

KLMN

Invesco MSCI North America Climate ETF

Fund Description

KLMN tracks an index focused on mid- and large-cap US and Canadian companies, prioritizing a 10% annual reduction in greenhouse gas emissions and targeting firms with approved carbon reduction plans, aligning with global environmental goals.

FactSet Analyst Report

KLMN seeks to track an index focusing on mid- and large-cap companies based in the US and Canada. It primarily invests in companies demonstrating strong environmental practices, applying rigorous screens to exclude those involved in tobacco, controversial weapons, thermal coal, and fossil fuel power generation based on revenue thresholds. Companies are also evaluated on ESG controversies, where only those without severe issues are selected. The index is constructed to minimize climate-related risks, requiring at least a 10% annual reduction in greenhouse gas emissions relative to sales, considering direct emissions and indirect emissions from energy use, as well as a 7% reduction relative to enterprise value. Firms with approved emissions reduction targets by the Science Based Targets initiative (SBTi) gain higher weightings, and the index aims for a 20% increase in such firms aggregate weight. KLMN focuses on sustainable growth in alignment with global climate initiatives.