



December 2023

# Environmental, Social, Governance at WisdomTree in Europe

**Responsible Investments and Corporate Social Sustainability Report**



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"At WisdomTree, sustainability and responsibility are embedded throughout our business, which we believe benefits our investors, employees and shareholders. Our Responsible Investments and Corporate Social Sustainability Report highlights some of the areas where WisdomTree is seeking to improve the Environmental, Social and Governance (ESG) positioning of our firm as a whole."

Jonathan Steinberg,  
Founder and CEO of WisdomTree

Responsible investing at WisdomTree is about more than just products. It's about making meaningful changes to the way we make decisions from the top of the organisation, through the stewardship of the investments we oversee, and through the products we offer.

We work with sustainability experts to review every aspect of our business and we are engaging with accredited organisations to meet evolving industry standards. As investor demands change, so will our approach, and with transparency at the heart of our business model, we will continue to present our approach as openly as possible.

Our responsibility as a fiduciary is paramount to every decision we make as an exchange-traded fund (ETF) and exchange-traded product (ETP) issuer. We aim for transparency across everything that we do. To that end, we outline some of our principles of investment governance below:

- + Responsible investing
- + Investment governance
- + Corporate responsibility

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# 1. Responsible investing

Responsible investing is not solely about impact investing, it’s about ensuring that investments offered have also considered non-financial factors such as environmental and societal impacts.

As one of the largest specialist ETP issuers in Europe offering a comprehensive range of products, WisdomTree needs a tailored approach to each exposure. While there is no single ESG investing solution that works for every investor, there is a strong business case for a solid ESG framework. By focusing on transparency, communication, and analysis of ESG data, we can uncover opportunities that would have gone unnoticed and bring hidden risks to the surface.

In addition to risk mitigation, the integration of ESG factors when designing an investment strategy is receiving growing recognition that responsible investing can positively impact returns.

We offer a variety of ESG approaches, enabling our investors to select what best meets their needs and we will continue to evolve alongside improving ESG practices and adapt to the changing ESG demand of investors.

Figure 1: Summary of WisdomTree’s approach to responsible investing

Some of our strategies will align with several of the approaches outlined below.

ESG screened	Strategies that exclude securities from the investable universe which have involvement in controversial weapons or significant involvement in unconventional oil and gas exploration/ production, small arms, tobacco products and thermal coal. Additionally, such strategies exclude securities that are deemed non-compliant with the UN Global Compact (UNGC) Principles which include considerations on human rights, labour, corruption and the environment. Furthermore, securities that are in breach of United Nations (UN) sanctions are also excluded from the investment universe.
ESG integration	WisdomTree has developed and is continuing to develop products that incorporate ESG factors into the risk and return analysis. Certain strategies which have sustainable investment commitments incorporate ESG integration by way of weighting and selection criteria and explicitly tilt away from companies with poor corporate governance or environmental scores.
Energy transition themes	Strategies that provide investors with exposure to energy transition themes such as such as renewable energy and recycling and waste management. In addition, certain strategies also allow investors to capture the demand and growth of specific metals involved in the energy transition, as well as providing access to carbon markets.
Sustainably themed investing	Investment in themes or assets that are intentionally supportive of sustainability goals such as the energy transition or other approaches required to deliver the UN’s Sustainable Development Goals.

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Responsible gold	Strategies that aim to address the concerns surrounding the gold supply chain including mining, unlawful activities, and human rights abuses as well as ESG issues. The Responsible Gold Guidance (RGG) has been implemented by the London Bullion Market Association (LBMA). This is a mandatory framework for all Good Delivery listed refiners wishing to sell into the London Bullion Market and is designed to combat money laundering, terrorist financing and human rights abuses globally.
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## 1.1 Our commitment to responsible investing

- + Respond to our clients' demands with a robust ESG framework, while keeping the investment proposition intact.
- + Reduce ESG risk and promote ESG characteristics including the specific characteristic of **climate action** by excluding companies significantly involved in the high greenhouse gas emitting sector of thermal coal and unconventional oil and gas exploration/production and the social characteristics of **good health and well-being** and **peace, justice and strong institutions** by respectively excluding companies significantly involved in the tobacco and small arms sectors, companies involved in controversial weapons as well as companies having severe or high controversy ratings and which do not adhere to internationally accepted human rights, labour standards or anti-corruption principles in line with the index methodology for the relevant products outlined at 1.2 below.
- + Work towards responsible investing by developing strategies that exclude companies with strong negative externalities and provide a clear and transparent framework for strategies that commit to making sustainable investments. Please refer to Section 1.4.2 "WisdomTree's Sustainable Investment Framework" below for further information on WisdomTree's approach to sustainable investments.
- + Continue to offer a 'best-in-class' ESG approach to gold investing with 100% responsibly sourced LBMA Good Delivery bars produced after 2012.
- + Be at the forefront of responsible investing in commodities and their role in promoting progress towards climate change. This includes partnering with specialists to educate investors and help develop industry standards.
- + Continue to monitor developments in ESG demand and available data, adapting our frameworks to best serve our clients' needs and requirements.

## 1.2 WisdomTree's approach to responsible investing

### ESG screened

We have aligned our proprietary (and most of the third-party) equity and fixed income indices with ESG factors using ESG exclusion, or negative screening, criteria<sup>1</sup>. The full list of WisdomTree's ETFs that incorporate ESG screened or ESG themes can be found on the WisdomTree website [here](#).

The following core principles define the ESG exclusions applied to the possible selection universe for the equity and fixed income indices we use for our UCITS range.

Principle-based exclusions (using Global Standards Screening such as UNGC):

Companies found to be non-compliant with the following principles:

#### Human rights principle

- + Principle 1: support and respect the protection of internationally proclaimed human rights
- + Principle 2: make sure that they are not complicit in human rights abuses

#### Labour

- + Principle 3: uphold the freedom of association and the effective recognition of the right to collective bargaining
- + Principle 4: elimination of all forms of forced and compulsory labour
- + Principle 5: effective abolition of child labour
- + Principle 6: elimination of discrimination in respect of employment and occupation

#### Environment

- + Principle 7: support a precautionary approach to environmental challenges
- + Principle 8: undertake initiatives to promote greater environmental responsibility
- + Principle 9: encourage the development and diffusion of environmentally friendly technologies

#### Anti-corruption principle

- + Principle 10: businesses should work against corruption in all its forms, including extortion and bribery

<sup>1</sup> ESG information is received from third party data providers or index providers where relevant. Such ESG information may be incomplete, inaccurate or unavailable. As a result, there is a risk that the index provider or other data providers (as applicable) may incorrectly assess the ESG rating of/or the involvement of a company in certain activities. This may result in the incorrect inclusion or exclusion of a security from the relevant index and therefore the portfolio of the relevant fund.

## Business activity-based exclusions<sup>2</sup>

**Controversial weapons:** companies with any involvement in controversial weapons or with significant ownership in such companies.

**Tobacco products:** companies involved in the production of tobacco products or supplying tobacco-related products/services. Companies deriving more than 5% of their revenues from the distribution of tobacco products.

**Thermal coal:** companies deriving more than 5% of their revenue from thermal coal extraction or having more than 5% of their revenue from thermal coal-based power generation or having more than 5% of their revenue from providing tailor-made products and services to support thermal coal extraction.

**Small arms:** companies deriving more than 5% of their revenue from activities connected to small arms. Such activities include the manufacturing and selling of small arms, or the manufacturing and selling of key components involved in small arms manufacture or being involved in the distribution of small arms.

**Unconventional oil and gas exploration/production:** companies deriving more than 5% of their revenue from unconventional oil and gas exploration and/or production such as oil sands, Arctic oil and gas or shale energy.

## ESG integration

Alongside ESG screening, sustainably themed investing and ESG integration are key pillars in WisdomTree's approach to incorporating ESG considerations into investment processes for equity strategies.

WisdomTree has developed a range of ETFs that consider ESG factors in the risk and return analysis at the level of the index construction, such as alignment of certain revenue streams with sustainable business activities. The following ETFs invest in assets that are intentionally supportive of the energy transition.

**Battery solutions:** since the Paris Agreement was adopted in 2015, global CO<sub>2</sub> emissions have continued to rise. To limit global warming to well below 2°C, preferably 1.5°C, above pre-industrial levels, sustainable investments in renewable technologies are required to reduce carbon emissions over the longer term. Continued advancements in automotive technologies and renewable electricity have greatly reduced reliance on hydrocarbons. Visit our [Battery Solutions page](#) for more information.

**Recycling for decarbonisation:** the importance of decarbonisation as a global priority has risen

<sup>2</sup> Certain strategies may apply enhanced screening criteria. For further information on enhanced screening criteria applied by certain indices please visit our Responsible Investing page: <https://www.wisdomtree.eu/en-gb/strategies/responsible-investing#tab-B10F9DC3-DEAD-4BA0-BE53-0213B456B01D>

to the fore in recent years. The more carbon in the atmosphere, the hotter global temperatures are expected to be, leading to the potential for more extreme weather, higher sea levels, and forcing changes in the way many people live. The current scientific consensus is that limiting human-caused global warming requires net zero CO<sub>2</sub> emissions. If warming exceeds a specified level such as 1.5°C, it could gradually be reduced again by achieving and sustaining net negative global CO<sub>2</sub> emissions.

The WisdomTree Recycling Decarbonisation strategy provides investors with a distinct approach, focusing on those companies contributing to the global decarbonisation megatrend through waste-to-energy and recycling efforts. View our [Recycling Decarbonisation strategy page](#) for more information.

**Renewable energy:** renewable energy is crucial in the fight against climate change and in achieving the goal of limiting global warming to 1.5°C. For the world to sustainably transition from fossil fuels to cleaner sources of energy, renewables such as wind and solar must be scaled up and complemented by other emerging technologies.

Fortunately, the world has woken up to this reality, giving renewables stronger tailwinds now than ever before. Regulatory support, the desire for sustainable energy security, technological cost reductions, innovations happening in the space, and consumer awareness are among the forces coming together to drive the renewable energy revolution.

The WisdomTree Renewable Energy strategy represents WisdomTree's holistic approach to renewable energy. For more information, please visit our [Renewable Energy strategy page](#).

## Energy transition themes

In addition to WisdomTree's sustainability themed funds focused on Energy transition themes such as WisdomTree's [Recycling Decarbonisation](#) strategy and WisdomTree's [Renewable Energy strategy](#), outlined above, we have also developed products with more direct exposure to commodities associated with the energy transition.

**Industrial metals:** commodities such as copper, nickel, silver, and platinum will continue to be core components in battery and energy storage solutions. Such commodities are key elements which could stand to benefit as the energy transition accelerates. Decarbonisation of transport and power sectors needs long-sighted investors to support the accelerated development of new capacity, and emerging technologies across the battery value chain. Visit our [metals strategy page](#) for more information.

**Battery and energy transition metals:** the energy transition is fueling the future. Wider adoption of battery storage and energy transition technologies will require an unprecedented amount of mined commodities. Investing in commodity futures allows investors to capture the demand and growth of specific metals involved in battery storage and the energy transition. These products



are associated with the energy transition theme which include, but are not limited to, electric vehicles, transmission, charging, energy storage, solar, wind, and hydrogen production. Visit our [energy transition page](#) for more information.

**Carbon:** governments around the world have set various climate goals. Reducing greenhouse gas (GHG) emissions is a key objective to meet those goals. One of the major market-based solutions to help decarbonise is the ‘cap-and-trade’ or ‘Emissions-Trading-Systems’. In such systems, governments set maximum tolerated emissions levels (the ‘cap’), which reduces each year. They then issue allowances to companies up to the level of the cap. Those allowances are tradable, which ensures an efficient allocation of the decarbonisation effort (those with the lowest cost of implementing decarbonisation technology will do so to monetise their allowances).

+ **European Union:** the European Union Emission Trading System (EU ETS) launched in 2005 and is the world’s first (and largest) carbon market. The EU ETS is the cornerstone of the EU’s policy to combat climate change and its key tool for reducing greenhouse gas emissions cost-effectively.

In 2023 the European Union doubled down on this tool to help drive a 55% reduction in GHG emissions by 2030 to meet the legally binding target agreed in 2020. WisdomTree Carbon tracks the price performance of a rolling EUA futures strategy, allowing investors to participate in the price discovery process and join this exciting journey to net zero. View our [Carbon investment case](#) for more information.

+ **California:** the world’s second largest carbon market, the California cap-and-trade is rising in prominence. In its latest Scoping Plan (December 2022), California set an ambitious decarbonisation goal: to reduce GHG emissions by 85% by 2045 and 48% by 2030 (relative to 1990 levels). That will mean that policymakers will have to lean more heavily on this tool. WisdomTree California Carbon tracks the price performance of a rolling CCA futures strategy, allowing investors to participate in the price discovery process and join this exciting journey to net zero. View our [California Carbon investment case](#) for more information.

## Sustainability themed investing

As outlined above, WisdomTree has already developed products having themes and/or assets that are intentionally supportive of sustainability goals such as the [Energy Transition](#). WisdomTree intends to develop new strategies having approaches required to deliver additional sustainability goals such as the UN’s Sustainable Development Goals.

## Responsible gold

In 2012, the LBMA implemented their Responsible Gold Guidance (RGG) on ethically sourced gold bars. This is a mandatory framework for all Good Delivery listed refiners wishing to sell into the

London Bullion Market designed to combat money laundering, terrorist financing, and human rights abuses globally. All post-2012 LBMA gold bars adhere to this guidance.

This latest version has expanded the definition of due diligence by requiring refiners to not only assess risks identified in the Organisation for Economic Co-operation and Development (OECD) Due Diligence Annex II regarding money laundering, but also to include an assessment of their ESG responsibilities. All post-2019 LBMA bars should comply with the latest RGG.

WisdomTree’s physical gold exchange-traded commodities (ETCs) are 100% backed by responsible gold (at least by post-2012 gold bars) and we are working closely with our custodians to increase our exposure to post-2019 bullion across all of our physical gold ETCs.

WisdomTree is committed to educating investors and helping to develop further the LBMA RGG by regularly exchanging dialogue with the LBMA on this topic and providing our comments to their consultations. View our [responsible gold page](#) for more information.

Figure 2: WisdomTree’s responsible gold position in physical gold products

Product	Ticker	Responsible Gold	Post-2012 Gold Bars (excluding post-2019 and 2022)	Post-2019 Gold Bars (excluding post-2022)	Post-2019 Bars
WisdomTree Physical Gold	PHAU	100%	0.00%	45.47%	54.53%
Gold Bullion Securities	GBS	100%	0%	100.00%	0.00%
WisdomTree Physical Swiss Gold	SGBS	100%	72.71%	26.66%	0.62%
WisdomTree Physical Gold – GBP Daily Hedged	GBSP	100%	21.30%	74.90%	3.80%
WisdomTree Physical Gold – EUR Daily Hedged	GBSE	100%	36.16%	62.87%	0.98%
WisdomTree Core Physical Gold	WGLD	100%	0.00%	0.00%	100.00%

% troy ounces responsibly sourced as of 28 November 2023.

### 1.3 Regulatory alignment

The EU Sustainable Finance Disclosure Regulation (SFDR) took effect on 10 March 2021 as part of the EU Action Plan on Sustainable Finance. The SFDR lays down harmonised sustainability related disclosure rules for EU financial market participants and advisers and requires certain

sustainability disclosures to be made for financial products which promote environmental or social characteristics (Article 8) and funds which have a sustainable investment objective (Article 9).

Sustainability disclosure requirements are based on the SFDR product category as follows:

- + Article 6, labelled as “non-sustainable”, applies to funds that do not integrate any kind of sustainability into the investment process.
- + Article 8 applies to funds that promote environmental or social characteristics and require detailed information on how those characteristics will be met to be disclosed.
- + Article 9 applies to funds where either environmental or social sustainable investments (or a combination of both) are the stated objective of the fund. The sustainable objective fund must do no significant harm to any other environmental or social objective and have good governance practices. Disclosure of the sustainable investment objective is a requirement to the Article 9 classification.
- + The full list of ETFs with Article 8 or 9 classifications can be found under the Responsible Investing tab on WisdomTree’s website [here](#).

## Consideration of Principal Adverse Impacts

Principal Adverse Impacts (**PAIs**) are considered by WisdomTree's UCITS management company, WisdomTree Management Limited (**WTML**) for certain funds in accordance with Article 7 of the SFDR. Where PAIs are considered, WTML evaluates a range of PAI indicators in accordance with annex I of the regulatory technical standards underpinning SFDR (**RTS**). PAIs are not considered at the entity level as further described below under the heading SFDR - sustainability risks assessment.

WTML's framework for considering PAIs is driven by two considerations (1) companies whose products or services cause harm when used as intended, or (2) companies where there is a persistent breach of international standards on company behaviour.

PAIs are monitored using an internally developed monitoring system and data received from the Investment Manager of the relevant fund and third party ESG data providers. WisdomTree will work with the relevant index provider where companies are identified as laggards on specific indicators, or which exhibit high adverse impacts across several indicators. The result being that WisdomTree and the relevant index provider can either change the index methodology or remove the particular security from the relevant index.

## Sustainable Investment Framework

A Sustainable Investment, as defined by Article 2 (17) SFDR, is an investment in an economic activity that contributes to an environmental or social objective, provided that such investments

do not significantly harm any of those objectives, and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

WisdomTree has put in place a sustainable investment verification framework "**WisdomTree Sustainable Investment Framework**" for its passively managed ETFs. The WisdomTree Sustainable Investment Framework contains criteria used to assess whether an economic activity contributes to an environmental or social objective, does no significant harm to any other environmental or social objective and follows good governance practices. The WisdomTree Sustainable Investment Framework enables WisdomTree to identify whether an investment can be considered a sustainable investment in accordance with Article 2 (17) SFDR.

Certain funds make sustainable investments which qualify as environmentally sustainable under the EU Taxonomy. Technical screening criteria defines specific requirements and thresholds for an activity to be considered as significantly contributing to a sustainability objective under EU taxonomy, including minimum requirement to avoid significant harm to any of the Taxonomy Objectives. Where a fund commits to making a sustainable objective which qualify as environmentally sustainable under the EU Taxonomy, it is clearly stated in the SFDR pre contractual disclosures for the relevant fund.

### [SFDR–sustainability risks assessment](#)

The SFDR requires sustainability risks on the returns of financial products within its scope to be assessed. WTML, as a UCITS management company taking due account of the portfolios of the sub-funds of WisdomTree Issuer ICAV (ICAV) which aim to replicate the composition or track the performance of an index, has decided that the impact of sustainability risks is materially relevant to the returns of these sub-funds.

Details of the WTML's policies on the integration of sustainability risks in its investment decision making can be found in the Prospectus of the ICAV. A sustainability risk means an ESG event that, if it occurs, would cause a negative material impact on the value of investments.

The directors of WTML who are entitled to receive remuneration from WTML are paid fixed amounts. As such, the Remuneration Policy of WTML does not promote the taking of sustainability risks. WTML's Remuneration Policy is available on the WisdomTree website.

## 2. Investment governance

Our responsibility as a fiduciary is paramount to every decision we make as an ETP issuer. We aim for transparency across everything we do.

To that end, we outline some of our principles of investment governance such as SFDR, UNPRI, and proxy voting and engagement.

## 2.1 United Nations Principles for Responsible Investment (UNPRI)

WisdomTree, Inc. became a proud Signatory of the United Nations Principles for Responsible Investment (UNPRI) on 15 February 2019. Founded in 2005, the UNPRI is a United Nations-supported network that encourages asset managers and other institutional investors to engage with corporations on environmental, social and governance issues to create a more sustainable global financial system and support long-term investment value.

For more information view the [WisdomTree RI Transparency report](#).

## 2.2 Proxy voting and engagement

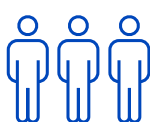
As a responsible investor, WisdomTree adopts an active ownership approach to promote better corporate behaviour in investee companies in terms of sustainability and management of Environmental, Social and Governance risks. WisdomTree exercises voting rights and constructively engages with investee companies through its investment managers, to whom portfolio management activities are outsourced. In selecting and monitoring investment managers, WisdomTree ensures that voting and engagement policies of the Investment Managers match the standards defined by WisdomTree.

WisdomTree has adopted a proxy voting and engagement policy which sets out WisdomTree's approach to the integration of voting and engagement into its investment strategy and applies to Funds manufactured by WisdomTree UK Limited. For more information, please consult WisdomTree's proxy voting and engagement policy available [here](#).

In addition, WisdomTree publishes information of votes taken for relevant funds on its proxy voting dashboard including the vote exercised, meeting type and by market / sector, votes cast by category and alignment with management. Please visit the proxy voting dashboard for further information relating to proxy voting at [Proxy Voting Dashboard](#).

# 3. Corporate responsibility

WisdomTree aligns its corporate social and responsible strategy, and operations, to four fundamental responsibilities: people, anti-corruption, environment, and social. These key areas feed into the 17 sustainable development goals set by the UN.



### People

- + Women's Initiative Network
- + DEI Council
- + Education



### Anti-corruption

- + Anti-money laundering
- + Anti-bribery and Corruption



### Environment

- + Carbon Neutral
- + Climate Awareness
- + Our Approach to Carbon Offsetting
- + Ripple Africa



### Social

- + Volunteering at WisdomTree
- + Young Women's Trust
- + Malala Fund

## 3.1 People-focused

WisdomTree is a values-driven company motivated by a shared mission: to create a better way to invest. In order to achieve this mission, we must always invest in our people first. We believe in fostering a diverse and inclusive culture where employees at every level feel empowered to do their best work, speak up and share different perspectives, and are met with a strong sense of belonging. Employees should be recognised and valued for their contributions, awarded ample access to opportunity and be held accountable for how they show up for each other and our clients.

### Women's Initiative Network (WIN)

WisdomTree formally launched its Women's Initiative Network (WIN) in 2019. The employee-led network is designed to offer:

- + A community to provide opportunities and support for all WisdomTree female employees
- + Career development and professional training opportunities
- + Female empowerment and leadership within the organisation

#### The current areas of focus for WIN are:

- + Diversity and inclusion with female focus
- + Parental support
- + External recognition for our female talent
- + Engage senior leaders in WIN

### Diversity, Equity, and Inclusion (DEI) Council

In 2021, WisdomTree established its inaugural Diversity, Equity and Inclusion (DEI) Council. The council is comprised of a diverse mix of employees from across our global business and is tasked with overseeing and helping to advance our efforts to foster a diverse, equitable and inclusive culture.

We have conducted a firm-wide culture assessment in partnership with Collective and have developed our DEI Strategic Plan.

### **Our Strategic Guiding Principles**

- + Goal 1: promote fearlessness
- + Goal 2: amplify access to opportunity
- + Goal 3: cultivate a culture of belonging

### **The key DEI Council objectives**

- + Foster a diverse, equitable and inclusive workplace culture in support of WisdomTree's DEI vision and broader company mission by overseeing and implementing the DEI Strategic Plan initiatives.
- + Cultivate awareness, education and understanding across WisdomTree that highlights DEI as not just the right thing to do for our business, but the right thing to do.
- + Actively seek out and engage all employees, key process owners and stakeholders in the implementation and ongoing refinement of the DEI Strategic Plan.
- + Proactively identify and address any possible systemic and interpersonal barriers (for example, implicit bias) to DEI and employee empowerment within WisdomTree in partnership with key stakeholders.
- + Serve as a representative body where all WisdomTree employees can voice their feedback, ideas, concerns, feelings and needs, and have the DEI Council advocate for action for the betterment of WisdomTree and its employees.
- + Drive accountability across all DEI efforts at WisdomTree at every level, globally.
- + Track and measure progress towards meeting the goals outlined in the DEI Strategic Plan.
- + Promote DEI efforts across WisdomTree by modelling inclusive leadership and championing initiatives throughout the year.

## Education

WisdomTree provides a variety of opportunities for employees to further their careers and develop new skills through personal and professional development, including:

- + WisdomTree Talks: employees are invited to regular talks hosted by each department across the organisation in order to gain a holistic view of the company and better understand what their colleagues' jobs entail.
- + Job-specific training courses.
- + Executive lunches: opportunity for all employees to get closer to senior leaders.
- + Cybersecurity training: in addition to a robust cybersecurity plan, our employees are regularly trained to identify potential cybersecurity threats thereby equipping them with tools to protect the company, colleagues and themselves from such risks.

- + Town halls: we hold monthly town halls to inform our employees of business developments and job openings for those seeking career development opportunities.

## Hybrid working

WisdomTree has introduced our new way of working which involves a mixture of working remotely and in the office. The aim of hybrid working is to promote global collaboration and also provide flexibility for employees, who can potentially achieve better work-life balance and reduce the potential for illness.

### **3.2 Anti-corruption**

#### Anti-money laundering (AML)

WisdomTree is required, under legal and regulatory requirements, to adopt effective and adequate procedures to detect and prevent money laundering and terrorist financing. Our AML policies and procedures extend across our European business and also consider the implications and potential risks of any third parties and service providers.

WisdomTree has a Money Laundering Reporting Officer (MLRO) who is responsible for overseeing, implementing, monitoring, and enforcing all aspects of the AML policy. The firm's compliance function supports these efforts. Policy reviews are undertaken on a periodic basis with reporting to senior management and the Board of Directors.

#### Anti-bribery and corruption

WisdomTree has established an Anti-Bribery and Corruption Policy, demonstrating its commitment to preventing bribery and establishing a zero-tolerance approach to bribery in all parts of its business. WisdomTree aims to limit its exposure to bribery and corruption by implementing this policy and providing periodic training to all employees so that they can recognise and avoid bribery offences or suspicious activity.

The firm's senior management and compliance function encourage employees to be vigilant and to report any suspicion of bribery, providing them with suitable channels of communication and ensuring sensitive information is treated appropriately.

### **3.3 Environment-friendly**

#### Carbon neutral

WisdomTree in Europe is proud to be a certified carbon neutral company.

Through carbon-offsetting, our European operations have been carbon neutral since 2019. Partnering with Carbon Footprint has allowed us to successfully calculate and offset our carbon emissions by planting trees and investing in carbon reduction projects.



## Climate awareness

WisdomTree considers its impact on the environment to be low. Due to the nature of our business, WisdomTree has a relatively light carbon footprint and does not generate hazardous waste or emit meaningful levels of greenhouse gasses. However, we acknowledge the threat of climate change on the environment and recognise that it is imperative to use our position as a global platform to implement positive change and offset any negative impact.

### Our approach to carbon offsetting

We work with Carbon Footprint to identify Verified Carbon Standard (VCS)/Gold Standard approved projects to support in an effort to offset our carbon emissions. To date, we have offset over 400 tonnes of CO<sub>2</sub> emissions. We are proud to be supporting a new project to offset 2022 emissions: Zoba Anseba Community Safe Water Project.

The project supports the provision of safe water using borehole technology to hundreds of households in the Zoba Anseba district of Eritrea. Many local people currently use wood fuel on inefficient fires to purify their water, which results in the release of greenhouse gases. This can be avoided by implementing a process that doesn't require fuel combustion to supply clean water.

### Tree planting initiative

In 2022 we proudly worked with Ripple Africa to plant 10,000 trees. Ripple Africa is an organisation that has been empowering communities in Malawi since 2003. Working with local farmers and communities, to date they have planted 19 million trees and protected 340 square kilometres of indigenous forest.

WisdomTree contributed to the following two projects:

- + **Fruit Tree Planting:** farmers grow mango, papaya, guava, avocado and citrus fruit trees to improve nutrition and provide a sustainable income to local families. They also donate fruit trees to schools, teaching students how to plant and care for their fruit trees as well as the wider importance of protecting the environment.
- + **Protecting Indigenous Forests:** farmers and communities' plant quick-growing trees as a source of sustainable timber for the local population. Every tree planted helps protect the natural woodland, allowing for regeneration and preventing deforestation.

In addition, WisdomTree has an initiative with Treeapp and endeavours to plant a tree for every attendee to our homegrown events and webinars. To date, WisdomTree has planted 3,200 trees in the Americas, Asia and Africa. Treeapp is a Certified B Corporation which enables anyone to plant trees across the world in the regions that need it the most.

### 3.4 Socially responsible

#### Volunteering at WisdomTree

Each employee is permitted one additional paid day off from work per holiday year in order to volunteer for a charitable organisation. This can be taken as an individual or as a team, for example 30 employees recently spent a day painting a Night Shelter which is used to house beds for those experiencing homelessness.

#### Young Women's Trust

In Europe, we work with The Young Women's Trust (YWT), a charity that offers support to young women aged 18 to 30, who are living on low or no pay and want to build a better future. Employees across all levels and teams review CV's and job applications to help these young women into new jobs. In 2022, WisdomTree volunteers reviewed over 100 CVs, and staff raised over £16,000 for YWT (supporting 160 young women with a course of career coaching).

#### Clean the World

Clean the World has a mission to address global health issues by collecting discarded hygiene amenities from the hospitality industry and recycling them for redistribution to impoverished people across the world. In 2022, WisdomTree volunteered to help assemble and pack 600 hygiene kits which were donated to Solace Women's Aid.

#### 2023 Awareness Days

WisdomTree has arranged awareness days throughout 2023 to raise funds and awareness for selected charities. The full list of charities and the various awareness days is available on request.

#### Malala Fund

We work with the Malala Fund which advocates for girls' education and works for a world where every girl can learn and lead, helping bolster girls' secondary education globally.

#### Refuge

In 2023 our WIN organisation partnered with Refuge, a charity supporting women and children who have experienced domestic, sexual and gender-based abuse. The vital services they provide, such as their freephone 24-hour National Domestic Abuse Helpline, rely solely on public donations. WisdomTree employees have raised £6,000 for Refuge so far and will continue supporting the organisation in 2024 to change the lives of thousands of women and their children.



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