

# WisdomTree Strategic Metals and Rare Earths Miners UCITS ETF - USD Acc

Sustainability-related disclosure

## Summary

### Aucun objectif d'investissement durable

Le Fonds promeut des caractéristiques environnementales et sociales, mais n'a pas d'objectif d'investissement durable.

### Caractéristiques environnementales ou sociales du produit financier

Le Fonds promeut l'objectif environnemental de réduction des émissions de carbone générées, en investissant principalement dans des sociétés impliquées dans la chaîne de valeur des métaux pour la transition énergétique (CVMTE). La réduction des émissions de carbone est nécessaire pour lutter contre l'impact du changement climatique.

Le Fonds promeut également l'objectif environnemental spécifique à l'action climatique, en excluant les sociétés significativement impliquées dans le secteur à forte émission de gaz à effet de serre du charbon thermique ainsi que de l'exploration et la production de pétrole et de gaz non conventionnels, et promeut les caractéristiques sociales de vie en bonne santé et bien-être, ainsi que celles de paix, justice et d'institutions efficaces, en excluant respectivement les sociétés notablement impliquées dans les secteurs de l'industrie du tabac et des armes légères, les sociétés impliquées dans les armes controversées ainsi que les sociétés qui n'adhèrent pas aux droits de l'homme, aux normes du travail et aux principes de lutte contre la corruption reconnus au niveau international, conformément à la méthodologie de l'Indice.

### Stratégie d'investissement

L'objectif d'investissement du Fonds consiste à répliquer la performance de l'indice WisdomTree Energy Strategic Metals and Rare Earths Miners Index (l'Indice) en termes de cours et de rendement, avant déduction des commissions et frais. L'Indice a été désigné comme référentiel afin de déterminer si le Fonds est aligné sur les caractéristiques environnementales et sociales qu'il promeut.

### Part des investissements

Le Fonds investira la totalité ou la quasi-totalité de ses actifs dans les composantes de l'Indice, de sorte que la valeur liquidative (VL) du Fonds soit alignée sur ses caractéristiques environnementales et sociales à proportion minimale de 90%. Jusqu'à 10 % des actifs du Fonds peuvent être investis dans des actifs liquides accessoires conformément à la Réglementation des Communautés européennes (Organismes de placement collectif en valeurs mobilières) de 2011 (Réglementation OPCVM), ou dans des titres pour lesquels les données ESG disponibles auprès de fournisseurs de données tiers sont insuffisantes.

### Contrôle des caractéristiques environnementales et sociales

WisdomTree contrôle les caractéristiques environnementales et sociales promues par le Fonds lors de chaque rééquilibrage de l'Indice.

## **Méthodologies**

Les caractéristiques environnementales et sociales promues par le Fonds sont mesurées au moyen des données obtenues du Fournisseur d'indice et de fournisseurs de données tiers, le cas échéant.

### **Traitement et sources des données**

Le Fonds est un fonds indiciel à gestion passive et atteint les caractéristiques environnementales et sociales qu'il promeut en répliquant l'Indice.

WisdomTree traite les données obtenues de fournisseurs de données tiers pour filtrer les émetteurs sur la base des critères d'exclusion environnementaux, sociaux et de gouvernance (ESG) indiqués dans la méthodologie de l'Indice, afin d'établir l'univers d'investissement éligible. Le suivi du Fournisseur d'indice et des fournisseurs de données tiers est effectué chaque année dans le cadre des processus renforcés de supervision et de diligence raisonnable de WisdomTree.

### **Limites des méthodologies et données**

Pour répondre à l'objectif ainsi qu'à la politique d'investissement spécifiés du Fonds, WisdomTree s'appuie sur un ensemble de données, dont des données ESG. Les données ESG sont obtenues de fournisseurs tiers et peuvent s'avérer incomplètes, inexactes ou indisponibles. Par conséquent, il existe un risque que le Fournisseur d'indice ou d'autres fournisseurs de données (le cas échéant) évaluent de manière incorrecte la notation ESG ou l'implication d'une entreprise dans certaines activités dans le cadre des critères d'exclusion appliqués par l'Indice.

### **Diligence raisonnable**

WisdomTree exerce son devoir de diligence raisonnable concernant le Fournisseur d'indice et l'Indice de référence en amont du lancement du Fonds, afin de déterminer la capacité à atteindre le résultat d'investissement désiré ainsi que les caractéristiques environnementales et/ou sociales promues par le Fonds.

### **Politiques d'engagement**

WisdomTree exerce des droits de vote et s'engage de manière constructive auprès des entreprises bénéficiaires des placements, par l'intermédiaire de ses gestionnaires d'investissement auxquels les activités de gestion de portefeuille sont confiées. Lors de la sélection et du suivi des gestionnaires d'investissement, WisdomTree s'assure que leurs politiques de vote et d'engagement correspondent aux normes qu'elle a définies.

### **Indice de référence désigné**

L'Indice a été désigné comme indice de référence afin de respecter les caractéristiques environnementales ou sociales promues par le Fonds. Les informations sur l'Indice sont consultables [ici](#).

## **No sustainable investment objective**

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

The Fund does not commit to making sustainable investments.

## **Environmental or social characteristics of the financial product**

The Fund promotes the environmental objective of reduction in carbon emissions generated, primarily by investing in companies involved in the ETMVC. Reduction in carbon emissions is necessary to combat the impact of climate change. ETMVC includes the exploration and processing of metals which are used in technologies and solutions associated with energy transition themes such as electric vehicles, transmission, charging, energy storage, solar, wind, and hydrogen. Development of such products and services supports goals to action climate change and ensuring access to affordable, reliable sustainable and modern energy for all.

The Fund additionally promotes the specific environmental 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 characteristic of good-health and well-being and peace, justice and strong institutions, by respectively excluding companies significantly involved in the tobacco industry and small arms sectors, companies involved in controversial weapons as well as companies which do not adhere to internationally accepted human rights, labour standards or anti-corruption principles in line with the Index methodology.

The Index has been designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

## **Investment strategy**

The investment objective of the Fund is to track the price and yield performance, before fees and expenses, of the Index. In order to achieve this objective, the Fund will employ a "passive management" (or indexing) investment approach and will invest in a portfolio of equity securities that so far as possible and practicable consists of a representative sample of the component securities of the Index. The Index has been designated as a reference benchmark for the purpose of determining whether the Fund is aligned with the environmental and social characteristics it promotes.

The Index applies ESG exclusionary criteria and seeks to exclude companies from the eligible investment universe that are significantly involved (as described in the Index methodology) in thermal coal, unconventional oil and gas exploration/production and in the tobacco industry and small arms sectors. Companies with any involvement in controversial weapons or that fall within the bottom 5% based on their greenhouse gas intensity are also excluded from the eligible investment universe by the Index.

The Index methodology includes robust governance criteria whereby companies are assessed based on the Global Standards Screening (GSS) assessment which identifies and excludes companies from the eligible investment universe companies that violate international norms and standards, such as United Nations Global Compact principles (UN GCPs), UN Guiding Principles on Business and Human Rights (UN GPs) and OECD Guidelines for Multinational Enterprises and their underlying conventions.

Companies on the UN, US and EU sanctions list are excluded. In addition to the governance screening, to be eligible for inclusion in the Index, a company must be listed on an eligible stock exchange listed in the main body of the supplement for the Fund (the Supplement) and must comply with securities listing rules including relevant corporate governance codes.

The Fund considers principal adverse impacts (PAIs) at the fund level in accordance with the regulatory technical standards of SFDR (RTS). Indicators for PAIs (PAI Indicators) are a way of measuring how issuers negatively impact sustainability factors. Please refer to the section below "Due Diligence" regarding the controls in place to monitor constituent data for PAIs.

The Fund, through its Investment Manager, adopts an active ownership policy to develop good governance practices in investee companies.

### **Proportion of investments**

The Fund will invest all, or substantially all, of its assets in the constituents of the Index with the result that a minimum of 90% of the Fund's NAV will align with the environmental and social characteristics of the Fund.

Up to 10% of the Fund's assets may be invested in ancillary liquid assets in accordance with the UCITS Regulations or invested in securities for which there is insufficient ESG-related data available from third-party data providers. This applies in particular to assets for which ESG factors are insufficiently defined at present or which are not covered by third-party data providers. For more information, please see the Supplement for the Fund.

### **Monitoring of environmental or social characteristics**

The Fund promotes environmental and social characteristics outlined above by tracking the Index which applies ESG exclusionary criteria.

WisdomTree monitors the Fund's adherence to the environmental and social characteristics it seeks to promote. This is carried out by evaluating whether the Index is correctly applying the stated ESG screening and GSS assessment criteria described above. This includes an evaluation by WisdomTree of the ESG data provided by the third-party data providers.

WisdomTree also monitors the tracking error of the Fund and reports this to investors as part of the publication of annual and interim financial statements of the ICAV. Information on the anticipated tracking error is also published in the Supplement.

### **Methodologies**

The environmental and social characteristics promoted by the Fund are measured using data from the Index Provider and third-party data providers, where relevant.

The Fund seeks to track the Index which excludes companies based on ESG exclusionary criteria outlined in the Index methodology. The ESG exclusionary criteria is measured based on companies' revenue thresholds and data sources evaluated at each Index rebalance. The Fund's investments are assessed as being aligned with the environmental and social characteristics promoted by the Fund at each Index rebalance.

Certain PAIs are considered when evaluating the environmental and social characteristics promoted by the Fund using data provided by third party data provider which includes an evaluation of involvement in controversial weapons (PAI Indicator 14), greenhouse gas intensity (PAI Indicator 3) fossil fuels (PAI Indicator 4), non-renewable energy production (PAI Indicator 5) and UNGCP and OECD Guidelines violations (PAI Indicators 10 and 11).

## **Data sources and processing**

The Fund is a passively managed index tracking fund and attains the environmental and social characteristics it promotes by tracking the Index.

WisdomTree processes data provided by third-party ESG data providers to screen issuers based on the ESG exclusionary criteria as set out in the Index methodology to establish the eligible investment universe.

Monitoring of the Index Provider and third-party data providers is carried out annually as part of WisdomTree's enhanced oversight and due diligence processes. This due diligence includes evaluating methodologies adopted by third-party data providers to assess issuers, the sources of information that they use and the quality of the ESG data they provide. ESG Data coverage provided by third-party data providers is also assessed at each Index rebalance.

WisdomTree uses data sources from other third-parties for comparison purposes to identify any potential data inconsistencies. There may be issuers for which insufficient ESG-related data is available due to a lack of coverage by third-party data providers.

Data estimates may be used by third-party data providers particularly for smaller companies or where there are gaps in company reported data or where a company does not report actual revenues or certain business involvement categories.

## **Limitations to methodologies and data**

To meet the stated investment objective and policy of the Fund, WisdomTree relies on data ESG data provided by third-party data providers and 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 or the involvement of a company in certain activities as part of the exclusionary criteria applied by the Index Provider. This may result in the incorrect inclusion or exclusion of a security from the Index and therefore the portfolio of the Fund.

Please refer to the section above "Data Sources and Processing" and "Due Diligence" regarding internal controls to monitor constituent data.

In placing reliance on external data providers, there may be inherent risk associated with errors in third-party data which may not be undetected by WisdomTree or the Index Provider. The result being that companies may from part of the investment universe that are inconsistent with the stated methodology of the Index and/or the stated investment objective/policy of the Fund. WisdomTree seeks to mitigate this risk by obtaining ESG data from reputable sources, using a second independent data source and investigating data differences to our primary ESG data provider.

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## **Due diligence**

WisdomTree carries out due diligence on the Index Provider and reference Index prior to the launch of the Fund.

As part of this due diligence, WisdomTree assesses the Index methodology to determine whether it would achieve the desired investment outcome and environmental and/or social characteristics promoted by the Fund.

This evaluation includes the investment universe of the securities, coverage by third-party data providers and the exclusionary screening criteria implemented by the Index.

In addition, WisdomTree monitors PAI indicators on sustainability factors of investee companies at the Fund level on a quarterly basis using an internally developed monitoring system and data received from the Investment Manager and the third-party ESG data provider.

## **Engagement policies**

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 ESG 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.

Further details on WisdomTree's proxy voting policy are available at <https://www.wisdomtree.eu/en-gb/wisdomtree-investment-governance> and on WisdomTree voting dashboard available at: <https://www.wisdomtree.eu/en-ie/proxy-voting-dashboard>.

## **Designated reference benchmark**

The Index has been designated as a reference benchmark and utilises ESG screening criteria to meet certain environmental or social characteristics promoted by the Fund. Information on how that index is aligned with the environmental and social characteristics promoted by the Fund, including the input data, the methodologies used to select those data, the rebalancing methodologies and how the index is calculated can be found [here](#).