Invesco

September 2024

Invesco Global Income Fund

(the "Fund")

Sustainability-related disclosures

UCITS have no guaranteed return and past performance does not guarantee the future ones.

Contents

Summary

The Fund meets the Article 8 requirements of the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR). It promotes, among other things, environmental and/or social characteristics while also ensuring that investee companies follow good governance practices.

In order to meet such requirements, it was determined that we would look to exclude certain activities based on certain thresholds. The activities excluded from the Fund include:

- Level of involvement in Coal extraction and production;
- Level of involvement in Unconventional Oil and Gas such as Arctic oil and gas exploration, oil sands extraction and Shale energy extraction;
- Level of involvement in Tobacco production and tobacco-related products;
- Level of involvement with recreational cannabis;
- Companies involved in the manufacture of nuclear warheads or whole nuclear missiles outside of the Non-Proliferation Treaty;
- Sovereign issuers rated E (on a scale of A-E) by the investment managers qualitative assessment.

In order to assess companies around the above activities, Invesco uses a combination of Sustainalytics and ISS (Institutional Shareholder Services) to assess compliance. However, this can be supplemented with other service providers where appropriate.

While there is broad coverage across the various systems and data providers, there is no one system that has complete coverage of the entire investment universe. As a result, investment teams will be responsible for conducting an assessment of companies for which data is not available, under the appropriate supervision and oversight of our investment compliance and ESG teams. This self-certification process ensures that the coverage of the Fund's investments is 100%.

Whilst the Fund does not have sustainable investment as its objective, the Fund aims to allocate at least 10% of its portfolio in sustainable investments.

No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

However, the Fund has 10% minimum allocated to sustainable investments (as further explained under "Environmental and social characteristics of the product").

The Fund uses 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 is determined to cause such significant harm, it can still be held within the Fund but will not count toward the "sustainable investments" within the Fund. Please find below the table and metrics used to assess the DNSH.

PAI Indicators used to assess Do No Significant Harm (DNSH)

PAI No.	PAI Indicator	Portfolio Rollups
1,2,3	ISS Scope 1 Emissions ISS Scope 2 Emissions ISS Scope 3 Emissions ISS Scope 1 Emissions (EUR) ISS Scope 2 Emissions (EUR) ISS Scope 3 Emissions (USD)	1. Total Emissions (Financed) Scope 1+2 2. Carbon Footprint Scope 1+2 3. Total Emissions Scope 1+2+3 4. Carbon Footprint Scope 1+2+3 5. WACI 1+2 6. WACI 1+2+3
4	SA Carbon – Fossil Fuel-Level of Involvement Range-SFDR	% of the Fund exposed to any fossil fuels revenue
5	SA Share of Non-Renewable Energy Production Percentage-SFDR	Adjusted Weighted Average
	SA Share of Non-Renewable Energy Consumption Percentage-SFDR	Adjusted Weighted Average
6	SA Energy Consumption Intensity Agriculture, Forestry & Fishing-SFDR	Adjusted Weighted Average
	SA Energy Consumption Intensity _Construction-SFDR	Adjusted Weighted Average
	SA Energy Consumption Intensity _Electricity, Gas, Steam & Air Conditioning Supply-SFDR	Adjusted Weighted Average
	SA Energy Consumption Intensity _Manufacturing-SFDR	Adjusted Weighted Average
	SA Energy Consumption Intensity _Mining & Quarrying-SFDR	Adjusted Weighted Average
	SA Energy Consumption Intensity _Real Estate Activities-SFDR	Adjusted Weighted Average
	SA Energy Consumption Intensity _Transportation & Storage-SFDR	Adjusted Weighted Average
	SA Energy Consumption Intensity Water Supply, Sewerage, Waste Management & Remediation Activities-SFDR	Adjusted Weighted Average
	SA Energy Consumption Intensity Wholesale & Retail Trade & Repair of Motor Vehicles & Motorcycles-SFDR	Adjusted Weighted Average
7	SA Activities Negatively Affecting Biodiversity Areas-SFDR	% Weight of Portfolio
8	SA Emissions to Water Tonnes-SFDR	((Market Value/EVIC)*(Tonnes of Emissions to water))/Million EUR Invested; Same as Carbon footprint calculation
9	SA Hazardous Waste Production Tonnes-SFDR	((Market Value/EVIC)*(Tonnes of Hazardous Waste))/Million EUR Invested; Same as Carbon footprint calculation
10	SA Breach of UN Global Compact Principles & OECD Guidelines for Multinational Enterprises-SFDR	% Weight of Portfolio

PAI No.	PAI Indicator	Portfolio Rollups
11	SA Lack of Processes & Compliance Mechanisms to Monitor Compliance with UN Global Compact Principles & OECD Guidelines for MNEs-SFDR	% Weight of Portfolio
12	SA Unadjusted Gender Pay Gap Percentage of Male Employees Gross Hourly Earnings-SFDR	Adjusted Weighted Average
13	SA Board Gender Diversity Percentage of Female Board Members-SFDR	Adjusted Weighted Average
14	SA Controversial Weapons-Evidence of Activity-SFDR	% Weight of Portfolio
	Sovereign	
15	SA Carbon Emissions Intensity-SFDR	Weighted Average
16	SA Any Country Social Violations-SFDR	No. of Counties involved in Violations; % of countries involved in violations
	Optional Indicators	
E	Lack of Carbon Emission Reduction Initiatives-SFDR	% Weight of Portfolio
S	Lack of Human Rights Policy-SFDR	% Weight of Portfolio

The portion of sustainable investments will exclude 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 will be screened for compliance with, and excluded if they do not meet, UN Global Compact principles, based on third-party data and the investment manager’s proprietary analysis and research.

Environmental or social characteristics of the financial product

The Fund applies, in addition to the regulatory mandated exclusions with regards to controversial weapons (please also refer to Section 7.5 I. (5) of the Prospectus) and sovereign debt sanctions, additional exclusions based on the following factors, which may be periodically updated:

- Level of involvement in Coal extraction and production;
- Level of involvement in Unconventional Oil and Gas such as Arctic oil and gas exploration, oil sands extraction and Shale energy extraction;
- Level of involvement in Tobacco production and tobacco-related products;
- Level of involvement with recreational cannabis;
- Companies involved in the manufacture of nuclear warheads or whole nuclear missiles outside of the Non-Proliferation Treaty;
- Sovereign issuers rated E (on a scale of A-E) by the investment managers qualitative assessment.

In addition, companies will be excluded if they are assessed as being in violation of any of the UN Global Compact's principles, based on third-party data and the Investment Manager's proprietary analysis and research. Exclusions apply on a continuous basis during the life of the Fund.

In order to determine if an investment should be considered a sustainable investment, under Regulation 2019/2088, there is a two-step process.

First, several qualitative checks are performed for the Fund and the selection criteria includes:

For the purposes of equity and debt securities:

- Alignment with the UN Sustainable Development Goals (SDGs): In scope are companies that at least derive 25% of their revenues from social goods & services. Such social goods and services can be linked to SDGs.

Applied only to debt securities:

- Selecting green, social or sustainability-linked bonds which fulfil credible industry criteria and Invesco's in-house framework.
- Use of proprietary or external ESG grades to identify holdings assessed as being best-in-class versus sector peers that links back to environmental or social objectives of the Fund – full details of the proprietary approach are contained in the methodology section. For example: IFI ESG scores of 1 or 2 on either environmental or social factors, can be considered as long as the issuer does not lag on the other pillar.

Note that Invesco relies on third-party data providers to assess issuer's performance on the above criteria. In addition, it should be noted that the full weight in the portfolio will count as sustainable investments when meeting the above criteria.

Second and as disclosed in the section above, the Fund uses 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 is determined to cause such significant harm, it can still be held within the Fund but will not count toward the "sustainable investments" within the Fund. Please refer to section "No sustainable investment objective" for more information on the PAIs and metrics used to assess the DNSH as well as how the Fund considers international norms and standards.

Finally, the Fund considers principal adverse impacts on sustainability factors by carrying out a qualitative and quantitative review of 14 mandatory indicators as defined by the Sustainable Finance Disclosure Regulation (primarily the indicators as defined in Table 1 of the Annex I of the regulatory technical standards for Regulation 2019/2088 and subject to availability of data). Please refer to the pre-contractual disclosures embedded to the prospectus and the annual report of the Fund for more information.

Investment strategy

The list of activities and their appropriate thresholds to define the exclusion are articulated below:

UN Global Compact	• Non-compliant
International sanctions[1]	• Sanctioned investments are prohibited
Controversial weapons	• 0%, including companies involved in the manufacture of nuclear warheads or whole nuclear missiles outside of the NPT
Coal	• Thermal Coal extraction: >=5% of revenue • Thermal Coal power generation: >=10% of revenue
Unconventional oil & gas	• >= 5% of revenue on each of the following: – Arctic oil & gas exploration; – Oil sands extraction; – Shale energy extraction;
Tobacco	• Tobacco Products production: >=5% of revenue • Tobacco-related products and services: >=5% of revenue
Others	• Recreational cannabis: >=5% of revenue
Sovereigns	• Sovereign issuers rated E (on a scale of A-E) by the investment managers qualitative assessment

1 At Invesco we continuously monitor any applicable sanctions, including those imposed by the UN, US, EU and UK. These sanctions may preclude investments in the securities of various governments/regimes/entities and as such will be included in our compliance guidelines and workflows designed to ensure compliance with such sanctions. The wording of international sanctions is something that we pay particular attention to as there are occasions where sanctions can exist in limited form, for example allowing investments in the secondary market.

Entities are assessed on a range of good governance principles that may vary due to differing business profiles or operating jurisdictions. Investment teams may utilise both qualitative and quantitative measures with appropriate action taken where material concerns around governance exist. These assessments take into account various metrics such as board composition, executive compensation, committee structure, board frameworks and operating model, and legal and regulatory compliance.

As a result of the exclusion framework, it is expected that between 0% – 5% of the issuers will be excluded from the initial investment universe of the Fund.

Proportion of investments

The exclusions will be screened to the full investment universe. The expected asset allocation is 90% minimum of investments will be aligned with the environmental or social characteristics promoted by the Fund. However, currencies and money market instruments that are held for cash management/liquidity purposes may not be assessed for compliance within the exclusion framework.

A minimum of 10% of the Fund's portfolio will be invested in sustainable investments contributing directly to environmental (such as climate change, water management, pollution prevention) and/or social objectives (such as good health, well-being and gender equality).

In addition, if a security has become illiquid to the point where there is no willing buyer or the issuer has for example defaulted/undergoing a restructure or filed for bankruptcy protection after the point of purchase, these assets may still be held in the Fund until they can be sold/removed.

Monitoring of environmental or social characteristics

In order to assess companies around the above activities, Invesco uses a combination of Sustainalytics and ISS (Institutional Shareholder Services) to assess compliance. However, this can be supplemented with other service providers where appropriate. This data is used in order to place trade restrictions on issuers that breach the defined thresholds.

While there is broad coverage across the various systems, there is no one system that has complete coverage of the entire investment universe. As a result, investment teams will be responsible for conducting an assessment of companies for which data is not available, under the appropriate supervision and oversight of our investment compliance and ESG teams.

Invesco has also implemented a challenge process where if there is disagreement between a data vendor's analysis of a company and the portfolio manager's analysis of the company in relation to the above exclusionary criteria, the portfolio manager is able to request a review of the data leading to the restriction. This data review is done independently of the portfolio manager and of the compliance team, and is handled by the ESG research team. If the ESG research team determines that the restriction should not be applied to a particular issuer, then the trade restriction is lifted.

Methodologies for environmental or social characteristics

In order to assess companies around the above activities, Invesco uses a combination of Sustainalytics and ISS (Institutional Shareholder Services) to assess compliance. However, this can be supplemented with other service providers where appropriate.

Counterparty Selection
While some counterparties may be excluded as investable entities under the above exclusion framework due to failure on one or more screens, it is felt that restricting their use as counterparties would impose an undue burden on the Fund and would impair our ability to ensure best execution.

Companies with clear transition plans
While the purpose of the framework is to exclude companies that operate primarily in certain industries, we recognise that some companies may be on a transition path and an immediate exclusion may not be in the best interests of shareholders. Investment teams along with the ESG team at Invesco have developed a framework to assess such companies based on objective and evidence-based criteria, ensuring that any company where the external data provided by a third party is overwritten can be justified.

Data overwrite
It is recognised that some service provider methodologies may be backward-looking on their data and company assessment. As a result, to ensure that we are not wholly reliant on data vendors, a process has been established to allow investment managers to challenge the data. Any scenario where the data vendor assessment is overruled will go through a comprehensive review process, with any reasons being clearly documented.

Securities Lending
To the extent the Fund engages in securities lending, the Fund will reserve the right to recall securities in advance of an important vote. In addition, the investment manager will ensure that any collateral received is aligned with this website disclosure.

Disinvestment period
Where a previously eligible company subsequently fails an appropriate screen, subject to secondary validation the investment teams will ensure disinvestment within a period of 60 days, subject to liquidity/regulatory and other factors. At all times the best interests of shareholders will be taken into consideration.

Data sources and processing

In order to assess companies around the above activities, Invesco uses a combination of Sustainalytics and ISS (Institutional Shareholder Services) to assess compliance. However, this can be supplemented with other service providers where appropriate.

While there is broad coverage across the various systems, there is no one system that has complete coverage of the entire investment universe. As a result, the investment team will be responsible for conducting an assessment of companies for which data is not available, under the appropriate supervision and oversight of our investment compliance and ESG teams.

Due diligence monitoring is done to ensure data providers are providing on-time deliverables such as ESG data, research and recommendations. Invesco conduct these due diligence meetings with select service providers as necessary. Invesco is constantly evaluating vendors to ensure our investment teams/clients are provided with the current information and our expectations are met. When we identify an issue or our expectations are not met, our teams report the issue and follow up with the service provider to resolve it. Invesco uses multiple datasets from different sources and it is difficult to generate the proportion of ESG data that is estimated. However, it should be noted that the majority of the data received from third party providers (as listed above) are estimated as of the date of the document. Certain categories of ESG data are more likely to be estimated (such as scope 3 emissions, certain business involvement categories, etc.) due to a lack of consistent disclosure among issuers. Because of this, ESG data that is directly disclosed by an issuer is given preference over data that is generated by a vendor using a proxy, estimation model, industry average, or other means. Invesco is committed to review the current ESG datasets that are used and will continue work with vendors to improve upon both the timeliness and accuracy of data that is used in construction of our ESG products. This data review is an ongoing process that involves members of our investment teams, ESG research team, ESG data analytics team, and our investment technology team.

The Fund's investment universe will be covered and assessed against the exclusion framework with the only exception of asset classes (including cash management and index derivatives) that are not aligned with the environmental or social characteristics promoted by the Fund and are further explained below.

Sustainable Investments – Details
The process to determine if an investment should be considered a sustainable investment is described in "Environmental or social characteristics of the financial product".

For the qualitative checks and the selection criteria, Invesco uses a combination of Sustainalytics and the data sources mentioned in the section "Environmental or social characteristics" of the financial product.

For the PAI indicators used to assess whether the sustainable investments cause significant harm (DNSH) to a relevant environment or social objective, Invesco uses a combination of Sustainalytics and ISS (Institutional Shareholder Services) as well as 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. It is recognised that data in certain instances is limited and as a result the team may where deemed appropriate use proxies or where the data set is so limited as to not be representative of the investment universe to prioritise other actions, such as engagement to help increase the pool of data available.

Sovereign Issuers' ESG Grades
Invesco Fixed Income (IFI) uses a common ESG grading approach across sovereign fixed income markets in order to ensure clear communication of each issuer's ESG status.

These ratings are typically a function of scores across the three pillars of environmental, social and governance factors. Pillar scores are structured on a 1-5 scale. The best performing countries (top quintile) are assigned a score of 1. The worst performing (bottom quintile) countries received a score of 5.

The pillar scores are then weighted to give an overall ESG Grade. For our proprietary overall ESG Grade, the scale definition is typically as follows:

A. All pillar scores above the median
B. Majority of pillar scores above the median
C. Balanced pillar scores around the median
D. Majority of pillar scores below the median
E. All pillar scores below the median

Time lags may be inherent in the data used for our quantitative analysis. As such, in our process we implement a qualitative overlay on the quantitative analysis to take account of material ESG events. As a result, our credit analysts may adjust the quantitative scores based on their qualitative analysis.

Limitations to methodologies and data

As mentioned above in "Data sources and processing", except for the below, the Fund's investment universe will be covered and assessed against the exclusion framework.

Cash Management
Currencies, cash and money market instruments that are held for cash management/ liquidity purposes may not be assessed for compliance within the above framework. Where cash equivalents are held for investment purposes, they will be compliant with the framework.

Derivatives
Index derivatives will not be assessed on a look-through basis, unless such an index has a significant allocation to prohibited activities.

Green bonds from ineligible entities
Bonds such as green bonds, climate bonds, social bonds as well as sustainability-linked bonds from companies that would ordinarily be ineligible may be eligible for inclusion by the sub-funds, subject to appropriate discussions between the investment and ESG teams.

Securitised Debt
Securitised debt will be assessed based on the framework above with the exception of Collateralised Loan Obligations (CLOs), however, due to the nature of this asset class the certification process has been designed to ensure that we look at the property/ collateral in making an assessment as to whether the debt is eligible under the framework (i.e. a revenue assessment does not make sense for Securitised Debt).

ESG data and methodologies can present certain limitations:

Standardization concerns
Varying ESG reporting methodologies across companies can impede comparative analytics and evaluations.

Data integrity
ESG data accuracy is contingent on reliable company disclosures.

Data availability
Selective ESG disclosure by entities can limit the insight into potential ESG-related risks and opportunities.

Timeliness of data
The reporting lag in ESG data can impact the ability to react promptly to shifting scenarios.

Subjectivity in interpretation
The inherent subjectivity of ESG factors can lead to varied interpretations, thereby posing challenges to maintaining consistent ESG-related investment strategies.

Scope of data
ESG reporting is not standardized among issuers. This lack of standardization means that there can be a difference in available data between issuers.

Reliance on estimates
Largely due to lack of standardization in disclosure and the potential data gaps found in certain ESG related datasets, many ratings and analyses often rely on estimates. This has the benefit of filling in missing information in a dataset, however the various methodologies behind these estimates introduce an additional level of complexity. Direct company disclosure is always preferred.

Despite these limitations, ESG data remains essential to our investment analysis and does not affect how the Fund meets its environmental or social characteristics. We incorporate ESG data as part of a comprehensive analysis process alongside key elements such as financial performance and market trends. In addition, we conduct multiple checks on the data prior to it being loaded into our proprietary ESG platform. Our investment analysts and portfolio managers have the ability to challenge the ESG data, overseen by a dedicated team of independent ESG analysts. This multifaceted approach diminishes the potential impact of data limitations.

Due diligence

There are multiple levels of controls in place to ensure that the Fund does not invest in securities issued by issuers that violate or breach the aforementioned exclusionary criteria. The first step in this due diligence process is a review of the data received from ESG data vendors to ensure that each update file is as complete as possible before ingestion into internal systems. This includes an analysis of the changes between the current data file and previous data files, highlighting significant changes and potentially requesting confirmation of these changes.

Issuers that breach the exclusionary criteria and thresholds are then restricted from being purchased by the compliance team. Where there is a security that a portfolio manager wishes to include in the Fund but that is not covered by an ESG data vendor, that portfolio manager will do primary research on the issuer and determine if the issuer should pass or fail based on the exclusionary criteria. This initial review is then cross-checked by Invesco's dedicated ESG research team. If the ESG research team agrees with the portfolio manager's assessment, the security is allowed. If the ESG team disagrees with the portfolio manager's assessment, the review will be escalated to the chief investment officer overseeing the Fund for a final determination. A similar process is in place for data challenges where the portfolio manager believes there is a factual error in the ESG vendor's data.

Any changes to the ESG criteria of the fund must be reviewed and approved by Invesco's ESG client strategies team. This team is composed of ESG professionals with experience working with both clients and portfolio managers in the creation of ESG-labelled or related products. This process ensures that the criteria selected represent industry best practices for ESG-related products.

Engagement policies

Please click here to access our engagement and proxy voting policy.

Version	Date	Details of change
1.0	16 December 2022	Creation of the document
1.1	18 January 2024	Updated to include sovereign debt restriction and minimum 10% sustainable investment
1.2	6 September 2024	Various clarifications & updates to % of expected exclusions

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