

No consideration of sustainability adverse impacts

VanEck Asset Management B.V. and VanEck (Europe) GmbH (hereafter referred to as “VanEck”)

Sustainability is an important theme for VanEck and the parent company of VanEck is a proud signatory of the UN Principles for Responsible Investment.

European legislation requires financial market participants to disclose whether they take into account principal adverse impacts as defined in European legislation of investment decisions on sustainability factors. Sustainability factors are defined as environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters. The legislation describes what the principal adverse sustainability impacts are. Financial market participants that will take principal adverse sustainability impacts into account will need to publish a statement in accordance with the European requirements. Part of the statement is disclosure on how the participant intends to deal with minimizing adverse impacts and how adverse impact is considered in the investment decision-making process. These impacts need to be measured as well.

VanEck is the management company of various investment funds. The majority of these investment funds have a passive investment strategy whereby an index is followed. For some indices that VanEck funds follow, certain principal adverse impacts are considered in the construction of the index. However, this is currently not the case for all indices and not for all principal adverse impacts as defined in the European legislation.

VanEck concludes therefore that it does not consider the adverse impacts of its investment decisions in a way that allows it to confirm consideration of sustainability factors. Furthermore, the efforts, data costs and project costs for changing the business to make that statement may not be considered predictable nor reasonable at this point in time. VanEck may revisit this approach when the European legislation further develops and the scope and cost for implementation become clearer.