

Annex 1: Pre-contractual disclosure - VanEck European Equal Weight Screened UCITS ETF

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 European Equal Weight Screened UCITS ETF

Legal entity identifier: 2549008OCRQQWIJZNT48

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**

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

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

1. The Sub-fund promotes the reduction of certain negative impacts on society and the environment, through:
 - Reducing exposure to severe and very severe controversies relating to the environment, human rights corruption and labour rights, via exclusions based on the Norm-based research; Avoiding exposure to companies involved in controversial weapons;

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

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.

- Limiting the exposure to carbon risk and specific business activities by excluding companies deriving significant (>0 or >5%) revenues from certain sectors, such as thermal coal mining and tobacco.
2. The ESG tilted voting policy is applied, whereby casted votes concern sustainability matters. A reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted by the financial product. Compared to a non-ESG fund with similar exposure, this Sub-fund applies mandatory 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 will measure the following sustainability indicators:

Indicator
Total GHG Emissions (Scope 1+2+3) per Mio EUR Enterprise Value
The percentage of companies violating UNGC principles and/or OECD Multinational Enterprise Guidelines

● **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.

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



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

- Yes, the Sub-fund considers principal adverse impacts on sustainability factors.
- No

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-

The Sub-fund considers the principal adverse impacts on sustainability, by means of screening and excluding companies with a low performance on the below subjects in the following manner:

1. Greenhouse Gas (GHG Emissions):
 - Part of Norm-based research on environmental protection "Failure to mitigate climate change impacts", activity-based exclusion of companies deriving revenue from thermal coal mining and oil sands.
2. Biodiversity
 - Part of Norm-based research on environmental protection "Failure to prevent depletion of biodiversity" and "Failure to prevent deforestation / illegal logging".
3. Water
 - Part of Norm-based research on environmental protection "Failure to prevent depletion of biodiversity", "Failure to prevent water pollution" and "Failure to prevent oil spill".
4. Waste
5. Part of Norm-based research on environmental protection "Poor waste management", "Poor nuclear safety", "Failure to prevent pollution" and "Failure to mitigate the production / distribution of hazardous substances". Social and employee, respect for human rights, anti-corruption and anti-bribery matters
 - Norm-based screening covers controversial practices that have adverse impacts on society and the environment in line with established expectations for Responsible Business Conduct as set forth in the core normative framework consisting of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights, all of which are embedded in the Sustainable Development Goals.
 - Part of Norm-based research on Human Rights, including "Failure to conduct human rights due diligence" and "Failure to provide equal pay for work of equal value"

Controversial weapons screenings are performed whereby companies with a RED exposure score in anti-personnel mines, biological and chemical weapons, cluster munitions, depleted uranium, and nuclear weapons are excluded from the index.

Additionally, principal adverse impacts are considered as part of the 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 has considered Principal Adverse Impacts on sustainability factors in the preceding year will be included in the Sub-fund's annual report.



What investment strategy does this financial product follow?

The Sub-fund's investment objective is to replicate, before fees and expenses, the price and yield performance of the Solactive European Equity Index. The Sub-fund seeks to invest in the 100 most liquid, most highly capitalized companies from European Developed Markets that comply with the UN Global Compact Principles for responsible corporate behavior. Additionally, it excludes sectors

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.

that do not follow responsible business practices, including alcohol, animal testing, military, civilian weapons, gambling, pornography, tobacco, nuclear power.

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

● **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:

1. Exclusion from the portfolio of companies with a severe or very severe controversy rating according to ISS Norm-based research;
2. Exclusions based on verified involvement in determined controversial weapons;
3. Exclusions based on product involvement: alcohol (>5% revenues), animal testing, military (>0%), civilian firearms (>0%), gambling (>5%), GMOs (>0%), military equipment (>5%), pornography (>5%), tobacco (>0% from cultivation and production), pesticides (>5%), thermal coal mining (>5%), nuclear energy production (>0%) and oil sands (>5%).

● **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?**

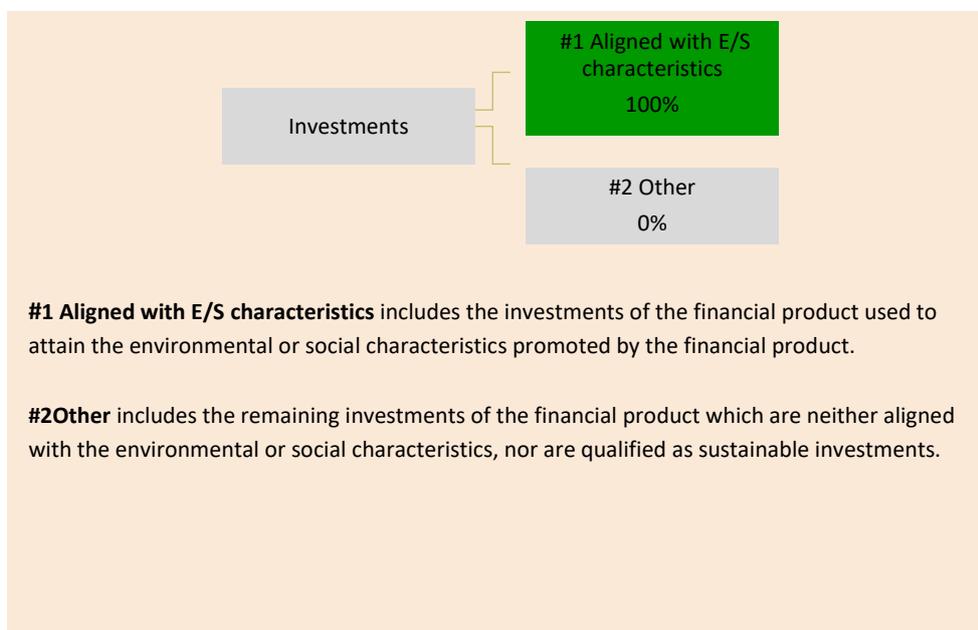
Good governance relates to sound management structures, employee relations, remuneration of staff and tax compliance. The Sub-fund excludes companies with a severe or very severe controversy rating. The rating takes into account, among others, Accounting Fraud, Anti-competitive Behaviour, Bribery, Money Laundering, Failure to manage cybersecurity, Failure to pay fair share of taxes, Poor stakeholder consultation, Workplace discrimination, Labour Rights Violations, Working Conditions as well as Supply-Chain standards.



What is the asset allocation planned for this financial product?

The Sub-fund invests in direct financial instruments of which 100% is aligned with the environmental and social characteristics that it promotes.

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 Taxonomy¹?**

Yes

In fossil gas In nuclear energy

No

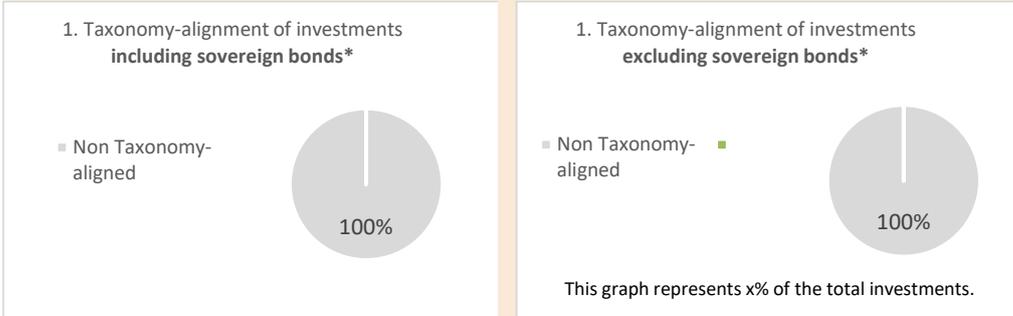
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

¹ 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.

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.

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%.

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 the 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?**
As a passive investment's strategy, the Sub-fund has designated the Solactive European Equity Index as reference benchmark to meet the environmental and social characteristics that it promotes.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**
Sustainability factors are considered as part of screenings that are included in the reference benchmark and assessed at any rebalancing of the underlying Index. By means of Controversy Risk Assessment and Controversial sector involvement screenings the Sub-fund takes

sustainability factors relating to greenhouse gas emissions, biodiversity, water, waste, social and employee, respect for human rights, anti-corruption and anti-bribery matters into account. For detailed information, please refer to the question “Does this financial product consider principal adverse impacts on sustainability factors?”.

● ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

In order to seek to achieve its investment objective, the investment policy of the Sub-fund is to use a replication strategy by investing directly in the underlying equity securities that consists of the component securities of the Index. The Sub-fund is passively managed. The Sub-fund’s Manager, in order to ensure the alignment with the ESG characteristics that it promotes, monitors that the holdings are screened against the underlying Index’s exclusion by means of:

- Replication by the Portfolio Management Team of the Index based on the Index rules. Those also contain the requirements related to Norm-based research and Controversial sector involvement screenings (tobacco, thermal coal mining, gambling, oil sands, civilian firearms, military equipment and services, and nuclear power), as coded in the Bloomberg Compliance Manager system. The Index components are periodically rebalanced by the Index provider.
- Reporting of any breaches of the Index rules by the Legal and Compliance Team, in line with VanEck’s policies and procedures, which are established to assess the alignment of the funds’ investments with the Index and to undertake recovery measures where necessary.
- Periodic confirmation on ESG integration by the Index provider as part of the regular due diligence.
- Establishment of an ESG Committee which periodically reviews the compliance of the Fund’s characteristics with the current regulation and which goal is to establish, maintain and further develop and monitor ESG strategies offered by VanEck. The ESG Committee is composed by the managing directors and at least one member of each department.
- Appointment of a proxy voting specialist - Glass Lewis Europe Limited- to exercise voting rights for all equity funds also on ESG factors. VanEck is periodically informed by the service provider on the voting activities.
- Appointment of a third-party engagement specialist - Glass Lewis Europe Limited - for the passive equity funds managed by VanEck Asset Management B.V. The engagement provider determines the engagement approach in accordance with its engagement policy and based on its engagements’ priorities.

● ***How does the designated index differ from a relevant broad market index?***

The index differs from a generic European broad market index in following ways:

- Equal weighting: the constituents of the index are equal-weighted as opposed to market-capitalization weighting;
- ESG Screening: companies involved in significant controversies, the ones that are involved in controversial weapons, or that exceed certain thresholds of revenue exposure to various sectors including, but not limited to, civilian firearms, tobacco, and alcohol are not eligible for inclusion.

- **Where can the methodology used for the calculation of the designated index be found?**
Information on the methodology can be found on the following page:
Guideline.



Where can I find more product specific information online?

More product-specific information can be found on the website:
<https://www.vaneck.com/ucits/teet/documents/>.