

**Pre-contractual disclosure for the financial products referred to in
Article 8 paragraphs 1, 2 and 2a of Regulation (EU) 2019/2088 and Article 6,
first paragraph, of Regulation (EU) 2020/852**

**Product name: Invesco Sustainable Pan European Structured Equity Fund (the
“Fund”)**

Legal entity identifier: 549300QJFI88JY01XI17

Environmental and/or social characteristics

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.*

Does this financial product have a sustainable investment objective?

- | | |
|--|--|
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| <input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___% | <input checked="" type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments |
| <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy | <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___% | <input checked="" type="checkbox"/> with a social objective |
| | <input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments |



What environmental and/or social characteristics are promoted by this financial product?

The Fund aims to promote environmental characteristics related to climate change mitigation (such as carbon emissions) as well as natural resource utilization and pollution (for example by exclusion of companies involved in fossil fuel, coal, nuclear power or activities generating pollution).

The Fund also promotes social characteristics related to human rights (by excluding companies in violation of any UN Global Compact’s principles, based on third-party data and the Investment Manager’s proprietary analysis and research) and by excluding controversial activities issuers involved in (but not limited to) manufacturing or sale of conventional weapons or production and distribution of tobacco. The Fund aims to select companies that display superior sustainable management and sustainable products or processes, fulfilling ecological and social requirements particularly well, ranging from climate efficiency and low water consumption to labour safety and satisfaction. Ecological characteristics are assessed using an energy transition score. Social features are considered by excluding companies with controversial business behaviours.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

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

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Fund aims to reduce the aggregated Scope 1 and 2 greenhouse gas emission intensity by at least 30% compared to the market cap weighted benchmark (MSCI Europe Index).

The Fund uses a variety of indicators to attain the social and environmental characteristics. This includes a best-in-class measure based on an energy transition score to measure the attainment of the environmental characteristics of the Fund (by selecting the top 75% of the energy transition score).

The Fund will apply exclusions depending on business involvement in controversial activities related to the social characteristics promoted by the Fund, including violations of the UN Global Compact, based on third-party data and the Investment Manager's proprietary analysis and research (further details on the exclusions are described below in section "**What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics?**").

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The Fund intends to make sustainable investments by contributing to environmental objectives (such as climate change, water management, pollution prevention) and to social objectives (such as good health, well-being and gender equality).

The Fund seeks to achieve those objectives by investing in (i) issuers which contribute positively to selected UN Sustainable Development Goals (SDGs) (generating at least 25% of the issuer's revenue) that relates to the above objectives, or (ii) companies which generate a material part of the revenue from environmental impact themes such as energy transition (by selecting companies in the top 25% based on the energy transition score within its region and sector), healthcare (by selecting companies part of the GICS Sector 35) and food (by selecting companies part of the GICS Industry 302020). The Fund also uses a best-in-class approach, utilizing the investment manager's proprietary scoring methodology and selecting companies in the top 75% within the respective peer group for either score eligible. It should be noted that the full weight in the portfolio will count as sustainable investments when meeting the above criteria.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Fund primarily 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. For the avoidance of doubt, the assessment is done prior to investment and on the full holding.

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

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

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

The Fund excludes 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.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

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.



Does this financial product consider principal adverse impacts on sustainability factors?

- Yes, the Fund considers 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 includes a review of all current Invesco holdings and the relevant PAI data. Through this initial review an absolute threshold is set that will flag issuers that fail to meet minimum standards, as well as companies that flag on a binary output (such as controversial weapons or UN Global Compact violations). Once issuers are flagged for the quantitative review an assessment is 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 will assign the issuer a score as to how well they are addressing the poor performance. Those issuers that receive the lowest scores are then identified as engagement targets and are primarily engaged through methods such as letters, meetings, proxy voting. If no improvement is established through such corporate engagement, then the Fund may proceed to divest and/or exclude investments. Information on principal adverse impacts on sustainability factors is available in the annual report of the SICAV.
- No



What investment strategy does this financial product follow?

The investment universe comprises European equities that meet the defined sustainability criteria using exclusions as well as best-in-class criteria. In addition, the Investment Manager implements specific environmental, social and governance (ESG) criteria. Risk management is an integral part of each investment step. The Investment Manager relies on its factor-based selection model, which seeks to capture the factors of Quality, Momentum and Valuation. Following in-depth factor research, the Investment Manager uses proprietary factor definitions that are expected to deliver results in excess of standard factor definitions.

It is expected that the size of the investment universe of the Fund will be reduced by about 30% to 50% in terms of number of issuers after the application of the ESG screening. The ESG criteria will be reviewed and applied on an ongoing basis and integrated as part of the quantitative investment process for stock selection and portfolio construction. For more details, please refer to Section **“Where can I find more product specific information online?”**.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

- The Investment Manager will use positive screening based on an integrated-best-in-class approach (selecting the companies in the top 75% based on the energy transition score) to identify issuers, which in the view of the Investment Manager, meet sufficient practice and standards in terms of transition to a lower carbon economy for inclusion in the Fund's universe, as measured by their ratings relative to their peers using a third party score.
- Screening will also be employed to exclude securities issued by issuers which derive or generate a pre-determined level of revenue or turnover from activities such as (but not limited to) fossil fuel industries, activities related to coal or nuclear power, extraction of tar sands and oil shale, fracking or arctic drilling activities, production of restricted chemicals, activities endangering biodiversity, activities generating pollution, manufacturing or sale of conventional weapons or production and distribution of tobacco. 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. The current exclusion criteria may be updated from time to time. For further details on the exclusions and the associated threshold applied, please refer to section **“Where can I find more product specific information online?”**.
- 10% minimum will be invested in sustainable investments meeting the selection criteria as explained in section **“What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?”**.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

Not applicable.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

To ensure good governance of the investee companies, the Investment Manager first identify the companies which violate this principle by systematically screening for controversies within the investable universe. To achieve this, the Investment Manager evaluate an extensive volume of news data for violations of good governance. These violations are aligned with the UN Global Compact and severe controversies in areas ranging from human rights, labour relations and labour rights over biodiversity, pollution and water management to community involvement, and corruption. The assessment of good governance also includes sound management structures, employee relations, remuneration of staff and tax compliance. Violations of these controversies and an inability to resolve in a timely manner, lead to a company being excluded from the investable universe and disinvested in case of a holding.

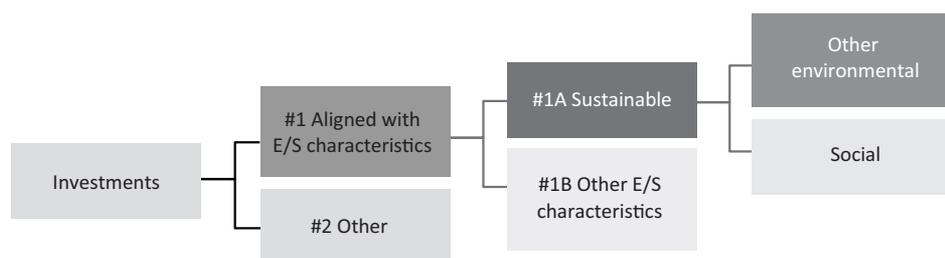


What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The Fund will make investments aligned with the E/S characteristics for minimum 90% of its portfolio (**#1 Aligned with E/S characteristics**) by virtue of binding elements of the Fund's investment strategy. A maximum of 10% will be invested in money market instruments or ancillary liquid assets for liquidity management purposes (**#2 Other**). The purpose of the remaining proportion of the investments, including a description of any minimum environmental or social safeguards is described below in the section "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?". 10% minimum of the Fund's NAV will be invested in sustainable investments (**#1A Sustainable**) contributing to an environmental and/or social objective. For the avoidance of doubt, any derivatives used by the Fund (regardless of purpose) will not be taken into consideration in this calculation. As a result, the calculation is therefore intended to represent the physical investments and holdings of the Fund.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund will not use derivatives to attain the environmental or social characteristics promoted by the Fund.

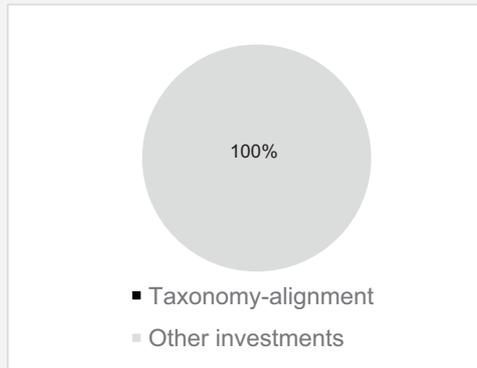


To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

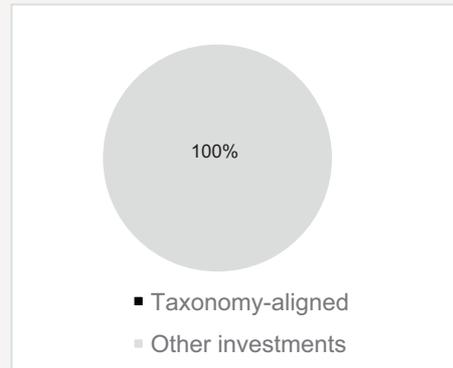
Not applicable.

The two graphs below show in green the minimum percentage of investments that are 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.

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



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

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

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

Other investments 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 is the minimum share of investments in transitional and enabling activities?

Not applicable.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund has a minimum investment of 1% in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy. It should be noted that the Fund aims to allocate 10% in sustainable investments with a social objective and/or an environmental objective. The Investment Manager monitors closely the evolution of the dataset and their reliance and will increase the portion of sustainable investments aligned with EU Taxonomy as the case may be, which will decrease the exposure to sustainable investments not aligned with EU Taxonomy in the Fund.



What is the minimum share of socially sustainable investments?

The Fund has a minimum investment of 1% in socially sustainable investments. It should be noted that the Fund aims to allocate 10% in sustainable investments with a social objective and/or an environmental objective.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

As described above, the Fund may hold up to 10% maximum in ancillary liquid assets or money market instruments for cash management/liquidity purposes which will not be assessed for compliance with the above ESG framework. Due to the neutral nature of the assets, no minimum safeguards have been put in place.

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



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

The Fund has no specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

Reference benchmarks
are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Where can I find more product specific information online?

More product-specific information can be found on the website: [Invesco Europe - Home](#).

Please select your country and your investor type, you will then be able to access the Fund's product page or the literature section on legal document sites where the "Sustainability-Related disclosures" document will be available, including the summary of the environmental and/or social characteristics that the Fund promotes in your local language.

