



**VanEck Sustainable Future of Food UCITS ETF**  
**Sustainability-related information pursuant to Art. 37 of Regulation (EU) 2022/2088 ("SFDR")**

**Product name:** VanEck Sustainable Future of Food UCITS ETF

**Legal entity identifier:** 25490018AUJGR6833G82

**ISIN:** IE0005B8WVT6

**a) Summary**

VanEck Sustainable Future of Food UCITS ETF (the "Fund") has been categorised as Article 9(1) of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector ("SFDR"). The Fund has a sustainable investment objective, with an emphasis on environmental objectives: it aims at enhancing sustainable forms of food waste, food safety or environmental and ultimately contribution to sustainable Food production and Development. It contributes to environmental objectives aligned with the Sustainable Development Goals (SDG) "Zero Hunger", "Good Health and Well-Being", "Industry, Innovation and Infrastructure", "Sustainable Cities and Communities", "Responsible Consumption and Production", "Climate Action", "Life Below Water" and "Life on Land" For the purpose of attaining the sustainable investment objective, the Fund incorporates sustainability considerations in its passive investment process by means of ESG characteristics integration, ESG related exclusion and proxy voting on sustainability matters.

The Fund has a passive investment policy, whereby it replicates as closely as possible its reference benchmark and invests in direct financial instruments, which are 100% sustainable. The fund's investment guidelines do not require a specifically defined alignment with the EU Taxonomy. VanEck Sustainable Future of Food UCITS ETF invests in companies with at least 50% (25% for current components) of their revenues from the following sub-themes: (a) plant-based or cultured meat, protein or dairy alternatives; (b) vertical or urban farming - this includes agricultural companies that grow crops vertically, in greenhouses or specialize in localized farming; (c) precision agriculture - this includes irrigation and smart water grid equipment, greenhouse equipment, or autonomous/robotic farming or agriculture- related equipment but excludes agricultural chemicals and plant seeds; (d) food flavors and functional ingredients; (e) organic or health foods - this includes packaged foods, or agricultural products but excludes meat, poultry, fish or vitamins. In addition, companies that derive at least 50% (25% for current components) of their revenues from agricultural services or agricultural products (limited to fruits, vegetables, grains and dairy), or packaged plant/grain-based or dairy food products and meet certain ESG standards related to food and agriculture sustainability and safety are also included. The Index Provider utilizes ESG data provided by ISS.

In addition, certain ESG related exclusions are applied according to the Index methodology to ensure that the companies do not significantly harm any other environmental or social sustainable investment objective. The screenings consider:

1. Controversial sector involvement whereby companies are screened for involvement in:
  - Controversial weapons: a 0% revenue threshold is applied;
  - Tobacco, thermal coal, fossil fuels, oil sands, nuclear energy, civilian firearms, military and gambling: a 5% revenue threshold is applied.
2. The violations of international standards on e.g. human rights, labor rights, environmental risk and bribery.

Based on its thematic investment policy focusing on sustainable sustainable Food Production and Development, the Fund considers several Principle Adverse Indicators, such as greenhouse gas emissions, biodiversity, water, waste, and 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 that severely or very severely violate the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

#### **b) No significant harm to the sustainable investment objective**

This Financial product does not significantly harm any other environmental or social sustainable investment objective. By means of Norm-based research and Controversial sector involvement screenings, the Fund takes the Principal adverse impacts on 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. In addition, 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.

#### **c) Sustainable investment objective of the financial product**

The Fund aims at supporting sustainable Food Production and Development. Therefore, the Fund selects companies involved in food and agricultural technology, organic foods, or food companies that display high standards in food waste, food safety or environmental impact.

This includes companies with at least 50% (25% for current components) of their revenues from the following sub-themes:

(A) Plant-Based or Cultured Meat, Protein or Dairy alternatives;

(B) Vertical or Urban Farming - this includes agricultural companies that grow crops vertically, in greenhouses or specialize in localized farming;

(C) Precision Agriculture - this includes irrigation and smart water grid equipment, greenhouse equipment, or autonomous/robotic farming or agriculture- related equipment but excludes agricultural chemicals and plant seeds;

(D) Food Flavors and Functional Ingredients;

(E) Organic or Health Foods - this includes packaged foods, or agricultural products but excludes meat, poultry, fish or vitamins;

(F) In addition, companies that meet certain ESG standards related to food and agriculture sustainability and safety are also included as follows and referred to as sub-theme F. The Index Provider utilizes ESG data provided by ISS. Companies that are eligible under these conditions must derive at least 50% (25% for current components) of their revenues from agricultural services or agricultural products (limited to fruits, vegetables, grains and dairy), or packaged plant/grain-based or dairy food products.

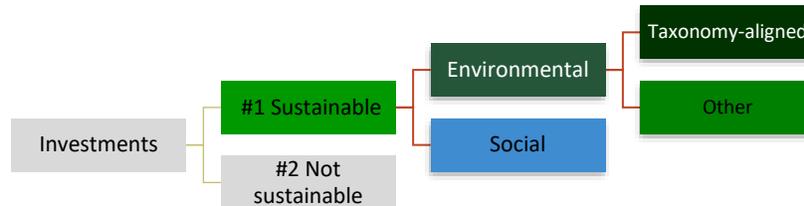
#### **d) Investment strategy**

The Fund's investment objective is to replicate, before fees and expenses, the price and yield performance of the MVIS® Global Future of Food ESG Index. The Fund seeks to invest in companies generating revenues from products and services related to meat and dairy alternatives, organic foods, food flavors, or innovative agriculture technologies. 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.

Good governance relates to sound management structures, employee relations, remuneration of staff and tax compliance. 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 sustainable. All of these sustainable investments are environmentally sustainable.



## f) Monitoring of sustainable investment objective

The sustainable investment objective is monitored in the following manner:

The Fund aims at supporting sustainable Food Production and Development. Therefore, the Fund selects companies involved in food and agricultural technology, organic foods, or food companies that display high standards in food waste, food safety or environmental impact. 1. The sustainable investment objective alignment is measured with the following indicator(s):

- The weighted percentage of investee companies' revenues derived from contribution to sustainable food production and development.
- 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 the percentage of companies' revenues derived from the mentioned sub-themes, Norm-based research and Controversial sector involvement screenings (tobacco, fossil fuels, thermal coal mining, gambling, oil sands, civilian firearms, military equipment and services, 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 by the Legal and Compliance Team.
- VanEck has policies in place to assess the alignment of the Fund's investments with the Index and to undertake recovery measures where necessary.

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 Food Production and Development through the index provider.
3. ISS for data on company involvement in non-renewable energy production.
4. Glass Lewis data related to voting activities

### *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. Data quality measures are integrated into the reporting service tool. It is also 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 for the Fund. Other than the reporting service 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 wick 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 sustainable investment objective, data from external data providers is used by the index provider, VanEck and/or 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 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 sustainable investment objective 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 the Fund's do not fully comply with the sustainable investment objective in between the fund rebalancing moments.

**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 providers. 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 the Portfolio Management Team. VanEck is responsible for monitoring the replication of the index and the service provider.

**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) Attainment of the sustainable investment objective**

As passive investments strategy, the Fund has designated its underlying index, the MVIS® Global Future of Food ESG Index, as reference benchmark to meet the sustainable investment objective.

Sustainability factors are considered as part of screenings which are included in the reference benchmark. 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.

More information on the reference benchmark can be found [here](#).