

Changes to index methodology for Vanguard's Ethically Conscious Australian and International Shares ETFs.

for the Vanguard® Exchange Traded Funds (ETFs)

7 March 2025

Vanguard Investments Australia Ltd (Vanguard) announces the following changes to the following ETFs:

ETF	Index Tracked	ASX CODE	ANNOUNCEMENT
Vanguard Ethically Conscious Australian Shares Index ETF	FTSE Australia 300 Choice Index	VETH	Changes to the index screening methodology
Vanguard Ethically Conscious International Shares Index ETF	FTSE Developed ex Australia Choice Net Tax Index	VESG	

Effective at the 24 March 2025 rebalance, FTSE will apply additional oil, gas and thermal coal revenue involvement thresholds of between 0% and 5% to its Global Choice Index Series¹ as part of the exclusionary screens applied to issuers of securities in the non-renewable energy: Fossil Fuel sector.

Previously, thermal coal, oil and gas business involvement was identified using Industry Classifications and reserve ownership. Adding oil, gas and thermal coal revenue involvement thresholds means that more diversified companies involved in fossil-fuel related activities will be screened out of the portfolio.

Please see the attached index announcement for full details of the screen changes.

Why are these changes being made?

The Vanguard Ethically Conscious range of investment options track indexes that apply transparent exclusionary screens to a broad market index to help investors reduce their exposure to certain industries or business activities. We seek to ensure that these products continue to reflect investor preferences and deliver long-term investment value, by regularly reviewing our products, indexes and their respective portfolios. Where relevant, we share the findings of these reviews with our index providers who then independently consult with other index users on proposed changes to an index.

¹ The Vanguard Ethically Conscious Australian Shares Index ETF and Vanguard Ethically Conscious International Shares Index ETF track indexes that form part of the FTSE Global Choice Index Series.

Prior to the change, oil and gas business involvement was identified using Industry Classifications which meant that more diversified businesses involved in fossil fuels may not have been excluded. These changes seek to support investor-decision making and maintain the stated long term investment objectives of the Vanguard Ethically Conscious Australian Shares and Vanguard Ethically Conscious International Shares Index ETFs.

Vanguard employs a rigorous, disciplined process for vetting investment strategies to ensure that they meet the enduring needs of investors. Vanguard is dedicated to researching and developing low cost, high quality exclusionary screened products, and continues to evaluate options in this category to provide investors with solutions that support their financial goals while seeking to manage exposure to certain products and services, providing investor choice.

Updates to Vanguard product disclosure statements

Vanguard will update the product disclosure statements for the Vanguard Ethically Conscious Australian Shares Index ETF and Vanguard Ethically Conscious International Shares Index ETF to reflect the relevant changes, once they have been implemented by the index provider.

For further information, contact the Vanguard client services team on 1300 655 101 or email clientservices@vanguard.com.au

Further Information

©2025 Vanguard Investments Australia Ltd (ABN 72 072 881 086 / AFS Licence 227263) is the product issuer of the Vanguard® Australian ETFs. Past performance information is given for illustrative purposes only and should not be relied upon as, and is not, an indication of future performance. In preparing the information, individual circumstances, for example tax implications, have not been taken into account and it may, therefore, not be applicable to an individual's situation. Before making an investment decision, you should consider your circumstances and whether the above information is applicable to your situation.

Vanguard ETFs will only be issued to Authorised Participants. That is, persons who have entered into an Authorised Participant Agreement with Vanguard ("Eligible Investors"). Retail investors can transact in Vanguard ETFs through Vanguard Personal Investor, a stockbroker or financial adviser on the secondary market.

Investors should consider the Product Disclosure Statement ("PDS") in deciding whether to acquire Vanguard ETFs. Retail investors can only use the PDS for informational purposes. A copy of the Target Market Determinations (TMD) for Vanguard's financial products can be obtained at vanguard.com.au free of charge and include a description of who the financial product is appropriate for. You should refer to the TMD of these Funds before making any investment decisions. You can access our disclosure documents at vanguard.com.au or by calling 1300 655 101. This publication was prepared in good faith and we accept no liability for any errors or omissions.

London Stock Exchange Group companies include FTSE International Limited ("FTSE"), Frank Russell Company ("Russell"), MTS Next Limited ("MTS"), and FTSE TMX Global Debt Capital Markets Inc. ("FTSE TMX"). All rights reserved. "FTSE®", "Russell®", "MTS®", "FTSE TMX®" and "FTSE Russell" and other service marks and trademarks related to the FTSE or Russell indexes are trademarks of the London Stock Exchange Group companies and are used by FTSE, MTS, FTSE TMX and Russell under license. All information is provided for information purposes only. No responsibility or liability can be accepted by the London Stock Exchange Group companies nor its licensors for any errors or for any loss from use of this publication. Neither the London Stock Exchange Group companies nor any of its licensors make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSE Indexes or the fitness or suitability of the Indexes for any particular purpose to which they might be put.



**FTSE
RUSSELL**
An LSEG Business

FTSE Global Choice Index Series - Proposed Methodology Change

16 December 2024

Further to the technical notice published on **11 October 2024**, FTSE Russell would like to inform index users of additional Product-Related exclusion criteria for the following indices with the FTSE Global Choice Index Series. These changes will be implemented at the **March 2025 index review**.

Index Name	Index Code
FTSE Australia 300 Choice Net Tax Index	FAUCIN
FTSE Developed All Cap Choice GBP Index	FGCACG
FTSE Developed All Cap Choice Net Tax (UK UCIT) Index	FGCACU
FTSE Developed All Cap Choice Net Tax Index	FGCACN
FTSE Developed Asia Pacific All Cap Choice Net Tax Index	FDAPACN
FTSE Developed Choice Net Tax Index	FDEVCN
FTSE Developed Europe All Cap Choice Net Tax Index	FGCDEACN
FTSE Developed ex Australia Choice Net Tax Index	FGCDXAUN
FTSE Emerging All Cap Choice Net Tax Index	FGCEACN
FTSE Global All Cap Choice Net Tax Index	FGACCN
FTSE Global All Cap ex US Choice Net Tax (US RIC) Index	FGCACXUR
FTSE North America All Cap Choice Net Tax Index	FNAACCN
FTSE US All Cap Choice Net Tax Index	FGCUSACN
FTSE Developed ex Australia ex Non-Renewable Energy/Vice Products/Weapons AUD Net Tax Index	DXAUNAUD
FTSE Developed ex Australia ex Non-Renewable Energy/Vice Products/Weapons NZD Net Tax Index	DXAUNNZD
FTSE All-Share Choice Capped Index	ASXCC
FTSE Australia 300 Choice Index	FAUCI
FTSE Developed All Cap Choice Index	FGCAC
FTSE Developed Asia Pacific All Cap Choice Index	FDAPAC
FTSE Developed Choice Index	FDEVC
FTSE Developed Europe All Cap Choice Index	FGCDEAC
FTSE Developed Europe Choice Index	FGCDE
FTSE Developed ex Australia Choice Index	FGCDXAU
FTSE Emerging All Cap Choice Index	FGCEAC
FTSE Global All Cap Choice Index	FGACC
FTSE Global All Cap ex US Choice Index	FGCACXUS
FTSE North America All Cap Choice Index	FNAACC
FTSE US All Cap Choice Index	FGCUSAC
FTSE US Choice Index	F4GUSAP1

Effective in conjunction with the March 2025 index review, companies involved in the following business activities will be excluded from the above indices. This change will be implemented after the close of Friday 21 March 2025, effective from the open Monday 24 March 2025.

Exclusion	Definition	Involvement Threshold
Thermal Coal - Extraction	Companies extracting thermal coal.	Greater than 0% of revenues
Thermal Coal – Supporting Products and Services	Companies providing tailor-made products or services that support thermal coal extraction.	Greater than 0% of revenues
Oil & Gas – Production	Companies involved in oil and gas exploration, production, refining, transportation and/or storage.	Greater than or equal to 5% of revenues
Oil & Gas – Supporting Products and Services	Companies providing tailor-made products or services that support oil and gas exploration, production, refining, transportation and storage.	Greater than or equal to 5% of revenues
Arctic Oil – Extraction	Companies involved in oil and gas exploration in Arctic regions.	Greater than or equal to 5% of revenues
Oil Sands - Extraction	Companies extracting oil sands	Greater than or equal to 5% of revenues

Indicative index changes will be available in indicative review files in accordance with standard index review timing. Ground rules documents will be updated to reflect this change prior to the March 2025 index review.

For further information please contact FTSE Russell Client Services at info@ftserussell.com or call:

Australia	+61 (0) 2 7228 5659
Hong Kong	+852 2164 3333
Japan	+81 3 6441 1430
London	+44 (0) 20 7866 1810
New York	+1877 503 6437

Alternatively please visit our website at lseg.com/ftse-russell