

Invesco Global Corporate Governance and Proxy Voting Policy

March 2026 vs. January 2024: what changed, and what it means for your ballot

Invesco's Policy Statement on Global Corporate Governance and Proxy Voting
Effective January 2024 compared with effective March 2026
No 2025 edition is held in this archive, so this comparison spans two years

Invesco's policy got longer and more specific - and lost every mention of climate. The trade was ESG detail for conventional governance detail.

Source: the two published policy documents, read in full. Every quotation below is taken verbatim from them.
proxyvotesnow.com

The short version

Invesco's 2026 policy is about ten percent longer than its 2024 policy, and considerably more detailed on ordinary governance questions. It is also completely silent on climate. The words climate, ESG, Paris and greenhouse each appeared in the 2024 document and appear nowhere in the 2026 one.

This is a different pattern from the index managers. BlackRock, Vanguard and State Street each got shorter and vaguer. Invesco got longer and more precise - but about share issuance thresholds, special meeting rights, proxy access parameters and related-party transactions, not about environmental or social risk.

What came out

- The climate section, entirely. Including the commitment that Invesco "may take voting action at companies that fail to adequately address climate-related risks, including opposing director nominations."
- The named list of things that count as a material oversight failure. In 2024 it was bribery and corruption, events causing significant climate-related risks, significant health and safety incidents, and failure to protect human rights. Three of those four are gone.
- The whole "Responsiveness" sub-section - four separate rules about voting against governance and compensation committee chairs who ignored shareholders.
- The board diversity standard that applied in markets without legal quotas.

What went in

- Detailed capitalization guidance: 20% share issuance without pre-emptive rights, 50% with them, repurchase safeguards, stock splits.
- Specific shareholder rights parameters: special meetings at a 10% to 25% threshold, written consent, supermajority opposition, and proxy access at three years' continuous ownership with a cap of one director or 25% of the board.
- New sections on related-party transactions, discharge of directors, routine business items and reincorporation.
- A new centralised stewardship function that can evaluate and execute votes for index strategies, replacing the old arrangement in which passive accounts simply followed the largest active holder.
- The Invesco Proxy Voting Choice pilot, letting certain clients pick from a menu of voting policies.

Direction of travel

More prescriptive about capital structure and shareholder rights; silent about environmental risk; and noticeably less committed to holding individual directors accountable for ignoring shareholders. If you care about how Invesco votes on a rights issue or a special meeting proposal, the 2026 policy tells you more than the 2024 one did. If you care about how it votes on a climate-related director election, it now tells you nothing.

1. Climate and ESG: removed without replacement

The 2024 policy had a section headed "Environmental, Social and Governance Risk Oversight." The 2026 policy has one headed "Environmental and Social Issues." The rename is the smallest part of it: the 2026 section covers shareholder proposals only. Both of the other subsections were deleted.

The climate paragraph

2024, deleted:

"Climate risk management: We encourage companies to report on material climate-related risks and opportunities and how these are considered within the company's strategy, financial planning, governance structures and risk management frameworks aligned with applicable regional regulatory requirements. For companies in industries that materially contribute to climate change, we encourage comprehensive disclosure of greenhouse gas emissions and Paris Agreement of 2015-aligned emissions reduction targets, where appropriate. Invesco may take voting action at companies that fail to adequately address climate-related risks, including opposing director nominations in cases where we view the lack of effective climate transition risk management as potentially detrimental to long-term shareholder value."

That is the entire climate content of the 2024 policy, and it has no successor. The final sentence was the operative one - an explicit statement that poor climate risk management could cost a director Invesco's vote. Nothing in the 2026 document says anything equivalent.

The ESG reporting expectation

2024, deleted:

"Reporting of financially material environmental, social and corporate governance ("ESG") information: Companies should report on their ESG opportunities and risks where material to their business operations."

Also deleted. The abbreviation ESG does not appear in the 2026 policy.

The list of material oversight failures

What counts as a failure serious enough to vote against directors

2024:

"Material governance or risk oversight failures at a company may include, without limitation: i. significant bribery, corruption or ethics violations; ii. events causing significant climate-related risks; iii. significant health and safety incidents; and/or iv. failure to ensure the protection of human rights."

2026:

"Invesco may take voting action against director nominees in response to material failures of governance, risk oversight or fiduciary responsibilities at the company that adversely affect shareholder value. This may include, bribery, fines or sanctions from regulatory bodies, demonstrably poor risk oversight, or adverse legal judgments, among other things."

Bribery survives. Climate-related events, health and safety incidents and human rights failures do not. They are replaced by regulatory fines and sanctions and adverse legal judgments - categories that are triggered by an external authority having already acted, rather than by Invesco's own assessment of a risk.

One thing was added to the trigger: "fiduciary responsibilities" now sits alongside governance and risk oversight. And the passage was relocated - it now sits under Board Composition and Effectiveness with the heading "Governance failures," rather than under the environmental and social section.

What the E&S section now contains

Only guidance on how Invesco assesses environmental and social shareholder proposals - and that guidance is actually more detailed than it was, listing the materiality of the issue, whether there are fines, litigation or significant controversies, the board's written response in the proxy, the company's existing disclosure and track record, whether it already complies with local law, the proponents' intentions, and whether the requested action is "unduly burdensome (scope or timeframe) or overly

prescriptive."

One sentence did not survive the rewrite. The 2024 policy said Invesco "may support shareholder resolutions requesting that specific actions be taken to address E&S issues or mitigate exposure to material E&S risks, including reputational risk." That explicit willingness to back action-forcing proposals, as opposed to disclosure proposals, has no 2026 equivalent - and "overly prescriptive" was added to the list of reasons to decline.

2. Board diversity: Invesco now defers entirely to local law

The 2024 policy had a subsection headed "Diversity" with its own independent standard. The 2026 policy has one headed "Other Board Qualifications," and its only test is whether the company complies with local legal requirements.

What an effective board looks like

2024:

"We believe an effective board should be comprised of directors with a mix of skills, experience, tenure, and industry expertise together with a diverse profile of individuals of different genders, ethnicities, race, culture, age, perspectives and backgrounds. The board should reflect the diversity of the workforce, customers, and the communities in which a business operates... We consider diversity at the board level, within the executive management team and in the succession pipeline."

2026:

"In our view, an effective board should be comprised of qualified and engaged directors with a mix of skills, experience, perspectives and characteristics. We recognize that the presence of a variety of these factors in the boardroom may contribute to robust challenge, debate, and innovation, and allows the board to make informed judgements."

Gone: the demographic list, the idea that a board should reflect its workforce and customers, and the extension of the analysis to the executive team and succession pipeline. Also softened: "greater diversity in the boardroom contributes to" became "the presence of a variety of these factors... may contribute to."

The voting rule for markets without quotas was removed

When Invesco votes against the nominating committee chair

2024:

"In markets where there are regulatory expectations, listing standards or minimum quotas for board diversity, Invesco will generally apply the same expectations. In all other markets, we will generally vote against the incumbent nominating committee chair of a board, or nearest equivalent, where a company failed to demonstrate improvements are being made to diversity practices for three or more consecutive years."

2026:

"We expect companies to comply with their local market legal requirements or listing standards for board diversity and to the extent that a company fails to comply with such requirements, Invesco will generally vote against the nominating committee chair, or nearest equivalent."

The first limb survives, in effect: where local law sets a standard, Invesco applies it. The second limb - covering every other market - is gone. In 2024 a company in a market with no diversity rules could still lose Invesco's vote by showing no improvement over three years. In 2026 there is nothing for it to fail.

Why this matters in the US

The United States has no federal board diversity requirement, and the Nasdaq board diversity listing rule was vacated by the Fifth Circuit in December 2024 - between these two policy editions. So for US-listed companies, deferring entirely to "local market legal requirements or listing standards" now means deferring to a standard that no longer exists. In the European markets that do have quotas, the practical effect is unchanged.

3. The Responsiveness rules: all four deleted

The 2024 policy contained a subsection called "Responsiveness" setting out when Invesco would vote against a named committee chair for ignoring shareholders. The word "responsiveness" does not appear in the 2026 policy in that sense at all.

2024, deleted:

"Boards should respond to investor concerns in a timely fashion, including reasonable requests to engage with company representatives regarding such concerns, and address matters that receive significant voting dissent at general meetings of shareholders."

Four rules followed that opening. None has a 2026 successor:

- Against the governance committee chair "in cases where the board has not adequately responded to items receiving significant voting opposition from shareholders at an annual or extraordinary general meeting."
- Against the governance committee chair "where the board has not adequately responded to a shareholder proposal which has received significant support from shareholders."
- Against the compensation committee chair "if there are significant ongoing concerns with a company's compensation practices that have not been addressed by the committee or egregious concerns with the company's compensation practices for two consecutive years."
- Against the compensation committee chair "where there are ongoing concerns with a company's compensation practices and there is no opportunity to express dissatisfaction by voting against an advisory vote on executive compensation."

A fifth related sentence also went: "Where a company has not adequately responded to engagement requests from Invesco or satisfactorily addressed issues of concern, we may oppose director nominations, including, but not limited to, nominations for the lead independent director and/or committee chairs." That was the one that gave Invesco's own engagement requests consequences.

The phrase "compensation committee chair" now appears nowhere in the policy. Invesco still has a detailed seven-part test for when it will vote against a say-on-pay proposal - that test is carried over word for word, covering pay-performance misalignment over two years, excessive risk-taking, option repricing, sub-three-year vesting, front-loaded awards, inadequate clawbacks, excessive one-time grants and variable pay less than half linked to performance targets. What it no longer has is any stated consequence for the directors who designed the plan.

Why this matters

This is the same pattern seen at Vanguard and State Street in the same period: the analysis of what makes a bad pay plan or an unresponsive board survives intact, while the link from that finding to a vote against a specific named director is removed. Across four of the managers reviewed in this library, that link was the single most commonly deleted item of 2025 and 2026.

4. What was added - and it is a lot

Unusually among the policies reviewed here, Invesco's got substantially more specific. Almost all the new material concerns capital structure and shareholder rights - the mainstream, non-controversial end of proxy voting.

Capitalization: a new section with real numbers

- Share issuance: support for authorisations without pre-emptive rights up to 20% of issued share capital for general corporate purposes, and up to 50% where pre-emptive rights apply. Shares "should not be issued at a substantial discount to the market price," with the same requirements for convertible and non-convertible debt.
- Share repurchases: generally supported where all shareholders may participate on equal terms, but not "when there is clear evidence of abuse or no safeguards against selective buybacks."
- Stock splits: case-by-case, considering the impact on shareholder value, local market practice, and the cumulative impact on authorised share capital where a reverse split is submitted concurrently.
- Authorised share increases: supported "provided we have not identified concerns regarding a company's historical share issuance activity or the potential to use these authorizations for anti-takeover purposes."

Shareholder rights: parameters that were not there before

- Special meetings: support for a right to call them "with a minimum threshold of 10% but not greater than 25%," and opposition to proposals prohibiting the right.
- Written consent: case-by-case, considering shareholders' existing right to call special meetings and the ownership structure.
- Supermajority: generally against proposals to require a supermajority vote, and for proposals to remove one.
- Proxy access: three years of continuous ownership for each member of a nominating group, "minimal or no limits" on the number of shareholders forming a group, and a cap of one director or 25% of the board, whichever is higher.
- Majority vote standard for director elections, except where a company has adopted formal governance principles presenting a meaningful alternative.

New sections on the mechanics of a meeting

Related-party transactions now have their own criteria - full and transparent disclosure of parties, subject, timeframe, pricing and conflicts; a sound strategic rationale; an independent opinion from the supervisory board or an external adviser; protection of minority shareholders; and arm's-length terms. There are also new provisions on discharge of directors, routine business items, other business, reincorporation and corporate name changes.

A different way of voting index assets

How passively managed accounts vote

2024:

"Where our passively managed strategies... hold the same investments as our actively managed equity funds, voting decisions with respect to those accounts generally follow the voting decisions made by the largest active holder of the equity shares. Invesco refers to this approach as "majority voting"... This process of majority voting seeks to ensure that our passively managed accounts benefit from the engagement and deep dialogue of our active investment teams."

2026:

"For certain passively-managed investment strategies that seek to track an index, the global corporate governance advisory team may evaluate and execute votes on proposals that meet pre-defined criteria, including materiality thresholds."

This is a structural change in who decides. Under the old arrangement, index assets piggybacked on the judgement of whichever active Invesco team held the most of the stock. Under the new one, a central stewardship team votes index assets

against pre-defined criteria. Investment teams still retain discretion to vote independently, and the policy still acknowledges that "there may also be instances where different investment teams reach different positions on voting issues for the same proxy."

Proxy Voting Choice

A new Exhibit B describes a pilot programme letting eligible clients and shareholders "choose from a menu of distinct voting policy options that support different voting objectives." It applies to a named list of funds, beginning with the Invesco S&P 100 Equal Weight ETF. State Street and BlackRock both operate comparable programmes; this is Invesco joining them.

One director rule got stricter

Overboarding

2024:

"We will generally vote against directors who have more than four total mandates at public operating companies. We apply a lower threshold for directors with significant commitments such as executive positions and chairmanships."

2026:

"We will generally vote against directors who have more than four total mandates at public operating companies, if their attendance is not disclosed or below 75% of all board and committee meetings in the year under review, or if material governance failures have been identified. We apply a lower threshold for directors with significant commitments such as executive positions and chairmanships."

Two additional grounds for voting against a director. Note this is separate from, and additional to, the long-standing attendance rule that survives unchanged in both editions - vote against directors attending less than 75% of meetings for two consecutive years.

5. What did not change

A large part of the policy is identical, including most of what governs director elections and executive pay.

- The seven-factor say-on-pay test, word for word, including the three-year minimum vesting expectation and the requirement that at least half of variable pay be linked to performance targets.
- Equity plan guidance: opposition to overly dilutive plans, repricing without shareholder approval, evergreen provisions and automatic accelerated vesting on a change of control.
- The attendance rule: against directors attending less than 75% of board and committee meetings for two consecutive years, with an allowance for disclosed extenuating circumstances.
- The independence definition - Invesco applies "a proprietary standard" considering employment history, commercial and consulting relationships, shareholdings and family ties - and the rule of voting against non-independent directors where a board is less than majority independent.
- The audit committee rule: against the audit committee chair where non-audit fees exceed audit fees for two consecutive years, or where fraud, misapplication of audit standards or persistent material weaknesses are identified.
- The annual, individual director election preference, the position on classified boards, and the approach to slate elections.
- Proxy contest factors, board size, and board assessment and succession planning.
- Director indemnification, and opposition to shareholder proposals imposing term limits or mandatory retirement ages.
- The overall architecture: portfolio management teams retain ultimate authority to vote, and local policies prevail over the global policy for the named entities in Japan, India, Taiwan, Luxembourg real estate and unit investment trusts.

Two small additions to the compensation section: an employee stock purchase plan dilution reference point of "more than 10% of outstanding shares," and a new paragraph treating severance and golden parachute arrangements case-by-case.

The bottom line

Invesco spent this revision making its policy more useful on the questions that appear on every ballot, and removing it entirely from the questions that appear on contested ones.

The additions are real and worth having. An investor can now read Invesco's policy and know that it will generally support a 20% share issuance authority without pre-emptive rights, oppose a special meeting threshold above 25%, and want a proxy access cap of one director or a quarter of the board. None of that was determinable from the 2024 document.

The removals are equally real. Invesco no longer says anything about climate risk in a proxy voting policy that said, two years earlier, that it might oppose directors over it. It no longer names health and safety incidents or human rights failures as material oversight failures. It no longer has an independent board diversity standard for markets where the law is silent. And it no longer commits to voting against the governance or compensation committee chair of a board that ignores a majority shareholder vote.

That last point deserves emphasis because it is the one with the broadest reach. A shareholder proposal that wins a majority is advisory; what gives it force is the expectation that large holders will punish a board that does nothing. Invesco had that rule in writing in January 2024 and does not have it in March 2026.

A note on the gap

This archive holds no 2025 Invesco policy, so these changes are observed across a two-year span rather than one. Some may have been made in an intervening edition. The direction and the substance are not in doubt, but the precise timing within that window cannot be established from these two documents alone.