that it does not negatively impact other investment teams, our clients and more generally the efficient and fair operation of capital markets. Invesco has in place policies and procedures to effectively manage receipt of inside information if this occurs. Anyone in receipt of inside information should only disclose to colleagues where necessary or required through the normal course of business and on a "need to know" basis. As soon as an individual has received inside information and been made an insider, compliance will be notified together with the names of those known to also be in receipt of the information. Compliance will update the Invesco "insider list" and ensure trading systems are updated to prevent any further trading until the information becomes public. Further details are available on request.

Under Invesco's Global Code of Conduct, Invesco entities and individuals must act in the best interests of clients and must avoid any situation that gives rise to an actual or perceived conflict of interest. All Invesco personnel with proxy voting responsibilities are required to report any known personal or business conflicts of interest regarding proxy issues with which they are involved. In such instances, the individual(s) with the conflict will be excluded from the decision-making process relating to such issues. There may be occasions where voting proxies may present a perceived or actual conflict of interest between Invesco, as investment manager, and one or more of Invesco's clients or vendors. Invesco maintains policies and procedures that deal with conflicts of interest in all of its business dealings. In relation to conflicts of interest that exist in its stewardship and proxy voting activities, these policies can be found on our [website](#). Additional regional policies addressing conflicts of interest are available upon request.

Invesco maintains policies and procedures that deal with conflicts of interest in all of its business dealings. In relation to conflicts of interest that exist in its stewardship and proxy voting activities, these policies can be found in the Global Policy Statement on Corporate Governance and Proxy Voting found on our [website](#).

## Investment risks

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The value of investments and any income will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested.

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## Important information

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The document is intended only for Professional Clients in Continental Europe, Ireland, the Isle of Man, Jersey and Guernsey, and the UK. It is not intended for and should not be distributed to, or relied upon, by the public or retail investors.

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