

ANNEX I

Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: VanEck Hydrogen Economy UCITS ETF
 Legal entity identifier: 254900DO5110DY0JC821

Sustainable investment objective

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> Yes	<input type="radio"/> <input type="radio"/> <input type="checkbox"/> No
<input checked="" type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: 100% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%	<input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments



What is the sustainable investment objective of this financial product?

The Fund aims at enhancing and developing sustainable forms of energy generation and storage. Therefore, the Fund invests in companies that generate part of their revenues from hydrogen projects or projects that have the potential to generate at least part of their revenues from the hydrogen industry when developed.

This includes companies that have significant (>50%) revenue exposure to hydrogen, fuel cells or technologies that are directly connected to the hydrogen economy. In case it is not possible to do so without severely compromising Fund's liquidity, tradability and representativeness, the Fund also considers companies with at least part of their revenues from fuel cells or industrial gases projects or projects that have the potential to generate at least part of their revenues from the fuel cell industry or the industrial gases industry. Such companies can potentially enable Hydrogen

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Economy by either providing crucial supplies or creating infrastructural solutions that could be repurposed for hydrogen-related usage.

A reference benchmark has been designated for the purpose of attaining the sustainable investment objective.

Compared to a non-ESG fund with similar exposure, this Fund applies mandatory Environmental and Social factors and limits. These are corresponding to the Principal Adverse Impacts specified below.

● **What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?**

The Fund measures the following sustainability indicators:

Indicator
The weighted percentage of investee companies' revenues derived from global hydrogen segment, fuel cell companies or industrial gases
The percentage 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 percentage of portfolio involved in the fossil fuels industry.
The percentage of portfolio involved in non-renewable energy production.

● **How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?**

Screenings are applied in the index construction to ensure that the companies do not significantly harm any other environmental or social sustainable investment objective. The screenings consist of various components:

- Controversial sector involvement, whereby companies are screened for involvement in:
 - Controversial weapons: a 0% involvement threshold is applied for production of controversial weapons or supply of critical components for them.
 - Civil firearms: a 0% involvement threshold is applied.
 - Tobacco, thermal coal, fossil fuels, oil sands, nuclear power, military equipment and services and gambling: a 5% revenue threshold is applied.
- Norm-Based Research, whereby companies are screened for violations of international standards concerning various norms such as human rights, labor rights, environmental risk and bribery.

Companies for which there is no data available on one or more screening components, do not constitute a violation of environmental or social objectives on that specific screening component. Companies that are not covered by the ESG data provider or for which all relevant data fields are not collected by the ESG data provider may be eligible for inclusion.

— **How have the indicators for adverse impacts on sustainability factors been taken into account?**

Based on the Fund's thematic investment policy focusing on sustainable forms of energy generation, adverse impacts on sustainability factors such as GHG emissions, carbon footprint, GHG intensity are limited and therefore implicitly taken into account.

In addition, the Fund considers the following principal adverse impacts by means of screening and excluding companies with a low performance on sustainability factors on the below subjects in the following manner:

1. Greenhouse Gas (GHG Emissions):
 - Part of Norm-based research on environmental protection "Failure to mitigate climate change impacts"
 - Fossil Fuel/Coal - Total Maximum Percentage of Revenues is 5%: This factor provides the maximum percentage of recent-year revenues for the issuer's total involvement in coal/fossil fuel, including any exposure in Production, Exploration, Distribution, and Services.
 - Companies that are eligible for the index inclusion under sub-theme F, must display a positive environmental impact by having at least one score larger than zero, and the other score at least zero, related to the Contribution and Achievement of Sustainable Agriculture and Forestry or Agriculture Climate Change Contribution.
2. Biodiversity
 - Part of Norm-based research on environmental protection "Failure to prevent depletion of biodiversity" and "Failure to prevent deforestation / illegal logging"
3. Water
 - Part of Norm-based research on environmental protection "Failure to prevent depletion of biodiversity", "Failure to prevent water pollution" and "Failure to prevent oil spill"
4. Waste
 - Part of Norm-based research on environmental protection "Poor waste management", "Poor nuclear safety", "Failure to prevent pollution" and "Failure to mitigate the production / distribution of hazardous substances"
5. Social and employee, respect for human rights, anti-corruption and anti-bribery matters
 - Norm-based screening covers controversial practices that have adverse impacts on society and the environment in line with established expectations for Responsible Business Conduct as set forth in the core normative framework consisting of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights, all of which are embedded in the Sustainable Development Goals.
 - Part of Norm-based research on Human Rights, including "Failure to conduct human rights due diligence" and "Failure to provide equal pay for work of equal value"
 - Controversial weapons screenings are performed whereby companies with a RED exposure score in anti-personnel mines, biological and chemical weapons, cluster munitions, depleted uranium, incendiary weapons, white phosphorus and nuclear weapons are excluded from the index.

A description on how the Fund has considered Principal Adverse Impacts on sustainability factors in the preceding year is included in the Fund's annual report.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Norm-based research is conducted, whereby companies are screened for violations of international standards concerning various norms such as human rights, labor rights, environmental risk and bribery. Norm-based Research framework consists of research on the level of adherence of a company to the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights and is embedded in the Sustainable Development Goals.

Violations of these standards are measured by reference to the Case Severity Indicator. The Case Severity Indicator is a measure of the reported risk or impact on society or the environment and takes into account the degree of corporate involvement. The values which refer to severity are indicated in the Normed-based Research Methodology as 'Very Severe', 'Severe', 'Moderate' and 'Potential'. The 'Very

Severe' value identifies instances where the company is reportedly causing/contributing to critical adverse impact and is excluded from the Index.

Furthermore, the overall Norm-based research Score ("NBSOverallScore") assigns a 1-10 rating score to an issuer based on the issuer's link with any violations of international standards. The Index Provider excludes from the investable universe the companies which are assessed with a score of 9 or 10, equivalent to verified or imminent failure to respect established norms.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.



Does this financial product consider principal adverse impacts on sustainability factors?

Yes

No

Yes, exposure to certain environmental adverse impacts is minimized due to the thematic investment policy of the Fund whereby specific emphasis is placed on companies which contribute to the development of hydrogen-based energy generation. In addition, 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.

For detailed information, please refer to the questions "How have the indicators for adverse impacts on sustainability factors been taken into account?" and "How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?"

Additionally, principal adverse impacts are considered as part of the Glass Lewis ESG policy guidelines, whereby casted votes regard the environment, energy efficiency, the use of renewable energy sources, enhancing the rights of workers, violation of international human rights standards, gender pay inequity and board diversity.



What investment strategy does this financial product follow?

The Fund's investment objective is to replicate, before fees and expenses, the price and yield performance of the MVIS[®] Global Hydrogen Economy ESG Index. The Fund seeks to invest in companies which generate revenues from hydrogen projects or projects that have the potential to generate revenues from the hydrogen 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.

● **What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?**

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

1. Companies must generate at least 50% (25% for current components) of their revenues from hydrogen projects or projects that have the potential to generate at least 50% of their revenues from the hydrogen industry when developed.
In case it is not possible to do so without severely compromising Fund's liquidity, tradability and representativeness, the Fund also considers companies with at least 50% (25% for current components) of their revenues from fuel cells or industrial gases projects or projects that have the potential to generate at least 50% of their revenues

from the fuel cell industry or the industrial gases industry. Such projects could be useful for the hydrogen industry in the future do to their potential for being repurposed for hydrogen production and distribution.

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

staff and tax compliance.

2. Companies must comply with the criteria defined for Norm-based research and Controversial sector involvement screenings to ensure that the companies in the portfolio do no significant harm to other sustainability related objectives. The exact thresholds are described under "How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?" and the two subsequent questions.

● **What is the policy to assess good governance practices of the investee companies?**

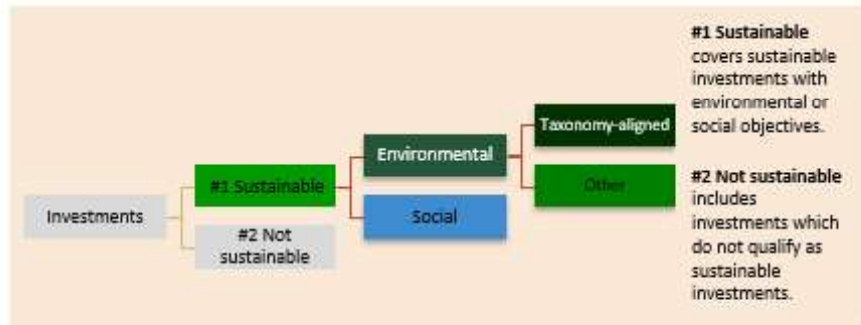
Good governance relates to sound management structures, employee relations, remuneration of staff and tax compliance. The Fund excludes companies when ISS rating shows the verifiably violated or imminent to violate the OECD Guidelines for multinational enterprises and the UN Guiding Principles on Business and Human Rights.

Assessment is performed at any rebalancing of the underlying Index, excluding companies with a score of 9 or 10, according to the Norm-based research overall score approach.

In addition, the Fund also excludes companies with severe and very severe controversy ratings. The rating takes into account, among others, Accounting Fraud, Anti-competitive Behaviour, Bribery, Money Laundering, Failure to manage cybersecurity, Failure to pay fair share of taxes, Poor stakeholder consultation, Workplace discrimination, Labour Rights Violations, Working Conditions as well as Supply-Chain standards.

What is the asset allocation and the minimum share of sustainable investments?

The Fund invests in direct financial instruments of which 100% is sustainable. All of these sustainable investments are environmentally sustainable.



● **How does the use of derivatives attain the sustainable investment objective?**


The Fund does not invest in derivatives. Therefore this question is not applicable.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

 are environmentally sustainable investments that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

While the Fund has a sustainable investment objective within the meaning of Article 9 of the SFDR and invests in hydrogen technology, thereby aiming to enhance sustainable forms of energy generation and to reduce carbon emissions, the investments underlying this Fund do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation. As such, the Fund's portfolio alignment with such Taxonomy Regulation is not calculated. It follows that the minimum extent of sustainable investments with an aligned environmental objective aligned with the Taxonomy Regulation is currently 0%.

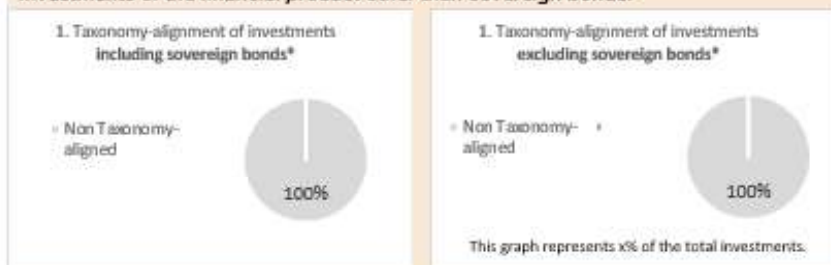
● **Does the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?**

Yes

In fossil gas In nuclear energy

No


The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● **What is the minimum share of investments in transitional and enabling activities?**

The minimum share of investments in transitional and enabling activities is 0%.

 **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

100% of the Fund's investments is sustainable with an environmental objective that are not aligned with the EU Taxonomy. This is determined based on the (potential) revenue streams of companies related to hydrogen technology and the criteria defined for Norm-based research and Controversial sector involvement screenings to ensure that the companies in the portfolio do no significant harm to other sustainability related objectives. The Fund's investments are considered to be sustainable investments with an environmental objective, but are not aligned with the expansive and strict criteria which are defined for hydrogen in the EU Taxonomy.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

Not applicable, all investments are sustainable.



Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

As a passive investments strategy, the Fund has designated its underlying index, the MVIS[®] Global Hydrogen Economy ESG Index, as reference benchmark to meet the sustainable investment objective.

● **How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?**

Sustainability factors are considered as part of screenings which 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.

For detailed information, please refer to the questions “How have the indicators for adverse impacts on sustainability factors been taken into account?” and “How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?”

● **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

In order to seek to achieve its investment objective, the investment policy of the Fund is to use a replication strategy by investing directly in the underlying equity securities that consists of the component securities of the Index. The Fund is passively managed. The Fund’s Manager, in order to ensure the alignment with the sustainable investments, monitors that the holdings are screened against the underlying Index’s rules by means of:

- Replication by the Portfolio Management Team of the Index based on the Index rules, Those also contain the requirements relating to the percentage of companies’ revenues derived from hydrogen projects or other relevant activities, 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), as coded in the Bloomberg Compliance Manager system. The Index components are periodically rebalanced by the Index provider.
- Reporting of any breaches of the Index rules by the Legal and Compliance Team, in line with VanEck’s policies and procedures, which are established to assess the alignment of the funds’ investments with the Index and to undertake recovery measures where necessary.
- Periodic confirmation on sustainability integration by the Index provider as part of the regular due diligence.
- Establishment of an ESG Committee which periodically reviews the compliance of the Fund’s characteristics with the current regulation and which goal is to establish, maintain and further develop and monitor ESG strategies offered by VanEck. The ESG Committee is composed by the managing directors and at least one member of each department.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- Appointment of a proxy voting specialist - Glass Lewis Europe Limited - to exercise voting rights for all equity funds also on ESG factors. VanEck is periodically informed by the service provider on the voting activities.
- Appointment of a third-party engagement specialist - Glass Lewis Europe Limited - for the passive equity funds managed by VanEck Asset Management B.V. The engagement provider determines the engagement approach in accordance with its engagement policy and based on its engagements' priorities.

● **How does the designated index differ from a relevant broad market index?**

The index differs from a generic broad market index in following ways:

- Thematic investment approach: companies that have significant (>50%) revenue exposure to hydrogen, fuel cells or technologies that are directly connected to the hydrogen economy. In case it is not possible to do so without severely compromising Fund's liquidity, tradability and representativeness, the Fund also considers companies with at least part of their revenues from fuel cells or industrial gases projects or projects that have the potential to generate at least part of their revenues from the fuel cell industry or the industrial gases industry. Such companies can potentially enable Hydrogen Economy by either providing crucial supplies or creating infrastructural solutions that could be repurposed for hydrogen-related usage.
- ESG screenings: companies with very severe social norms violations, the ones that are involved in civilian firearms, controversial weapons or that exceed certain thresholds of revenue exposure to various (tobacco, energy extractives, gambling and military equipment and services), are not eligible for inclusion.

● **Where can the methodology used for the calculation of the designated index be found?**

Information on the methodology can be found on the index provider's website:

https://www.mvis-indices.com/rulebooks/download/mv_equity_guide.pdf



Where can I find more product specific information online?

More product-specific information can be found on the website:

<https://www.vaneck.com/ie/en/HDRO>