

Invesco EMEA Controversial Weapons Statement

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I. Introduction

This statement outlines Invesco's¹ approach to the exclusion of companies that are involved in controversial weapons. Invesco ensures compliance with applicable laws and regulations in all jurisdictions where it operates. To that end, although Invesco does not apply top-down exclusions across the firm, Invesco will not knowingly undertake investments in entities involved in cluster munitions, Anti-Personnel Landmines, depleted uranium ammunition and armor, as well as biological and chemical weapons for entities involved in controversial weapons in any jurisdiction. To identify such companies, Invesco relies on its own analysis and third-party information. If an investment is found to be in violation, Invesco will divest in a manner consistent with its fiduciary duties.

II. Definition of Controversial Weapons

Controversial weapons are military weapons that have the potential to cause excessive or indiscriminate harm, violate international norms, or result in mass destruction. The controversial weapons regulated by international conventions and under the scope of this statement are:

- Cluster Munitions
- Anti-Personnel Landmines
- Depleted Uranium Ammunition and Armor
- Biological Weapons
- Chemical weapons

III. Basis of Controversial Weapons Restriction

The definitions of controversial weapons that Invesco uses to identify excluded companies are based on the international conventions and national legislation listed below:

- The Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological and Toxin Weapons and on their Destruction (1975)
- The Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction (the Chemical Weapons Convention) (1997)
- The Oslo Convention on Cluster Munitions (2008)
- The Ottawa Convention on Anti-Personnel Landmines (1997)
- The Belgian Controversial Weapons Act (2006)²

IV. Scope

a. Categories of Involvement:

Invesco will not knowingly finance Controversial Weapons. This includes not knowingly investing in any form of securities issued by an entity whose main activities are the manufacturing, use, reparation, sale, exhibition, distribution, import or export, storing, or transport of Controversial Weapons.³

b. Funds in scope:

¹ Invesco refers to the following entities: Invesco Asset Management Deutschland GmbH, Invesco Investment Management Limited, Invesco Fund Managers Limited, Invesco Management S.A., and Invesco Real Estate Management S.a.r.l., Invesco Asset Management Limited.

² Although international treaties or conventions do not ban depleted uranium weapons, they are regulated by national laws, such as those in Belgium

³ Invesco's controversial weapon approach focuses on issuers for which there is strong evidence that they either manufacture a restricted weapon systems or essential components to a controversial weapon manufacturer. From consultation with data providers these two main activities identify issuers that are likely to have exposure to the other mentioned involvement types.

Fund ranges in scope include funds that are domiciled/ registered in the United Kingdom or European Union that are subject to legislation preventing the financing of controversial weapons ("covered jurisdictions").

Investments in scope include listed securities (equities, fixed interest, derivatives on companies), unlisted securities, and direct investments. This statement covers Invesco-branded products but does not apply to all accounts managed by Invesco on behalf of third parties, such as passive strategies (index funds and ETFs), due to various local legislations that provide exemptions for index-tracking funds, such as those in Belgium, Ireland, and the Netherlands.

V. Implementation

Invesco has processes in place to identify companies involved in activities related to cluster munitions, Anti-Personnel Landmines, depleted uranium ammunition, and armor, as well as biological and chemical weapons. This identification process involves ongoing advice and research to categorize companies into those verifiably in breach, at risk of breach, or assumed to be in breach of the applicable criteria. The primary source of information used in compiling issuers involved in controversial weapons are third-party data providers. Invesco may do additional research on certain issuers if there are questions on the evidence of involvement received from these data providers.

Pre-trade and post-trade processes are established to ensure compliance. Alerts are set up pre-trade to notify fund managers if a security is on the restriction list, preventing the trade from being processed. Post-trade portfolios are screened daily, and any investments in restricted securities prompt notifications to fund managers and client portfolio managers, who, on a best-effort basis, are expected to divest as soon as possible. Continuous engagement and communication with fund managers ensure they are informed of risks and developments, with the updated restricted securities list reviewed and approved before implementation.