

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

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.



Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

Product name:
Vanguard ESG Global Corporate Bond UCITS ETF

Legal entity identifier:
549300QR9CU5B64KTU98

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

Yes

No

It made **sustainable investments with an environmental objective**: __%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made **sustainable investments with a social objective**: __%

It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of __% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promoted environmental and social characteristics by excluding fixed income securities from its portfolio based on the impact of the issuer's conduct or products on society and / or the environment.

This Fund is passively managed. Its objective is to track the performance of the Bloomberg MSCI Global Corporate Float-Adjusted Liquid Bond Screened Index (the "Index"). For this reason, the Index also serves as the designated reference benchmark for the purpose of attaining the environmental and / or social characteristics promoted by the Fund.

The Index excluded the bonds of issuers that MSCI determines engage in activities in, and/or derive revenue (above a threshold specified by the Index Provider) from, certain business segments of the following:

- (a) Vice Products (i.e., adult entertainment, alcohol, gambling, tobacco)
- (b) Weapons (i.e., nuclear weapons, controversial weapons, conventional weapons, civilian firearms)
- (c) Non-Renewable Energy (i.e., nuclear power, thermal coal and oil and gas)

The index methodology also excluded the bonds of issuers that, as determined by MSCI, have no controversy score or a controversy score of less than one as defined by MSCI's ESG controversies assessment framework.

Derivatives have not been used to meet the environmental or social characteristics of this Fund.

The investments of this Fund contributed to the following EU Taxonomy environmental objectives:

- Climate Change Mitigation = 0.56%
- Climate Change Adaptation = 0.03%

Due to the lack of reliable taxonomy-aligned data, our periodic reports do not reflect where the fund contributed to any of the following environmental objectives. We are currently working to resolve this, and we aim to be in a position to report the full reporting period of the environmental objectives in subsequent periodic reports:

- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

For this section, data is provided by third parties which may use different approaches to assess ESG credentials, and therefore result in different outcomes in their determination of a company's involvement in certain business activities. We carry out an annual review of the data as the availability, and quality, of the ESG data evolves. Third parties assume no responsibility for errors or omissions in the data.

● ***How did the sustainability indicators perform?***

The Investment Manager measured the attainment of the environmental and social characteristics by assessing the extent to which the exclusion criteria described above were applied and measuring the proportion of the portfolio excluded from the Parent Index (being the Bloomberg Global Aggregate Float Adjusted Corporate Index).

Regarding the extent to which the exclusions have been applied, the Fund tracked the reference benchmark appropriately. The exclusions were applied without issue and the appropriate controls were followed.

The proportion of the portfolio excluded from the Parent Index as a result of the application of the exclusions described above can be found in the table below. These figures are the weighted average of actual rate of exclusion by market value as at the end of September 2023, December 2023, March 2024 and June 2024.

*From year end June 2024 we have started to break out the exclusion categories. Constituents can be excluded under multiple categories and the below numbers are not mutually exclusive.

Exclusion Category*	Exclusion Rate (%)
Controversies	3.96%
Non-Renewable Energy	17.54%
Vice Products	2.66%
Weapons	3.15%
Overall Exclusions	26.02%

● ***...and compared to previous periods?***

Exclusion Category	2023
Overall	26.21%

● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

While the Fund promoted environmental and social characteristics, it did not commit to making any sustainable investments. This is separate to our EU Taxonomy-alignment disclosures.

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.

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable.

How were the indicators for adverse impacts on sustainability factors taken into account?

Not applicable.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Not applicable.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

The Fund considered principal adverse impacts on sustainability factors during the reference period.

By avoiding investment in non-renewable energy (i.e., nuclear power, fossil fuels (including power generation from oil, gas, and thermal coal)), the Fund considered the following principal adverse impact indicator:

- Exposure to companies active in the fossil fuel sector

By avoiding investment in weapons (chemical & biological weapons, cluster munitions, anti-personnel landmines, nuclear weapons, civilian firearms, and conventional military weapons), the Fund considered the following principal adverse impact indicator:

- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

By avoiding investment in companies involved in severe controversies (i.e., companies which do not meet the labour, customers, human rights, environmental, governance and anticorruption standards as defined by the United Nations Global Compact Principles (UNGC) and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises), the Fund considered the following principal adverse impact indicator:

- Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises

The values of these principal adverse impact indicators can be found in the table below. These figures are the weighted averages of actual values as at the end of September 2023, December 2023, March 2024 and June 2024.

The data relating to these principal adverse indicators may be greater than zero because of the data methodology differences between the Index provider and Vanguard's PAI data vendor.

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Indicator	Impact	Measure	Data Coverage %
Exposure to companies active in the fossil fuel sector	0	Percentage	73%
Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0	Percentage	73%
Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0	Percentage	73%



The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: From 1 July 2023 to 30 June 2024

What were the top investments of this financial product?

The top investments of this Fund are set out below. These figures are percentages of net assets and are weighted averages of the market value as at the end of September 2023, December 2023, March 2024 and June 2024.

Largest investments	Sector	% Assets	Country
BAC 3.419 12/20/28	Financials	0.12%	United States
CVS 5.05 03/25/48	Health Care	0.11%	United States
WFC 5.574 07/25/29	Financials	0.10%	United States
PFE 5.3 05/19/53	Health Care	0.10%	Singapore
NTT 0.18 12/19/25	Communication Services	0.09%	Japan
NTT 0.28 12/20/27	Communication Services	0.09%	Japan
TMUS 3 7/8 04/15/30	Communication Services	0.09%	United States
GS 6 3/4 10/01/37	Financials	0.09%	United States
WBD 5.141 03/15/52	Communication Services	0.09%	United States
BAC 1.734 07/22/27	Financials	0.09%	United States
ABBV 4 1/4 11/21/49	Health Care	0.08%	United States
CVS 4.3 03/25/28	Health Care	0.08%	United States
JPM 3.702 05/06/30	Financials	0.08%	United States
WFC 5.013 04/04/51	Financials	0.08%	United States
T 3.55 09/15/55	Communication Services	0.08%	United States



Asset allocation describes the share of investments in specific assets.

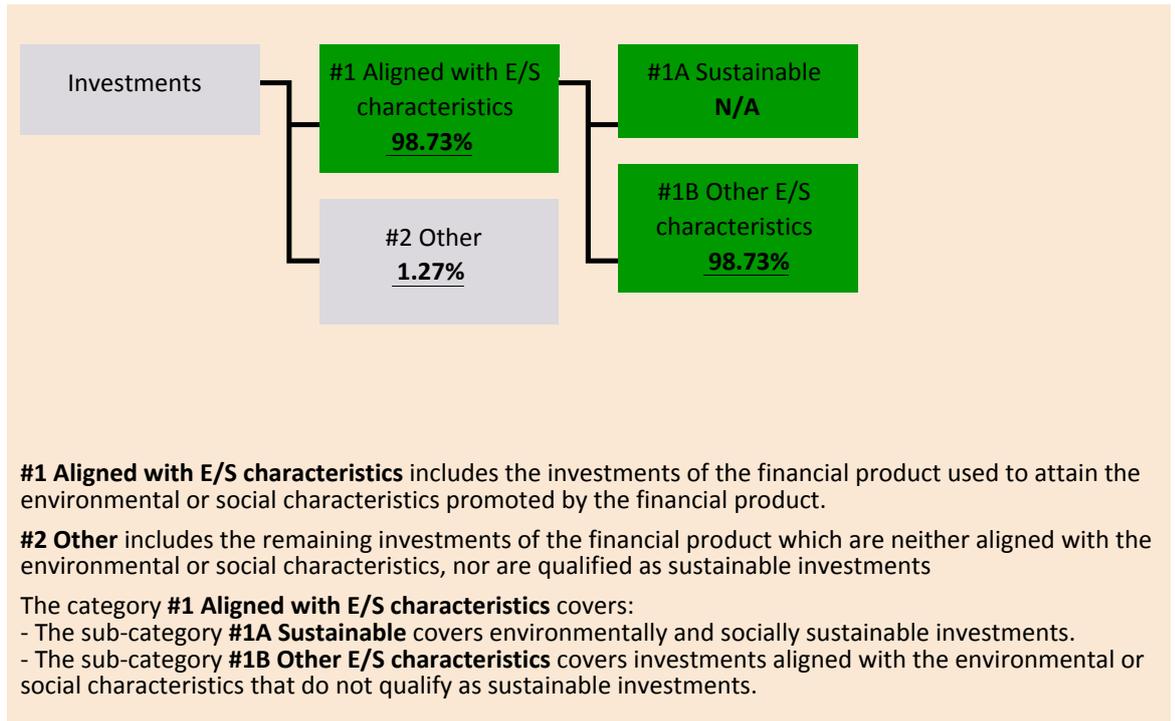
What was the proportion of sustainability-related investments?

Please see the information below in this respect.

● **What was the asset allocation?**

The Fund invested 98.73% (compared to year end June 2023: 98.31%) of its net assets in line with the ESG requirements of the Index, which is consistent with the environmental and/or social characteristics promoted by the Fund. The Fund did not commit to making any sustainable investments. The Fund did not use indirect exposures (including derivatives) to attain the environmental or social characteristics promoted by the Fund.

The remaining 1.27% (compared to year end June 2023: 1.69%) of the Fund's net assets are in other investments ("#2 Other"), which are not aligned with environmental and/or social characteristics promoted by the Fund.



● In which economic sectors were the investments made?

The following table details sectors and sub-sectors where investments of the Fund were made. These figures have used the breakdown for Energy and Utilities at level 1 and 4 (as defined by the Global Industry Classification System) with the other sectors at level 1 and 2.

These figures are percentages of net assets and are the weighted averages of the market value as at the end of September 2023, December 2023, March 2024 and June 2024.

Sector	Sub Sector	% Assets
Communication Services	Media & Entertainment	3.28%
Communication Services	Telecommunication Services	7.04%
Consumer Discretionary	Consumer Services	0.97%
Consumer Discretionary	Consumer Durables & Apparel	0.60%
Consumer Discretionary	Automobiles & Components	3.35%
Consumer Discretionary	Retailing	2.70%
Consumer Staples	Household & Personal Products	0.97%
Consumer Staples	Food, Beverage & Tobacco	2.65%
Consumer Staples	Food & Staples Retailing	0.25%
Financials	Insurance	3.20%
Financials	Diversified Financials	5.09%
Financials	Banks	38.13%
Health Care	Health Care Equipment & Services	3.99%
Health Care	Pharmaceuticals, Biotechnology & Life Sciences	7.69%
Industrials	Transportation	0.78%
Industrials	Commercial & Professional Services	1.29%
Industrials	Capital Goods	2.24%
Information Technology	Technology Hardware & Equipment	2.12%
Information Technology	Software & Services	4.10%
Information Technology	Semiconductors & Semiconductor Equipment	2.18%
Materials	Materials	1.86%
Real Estate	Real Estate	3.65%
Utilities	Water Utilities	0.55%
Utilities	Renewable Electricity	0.04%
Utilities	Electric Utilities	0.66%

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

Transitional activities are activities for which low-carbon alternatives



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

While the Fund does not commit to making environmentally sustainable investments within the meaning of the Taxonomy Regulation, the overall Taxonomy-alignment of the Fund, for the reference period, is set out in the graph below.

The proportion of the Fund's investments that contributed to each of the environmental objectives is as follows:

- Climate Change Mitigation = 0.56%
- Climate Change Adaptation = 0.03%

Due to the lack of reliable taxonomy-aligned data, our periodic reports do not reflect where the fund contributed to any of the following environmental objectives. We are currently working to resolve this, and we aim to be in a position to report the full reporting period of the environmental objectives in subsequent periodic reports:

- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

In each case the figures are the weighted averages of the actual values as at the end of September 2023, December 2023, March 2024 and June 2024.

The Taxonomy-alignment data is based solely on disclosures by non-financial entities that have been captured by the data provider. When reporting guidelines are not exactly followed, for example where revenue is only provided for a subset of activities combined instead of per activity, then this is not captured.

are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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.

The figures are not subject to an assurance provided by one or more auditors or a review by one or more third parties.

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Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy⁽¹⁾?

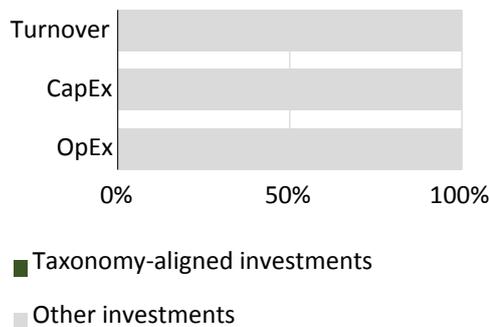
Yes:

In fossil gas In nuclear energy

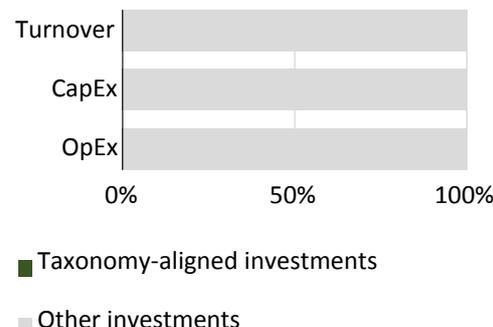
No

The graphs below show in green the percentage of investments that were 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.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



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

What was the share of investments made in transitional and enabling activities?

The share of the Fund's investments made in transitional and enabling activities is as follows:

- Transitional Activities = 0.01%
- Enabling Activities = 0.41%

The figures are weighted averages of the actual values as at the end of September 2023, December 2023, March 2024 and June 2024.

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How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

The figure reported for Climate Change Mitigation in the previous report was overstated and has been corrected as shown below:

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.

Environmental Objectives	2023
Climate Change Mitigation	0.00
Climate Change Adaptation	N/A



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

Not applicable.



What was the share of socially sustainable investments?

Not applicable.



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

The remaining 1.27% (compared to year end June 2023: 1.69%) of the Fund’s net assets are in financial derivative instruments and other assets and liabilities (“#2 Other”) which are not aligned with environmental and/or social characteristics promoted by the Fund.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

As outlined above, the Index excluded the bonds of issuers that MSCI determined to be engaged or involved in, and / or derive revenue (above a threshold specified by the Index provider) from, certain activities in order to promote the environmental and social characteristics of the Fund. In order to ensure that the Fund promoted such characteristics on an ongoing basis, the Investment Manager monitored the Index and its exclusions on a regular basis to ensure the alignment of the investment strategy with the methodology of the Index.

Rebalancing activity in ESG index funds is reviewed and overseen by several ‘lines of defense’, including Vanguard’s portfolio management, risk management, investment data and product teams. Inputs from third-party data providers, consistent with the Index provider’s own ESG data, were used to analyse Index constituents as part of this review process. This helped mitigate the risk of the Fund holding Index constituents that were inconsistent with the specified ESG screening criteria. Further monitoring is in place surrounding new issues which may be eligible for inclusion in the Fund between rebalances.

There are additional internal trade compliance controls, that checked whether new instruments bought were Index constituents as well as checking for any Fund holdings that may no longer be part of the Index. These checks aimed to confirm that out of Index holdings were not added and were removed in a timely fashion. The Investment Manager monitored tracking error (difference between portfolio and Index) on a daily basis and followed up on any significant deviations.



Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

How did this financial product perform compared to the reference benchmark?

Please see the information below in this respect.

● *How does the reference benchmark differ from a broad market index?*

The Index was constructed from the Bloomberg Global Aggregate Float Adjusted Corporate Index which was then screened for certain environmental, social, and corporate governance criteria by the sponsor of the Index, which is independent of Vanguard.

● *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?*

See above.

● *How did this financial product perform compared with the reference benchmark?*

The figures in the table below show financial performance between July 1st 2023 and June 30th 2024.

Share Class	Fund Performance (%)	Reference Benchmark Performance (%)
CHF Hedged Accumulating	1.63%	1.77%
CHF Hedged Distributing	1.63%	1.77%
EUR Hedged Accumulating	4.24%	4.38%
EUR Hedged Distributing	4.24%	4.38%
GBP Hedged Accumulating	5.58%	5.72%
GBP Hedged Distributing	5.58%	5.72%
USD Hedged Accumulating	6.17%	6.31%
USD Hedged Distributing	6.17%	6.31%

● *How did this financial product perform compared with the broad market index?*

The figures in the table below show financial performance between July 1st 2023 and June 30th 2024.

Fund Performance (%)	Broad Market Index Performance (%)
6.17%	4.89%