VanEck®

H1 2023 SEMI-ANNUAL

Stewardship Report

Voting

Half-year in review

VanEck Investments Limited as part of its fiduciary duty, voted on 26,507 management proposals and engaged with 20 companies during H1 2023, covering a range of global markets and sectors.

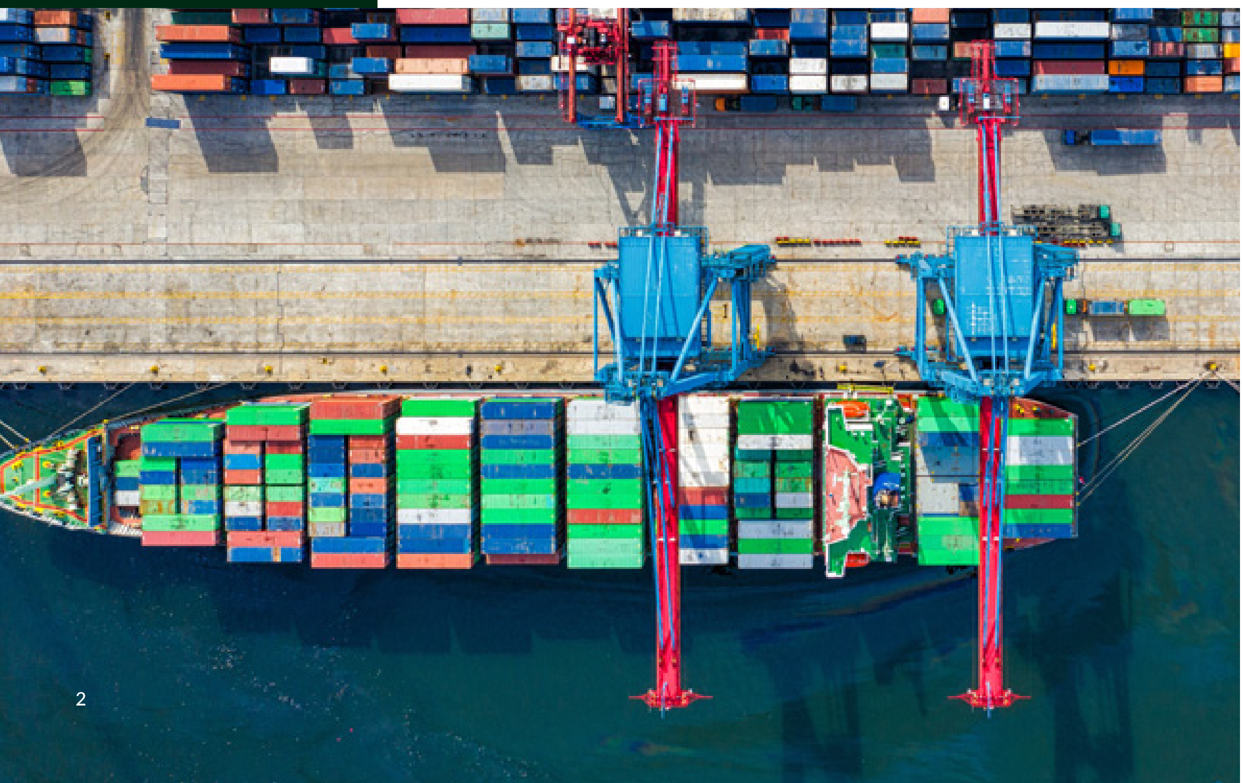
A copy of our stewardship policy is available **here.** In this report we provide the voting statistics and portfolio company engagements.

Voting

A right to vote is the most powerful legal right that arises from owning shares. The main avenue we have to influencing the companies we have invested in is the way we vote in the company's formal proceedings. Voting decisions are on a case-by-case basis in the context of our voting guidelines.

Guideline priorities relate to board quality, executive remuneration, capital management, mergers and acquisitions, auditor rotation, dissipating shareholders rights and addressing environmental, social and governance issues.

We will vote against a company's proposals if we believe that the issue under consideration does not meet our voting guidelines.



A right to vote is the most powerful legal right that arises from owning shares.

VANECK INVESTMENTS LIMITED

VOTED ON

26,507
management proposals

ENGAGED WITH

20
companies

Statistics

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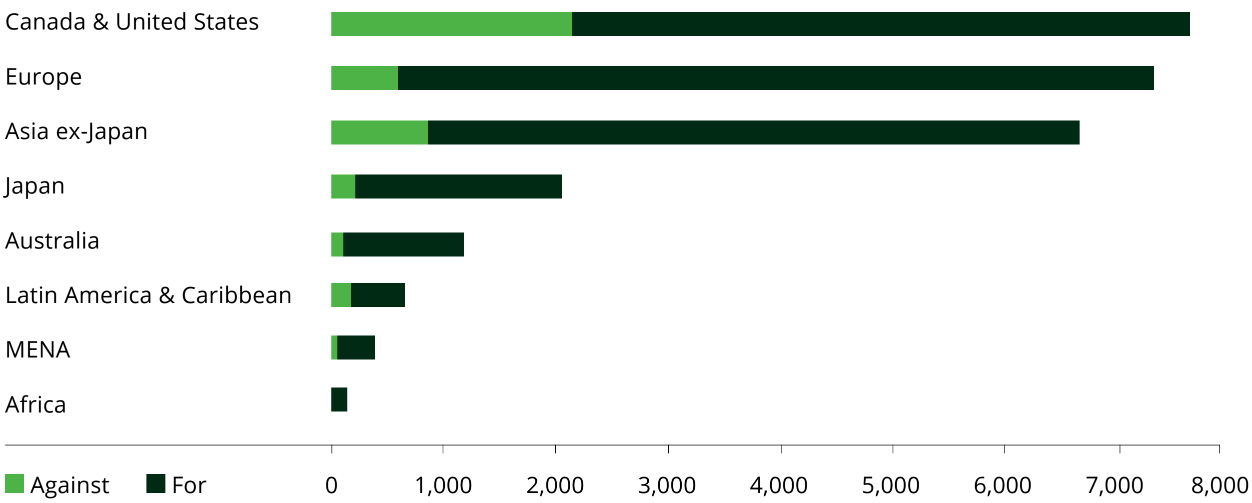
GLOBAL H1 2023

Votes by region

Region	% against management	Total votes
Africa	6%	170
Asia ex-Japan	14%	6,766
Australia	11%	1,210
Canada & United States	28%	7,757
Europe	9%	7,414
Japan	12%	2,074
Latin America & Caribbean	29%	683
MENA	14%	433
Total	**17%**	**26,507**

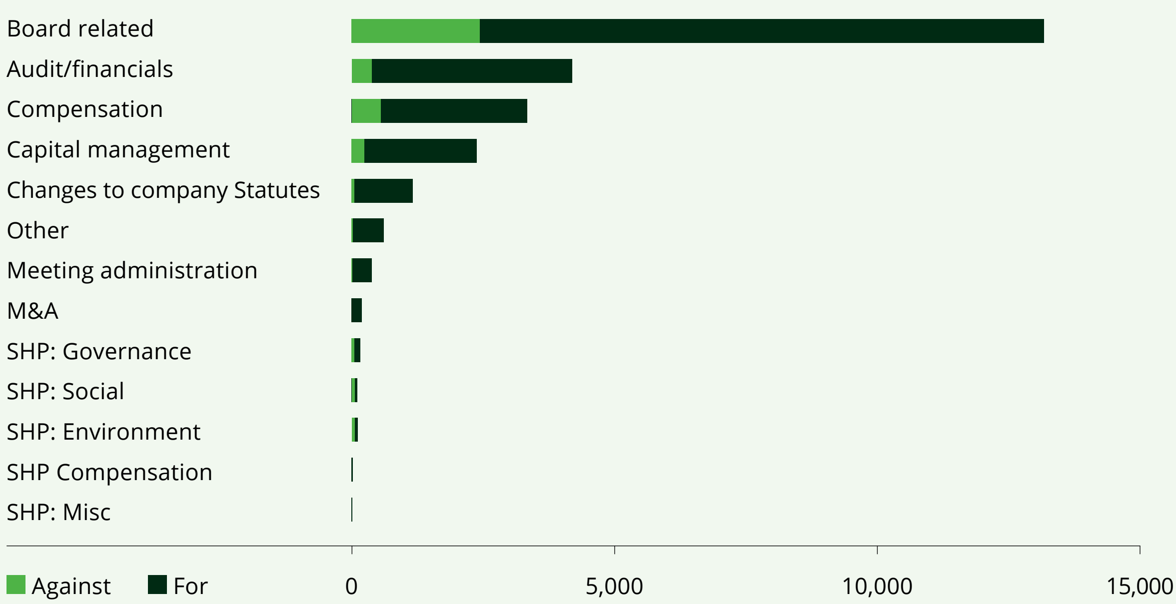


GLOBAL H1 2023

Votes by proposal type

Proposal type	% against management	Total votes
Board Related	19%	13,223
Audit/Financials	11%	4,261
Compensation	17%	3,414
Capital Management	14%	2,446
Changes to Company Statutes	8%	1,240
Other	6%	667
Meeting Administration	10%	468
M&A	4%	243
SHP: Governance	46%	211
SHP: Social	72%	170
SHP: Environment	91%	100
SHP: Compensation	47%	53
SHP: Misc	55%	11
Total	**17%**	**26,507**

Source: Glass Lewis, VanEck.

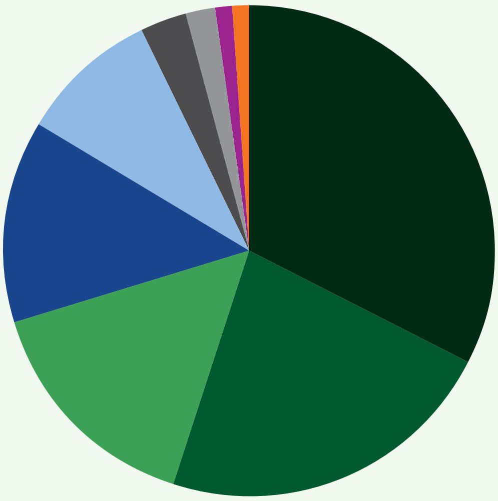


GLOBAL H1 2023

Votes against management reasons related to election of directors/committee members

Reasons	Total
Insufficient female representation	804
Other	562
Board is not sufficiently independent	381
Insufficient information provided	318
Overboarding	236
Insufficient oversight of E&S issues	73
Ongoing investigations	40
Amendment is not in best interests of shareholders	30
Board failed to act in interests of shareholders	25
Poor diversity disclosure.	14
Related party transactions	11
Compensation Concerns	11
Less than 75% Attendance	9
Insufficient response to shareholder dissent	7
Multi-class share structure with unequal voting rights	7
Total	**2,528**

Source: Glass Lewis, VanEck.



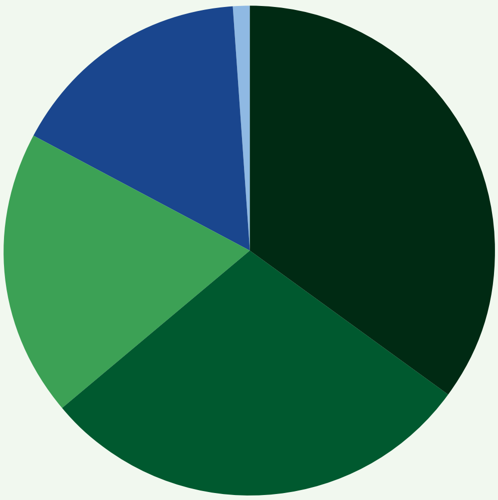
Insufficient female representation	**32%**
Other	**22%**
Board is not sufficiently independent	**15%**
Insufficient information provided	**13%**
Overboarding	**9%**
Insufficient oversight of E& S issues	**3%**
Ongoing investigations	**2%**
Ammendment not in best interests of shareholders	**1%**
Board failed to act in interests of shareholders	**1%**

GLOBAL H1 2022

Votes against management reasons related to capital management

Reasons	**Total**
Excessive issuance/dilution	120
Other	98
Insufficient information provided	65
Potential dilution exceeds recommended threshold	54
Maximum debt amount not disclosed	5
Total	**342**

Source: Glass Lewis, VanEck.



Excessive issuance/dilution	**35%**
Other	**29%**
Insufficient information provided	**19%**
Potential dilution exceeds recommended threshold	**16%**
Maximum debt amount not disclosed	**1%**

We believe engagements are not just one-off conversations with companies, rather a continuous dialogue between two parties to achieve desirable financial and ESG outcomes.

Company Engagements

Company Engagements

We supplement our voting by engaging with the companies that we invest in. Engagement can take many forms. For the first half of 2023 we have continued our stewardship efforts in engaging with companies directly. As we continue to grow as an asset manager, VanEck is committed to utilise avenues that are open to us to engage with companies, either directly or through third parties, ultimately influencing portfolio companies to make well-informed and sustainable business decisions in the long-term.

We believe engagements are not just one-off conversations with companies, rather a continuous dialogue between two parties to achieve desirable financial and ESG outcomes. For the period we were pleased to have recurring engagements with AGL post the company management and strategic reshuffle, Charter Hall Group and Scentre on its ESG targets, and also Woodside on board related discussions.

Engagement may involve the advocacy of a particular point of view that we hold but often the power of the engagement is simply in letting the company know that we consider a particular issue to be a serious one that the company needs to be paying significant attention to.

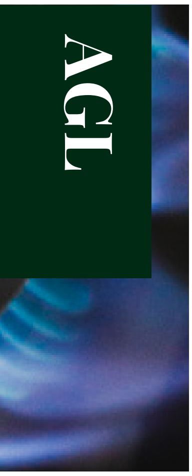
The main triggers for us to engage include:

1. Level 1 meetings such as high-profile companies, as well as M&A, companies under significant controversy and contested meetings flagged by Glass Lewis
2. ESG rating downgrade noted by MSCI
3. Direct engagement with the company prior to AGM.

We target five company engagements per quarter and have achieved 20 in H1 2023. The following table lists the companies we engaged with during the six months ended 30 June 2023.

Company	Engagement reason	Board related	Business strategies	Capital management	ESG	Executive remuneration
AGL	ESG Rating Downgrade	✔	✔	✔	✔	
Array Technologies	Pre-AGM meeting	✔				✔
BWP Trust	ESG Rating Downgrade				✔	
Carsales	ESG Rating Downgrade	✔			✔	
Charter Hall Group	ESG Rating Downgrade				✔	
Charter Hall Retail REIT	ESG Rating Downgrade				✔	
Cromwell Property Group	ESG Rating Downgrade & Post HY23 results	✔	✔	✔	✔	
Flughafen	Pre-AGM meeting					✔
GUD	ESG Rating Downgrade				✔	
Insignia Financial	ESG Rating Downgrade	✔			✔	✔
IRESS	Pre-AGM meeting	✔				
Mitsui	Direct engagement		✔	✔	✔	
National Storage REIT	ESG Rating Downgrade				✔	
Santos	Pre-AGM meeting	✔				✔
Scentre	ESG Rating Downgrade				✔	
Shizuoka Gas	Pre-AGM meeting	✔				
Star Entertainment	ESG Rating Downgrade	✔	✔	✔	✔	
Stockland	ESG Rating Downgrade				✔	
Sunrun	Pre-AGM meeting		✔	✔	✔	✔
Woodside Petroleum	ESG Rating Downgrade	✔				✔

✔ primary topic of engagement



AGL Energy

Ticker: AGL | **Country:** Australia | **Sector:** Utilities | **Shareholder position:** Top 10

VanEck held AGL in our VanEck Australian Equal Weight ETF (MVW) and S&P/ASX MidCap ETF (MVE) at the time of the engagement. Continuing the extensive engagement we had last year, we reached out to the company on the back of the MSCI ESG rating downgrade from BBB to BB.

The company's management commented that the report was taken at a point in time of instability in the business (FY22 Results– June 30, 2022).

Since then AGL has announced a new strategy, released a CTAP with accelerated closure dates and strengthened climate commitments endorsed by shareholders, and locked in the Board and the Executive team.

On carbon intensity, AGL acknowledged that a common international carbon intensity measure was used to compare with the peers, but the Australian context needed to be considered where the absence of nuclear baseload pushed up the average intensity.

Further items raised include:

Talent search:

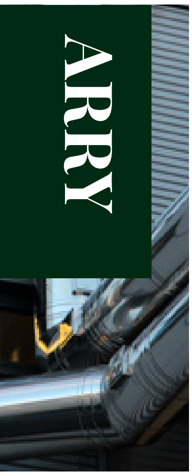
- The data for the assessment was taken at a point in time (June 30,2022) when attraction and retention efforts were strained due to disruption caused by the demerger preparation
- Board and CEO, which have all been locked in subsequent this date, now have a renewed commitment to resetting talent management practices
- This has been demonstrated by work in train to map future capability, realigning EVP with future strategy, and bringing new capability into talent, capability and inclusions portfolios.

ESG Practices:

- As noted at HY23 Results, with AGL's new strategy ESG is at the forefront of what they do, which is playing a pioneering role in sustainability beyond carbon
- The company has an ambition to add up to 12 GW of new renewable generation and firming by end of 2035, requiring a total investment of up to $20 billion
- As noted in the MSCI report, AGL's corporate governance and corporate behaviour scores remain strong.

Board commitment statement on climate goals:

- This is unchanged from the CTAP released in September 2022 and endorsed by shareholders at the 2022 AGM – AGL is committed to closure of all coal plants by 2035, be Net Zero for Scope 1 and 2 emissions by the end of 2035, and Net Zero for Scope 3 emissions by 2050
- The CTAP supports the transition to a lower carbon world aligned with the Paris Agreement goals.



Array Technologies

Ticker: ARRY | **Country:** United States | **Sector:** Industrials | **Shareholder position:** Top 40

VanEck held approximately 1.2 million shares in a suite of our ETFs at the time of the engagement. We discussed the company's board election in the upcoming AGM.

We voted the following on the basis below:

- **Against** electing Brad Forth on the basis of no Disclosure of EEO-1 Reporting as the Nomination / Governance Committee Chair. Array commented that while they do not report the EEO-1 filing directly, they do include all relevant EEO-1 form categories for US racial and ethnic diversity as well as global gender diversity and global age diversity in their ESG report.
- **Against** electing Gerrard B. Schmid due to the restatement of financial statements. It is considered that the audit committee bear the responsibility for ensuring that the Company is pursuing careful application of GAAP and reasonable accounting practices that ensure fair and reliable disclosure to investors. Array advised that the company's audit committee does indeed have oversight of financial statement review. The need to restate information was a matter overseen by the board and the auditors who are keenly focused on the integrity and accuracy of Array's financial reporting and auditing.
- **Against** advisory vote on executive compensation on the basis that there is no link between compensation and sustainability. Array acknowledged the lack of the connection. However it is working to link executive compensation to its sustainability strategy and is currently assessing feasibility with the current goal set and enhanced goals in Array's next ESG report.

BWP Trust

Ticker: BWP | **Country:** Australia | **Sector:** Real Estate | **Shareholder position:** Top 10

VanEck held BWP in our Australian Property ETF (MVA). We reached out to the company on the back of the MSCI ESG rating downgrade from BB to B on the basis that the company has high potential for green building investments yet lagging peers.

BWP provided a detailed response highlighting that the Trust does not typically engage in development work (other than capital expenditure related to the re-positioning of a property where a vacancy has occurred). Generally, the Trust acquires established properties, or developments that pass to the Trust on completion. The Trust typically enters into whole of property leases so any improvements to properties need to be carried in consultation with the tenant. As part of the lease terms tenants are responsible for most energy usage. The nature of lease arrangements is that they are long term commitments with a 10-12 year initial term, and multiple options thereafter.

As at 30 June 2022 solar powered generation was installed in 23 properties, 99 per cent of the Trust owned properties had LED lighting in one or more of the car park, nursery trading area, canopy trading area, and in the main store. 92 per cent of the Trust-owned properties had in place water tanks for the recycling of roof collected rainwater.

The Trust's ownership and management of established commercial property is considered to be low in intensity in terms of emissions, waste, use of energy and materials, and low impact on biodiversity. For the year ended 30 June 2022, the Trust's Scope 2 carbon emissions were 120 tonnes compared to 177 tonnes for the prior corresponding period. The reduction in emissions reflects the purchase and utilisation of green electricity during the year. These emissions occurred at a small number of properties where the Trust is responsible for some electricity usage. To offset the actual and some future emissions, 500 ACCUs were acquired.

In addition to the net-zero emissions position, solar production for the year ended 30 June 2022 was 576,100 kWh which enabled the Trust to avoid 392 tonnes of CO_2e at properties where the Trust has some responsibility for electricity usage, well above actual emissions.

BWP continues to phase out ozone depleting air-conditioning and work with its major customers to roll out energy efficient LED lighting into all existing properties. Where appropriate, roof based solar panels are installed.

We were satisfied with company's efforts on the environmental management.

Car Sales

Ticker: CAR | **Country:** Australia | **Sector:** Communication Services | **Shareholder position:** Top 40

VanEck held approximately 1.3 million shares in a suite of our ETFs at the time of the engagement. We reached out to the company on the back of the MSCI ESG rating downgrade from AA to A on the basis that no evidence of external audits of its IT security systems was found to help identify potential weaknesses in its cybersecurity framework.

Carsales advised the below:

- The company continuously monitor its systems using both internal and external services for threats (whether internal or external) and can respond 24x7. It uses a variety of tools for this purpose, including advanced AI monitoring of network traffic for anomalies;
- Both internal and external audits of the systems, practices, and procedures are performed at regular intervals, which are reported to the board;
- As a global organisation Carsales has a team available for immediate deployment (anywhere) if there were an event and that team would follow the containment, eradication, and recovery procedures.

Furthermore, it is noted the presence of an overboarded non-executive director as at August 2022. Also, the director received over 10% negative votes against her re-election in 2022 AGM. Carsales commented that its board has a balanced level of expertise, experience and tenure. The board composition is assessed annually and each director's independence and ability to commit the appropriate time to the board is considered. In the board's view all directors are available as needed and provide valuable contributions to board discussion. In addition, the director in question attended the full schedule of meetings of directors in FY22. The company does not believe the 10% votes against the director's re-election indicate shareholder discontent with her performance, rather the view of Glass Lewis based on their particular criteria.

Charter Hall Group

Ticker: CHC | **Country:** Australia | **Sector:** Real Estate | **Shareholder position:** Top 15

As a major institutional investor in Charter Hall, VanEck discussed with the company regarding the MSCI ESG rating downgrade from AAA to AA on the basis of weaknesses in its human capital management relative to that of industry peers and high employee turnover.

The company highlighted that it had exceptionally low turnover in FY20 (8.1%) and FY21 (9.3%), in part a result of Charter Hall working hard to keep all of the staff during the COVID-affected years and not letting any staff go during these challenging periods. Following these years of low turnover, a rebound in turnover saw FY22 figure at 17.5%, exacerbated by “poaching” of Charter Hall staff.

As a number of industry peers have looked to enter into property funds management, they have been aggressive in targeting Charter Hall staff given its industry leading position.

Charter Hall also pointed out the firm had been awarded the WGEA Employer of Choice for Gender Equality, the Best Health and Wellbeing Program at the Australian HR Awards, and Bronze employer status for the LGBTI+ inclusion in the Australian Workplace Equality Index. It also had an 88% employee engagement score, above the global high-performing norm; 93% of the employees said Charter Hall is a great place to work in its annual employee engagement survey.

Overall the rating of AA is still satisfactory in Charter Hall's view, however they may engage with MSCI further to seek a review.

Cromwell Property Group

Ticker: CMW | **Country:** Australia | **Sector:** Real Estate | **Shareholder position:** Top 60

VanEck held Cromwell Property Group in VanEck Small Companies Masters ETF (MVS) and VanEck MSCI Australian Sustainable Equity ETF (GRNV). We met the management team in person and discussed a range of topics below.

Board

We first asked about the board spill in the past two years. There was a fight between Management and board – ARA wanted more control (over 20% ownership) while the then CEO didn't agree with the strategic directions when the Polish retail assets were purchased. The company commented that now the "war" is over and Mr. Gary Weiss was appointed as the Chair of the Board, and the board members were also refreshed since then.

Share performance

In terms of share underperformance for the past three years, we questioned whether it was a result of the pandemic, the board spill or poor financials. The company indicated that approximately 50% of CMW is held by the Tang Family, 25% retail and the remaining index tracking funds. The shares are not heavily traded on ASX.

One reason that the share price is still yet to catch up to the broader A-REITs market is that as ARA actively acquired shares, there was a significant takeover premium ($1.32 was way above the NTA in 2020). Since then the share price is normalized.

From the European platform perspective, since 2015 it has generated material performance fees, although this is not sustainable in the company's view. CEREIT, the backbone of the European platform has generated a lot of NTA growth. The Polish portfolio is under sale to reduce gearing which is above the target 30%-40% range. Though it may take years to complete the sale.

Last year's share performance has recovered somewhat – Discount to NTA is close to the AREITs benchmark level.

Funds management growth

On the Australian front, it is primarily syndicate and retail. There are big opportunities to grow from merging with small funds. Yields of 5.5% would be attractive compared to term deposits offering around 4%.

Currently Cromwell has $300bn assets on balance sheet. They are considering to reduce it by developing new products such as externally managed REITs. Potentially a demerger between investment portfolios and operating platform, or joint venture with institutional clients.

In Europe, previous strategies focused on fund performance fee, in particular CEREIT is quite a success but haven't been doing well as expected since, and will not be a focus for the company for now. There is a $1.9bn non-discretionary mandate with an operating partner which is a good platform to deploy capital.

Cromwell Property Group (cont.)

ESG

We previously engaged with Cromwell regarding the ESG rating downgrade by MSCI due to the high turnover and the lack of green lease provisions. We note that competitors such as Dexus has achieved carbon neutral through energy efficiency improvement and purchasing carbon offsets. Mr. Callaghan commented that the company wasn't ambitious about climate targets before his time but it is a company priority. The Head of Sustainability is appointed who is based in London and the ESG strategies have been established. The net-zero environmental targets have been set below:

- New construction by 2030;
- Operational control by 2035; and
- Scope 1,2,3 by 2045

The company also pointed out that most investors consider that improving operating efficiency is a capex drain, however they are actually baked into cashflows already; the only change may be to bring it forward. The company will focus on testing the SBTi targets. He commented that the NABERS ratings are sometimes a poor yardstick. A lot of REITs are demolishing low-energy-standard buildings and rebuilding better ones, without considering the carbon emissions during the re-building process.

Office demand

When asked about the appetite for offices post pandemic, Cromwell indicated that the occupancy rate for Australia is at 94.4% while Europe shows no reluctance in coming back, except London which is a laggard. West End is full, whereas more buildings are under construction in the financial centre.

Cromwell doesn't share the view that tenants have a preference for "flight to quality" – buildings with good locations and top-tier facilities. The statement is an oversimplification as not all tenants are price insensitive. It is the small- to medium-business tenants that are expanding and older buildings can cater for the demand whereas big businesses are shrinking due to flexible working arrangements.

Flughafen

Ticker: FHZN | **Country:** Switzerland | **Sector:** Industrials | **Shareholder position:** Top 40

VanEck was an institutional investor in Flughafen in our FTSE Global Infrastructure Hedged ETF (IFRA) at the time of engagement. We reached out to go through the following agenda items in the upcoming AGM.

We voted **against** the Compensation Report due to poor overall compensation disclosure; poor compensation structure/performance conditions.

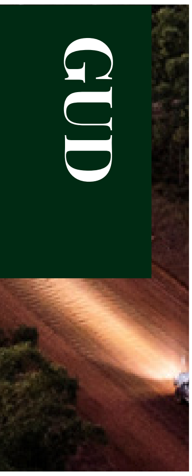
Flughafen commented that the remuneration of its top management is fair and compares rather well with other similar sized SIX Swiss Exchange listed companies. The company continues to describe the remuneration for the Board of Directors and Management Board including the part about the variable component:

"Two thirds of the variable component is paid out in cash and one third in the form of shares in the company that are blocked for a period of four years, which ensures that the incentives include an element oriented to long-term perspectives."

The company shares a slightly different view regarding the following points raised:

- Long-term incentive plan: the company believes that in terms of compensation a block period of 4 years for the shares as part of the variable component can be considered as long-term.
- Individual payouts of Management Board: Flughafen only shows the CEO's compensation individually since it is the most meaningful and hence relevant. The salaries of the other Management Board members are well aligned.
- Performance target: this key figure is based on an internal EBIT number for the subsequent year and is not publicly disclosed in advance due to guidance i.e. ad hoc rules of the SIX Swiss Exchange.

The company advised that they take this topic with the utmost care and was actually currently reviewing the remuneration policy with respect to the Board of Directors which may or may not result in changes to compensation.



GUD

Ticker: GUD | **Country:** Australia | **Sector:** Consumer Discretionary | **Shareholder position:** Top 50

VanEck held GUD in a suite of our ETFs. We reached out to the company on the back of the ESG rating downgrade from AA to A on 14 March 2023. The basis of the downgrade was that GUD trails most industry peers in product quality assurance and lack of evidence of industry best practices such as training for and audits of suppliers.

The company advised that it publishes a detailed Sustainability Review each year which outlines GUD's ESG practices, initiatives, and progress as part of the Annual Report. Regarding the company's supplier engagement program, its annual Modern Slavery Statement outlines its ethical sourcing code, as well as GUD's Ethical Sourcing Program which is implemented through the company's supply chain. There has been excellent progress towards these goals in FY22 with a significant uptake in suppliers engaged in the Program and continual improvements in grade compliance.

Looking forward, the objectives for 2023 include continued progress to GUD 2025 Sustainable Sourcing targets of 100% Bronze and 75% Gold, and progressive implementation and due diligence of the Ethical Sourcing Code in line with FY23 targets achieved for product & product component suppliers and service providers.

Insignia Financial

Ticker: IFL | **Country:** Australia | **Sector:** Financials | **Shareholder position:** Top 60

Insignia was held in a suite of our ETFs at the time of the engagement. We engaged with the company following its MSCI ESG rating downgrade from AA to A on the basis of a decline in the company's talent management performance relative to those of industry peers, as well as limited disclosures on its voluntary attrition rate.

Insignia provided the following comments:

Human capital development

While not disclosing voluntary attrition, Insignia disclosed the following from its alignment and engagement survey in the company's ESG report:

- 74% of the people were favourable about 'belonging'
- their people feel positive about our approach to diversity and inclusion, with 85% of their people agreeing Insignia Financial values diversity (+five points above the external benchmark) and 77% agreeing we build teams that are diverse (+13 points above the external benchmark).

Climate

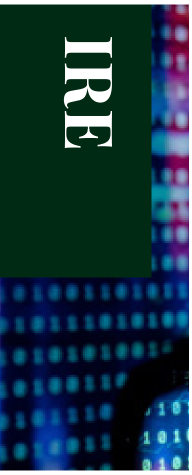
Last year, Insignia uplifted its ESG disclosures and made commitments, including:

- Measuring and disclosing its Scope 1, 2 & 3 emissions
- Becoming a Climate Active recognised organisation through offsetting all of the emissions (including scope 3)
- Publishing its first climate risk report under the TCFD framework.

Responsible Investment

The company acknowledged there is more to do in aligning Responsible Investment frameworks across their legacy businesses (IOOF, OnePath and MLC) and to uplift their approach to RI. In 2022, Insignia Financial appointed a dedicated Head of Responsible Investing to oversee its approach. Three core responsible investment beliefs include:

- environmental, social and governance (ESG) factors can be a source of opportunity and risk in the management of investment portfolios;
- the consideration of ESG factors assists in meeting its long-term performance objectives; and
- active ownership through proxy voting and company engagement can influence corporate behaviour.

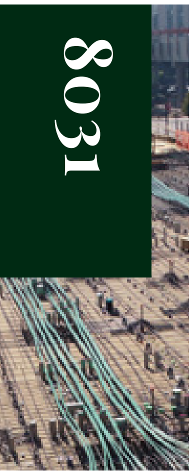


IRESS

Ticker: IRE | **Country:** Australia | **Sector:** Information Technology | **Shareholder position:** Top 40

VanEck reached out to IRESS in the upcoming AGM. We voted against re-electing Trudy J. Vonhoff on the basis that the company chair should be responsible for UNGC participation or the alignment of Human Rights Policy with UNDHR.

IRESS advised that it is committed to the ten principles of the UNGC in its practices and will formalise its commitment as a signatory this year. The company's focus in ESG has been to prioritise high-impact areas such as setting an emissions reduction framework and creation of a modern slavery working group. This year it will finalise its human rights policy in alignment with UDHR and ILO as relevant and will further seek to review existing policies to create alignment with best practices.

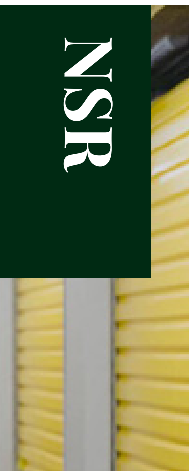


Mitsui

Ticker: 8031 | **Country:** Japan | **Sector:** Industrials | **Shareholder position:** Top 220

VanEck held Mitsui in our MSCI International Value ETF (VLUE) at the time of engagement. We engaged with the company in a physical meeting and discussed its overall business performance, the Australian resource assets and its ESG updates.

- Given the rise of Japanese equity this year and increasing stake by Warren Buffett's Berkshire Hathaway in Mitsui, VanEck asked about the growth outlook for the company. Mitsui commented that mineral and energy remain their main line of business and also seek non-resource opportunities for diversification which has been improving gradually compared to three years ago.
- From total assets and core cashflow point of view, Mitsui's portfolio is overall geographically diversified and across several industries. The company aims to mitigate cashflow volatility against the price moves of iron ore and oil, which differentiate it from the likes of Glencore. The correlation of the share price and the commodity prices is relatively moderate at around 0.5.
- When asked about rare earth and metals mining with the rise of EVs and the transition to clean energy, Mitsui commented that they are a major player in copper mining with quality copper assets based in Chile. Not just EV manufacturing, anything related to electric transmission involves the usage of copper. They estimate the supply of copper globally would continue to drop while the demand could surge creating scarcity of the metal. Mitsui owns the second largest copper miner in Chile and is looking to expand the capacity.
- Geographically 7.2% of revenue is generated out of Australia. When asked about the growth trajectory and the plan here, Mitsui acknowledged that energy and mining is still the main focus and there are plans for expansion in Queensland. LNG and iron ore are the most profitable segment. The company indicated that while they can't comment on the cost of individual projects, their overall cost curve is on the far left – cost at around $20 whereas sales at $110 for iron ore. While costs rose substantially over the last year the bottom line was not very negatively impacted. Aside from resources, the company is also involved in paper production as well as construction machinery as a diversifier away from the resources.
- Mitsui owns a stake in Sakhalin Energy in Russia. In light of the Russian invasion and sanctions imposed, Mitsui expressed that they continue to maintain the stake as long as international regulations allow which ensures stable energy supply to Japan. The company has written down some of the value on accounting over the last two or three years even prior to the war, and have insurance in place.
- We also brought up the controversy case in Louisiana, US regarding the lawsuits and local complaints over alleged cancer risks due to chloroprene emissions. Mitsui expressed that they are 30% joint venture in Denka as a minority shareholder. Even though they can't disclosure much detail at the moment due to the ongoing lawsuit, they indicated that they will provide support when needed and the financial impact would be limited.
- Lastly we went through the topic of the board gender diversity. At the moment the company is doing well among the Japanese peers with 27% female board members, close to the DM standard of 30%. While the company does not set a specific target, they aim to achieve an increase of an internal female board member. In the last shareholder meeting there has been an increase of one more female board member. Historically the composition of all employees was not balanced because not many female employees remain in the workforce after maternity leave. Now the HR has a talent retention system in place to encourage female employees to remain in the company and create more overseas work experience and opportunities for them.



National Storage REIT

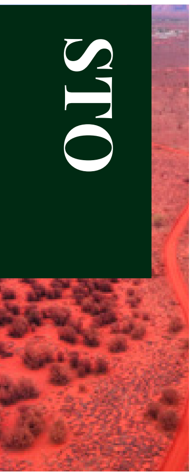
Ticker: NSR | **Country:** Australia | **Sector:** Real Estate | **Shareholder position:** Top 15

National Storage REIT was held in VanEck Australian Property ETF (MVA when we reached out regarding the MSCI ESG rating downgrade from BBB to BB due to a lack of green investment efforts and talent retention (turnover rate of 48% in FY 2022 exceeded the industry median of 15% as of May 2022 issues.

National Storage commented that the company aligned its ESG initiatives with GRI Standards and TCFD Recommendations and have since established an ESG Committee to oversee its strategy and commitment to sustainable practices in FY22. Whilst these frameworks for disclosure are considered best practice in Australia, the format of our reporting has changed slightly and some information relevant to the MSCI rating was not readily available. The company will be working with MSCI to bridge the gap in this information in future.

As acknowledged in the MSCI review, National Storage's primary focus is on storage facilities, which are less energy-intensive relative to retail and office assets, presenting fewer green investment opportunities. The team continues to explore and develop facilities with best practice sustainability principles in mind. Notwithstanding that the company does not obtain certification for its storage centres (given the nature of the buildings themselves), guidance is continually taken from leading building codes and rating systems like the Green Building, NABERS and National Construction Code.

Like many organisations, National Storage experienced challenges in the recruitment market post the COVID-19 pandemic. The company is committed to implementing strategies to decrease the turnover rate by focusing efforts on retention initiatives, such as flexibility, financial incentives, wellness programs, professional training avenues and community engagement. The company has already seen positive indications in its monthly reporting and the FY23 data will be provided in the forthcoming FY23 Sustainability Report.



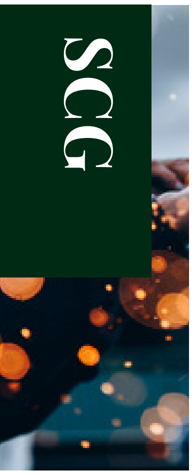
Santos

Ticker: STO | **Country:** Australia | **Sector:** Energy | **Shareholder position:** Top 50

VanEck held Santos in a suite of our ETFs. We discussed the company's board election and the remuneration report in the upcoming AGM. We voted against re-electing Guy M. Cowan on the basis that the company chair should be responsible for UNGC participation or the alignment of Human Rights Policy with UNDHR.

Santos acknowledged that it is not currently a member of the UNGC but continuously reviews its external memberships. Having said that the company outlines its approach to human rights through a range of publicly available documents, including its Human Rights and Modern Slavery Policy and Modern Slavery and Sustainability reports.

Santos is committed to supporting and respecting the protection of internationally recognised human rights as set out in the United Nations International Bill of Human Rights and works to align with the UN Guiding Principles on Business and Human Rights and the Voluntary Principles for Security and Human Rights in our practices and procedures.



Scentre

Ticker: SCG | **Country:** Australia | **Sector:** Real Estate | **Shareholder position:** Top 20

Scentre was held in a suite of VanEck's ETFs. We reached out to the company again due to the MSCI ESG rating downgrade from AA to A due to the hiring and retention risks inherent to the real estate investment trust industry. In particular there had been an increasing trend in its employee turnover rate, from 10% in FY 2020 to 16% in FY 2021, and 18% in FY 2022, exceeding the industry median of 15%, as of May 2022.

Scentre commented that it is focused on attracting and retaining talent to execute its strategies. The company has the expertise to design, construct, operate, manage and market the portfolio of Westfield destinations. Scentre aims to recruit diverse, high-performing talent and retain the existing key talent.

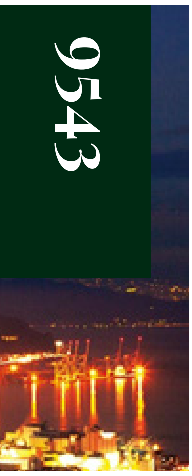
A competitive talent market meant their people were actively targeted. Despite this, the company advised that the total turnover was 17.3%, below its benchmark of 20% and retained 93% of its key talent. Scentre lost 105 people with tenure of more than five years. However, in exit surveys 90% said they would recommend us as a place to work and 89% would return if the right opportunity arose.

To address areas of the business most impacted by increased turnover, Scentre has developed targeted retention plans. The plans were developed using levers highlighted as key to employee engagement in external benchmarks and research. These levers included stay conversations, new-starter check-ins, listening strategy, role clarity and career strategy.

The company also continues to review the support and benefits offered to employees to remain competitive and maintain high talent retention. They want to offer market leading initiatives to promote the health and wellbeing of their people.

Scentre Group offers incentivisation measures including the Group's Performance Rights Plan (PRP). The Group's Performance Rights Plan (PRP) governs the grants of awards of deferred equity under the STVR and LTVR plans, as well as the retention awards granted in 2020.

- The Performance rights – STVR is a plan in which senior executives and high performing employees participate.
- The Performance rights – LTVR is a plan in which the senior leadership team of Scentre Group participate. The hurdles chosen by the Human Resources Committee for the 2022 qualifying year are set out in section 8 of the Remuneration Report.



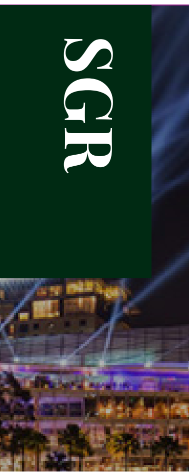
Shizuoka Gas

Ticker: 9543 | **Country:** Japan | **Sector:** Utilities | **Shareholder position:** Top 60

VanEck was an institutional investor in Shizuoka Gas which was held in VanEck FTSE Global Infrastructure (Hedged) ETF (IFRA). We voted against the board nominees Hiroshi Tonoya, Juichi Nozue, Takahiro Shibagaki and Hajime Hirano on the basis that the board is not sufficiently independent.

Shizuoka advised that the Company has designated four outside directors and two outside corporate auditors as independent directors/auditors who are not likely to have a conflict of interest with general shareholders, and has notified the Tokyo Stock Exchange.

In addition, Koichi Maruno, who is scheduled to be newly appointed as an outside director, and Takahiro Shibagaki, who is scheduled to be newly appointed as an outside corporate auditor, have been designated as independent directors/auditors with no possibility of conflict of interest with general shareholders and will be reported to Tokyo Stock Exchange. Regarding the Nominee Mr. Shibagaki being the Director (Audit and Supervisory Committee Member (Full-Time)) of Dai-ichi Life Holdings we were still of the view that due to cross-holding relationship, the statutory auditor board was not sufficiently independent.



Star Entertainment

Ticker: SGR | **Country:** Australia | **Sector:** Consumer Discretionary | **Shareholder position:** Top 50

Star Entertainment was held in a suite of VanEck's ETFs, totaling around 1 million shares at the time of engagement. We reached out to Star due to the MSCI ESG rating downgrade from A to BBB due to the regulatory actions being imposed, including a fine of AUD 100 million (USD 63 million) in December 2022 following allegations of systemic lapses in preventing money laundering.

The Star advised that the Board and the management team have committed to do everything in their power to make necessary improvements, to regain trust and restore The Star to suitability.

This has seen the company accept and acknowledge the errors of the past as identified in the Bell and Gotterson Reviews and fully commit to engaging positively with the regulators and the appointed Manager in NSW and Special Manager in Queensland.

The Sydney Manager has identified five priority areas as a necessary base in order for the Group to move to the development and implementation phases of its longer-term remediation measures. These priorities will provide the foundation to effect significant improvement in the governance, culture and controls of the Group in order to meet the Group's objective of returning to suitability to hold its casino licences.

The Remediation Plan is central to this and serves as the company's integrated roadmap to improve the firm's governance, culture and controls. This is a comprehensive, multi-year plan, which includes the use of specialist external assistance, as well as bolstering their own capabilities.

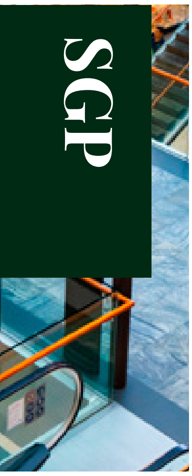
The following initiatives have been undertaken:

- Permanently exited junkets
- Closed the international offices and international bank accounts
- Separated Legal and Risk functions
- Increased the number of Financial Crime and Safer Gambling staff
- Enhanced internal controls, and
- Rebuilt our Board and senior leadership team

Senior Executive & Board Changes

The Star appointed four new senior executives, including a new CEO, Chief Risk Officer, Head of Transformation and CEO The Star Sydney, and a new Chief Legal Officer.

Additionally, the company also appointed five new NEDs, two of which remain subject to regulatory approvals, and it will appoint a new NED and a new Chairman in the near future. The current Chairman will step down when a new director is appointed.



Stockland

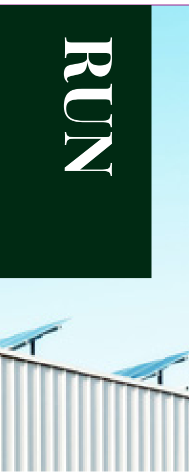
Ticker: SGP | **Country:** Australia | **Sector:** Real Estate | **Shareholder position:** Top 10

As a major shareholder of Stockland, VanEck had a recurring discussion with the company due to the MSCI ESG rating downgrade from AA to A due to the weaknesses in Stockland's talent management practices and performance (voluntary employee turnover at 20% in FY 2022, vs. the industry average of 14% as of May 2023).

The company confirmed that voluntary turnover rate is declining, and as at May 2023 is 17.1%. It is expected that it will return to the target range of 10-15% over FY24. It was highlighted that the company's turnover number refers to annual moving average turnover – the point in time measure is much lower, and potentially could be the measure that other groups is reporting.

Regarding the other areas of management practice, Stockland commented that:

- It has an extensive talent pipeline development strategy from senior leadership succession to its award-winning graduate program.
- The partnership with the Property Council of Australia, INSEAD global business school, and specialist Indigenous organisations to deliver joint educational programs.
- It runs multi-year leadership development programs for its senior leaders and emerging leaders.
- It has also developed a sophisticated workforce planning capability after partnering with a global expert in this field.



Sunrun

Ticker: RUN | **Country:** United States | **Sector:** Industrials | **Shareholder position:** Top 120

Sunrun is one of the top solar stocks in our VanEck Global Clean Energy ETF (CLNE). We reached out with regards to the advisory vote on executive compensation on the basis of pay and performance disconnect.

- Regarding the vote on renumeration this year, VanEck sees 20% contest votes last year on say-on-pay a significant issue to be addressed. The company's Legal Chief commented that Sunrun since then had engaged extensively with shareholders with several changed implemented:
    - long-term incentive equity awards will be granted as restricted stock units (RSUs) and performance stock units (PSUs) with performance awards making up approximately 25% of the grants;
    - removed overlapping metrics between the short-term incentive plan (STIP) and the long-term incentive plan (LTIP) and added net earning assets per diluted share and relative total shareholder return (TSR) as metric under the LTIP.
- The company expressed that 25% performance awards is a new measure for aligning the executive comp with the long-term performance, and open to suggestions to 50% if this is the best practice.
- Another downside flagged to us is the lack of performance goals disclosure. The company mentioned it might be a competitive disadvantage in the industry but also open to making improvements for better disclosure.
- VanEck also took the opportunity to ask about the company's overall financial performance and operations. With regards to the company's share prices recently, we questioned that as a major beneficiary of Inflation Reduction Act, the performance only had a very short-term boost.
- The company's Finance SVP commented that the IRA enhances and extends the investment tax credit (ITC) available to Sunrun which effectively provides a 10-year extension of the 30% solar ITC as well as a $7,500 credit for new electric vehicles and a $4,000 credit for used electric vehicles.
- Two external factors Sunrun believed that created challenges:
    - Continuous interest rate rises from last year caused downward pressure on the stock prices, which was partially mitigated by operational efficiency to bring margins up. In terms of business models, capital-intensive style is out of favour;
    - Supply chain bottleneck only recovered around six months ago.
- The management continues to expect Solar Energy Capacity Installed growth to be in a range of 10% to 15% for the full year 2023, leaning towards more upside risk. The fundamentals remain very strong and the innovation will continue to be the driving force.
- When asked about supply chain exposure to China, Sunrun indicated that the ban of imports of solar modules from China has been in place since 2012. Instead the majority is from ASEAN countries such as Thailand and Vietnam. The company endeavours to eliminate any forced labour in the supply chain.

Woodside Petroleum

Ticker: WDS | **Country:** Australia | **Sector:** Energy | **Shareholder position:** Top 70

VanEck held Woodside in a suite of our ETFs. We reached out with regards to the board member election and the renumeration in the upcoming AGM.

Woodside advised that it had engaged extensively with shareholders and proxy advisors on its climate strategy and remuneration matters over the past 12 months – and continues to do so. The Board reiterated its commitment to addressing emissions reductions and ensuring the Woodside's climate strategy remains robust through an uncertain energy transition.

Regarding electing Ian E. Macfarlane, we were in line with Glass Lewis' recommendation that the Board should be held accountable for the continued lack of appropriate response to clear shareholder opposition to the Board's management of climate-related issues. However the company did not share the view as it had had extensive shareholder engagements totalling 47 in 2022 which included discussion of climate change. In addition, Mr Macfarlane's depth of skills and experience has and continues to provide significant value to Woodside and its shareholders. He brings deep experience in the energy and resources sector to the Board. He was Australia's longest serving Federal Resources and Energy Minister with over 14 years of experience in both Cabinet and shadow ministerial positions.

There was also significant increase to the MD/CEO's total remuneration package in FY22. Woodside advised that CEO remuneration, both fixed and variable, is reviewed annually with regard for the accountabilities, experience and performance of the CEO. This process is also supported by comprehensive external benchmarking against ASX20, selected Australian companies and international oil and gas companies conducted by external remuneration consultants, domestically and globally.

In 2022 the Board spent six months reviewing the remuneration of the CEO post-merger. During this time, the company engaged remuneration consultants (KPMG (Australia) and Meridian (US)) to inform the decision. The external benchmarking that informed the increase to CEO remuneration considered the significant change to Woodside as a result of the merger with BHP's petroleum business, Woodside's global presence, the significantly increased market capitalisation and the experience and performance of Ms O'Neill.

We remained voting **against** re-electing Mr. Macfarlane and the renumeration report.

If you would like more information on specific company engagement, please contact us via info@vaneck.com.au or +61 2 8038 3300

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