

VanEck MSCI International Sustainable Equity ETF (ESGI)

Ethical Survey, as voted by members of the Ethical Advisers Co-Op on 28 September 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

This is a passively managed global equity ETF. They have negative screening. ESGI tracks the MSCI World ex Australia ex Fossil Fuel Select SRI and Low Carbon Capped Indexes.

Ethical Concerns

Investments

- ✗ Some investments in the Fund may be problematic for ethical investors, such as:
 - Animal welfare: Gilead Sciences, Kering SA and Novo Nordisk

Other concerns

- ✗ Materiality/exposure limits on negative screens, albeit small, can potentially result/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 substantially (80%) lower than benchmark [MSCI World ex Australia].
- ✓ The Fund's/Trust's investment choices typically demonstrate a clear connection with one of the UN Sustainable Development Goals.

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/esgi/holdings/
RIAA Certification	Yes https://www.vaneck.com.au/special/responsible-investing/
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 sustainability/RI policy https://www.vaneck.com.au/globalassets/home.au/media/managedassets/library/assets/ri/responsible-investment-policy_may-2022_final.pdf/ and website/PDS https://www.vaneck.com.au/globalassets/home.au/media/managedassets/library/assets/regulatory/20210726-esgi-pds.pdf
Exclusions	<p>Climate change screens</p> <ul style="list-style-type: none"> × Coal × Coal-fired power generation × Oil and gas × Fossil fuel transportation × Fossil fuel reserves <p>Ethical screens</p> <ul style="list-style-type: none"> × Tobacco × Gambling × Alcohol × Adult entertainment × Nuclear power and weapons × Civilian firearms <p>Conventions and controversies-based screens</p> <ul style="list-style-type: none"> × Controversial weapons × Corporate controversies <p>Discretionary exclusions</p> <ul style="list-style-type: none"> × Genetically modified organisms (GMO) × Nutrition and health × Soft drinks
Materiality/Exposure Limits	<p>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:</p> <ul style="list-style-type: none"> - Alcohol - Gambling - Tobacco - Adult Entertainment <p>Nutrition and Health - All companies with an “Opportunities in Nutrition and Health score” greater than 2 (i.e., 3rd and 4th quartile). Companies that are classified within the “Household Products” and “Personal Products” GICS® Industry group (GICS Code: 303010 and 303020, respectively) are exempted from exclusion due to this screening.</p>

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 28 September 2022