



VanEck Emerging Markets Bond UCITS

Sustainability-related information pursuant to Art. 24 of Regulation (EU) 2022/2088 ("SFDR")

Product name: VanEck Emerging Markets Bond UCITS

Legal entity identifier: 635400ISUGLPAT8RP602

a) Summary

VanEck Emerging Markets Bond UCITS («Underfondet») har blitt kategorisert som Artikkel 8(1) i EUs forskrift 2019/2088 om bærekraftsrelaterte opplysninger i finanssektoren («SFDR»). Underfondet fremmer miljømessige og/eller sosiale egenskaper og investerer i selskaper som følger god styringspraksis. For å oppnå hver av de promoterte egenskapene integrerer Underfondet aktivt miljømessige faktorer, sosiale faktorer og styringsfaktorer i investeringsprosessen sin ved hjelp av ESG-relaterte ekskluderinger og ansettelsespolitikk. Underfondet har ikke bærekraftig investering som investeringsmål.

Underfondet er aktivt styrt, hvorved porteføljeselskaper og -stater blir evaluert av kapitalforvalteren og investerer i direkte finansielle instrumenter som er 100 % på linje med de miljømessige og sosiale egenskapene som det fremmer. Underfondets investeringsmål er å oppnå langsiktig kapitalvekst ved å investere i aksjer i fremvoksende markeder rundt i verden. Underfondets investeringer må samsvare med følgende bindende elementer:

1. Begrenset eksponering mot selskaper som er ansett som ikke valgbare ifølge normbasert forskning fra ISS;
2. Begrenset eksponering mot kontroversiell næringsaktivitet ved å ekskludere bedrifter som uthenter betydelig (>10 %) avkastning fra fossilt brensel, våpen, tobakk og pornografi;
3. Begrenset tilgang til kontroversielle næringsaktiviteter, som produksjon av kull eller kullbasert energi, atomvåpen, tobakk og til kontroversielle aktiviteter som miljøskader, uakseptable klimagassutslipp, brudd på menneskerettigheter, alvorlige brudd på individers rettigheter i krigs- eller konfliktsituasjoner, spesielt alvorlige brudd på grunnleggende etiske normer, grov korrupsjon. Slike selskaper blir ekskludert fra porteføljen basert på Norges Banks eksklusjonsliste;
4. Ekskludering av selskaper som har fått advarsler. Advarslene er resultatet av en vurdering basert på uthenting av ESG-data fra ulike leverandører av ESG-data.

Gjennom Underfondets ESG-baserte ekskluderinger vurderer det flere prinsipielle negative indikatorer, som klimagassutslipp, fossilt brensel, biologisk mangfold, sosiale indikatorer og ansettelsesindikatorer, respekt for menneskerettigheter, anti-korrupsjons- og anti-bestikkelsessaker. I tillegg er ansettelsespolitikk en vesentlig del av investeringsprosessen, hvor forvalteren aktivt engasjerer seg med utstederne for de ulike ESG-sakene.

Videre vurderes god styringspraksis i selskapene det er investert i ved å ekskludere selskaper basert på en ESG-poengsum, som gir en vurdering på god styring og ledelse. Det blir lagt mye vekt på gjennomgangen av eierstyring og selskapsledelse ved hjelp av møter med ledelsen, en grundig nedenfra-og-opp-undersøkellesmetode og eksterne undersøkelser. Besøk hos selskapet og møter med ledelsen er en grunnleggende del av nedenfra-og-

opp-undersøkelsesprosessen. Kapitalforvalteren benytter seg også av (bransje-)data fra ulike leverandører av data, til kontroll av investeringene i henhold til ESG-faktorene inkludert eierstyring og selskapsledelse, for å kunne ta den informasjonen med i beregningen ved valg av passende investeringer for porteføljen.

b) No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

c) Environmental or social characteristics of the 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 corporates and sovereigns 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 corporates and sovereigns, which do not pass the screening tests on E, S and G components by the Investment Manager (step 2 of the investment process);
 - Limiting exposure to corporates, which are deemed ineligible according to the ISS norms-based research;
 - Limiting exposure to controversial business activities, by excluding corporates deriving significant (>10%) revenues from coal or coal-based energy, weapons and/or tobacco;
 - Limiting exposure to controversial business activities for corporates, such as production of coal or coal-based energy, nuclear weapons, tobacco and 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 corporates are excluded from the portfolio based on the Norges Bank Exclusionary list.
2. The Engagement policy applies to the Sub-Fund, whereby active engagement with management is an integral component of the investment process.

d) Investment strategy

The Sub-Fund's investment objective is to seek total return, consisting of income and capital appreciation. The Sub-Fund can invest in debt securities that are issued by governments, quasi-government entities or corporations in emerging markets countries. These securities may be denominated in any currency, including those of emerging markets. The Sub-Fund's benchmark (the "Index") is a blended index consisting of 50% J.P Morgan Emerging Markets Bond Index (EMBI) Global Diversified and 50% J.P. Morgan Government Bond Index-Emerging Markets (GBI-EM) Global Diversified. By investing in emerging markets debt securities, the Sub-Fund offers exposure to emerging markets fundamentals, generally characterized by lower debts and deficits, higher growth rates and independent central banks.

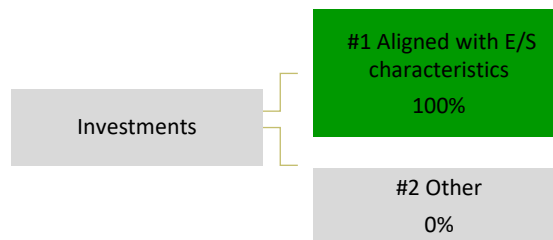
In addition, the Sub-fund actively integrates environmental, social and governance (ESG) factors in the investment process: norms-based research, controversial sector involvement screenings and data analysis are considered in the selection of investments included in the portfolio.

Good governance relates to sound management structures, employee relations, remuneration of staff and tax compliance and is analyzed in the Step 2 of the investment process. The Investment Manager also uses (industry)

data from various data providers for screening of investments for material ESG factors including governance, in order to take that data into account when selecting suitable investments for the portfolio.

e) Proportion of investments

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.



f) Monitoring of environmental or social characteristics

The environmental and social characteristics are monitored in the following manner:

Environmental, social and governance (“ESG”) factors are actively integrated in the Investment Manager’s investment activities. The Sub-Fund is actively managed whereby portfolio corporates and sovereigns are evaluated by the Investment Manager.

1. The Sub-fund promotes the reduction of the most negative impacts on society and the environment.
 - This is measured with the following indicator(s):
 - Overall ESG rating of the portfolio
 - This is monitored in the following manner:
 - The Investment Manager has set up monitoring, management and compliance systems, in Bloomberg, among others, to prevent trading in companies that are on the exclusions list.
2. The Engagement policy applies to the Fund, whereby active engagement with investee companies is an integral component of the investment process.
 - This is monitored in the following manner:
 - Review of the engagement policy when necessary.

g) Methodologies

The Sub-Fund applies exclusions based on exposure to controversial sectors and activities and/or violations of international standards concerning specific norms, as per screening described above.

In addition, active engagement with investee companies is part of the investment process.

h) Data sources and processing

The data sources used

- ISS for data on company involvement in controversial sectors/activities;
- ISS screening for coal or coal-based energy, weapons and/or tobacco (applicable to corporates only);

- Norges Bank exclusion list for exclusion of companies (applicable to corporates only);
- RobecoSAM, Bloomberg ESG and MSCI (applicable to corporates only);
- World Bank ESG and from Yale University's Environmental Performance Index data (applicable to sovereigns).

The measures taken to ensure data quality

The mentioned data sources are used by VanEck and/or its service provider. VanEck does not receive most of the data directly from data providers and therefore has not taken measures to ensure data quality for the data which VanEck does not directly receive from data providers. For the data which VanEck does use directly from data providers, it uses a reporting service tool where data quality measures are integrated into. It is also relevant that the data used by the index service provider is of sufficient quality. The service provider has set up their internal processes to do so.

How data are processed

VanEck processes a limited amount of data on its own for the Sub-fund. Data from data providers is processed to measure the Sub-fund's environmental and social characteristics based on the Sub-fund's investments as per the end of the year.

The proportion of data that are estimated

VanEck does not estimate data, but cannot rule out that the service provider does estimate data and/or use data provider which estimate data. Although reported data is preferred, missing information is often supplemented with estimated data by the data providers. For more information on how this exactly is determined, we refer to the website of the mentioned data and service providers.

i) Limitations to methodologies and data

VanEck recognizes the following limitation to methodologies and data:

1. Lack of reported data

In order to attain the environmental and social characteristics, data from external data providers is used by VanEck and/or the service provider. Data providers retrieve data from company reports (such as annual reports). Not all companies report the data. Missing data is sometimes estimated by data providers and at times there is no data coverage when it is not possible to estimate the data. This means that in not all cases reported data is present to determine whether the promoted characteristics are attained. By means of choosing a reputable data provider, the risk of erroneous estimates is mitigated.

j) Due Diligence

VanEck has a due diligence process on the selection of index providers and service providers. The board of VanEck decides on the appointment of service providers which is prepared by the Portfolio Management Team. VanEck is responsible for monitoring the service provider.

VanEck's approach is to achieve and maintain the highest standards of integrity, reporting and internal control on all relevant environmental, social, and governance (ESG) matters, sustainability factors in its policies, practices, operational set-up and selection and monitoring of investments as well as identification and mitigation of ESG related risks. A more detailed description on the due diligence that VanEck carries out is available in the ESG Due Diligence Policy, which can be found at the following link: [Policies & Procedures | VanEck](#).

k) Engagement policies

As part of VanEck's bottom-up investment process, its active Investment Teams seek to meet, when possible, with investment management and representatives of debt issuers, prior to investing. Once the Active Funds invest in a company, VanEck seeks to continue to have regular dialogue with investment management and where relevant, raise ESG issues pertinent to that investment and industry. It may, for example, discuss a board's focus on ESG or, more specifically, an investment's environmental record, safety record, community engagement, energy and resource efficiency or labor relations. When VanEck raises ESG-related issues during these meetings it does so, among other reasons, in order not only to have a better understanding of goals and risks, but also to understand better, and advocate adherence to, best practices. In addition, VanEck tends to engage on such issues when asked to by companies or corporates themselves. The Investment Teams will monitor the principal adverse impacts reported on during the previous period and will consider the possibility of taking specific actions pertinent to that investment and industry, based on the report results.

l) Designated reference benchmark

No reference benchmark is designated for the purpose of attaining the environmental or social characteristics promoted by this financial product.