



## **VanEck Space Innovators UCITS ETF**

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

**Product name:** VanEck Space Innovators UCITS ETF

**Legal entity identifier:** 254900JLBZOX9ALOJI86

**ISIN:** IE000YU9K6K2

#### **(a) Summary**

VanEck Space Innovators UCITS ETF (the "Fund") has been categorised as Article 8(1) of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector ("SFDR"). The Fund promotes environmental and/or social characteristics and invest in companies that follow good governance practices. In order to attain each of the promoted characteristics, the Fund integrates ESG features in its passive investment process by means of ESG related exclusions on the level of the benchmark replicated by the fund and through proxy voting on sustainability matters. The Fund does not have sustainable investment as its investment objective.

The Fund has a passive investment policy, whereby it replicates as closely as possible its reference benchmark and it invests in direct financial instruments, which are 100% aligned with the the environmental and social characteristics that it promotes. The fund aims to invest in companies that generate at least 50% of their revenues (25% for current components) from operating segments that include space-related products and services in the following areas: Space Exploration (including design of commercial space crafts, space tourism, scientific research or delivery of equipment or cargo to space); rockets and propulsion systems (including products and services directly related to or to space vehicle systems or equipment, space pay-load, or other materials and equipment used to build space crafts or other vehicles used in space); Satellite Equipment and Communications Solutions (including systems and software for satellite-based communication but excluding Pay-TV and communications service providers); and Other Satellite Equipment (including satellite equipment, systems or software for areas such as research, earth observation, space imaging or GPS).

The Fund's investments must comply with the following binding elements:

1. Exclusion of companies with a severe or very severe controversy rating relating to Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights, based on Norm-based research.
2. Exclusion of companies which derive 5% or more revenues from involvement in Tobacco, Thermal Coal, Fossil Fuels, Oil Sands, Nuclear and Civilian Firearms or any revenues from involvement in controversial weapons, based on Controversial sector involvement screenings.

Through its ESG based exclusions and its proxy voting policy, the Fund considers several Principle Adverse Indicators, such as greenhouse gas emissions, biodiversity, water, waste, social and employee, respect for human rights, anti-corruption and anti-bribery matters.

Moreover, good governance practices of the investee companies are assessed by excluding companies from the portfolio that violate the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights or have severe or very severe controversy ratings.

**(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**

The following environmental and social characteristics apply to the Fund’s investments:

1. The Fund promotes the reduction of the most negative impacts on society and the environment through:
  - Minimizing exposure to severe and very severe controversies relating to international standards on responsible business, human rights and labour rights is reduced
  - Exposure to controversial business activities relating to tobacco, controversial weapons, energy extractives and civilian firearms.
  - Limiting exposure to carbon risk, by excluding companies deriving significant (>5%) revenues from energy extractives, such as thermal coal.
  
2. The Glass Lewis ESG policy guidelines are applied, whereby casted votes concern sustainability matters.

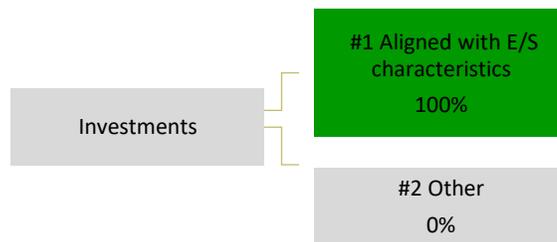
**(d) Investment strategy**

The Fund’s investment objective is to replicate, before fees and expenses, the price and yield performance of the MVIS Global Space Industry ESG Index. The Fund seeks to invest in companies generating at least 50% (25% for current components) of their revenues from space-related products and services in the space industry. Norm-based research and Controversial sector involvement screenings are performed in the selection of companies in the Index. In addition, the Glass Lewis ESG-tilted voting policy is applied, whereby casted votes in shareholder meetings of companies in the portfolio concern sustainability matters.

The Fund excludes companies when ISS rating shows the verifiably violated or imminent to violate the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

**(e) Proportion of investments**

The Fund invests in direct financial instruments of which 100% is aligned with the the environmental and social characteristics that it promotes on the basis that all of the Index holdings are screened against its exclusion strategy.



## **(f) Monitoring of environmental or social characteristics**

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

The Fund aims at enhancing sustainable forms of the reduction of the most negative impacts on society and the environment. Therefore, the Fund invests in companies that follow good governance practices.

1. This is measured with the following indicator(s):
  - The % of portfolio involved in violations of UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights. The target is 0% at rebalancing;
  - The % of portfolio involved in the fossil fuels industry; which cannot be higher than 5% at rebalancing;
  - The % of portfolio involved in non-renewable energy production
2. This is monitored in the following manner:
  - The requirements relating to Norm-based research and Controversial sector involvement screenings (tobacco, fossil fuels, thermal coal mining, gambling, oil sands, civilian firearms and nuclear power) are included in the Index rules which are defined by the Index provider.
  - Companies are screened for compliance with the Index rules and the Index is rebalanced on a periodic basis by the Index Provider.
  - The Fund replicates the Index based on the Index rules.
  - Any breaches of the index rules are reported to VanEck by the Portfolio Management Team.
  - VanEck has policies in place to assess the alignment of the Fund's investments with the Index.

The Glass Lewis ESG tilted voting policy is applied, whereby casted votes concern sustainability matters.

1. This is monitored in the following manner:
  - VanEck has appointed a service provider to exercise voting rights.
  - VanEck is periodically informed by the service provider on the voting activities.

## **(g) Methodologies**

The screening of companies consists of a few components as described above. The exact methodology of the Fund's sustainable investments objective is determined by the Index provider. More information can be found in the Fund's index rules.

Voting is delegated to Glass Lewis. Glass Lewis determines the voting approach based on its assessment of the voting proposals and the alignment with the voting policy. VanEck is periodically informed on the activities and has access to an online platform where the information on the proxy voting, policy implementation, recordkeeping and reporting can be found.

## **(h) Data sources and processing**

*The data sources used*

1. ISS for global norms, revenue exposure and controversial weapons involvement screenings through the index provider
2. Investee companies' revenues derived from hydrogen and fuel cell projects through the index provider.
3. ISS for data on company involvement in non-renewable energy production.
4. ISS for voting activities through Glass Lewis

#### *The measures taken to ensure data quality*

The mentioned data sources are used by VanEck and/or its index provider and service provider. VanEck does not receive most of the the data directly from data providers. With regards to the non-renewable energy production data VanEck utilizes a reporting service whereby calculations can be made in a tool developed by the data provider. It is of course relevant that the data used by the index provider and service provider is of sufficient quality. The index provider and service provider have set up their internal processes to do so. Data quality is a component of the selection process of the index provider.

#### *How data are processed*

VanEck does not process most of the data on its own. Other than the reporting tool VanEck uses, the reports it receives on a periodic basis come from the index provider and the service provider. VanEck is periodically informed on the index construction, implementation, results and progress of the voting activities.

#### *The proportion of data that are estimated*

VanEck does not estimate data, but cannot rule out that the index provider or service provider does estimate data and/or use data provider wich 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 providers, index provider and service provider.

### **(i) Limitations to methodologies and data**

VanEck recognizes the following limitations to methodologies and data:

#### 1. Lack of reported data

In order to attain the environmental and social characteristics, data is used which is processed by the index provider and service provider. These parties receive the data from external data providers. Data providers retrieve data from company reports (such as annual reports). Not all companies report the data. Missing data is sometimes estimated by dataproviders 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.

#### 2. Actualisation of data

The index provider rebalances the index on a periodic basis. It is possible that holdings in between the rebalancing moments do not comply with the promoted characteristics.

### **(j) Due Diligence**

VanEck does not select investments, but uses indices which are constructed by index providers. As described in the monitoring section, The Fund replicates the index and this is monitored by the Portfolio Management Team and the Legal and Compliance Team.

VanEck has a due diligence process on the selection of index providers and service provides. The board of VanEck decides on the selection of an index or service provider. The proposal for an index or service provider is prepared by [mention team]. VanEck is responsible for monitoring the replication of the index and 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.

**(k) Engagement policies**

The financial product engagement is limited to dialogues with the index provider in further refining the index rules and can relate to the increasing consideration of sustainability factors in the composition of the index. The VanEck Shareholder Engagement Policy can be found [here](#).

**(l) Designated reference benchmark**

As a passive investments strategy, the Fund has designated the MVIS Global Space Industry ESG Index as reference benchmark to meet the environmental and social characteristics that it promotes.

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 Norm-based research and Controversial sector involvement screenings the 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.

Information on the methodology can be found on the index provider's website: [https://www.mvis-indices.com/rulebooks/download/mv\\_equity\\_guide.pdf](https://www.mvis-indices.com/rulebooks/download/mv_equity_guide.pdf)