

EXPLANATION OF HOW KEY ELEMENTS OF THE BENCHMARK METHODOLOGY REFLECT ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) FACTORS

Solactive WisdomTree Global Sustainable Equity UCITS Index
TR



This document provides an explanation of how the key elements of the benchmark methodology reflect ESG factors. It is compiled in accordance with the requirements of point (d) of Article 13 (1) of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 (the "Benchmarks Regulation") and of the Commission Delegated Regulation (EU) 2020/1817.

General Information

Name of the benchmark administrator	Solactive AG
Type of benchmark or family of benchmarks	Equity
Name of the benchmark or family of benchmarks	Solactive WisdomTree Global Sustainable Equity UCITS Index TR
Does the benchmark methodology for the benchmark or family of benchmarks take into account ESG factors?	Yes

ESG Factors Applied in the Benchmark Methodology

List of environmental factors considered	<ul style="list-style-type: none">> Exclusion of UNGC Violators.> Exclusion of companies involved in controversial weapons, such as the activities in anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons, and white phosphorus weapons> Exclusion of companies that derives more than 5% of its revenue from thermal coal extraction, has more than 5% of its revenue from thermal coal-based power generation, or has more than 5% of its revenue from providing tailor-made products and services to support thermal coal extraction.> Exclusion of companies that derive more than 5% of its revenue from oil and gas exploration, production, refining, transportation, and/or storage.> Exclusion of companies that derive more than 5% of aggregate revenue from extracting oil sands, oil and gas exploration in Arctic regions, and shale energy exploration and production.> Exclusion of companies with an ESG Risk Score below 30.> Exclusion of companies that have below than 1% of revenue aligned to the United Nations Sustainable Development Goals ("SDGS") 2 ("Zero Hunger"), 3 ("Good Health and Well-Being"), 4 ("Quality Education"), 6 ("Clean Water and Sanitation"), 7 ("Affordable and Clean Energy"), 10 ("Reduced Inequalities"), 11 ("Sustainable Cities and Communities"), 12 ("Responsible Consumption and Production"), 13 ("Climate Action"), 14 ("Life Below Water"), or 15 ("Life on Land").> Remove companies that have below 20% of revenues aligned with contributing to the SDGS 6, 7, 12, 13, 14, or 15. Alternatively, remove companies that are not in the top quintile of the universe concerning the former aligned revenue per sector.> Remove companies that have below 20% of revenues aligned with the EU TAXONOMY or are not in the top quintile of universe concerning the former aligned revenue per sector
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- > Include companies that have "SBTI"-approved carbon emission reduction targets and a positive "CARBON TREND" which is defined as a decline of at least 10% in Scope 1&2 GHG emissions over the last 3 years.
- > Include companies of which the company's proportion of capital expenditure ("CAPEX") that is EU TAXONOMY-aligned exceeds the proportion of revenue that is EU TAXONOMY-aligned by at least 10%.
- > Exclude companies that have below 20% of revenues aligned with contributing to the SDGs 2, 3, 4, 10, or 11.
- > Include companies that are at the intersection of the top quintiles of the universe concerning the data provider's Environmental Risk Management Score and Social Risk Management Score.

List of social factors considered

- > Exclusion of UNGC Violators.
- > Exclusion of companies involved in controversial weapons, such as the activities in anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons, and white phosphorus weapons
- > Exclusion of companies that derives 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.
- > Exclusion of companies involved in tobacco production, supplies tobacco-related products/services, or derives more than 5% of its revenue from tobacco distribution
- > Exclusion of companies with an ESG Risk Score below 30.
- > Exclusion of companies that have a controversy rating of 5 or a controversy rating of 4 with a negative outlook.
- > Exclusion of companies that have below than 1% of revenue aligned to the United Nations Sustainable Development Goals ("SDGS") 2 ("Zero Hunger"), 3 ("Good Health and Well-Being"), 4 ("Quality Education"), 6 ("Clean Water and Sanitation"), 7 ("Affordable and Clean Energy"), 10 ("Reduced Inequalities"), 11 ("Sustainable Cities and Communities"), 12 ("Responsible Consumption and Production"), 13 ("Climate Action"), 14 ("Life Below Water"), or 15 ("Life on Land").
- > Remove companies that have below 20% of revenues aligned with contributing to the SDGS 6, 7, 12, 13, 14, or 15. Alternatively, remove companies that are not in the top quintile of the universe concerning the former aligned revenue per sector.
- > Remove companies that have below 20% of revenues aligned with the EU TAXONOMY or are not in the top quintile of universe concerning the former aligned revenue per sector
- > Include companies of which the company's proportion of capital expenditure ("CAPEX") that is EU TAXONOMY-aligned exceeds the proportion of revenue that is EU TAXONOMY-aligned by at least 10%.



	<ul style="list-style-type: none"> > Exclude companies that have below 20% of revenues aligned with contributing to the SDGs 2, 3, 4, 10, or 11. > Include companies that are at the intersection of the top quintiles of the universe concerning board gender diversity, workforce gender diversity, and senior management gender diversity > Include companies that are at the intersection of the top quintiles of the universe concerning the data provider's Environmental Risk Management Score and Social Risk Management Score.
List of governance factors considered	<ul style="list-style-type: none"> > Exclusion of UNGC Violators. > Exclusion of companies with an ESG Risk Score below 30. > Exclusion of companies domiciled in an OECD member state and have either no women representation on its board, or are in the bottom 5% of the ESG coverage universe by sector concerning board gender diversity. > Exclusion of companies that have a corporate governance score below than thirty (30) out of one hundred (100). > Exclusion of companies that have below than 1% of revenue aligned to the United Nations Sustainable Development Goals ("SDGS") 2 ("Zero Hunger"), 3 ("Good Health and Well-Being"), 4 ("Quality Education"), 6 ("Clean Water and Sanitation"), 7 ("Affordable and Clean Energy"), 10 ("Reduced Inequalities"), 11 ("Sustainable Cities and Communities"), 12 ("Responsible Consumption and Production"), 13 ("Climate Action"), 14 ("Life Below Water"), or 15 ("Life on Land"). > Include companies of which the company's proportion of capital expenditure ("CAPEX") that is EU TAXONOMY-aligned exceeds the proportion of revenue that is EU TAXONOMY-aligned by at least 10%. > Exclude companies that have below 20% of revenues aligned with contributing to the SDGs 2, 3, 4, 10, or 11. > Include companies that are at the intersection of the top quintiles of the universe concerning board gender diversity, workforce gender diversity, and senior management gender diversity

Data and Standards used

Data Input	The data used to construct the index is sourced externally from Sustainalytics
Verification and quality of data	The provider of ESG-related data input is selected by the Administrator based on an assessment of its existing processes in order to ensure the reliability and representativeness of the ESG-related data. The data provider has established processes in accordance with accepted and established market standards that ensure the permanent quality and reliability of the ESG-data provided.
Reference standards	International standards referenced by the index methodology are listed in the respective section above.
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Reason for update:	Initial document creation.



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