

VanEck MSCI Australian Sustainable Equity ETF - GRNV

Ethical Survey, as voted by members of the Ethical Advisers Co-Op on 7 December 2022



Poor | Disappointing | Average | Appealing | Excellent

As voted by Ethical Adviser Co-op members. Find a specialised ethical adviser near you: www.ethicaladviserscoop.org/find-an-adviser.html

Fund Overview

GRNV is a smart beta Australian Equity ETF that tracks the MSCI Australia IMI Select SRI Screened Index. They have a negative screening process.

Ethical Concerns

Investments

- ✘ Some investments in the Fund may be problematic for ethical investors, such as:
 - Fossil-fuel intensive industries: Transurban Ltd
 - Mining and Indigenous Land Rights: Fortescue Metals
 - Mining and fossil-fuel: Newcrest Mining, Pilbara Minerals, Oz Minerals, Mineral Resources, Bluescope Steel, Iluka Resources, Evolution Mining and others
 - Distribution, logistics and support for coal/oil/gas/mining: Orica, Aurizon, Downer Group

Other concerns

- ✘ Materiality/exposure limits on negative screens results in unwanted exposures within the portfolio.
- ✘ VanEck do not specialise in ethical investments.

Good Points

- ✓ Provides a [Charter](#) detailing the ethical screening process, see link overleaf.
- ✓ Commitment to transparency by being [UNPRI](#) signatory and [RIAA](#) certified, see links overleaf.
- ✓ Good transparency of holdings and voting history, both easily accessed via the public website, see links overleaf.
- ✓ Strong record of voting for climate change and social resolutions, see link overleaf.
- ✓ The Fund's/Trust's carbon emissions are 45% lower than benchmark [S&P/ASX 200 Index].



Fund Overview

UNPRI Signatory	Yes https://www.unpri.org/signatory-directory/vaneck/2664.article
Full Holdings Disclosure	Yes https://www.vaneck.com.au/etf/equity/grnv/holdings/
RIAA Certification	Yes https://www.responsiblereturns.com.au/products/3930
Disclosure of Voting	Yes – https://www.vaneck.com.au/globalassets/home.au/media/managedassets/library/assets/ri/veau-annual-proxy-voting-report-fy21-22.pdf/
Ethical Screening Process	Refer RI policy https://www.vaneck.com.au/globalassets/home.au/media/managedassets/library/assets/ri/responsible-investment-policy_may-2022_final.pdf/ and PDS https://www.vaneck.com.au/globalassets/home.au/media/managedassets/library/assets/pds/pds---australian-equities.pdf
Exclusions	<p>Ethical screens</p> <ul style="list-style-type: none"> × Adult entertainment – see materiality/exposure limits below for more detail × Alcohol × Animal welfare × Civilian Firearms × Fossil Fuels – see materiality/exposure limits below for more detail × Gambling – see materiality/exposure limits below for more detail × Genetically modified organisms (GMO) × Nuclear power × Nuclear weapons – see materiality/exposure limits below for more detail × Nutrition and health × Soft drinks × Tobacco <p>Conventions and controversies-based screens</p> <ul style="list-style-type: none"> × Controversial weapons – see materiality/exposure limits below for more detail
Materiality /Exposure Limits	<ol style="list-style-type: none"> 1. The Fund will not invest in companies that derive a material proportion (5% or more) of their revenue from the manufacture or sale of generally ethically unacceptable products and services such as the following: <ul style="list-style-type: none"> × Alcohol × Tobacco × Civilian Firearms × GMOs 2. Fossil Fuels – all companies <ul style="list-style-type: none"> × excluded by the application of the MSCI Global ex Fossil Fuels Indexes methodology available at https://www.msci.com/index-methodology; or × with evidence of owning fossil fuel reserves regardless of their industry, including companies that own less than 50% of a reserves field; or × that derive a part of their revenue (either reported or estimated), from oil and gas related activities, including distribution / retail, equipment and services, extraction and production,

petrochemicals, pipelines and transportation and refining but excluding biofuel production and sales and trading activities; or

- × that derive a part of their revenue (either reported or estimated) from the mining of thermal coal (including lignite, bituminous, anthracite and steam coal) and its sale to external parties.
3. Adult Entertainment – The fund will not invest companies deriving;
 - × 5% or more revenue from the production of adult entertainment materials; or
 - × 15% or more aggregate revenue from the production, distribution and retail of adult entertainment materials.
 4. Controversial Weapons - The fund will not invest companies deriving;
 - × 5% or more revenue from the production of conventional weapons; or
 - × 15% or more aggregate revenue from weapons systems, components, and support systems and services.
 5. Gambling - The fund will not invest companies deriving;
 - × 5% or more revenue from ownership of operation of gambling-related business activities; or
 - × 15% or more aggregate revenue from gambling-related business activities.
 6. Nuclear Power - The fund will not invest companies;
 - × generating 5% or more of their total electricity from nuclear power in a given year; or
 - × have 5% or more of installed capacity attributed to nuclear sources in a given fiscal year; or
 - × deriving 15% or more aggregate revenue from nuclear power activities; or
 - × that have any tie to the nuclear power industry.

About the 'Ethical Survey'

About the Ethical Advisers Co-Op

The Ethical Advisers Co-op is a group of 35 financial advisers who are passionate about ethics and finance. The Co-op was established as a not-for-profit over 10 years ago to enable likeminded financial advisers to work together to represent the voice of the consumer. We work to shift the super and investment industry into being more ethically aligned with their clients' objectives. The Co-op's nationwide membership of ethical financial advisers help over 3,300 Australians make financial decisions and invest in line with their ethical values.

How the Leaf-System Works

The ethical rating is voted by Australian financial advisers who specialise in ethical investments (Co-op members). The advisers assess if fund ethics suit their average ethical client, and if it matches with the average client's expectations and objectives. The advisers consider how successful the fund is at; 1) removing industries and stocks harmful to the environment and society 2) including companies with environmental or social benefits, and 3) providing evidence of actions from the fund which benefit society and/or the environment. The quality of information the fund provides on its ethical policies, companies invested in, and proxy voting is important in assessing if a fund is as ethical as claimed. The final rating is an average of these votes.

Financial advisers are voluntarily participating to help ethical consumers gain a quick understanding of how the clients of a group of industry professionals view the ethics of each fund. The Co-op and the advisers do not receive any form of remuneration or reward for participating.

Further Research

Does your fund walk the talk?

The Australasian Centre for Corporate Responsibility (ACCR) – a not-for-profit shareholder advocacy organisation – pushes for transparency around whether your super fund 'walks the talk' on issues such as climate and human rights. You can find details on your super fund [here](#).

Is your fund investing in fossil fuels?

Market Forces is a not-for-profit delivering transparency on fossil fuel lending, insuring and investing within super funds, banks and insurance companies. You can see how exposed your super fund, bank or insurance company is to the fossil fuel industry [here](#).

If the fund is certified by the Responsible Investment Association Australasia (RIAA)

You can find more ethical and investment information for certified funds [here](#).

More information on this fund

For exact details of the fund's claimed ethics, costs and legal details see the fund's Product Disclosure Statement - available on their website.

Vote based on information last updated 5 December 2022