

ESG and Carbon Metrics

ESG Integration Metrics comparison to MSCI World ex Australia Index

| | ESGI Index | MSCI World ex Australia Index |
|------------------------------------|------------|-------------------------------|
| ESG score | 8.6 | 5.9 |
| ESG Leaders (AAA-AA) (%) | 89.0 | 27.8 |
| ESG Laggards (B-CCC) (%) | 0.0 | 7.7 |
| ESG Pillars | | |
| Environmental score | 6.8 | 5.5 |
| Social score | 5.9 | 4.7 |
| Governance score | 6.4 | 5.4 |
| Key Governance Metrics | | |
| Lack of independent board majority | 9.8 | 12.0 |
| Zero female directors (%) | 1.1 | 2.8 |

Source: MSCI, as at 30 September 2019

The definitions of all statistical parameters are available on the next page.

ESG Value Metrics comparison to MSCI World ex Australia Index

| | ESGI Index | MSCI World ex Australia Index |
|-----------------------------------|------------|-------------------------------|
| Tobacco producers (%) | 0.0 | 0.8 |
| Ties to controversial weapons (%) | 0.0 | 1.0 |
| Red flag controversies (%) | 0.0 | 2.6 |
| Orange flag controversies (%) | 7.0 | 27.8 |

Source: MSCI, as at 30 September 2019

The definitions of all statistical parameters are available on the next page.

Carbon Exposure comparison to MSCI World ex Australia Index

| | ESGI Index | MSCI World ex Australia Index |
|---|------------|-------------------------------|
| Carbon Emissions (t CO ₂ e/\$m invested) | 15 | 113 |
| Carbon intensity (t CO ₂ e/\$m sales) | 23 | 191 |
| Weighted average Carbon intensity (t CO ₂ e/\$m sales) | 24 | 177 |
| Potential carbon emissions (t CO ₂ e/\$m invested) | 0 | 1,786 |
| Coal reserves (%) | 0.0 | 0.3 |
| Fossil fuel reserves (%) | 0.0 | 4.6 |

Source: MSCI, as at 30 September 2019

The definitions of all statistical parameters are available on the next page.

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Definitions

| ESG Metrics | Definition |
|--|---|
| ESG Score | The ESG Score indicates how well the index companies manage their most material ESG risks relative to sector peers. Scores range from 10 (best) to 0 (worst). |
| ESG Leaders (AAA-AA) (%) | Exposure to companies with an ESG rating of AAA or AA (best in class relative to peers). |
| ESG Laggards (B-CCC) (%) | Exposure to companies with an ESG rating of B or CCC (worst in class relative to peers). |
| Environmental Score | The Environmental Score indicates how well the index companies manage their most material environment risks. Scores range from 10 (best) to 0 (worst). |
| Social Score | The Social Score indicates how well the index companies manage their most material social risks. Scores range from 10 (best) to 0 (worst). |
| Governance Score | The Governance Score indicates how well the index companies manage their most material governance risks. Scores range from 10 (best) to 0 (worst). |
| Lack of Independent Board Majority (%) | Exposure to companies lacking an independent board majority. |
| No Female Directors (%) | Exposure to companies with no female directors. |
| Tobacco Producers (%) | Exposure to tobacco producers. |
| Ties to Controversial Weapons (%) | Exposure to companies with ties to controversial weapons. |
| Red Flag Controversies (%) | Exposure to companies with very severe customer, environment, governance, human rights, or labor controversies. |
| Orange Flag Controversies (%) | Exposure to companies with serious customer, environment, governance, human rights, or labor controversies. |
| Carbon Exposure | Definition |
| Carbon Emissions | Carbon emissions normalized for the size of the portfolio tracking the index. (Unit: tons of CO ₂ / million \$ invested) |
| Carbon Emissions Intensity* | Efficiency of a portfolio tracking the index in terms of total carbon emissions divided by total sales. (Unit: tons of CO ₂ / million \$ of sales) |
| Weighted Average Carbon Intensity | Exposure to carbon intensive companies. (Unit: tons of CO ₂ / million \$ of sales) |
| Potential Carbon Emissions | Carbon potential emissions normalized for the size of the portfolio tracking the index. (Unit: tons of CO ₂ / million \$ invested). |
| Coal Reserves (%) | Potential emissions represents potential carbon dioxide emissions of the coal, oil and gas reserves owned by a company, computed using a formula from the Potsdam Institute for Climate Impact while carbon emissions represents the company's most recently reported or estimated Scope 1 + Scope 2 greenhouse gas emissions (if available). |
| Fossil Fuel Reserves (%) | Scope 1 emissions are those from sources owned or controlled by the company, typically direct combustion of fuel as in a furnace or vehicle. Scope 2 emissions are those caused by the generation of electricity purchased by the company. |

Contact us

vaneck.com.au

info@vaneck.com.au

+61 2 8038 3300

 VanEck-Australia

 VanEck_Au

 VanEckAus

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