

## Annex 1

**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:** VanEck Emerging Markets Equity UCITS  
**Legal entity identifier:** 635400MWWLO6NIRD8K60

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?



**Yes**



**No**



It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_%



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%



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 \_\_\_\_% of sustainable investments



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promotes E/S characteristics, but **will not make any sustainable investments**

**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.



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

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

Environmental, social and governance ("ESG") factors are actively integrated in the Investment Manager's investment activities. The Sub-Fund is actively managed whereby portfolio companies are evaluated by the Investment Manager.

The following environmental and social characteristics apply to the Sub-Fund's investments:

1. The Sub-fund promotes the reduction of the most negative impacts on society and the environment through:
  - Limiting exposure to companies, which are deemed ineligible according to the ISS norms-based research;
  - Limiting exposure to controversial business activities, by excluding companies deriving significant (>10%) revenues from fossil fuels, weapons, tobacco and pornography;
  - Limiting exposure to controversial business activities, such as production of coal or coal-based energy, nuclear weapons, tobacco and to controversies, such as severe environmental damage, unacceptable greenhouse gas emissions,

violation of human rights, serious violations of individuals' rights in situations of war or conflict, particularly serious violations of fundamental ethical norms, gross corruption. Such companies are excluded from the portfolio based on the Norges Bank Exclusionary list;

- Excluding companies, which are subject to warning. The warnings are the result of the assessment based on ESG data deriving from various ESG data providers.

2. The Engagement policy applies to the Sub-Fund, whereby active engagement with management is an integral component of the investment process.
3. The Glass Lewis ESG policy guidelines are applied, whereby votes are casted on sustainability matters.

Compared to a non-ESG emerging markets equity fund, this Sub-Fund applies binding environmental and social factors and limits. These are corresponding to the Principle Adverse Impacts specified below.

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

The Sub-Fund measures the following sustainability indicators:

Indicator
Overall ESG rating of the portfolio (Morningstar Sustainability Report)
The number of sustainability matters voted on in shareholder meetings

● ***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?***

This question and the related questions below are not applicable, as the Sub-Fund does not intend to make sustainable investments.

● ***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?***

Not applicable.

— How have the indicators for adverse impacts on sustainability factors been taken into account?  
Not applicable.

— How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:  
Not applicable.

*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.



**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 Sub-Fund considers principal adverse impacts on sustainability factors.



No

The Sub-Fund considers the following principal adverse impacts on sustainability factors:

1. Greenhouse Gas (GHG Emissions):
  - Unacceptable greenhouse gas emitters and companies involved in production of coal or coal-based energy are excluded through the Norges Bank Exclusion list.
2. Fossil Fuel:
  - Companies involved in the production of coal or coal-based energy are excluded through the Norges Bank Exclusion list.
3. Biodiversity:
  - Companies involved in severe environmental damage are excluded through the Norges Bank Exclusion list.
4. Social and employee, respect for human rights, anti-corruption and anti-bribery matters:
  - Exclusions based on violations of human rights through the Norges Bank Exclusion list.
  - Exclusions based on cluster munitions or nuclear weapons involvement through the Norges Bank Exclusion list.

Additionally, principal adverse impacts are considered as part of the Glass Lewis ESG tilted voting policy, whereby casted votes regard the environment, energy efficiency, the use of renewable energy sources, enhancing the rights of workers, violation of international human rights standards, gender pay inequity and board diversity.

A description on how the Sub-Fund considers Principal Adverse Impacts on sustainability factors in the preceding year is included in the Sub-fund's annual report.



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

### What investment strategy does this financial product follow?

The Sub-Fund's investment objective is to seek long-term capital appreciation by investing in equity securities in emerging markets around the world. The Sub-Fund's benchmark is the MS Emerging Markets Investable Market Index ("MSCI EM IMI"). The Fund focuses on companies with potential for growth at a reasonable price ("GARP"). This strategy utilizes a bottom-up investment process driven by fundamental research into the sustainability of a company's growth drivers. Stock selection is oriented toward strong secular stories, many of which reflect domestic demand themes and are often found in smaller-capitalization stocks.

In addition, the Sub-Fund actively integrates environmental, social and governance (ESG) factors in the investment process: norms-based research, controversial sector involvement screenings and data analysis are considered in the selection of companies included in the portfolio.

Glass Lewis ESG-tilted voting policy is applied, whereby votes are casted on sustainability matters in shareholder meetings of companies in the portfolio.

● **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 Sub-Fund's investments must comply with the following binding elements:

- Limiting exposure to companies, which are deemed ineligible according to the ISS norms-based research;
- Limiting exposure to controversial business activities, by excluding companies deriving significant (>10%) revenues from fossil fuels, weapons, tobacco and pornography;
- Limiting exposure to controversial business activities, such as production of coal or coal-based energy, nuclear weapons, tobacco and to controversies, such as severe environmental damage, unacceptable greenhouse gas emissions, violation of human rights, serious violations of individuals' rights in situations of war or conflict, particularly serious violations of fundamental ethical norms, gross corruption. Such companies are excluded from the portfolio based on the Norges Bank Exclusionary list;
- Excluding companies, which are subject to warning. The warnings are the result of the assessment based on ESG data deriving from various ESG data providers.

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

The Sub-Fund does not commit to a minimum rate to reduce the scope of investments prior to the application of the investment strategy.

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

Good governance relates to sound management structures, employee relations, remuneration of staff and tax compliance.

In its investment process, the Sub-Fund uses ESG scores to assess poor governance and management. A strong emphasis is placed on the review of corporate governance by means of meetings with management, a 360-degree bottom-up research approach, as well as external research. Company visits and management meetings are a fundamental part of the bottom-up research process.

The Investment Manager also uses (industry) data from various data providers for screening of investments for material ESG factors, including corporate governance, in order to take those data into account when selecting the suitable investments for the portfolio.

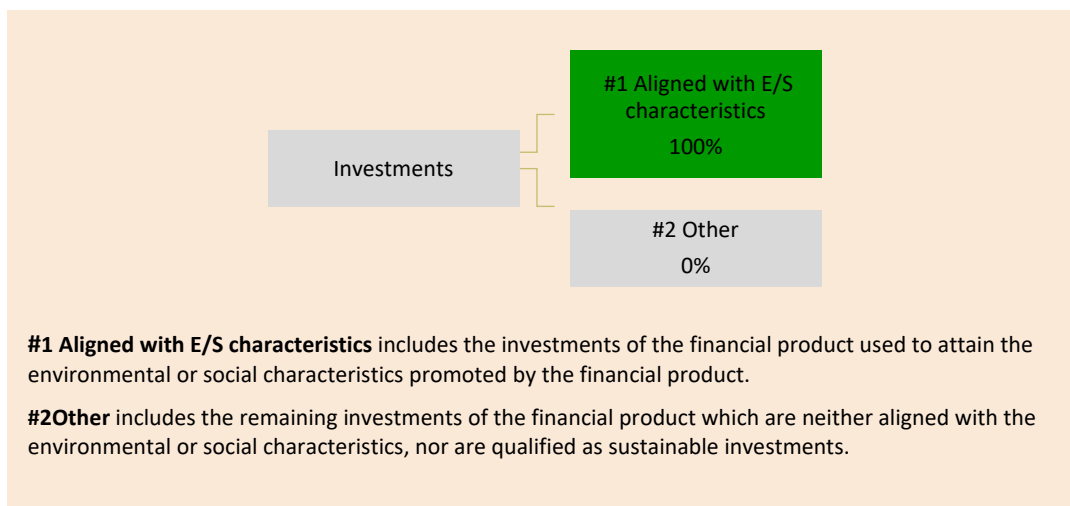
**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



**What is the asset allocation planned for this financial product?**

The Sub-Fund invests in direct financial instruments, 100% of which are aligned with environmental and social characteristics that it promotes on the basis of screening and exclusionary strategy.

**Asset allocation** describes the share of investments in specific assets.



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

The Sub-Fund does not invest in derivatives. Therefore, this question is not applicable.



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

While the Sub-Fund promotes environmental and social characteristics within the meaning of Article 8 of the SFDR, it does not currently commit to investing in any “sustainable investments” within the meaning of the SFDR. It should be noted that the investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation and, as such, the Sub-Fund’s portfolio alignment with such Taxonomy Regulation is not calculated. It follows that the minimum extent of sustainable investments with an aligned environmental objective aligned with the Taxonomy Regulation is currently 0%.

The “do no significant harm” principle applies only to those investments underlying the Sub-Fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?**

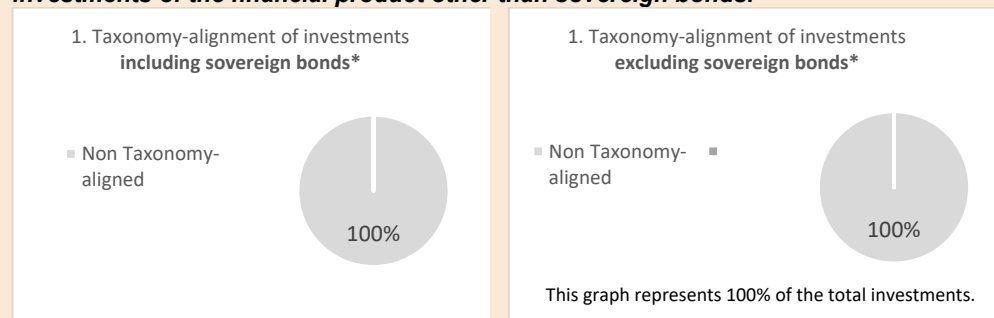
☐ Yes

☐ In fossil gas

☐ In nuclear energy

☒ No

**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.**



\* For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures

- **What is the minimum share of investments in transitional and enabling activities?**

The minimum share of investments in transitional and enabling activities is 0%.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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.

**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.



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 sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The minimum share of non-aligned environmental sustainable investments is 0%.



**What is the minimum share of socially sustainable investments?**

The minimum share of socially sustainable investments 0%.



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

Not applicable, all investments are aligned with environmental and social characteristics.



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

**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 Sub-Fund does not designate an index to measure alignment with environmental and social characteristics it promotes.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***  
Not applicable.
- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***  
Not applicable.
- ***How does the designated index differ from a relevant broad market index?***  
Not applicable.
- ***Where can the methodology used for the calculation of the designated index be found?***  
Not applicable.



**Where can I find more product specific information online?**

More product-specific information can be found on the website: [VanEck Emerging Markets Equity UCITS \(Equity Fund\)](#).