

# Corporate Social Responsibility at WisdomTree

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## About WisdomTree

WisdomTree Investments, Inc., through its subsidiaries in the U.S. and Europe (collectively, “WisdomTree”), is an Exchange Traded Fund (ETF) and Exchange Traded Product (ETP) sponsor and asset manager headquartered in New York.

WisdomTree® is the marketing name for WisdomTree Investments, Inc. and its subsidiaries worldwide. WisdomTree® and Modern Alpha® are trademarks of WisdomTree Investments, Inc. in the United States and in other countries.

“At WisdomTree, sustainability and responsibility is embedded throughout our business, which we believe benefits our investors, employees and shareholders. We are excited to release our first-ever Corporate Social Responsibility Report, which highlights some of the areas where WisdomTree is investing to improve the Environmental, Social and Governance (ESG) positioning of our firm as a whole.”

- Jonathan Steinberg, Founder & CEO of WisdomTree

## Contents

1. Responsible Investing
2. Employee Code of Conduct
3. Diversity
4. Employee Training, Benefits, and Perks
5. Community Investment
6. Environment
7. Suppliers
8. Governance

# 1. Responsible Investing

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## ESG Investing

ESG investing at WisdomTree is overseen by our Responsible Investment Committee which includes senior leaders from across our business, including our Chief Operating Officer, Global Head of Research, and Head of Product Development. The WisdomTree Responsible Investment Committee is tasked with the following five mandates:

### 1. ESG Products:

- a. Launch and maintenance of ESG products
- b. Review of potential enhancements to ESG products
- c. Ongoing discussion of ESG product development opportunities

### 2. ESG Risk Analysis:

- a. Review of ESG controversies
- b. Evaluation of potential implications across all products

### 3. Reporting & Marketing:

- a. Development and Implementation of ESG content strategy
- b. Analysis of ESG characteristics of all products

### 4. Proxy Voting & Engagement

- a. Review of relevant recent proxy votes and sub-advisor engagement regarding companies held by WisdomTree products
- b. Identification of ESG issues for potential future engagement

### 5. Advisor Solutions

- a. Review investor education opportunities

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## United Nations Principles for Responsible Investment

WisdomTree Investments, Inc. became a proud Signatory of the United Nations Principles for Responsible Investment (“UNPRI”) on February 15, 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 (ESG) issues to create a more sustainable global financial system and support long-term investment value.

[More information on the UN PRI can be found here](#)

# 1. Responsible Investing (continued)

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## ESG Core Products

The integration of ESG into our product line-up represents an exciting development for WisdomTree. We believe that combining our Modern Alpha<sup>®</sup> investment approach<sup>1</sup> with ESG enables investors to build a portfolio that aligns with both their investment objectives and personal values.

We leverage ESG ratings and controversy metrics from a variety of industry-leading data providers in order to ensure that the amalgamated ESG metrics we rely on are as unbiased and robust as possible.

In the U.S., our ESG equity products will start with our multifactor investment approach, which selects securities based on two fundamental factors – value and quality – and two technical factors – momentum and correlation. In addition to these financial factors, our ESG products add in a fifth factor – sustainability. We then assign a modified market cap weighting to each security that takes into account both the market capitalization and the sustainability score of the security.

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## Thematic Products Incorporating Aspects of ESG

WisdomTree offers a suite of three governance-oriented products that seek to invest in emerging market companies that are not state-owned. The investment thesis for these products is grounded in the belief that strong corporate governance is critical to a stock's performance and that government-owned companies can, at times, run their businesses with a broader set of political interests than traditional firms.

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## Proxy Voting

Through proxy voting, WisdomTree advocates for strong corporate governance in the companies in which our products invest. We rely on the proxy voting guidelines of our sub-advisors to inform how we vote and we have therefore selected sub-advisors whose proxy voting guidelines align with our commitment to responsible and sustainable business practices. Rather than adopting ESG guidelines for a select number of ESG-mandated products, the proxy voting guidelines used by our largest sub-advisor apply an ESG lens to all proxies based on our shared belief that sustainable companies make for better long-term investments. Our sub-advisors regularly engage with management at the companies held by our products to push for action on key ESG issues, such as reporting on carbon emissions and increasing gender diversity.

<sup>1</sup> A relentless focus on performance and creating better ways to invest

## 2. Employee Code of Conduct

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### Introduction

WisdomTree is committed to basic human rights and we conduct our business in accordance with all national and international standards. The Board of Directors (the "Board") of WisdomTree Investments, Inc. ("WisdomTree") has adopted an employee Code of Conduct (the "Code"), which is applicable to all directors, officers and employees to:

1. Promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
2. Promote the full, fair, accurate, timely and understandable disclosure in reports and documents that WisdomTree files with, or submits to, the Securities and Exchange Commission ("SEC"), as well as in other public communications made by or on behalf of WisdomTree;
3. Promote compliance with applicable governmental laws, rules and regulations;
4. Deter wrongdoing; and
5. Require prompt internal reporting of breaches of, and accountability for adherence to, this Code.

This Code is not intended to reduce or limit the many other obligations that employees may have to WisdomTree. Instead, the standards in this Code should be viewed as the minimum standards that WisdomTree expects from its directors, officers and employees in the conduct of WisdomTree's business. Disciplinary measures for violations of the Code may include, but are not limited to, counseling, oral or written reprimands, warnings, probation or suspension with or without pay, demotions, reductions in salary, termination of employment or service and restitution.

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### Honest, Ethical, and Fair Conduct

Each employee owes a duty to WisdomTree to act with integrity. Integrity requires, among other things, being honest, fair and candid. Deceit, dishonesty and subordination of principle are inconsistent with integrity. Service to WisdomTree never should be subordinated to personal gain and advantage.

Each employee must:

1. Act with integrity, including being honest and candid while still maintaining the confidentiality of WisdomTree's information where required or in WisdomTree's interests;
2. Observe all applicable governmental laws, rules and regulations;
3. Comply with the requirements of applicable accounting and auditing standards, as well as WisdomTree policies, in order to maintain the accuracy and completeness of WisdomTree's financial records and other business-related information and data.

## 2. Employee Code of Conduct (continued)

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### Honest, Ethical, and Fair Conduct continued

4. Adhere to a high standard of business ethics and not seek competitive advantage through unlawful or unethical business practices;
5. Deal fairly with WisdomTree's customers, suppliers, competitors and employees. Refrain from taking advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice;
6. Protect the assets of WisdomTree and ensure their proper use;
7. Refrain from taking for themselves personally opportunities that are discovered through the use of corporate assets or using corporate assets, information or position for general personal gain outside the scope of employment with WisdomTree; and
8. Avoid conflicts of interest wherever possible. Anything that would be a conflict for a person subject to this Code also will be a conflict if it is related to a member of his or her family or a close relative. Examples of conflict of interest situations include, but are not limited to, the following:
  - a. Any significant ownership interest in any supplier or customer
  - b. Any consulting or employment relationship with any customer, supplier or competitor
  - c. Any outside business activity that detracts from an individual's ability to devote appropriate time and attention to his or her responsibilities with WisdomTree
  - d. The receipt of any money, non-nominal gifts or excessive entertainment from any company with which WisdomTree has current or prospective business dealings
  - e. Being in the position of supervising, reviewing or having any influence on the job evaluation, pay or benefit of any close relative
  - f. Selling anything to WisdomTree or buying anything from WisdomTree, except on the same terms and conditions as comparable officers or directors are permitted to so purchase or sell; and
  - g. Any other circumstance, event, relationship or situation in which the personal interest of a person subject to this Code interferes – or even appears to interfere – with the interests of WisdomTree as a whole.

## 2. Employee Code of Conduct (continued)

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### Disclosure

WisdomTree strives to ensure that the contents and disclosures in the reports, documents, and communications that WisdomTree files with the SEC are full, fair, accurate, timely and understandable in accordance with applicable disclosure standards, including standards of materiality, where appropriate. Each employee must:

1. Not knowingly misrepresent, or cause others to misrepresent, facts about WisdomTree to others, whether within or outside WisdomTree, including to WisdomTree's independent auditors, governmental regulators, self-regulating organizations and other governmental officials, as appropriate; and
2. In relation to his or her area of responsibility, properly review and critically analyze proposed disclosure for accuracy and completeness.

In addition to the foregoing, the Company's Chief Executive Officer, the Chief Financial Officer and each other person that is typically involved in the financial reporting for WisdomTree must familiarize himself or herself with the disclosure requirements applicable to WisdomTree as well as the business and financial operations of WisdomTree.

The integrity, reliability and accuracy in all material respects of WisdomTree's books, records and financial statements is fundamental to WisdomTree's continued and future business success. No director, officer or employee may cause WisdomTree to enter into a transaction with the intent to document or record it in a deceptive or unlawful manner. In addition, no director, officer or employee may create any false or artificial documentation or book entry for any transaction entered into by WisdomTree. Similarly, officers and employees who have responsibility for accounting and financial reporting matters have a responsibility to accurately record all funds, assets and transactions on WisdomTree's books and records.

As part of WisdomTree's Whistleblower Policy, all employees and service providers must promptly bring to the attention of the Chair of the Audit Committee of WisdomTree's Board of Directors any information he or she may have concerning:

1. Significant deficiencies in the design or operation of internal and/or disclosure controls which could adversely affect WisdomTree's ability to:
  - a. Record, process, summarize and report information required by WisdomTree to be disclosed to the SEC.
  - b. Accumulate and communicate information to management as appropriate to allow timely decisions regarding such disclosure.
2. Any fraud, whether or not material, that involves management or other employees who have a significant role in WisdomTree's financial reporting, disclosures or internal controls.

## 2. Employee Code of Conduct (continued)

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### Compliance

It is WisdomTree's policy to comply with all applicable governmental laws, rules and regulations. It is the responsibility of each employee to adhere to the standards and restrictions imposed by those laws, rules and regulations, including those relating to accounting and auditing matters.

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### Reporting and Accountability

The Audit Committee of the Board of Directors is responsible for applying this Code to specific situations in which questions are presented to it and has the authority to interpret this Code in any particular situation. Any person who becomes aware of any existing or potential breach of this Code is required to notify the Chair of the Audit Committee promptly. Failure to do so is itself a breach of this Code.

Specifically, each employee must:

1. Notify the Chair of the Audit Committee promptly of any existing or potential violation of this Code.
2. Not retaliate against any other employee for reports of potential violations that are made in good faith.

WisdomTree will follow the following procedures in investigating and enforcing this Code and in reporting on the Code:

1. The Audit Committee will take all appropriate action to investigate any breaches reported to it.
2. If the Audit Committee determines that a breach has occurred, it will inform the Board of Directors.
3. Upon being notified that a breach has occurred, the Board will take or authorize such disciplinary or preventive action as it deems appropriate, after consultation with the Audit Committee and Chief Legal Officer, up to and including dismissal or, in the event of criminal or other serious violations of law, notification of the SEC or other appropriate law enforcement authorities.

No person following the above procedure shall, as a result of following such procedure, be subject by WisdomTree or any officer or employee thereof to discharge, demotion suspension, threat, harassment or, in any manner, discrimination against such person in terms and conditions of employment. Any person who participates in any such retaliation is subject to disciplinary action, including termination.



## 3. Diversity

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### Diverse Leadership

WisdomTree recognizes that a diverse set of perspectives is critical to innovation. We have built a diverse and inclusive workforce that includes all genders, races, and ages, as well as those in the disabled community. We actively look for candidates from different backgrounds and outside traditional fields and reinforce our commitment to diversity through organizational policies, such as mandating fairness and equality for all employees and creating performance appraisal systems that are non-discriminatory.

We pride ourselves on the ethnic diversity of our employee-base globally and are committed to offering employment to the best possible candidates regardless of whether they require sponsorship. As of December 31, 2019, WisdomTree provided immigration sponsorship to 6% of our U.S. employees.

We are proud to have so many diverse leaders across our firm. Two recent announcements that highlight WisdomTree's commitment to diversity include:

1. Susan Cosgrove, Managing Director and CFO of The Depository Trust & Clearing Corporation (DTCC) was appointed to the WisdomTree Investments, Inc's Board of Directors in April 2019
2. Marci Frankenthaler was promoted to Executive Vice President and Chief Legal Officer of WisdomTree Investments. She sits on the firm's Executive Committee and also chairs WIN

The WisdomTree Investments Board of Directors has amended its corporate governance guidelines to specify that when considering director candidates, the Nominating and Governance Committee:

1. May consider whether a nominee will help achieve a Board mix representing diversity of background and experience, inclusive of gender, race, ethnicity, age, gender identity, gender expression and sexual orientation; and
2. Should actively seek out highly qualified women and people of color as nominees

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### Women's Initiative Network

In 2019, WisdomTree formally launched the Women's Initiative Network ("WIN"), which is an employee-led network designed to provide:

1. A community to provide opportunities and support from all genders for women at WisdomTree
2. Career development and professional training opportunities
3. Female empowerment and leadership within the organization

## 3. Diversity (continued)

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### Women's Initiative Network continued

Part of WIN's mandate is to organize ongoing events to help empower the women in our organization. In 2019, WIN held several successful events for our employees globally:

1. **WIN in Conversation** – Panel discussion on women in the workforce featuring:
  - a. Maria Bartiromo, Global Markets Editor at FOX Business Network, Anchor of Maria Bartiromo's Wall Street, Mornings with Maria and Sunday Morning Futures
  - b. Norma Kamali, iconic fashion designer and entrepreneur
  - c. Susan Cosgrove, Managing Director and CFO of The Depository Trust & Clearing Corporation (DTCC) and member of the WisdomTree Investments, Inc. board of directors
2. **Women in ETFs Event** – Hosted an interactive presentation in our London office with Women in ETFs, the leading organization focused on empowering women in our industry, featuring:
  - a. Deborah Fuhr, Founder of Women in ETFs
  - b. Sara Shahvisi, Chief Programming Officer for Fearless Futures, an organization that runs leadership development programs for young women
  - c. Matt Cameron, Managing Director & Founder of LGBT Great, an organization dedicated to improving LGBT equality and inclusion in the workplace
3. **Women and Negotiation: How to Ask for It**
  - a. Interactive seminar covering negotiation skills and providing tactics to counter some of the challenges that women often face when advocating for themselves in the workforce
4. **Speaking Up: The Art of Being Heard and Claiming Credit**
  - a. Female employees undeniably face many of the same fundamental challenges as their male colleagues when it comes to spoken communication, leadership skills and career development. However, the right approach and practical skills needed to overcome those challenges are often gender specific. We have run workshops and coaching sessions for women in our European offices to give them the skills and confidence to speak up.
5. **Bigs & Littles Corporate Visit**
  - a. Hosted high school girls from Bigs & Littles NYC Mentoring, an organization that supports mentorship opportunities for children from low-income areas, for a panel discussion followed by small group conversations focused on career pathing and college advice

## 4. Employee Training, Benefits, and Perks

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### Training Opportunities

WisdomTree provides a variety of opportunities for our employees to build new skills and further their career development, including:

1. WisdomTree Talks – Employees are invited to talks hosted by each department in order to gain a holistic view of the company and better understand what their colleagues' jobs entail
2. Job-specific training courses, such as recurring sessions on Python coding
3. Leadership coaching – Full-time leadership specialist encourages team-building, facilitates 360 manager feedback, and provides communication coaching to managers and future leaders
4. Executive Lunches – Opportunity for all employees to get to know their senior leaders
5. Cybersecurity training – In addition to the robust Cybersecurity Plan in-place, on an annual basis, our employees are trained to identify potential cybersecurity threats so that they are better able to protect the company and colleagues from such risks

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### Employee Policies & Procedures

WisdomTree employees are required to adhere to strict policies and procedures to ensure that they act with the highest standards:

1. Code of Conduct – At the time of hire and annually thereafter, WisdomTree's employees are required to certify that they have read and acknowledge the Firm's Code of Conduct
2. Whistleblower Policy – WisdomTree has an established Whistleblower Policy that enables employees to report instances of non-compliance
3. Political Contributions Policy – this policy offers guidelines for employee contributions to political organizations and campaigns

The safety of its employees is WisdomTree's top priority and, to that end, we offer various voluntary and mandatory safety training sessions. These trainings include, but are not limited to:

1. Fire safety drills and training sessions
2. Unconscious bias training
3. Active shooter drills

## 4. Employee Training, Benefits, and Perks (continued)

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### Benefits and Perks

WisdomTree is committed to reinvesting resources for its employees in the form of benefits. We have a robust package of benefits including:

1. Generous healthcare coverage
2. Employee retirement program – In the U.S., 50% of employee 401(k) contributions are matched
3. 8 weeks of paid sabbatical leave after 10 years of service with WisdomTree
4. Educational Assistance Plans
5. Paid parental leave for both parents and access to lactation facilities
6. Travel insurance
7. Discounted gym memberships and “sweat equity” exercise reimbursement plan
8. CPR and first aid training
9. Coverage for holistic medicine and pet insurance
10. Onsite meditation sessions for New York-based employees
11. Weekly yoga classes and onsite chair massages for our London-based employees

In addition to formal benefits, our employees enjoy a variety of programs that enable them to bring their whole self to work, including:

1. Bring Your Kids to Work Day – A day of activities for our employees to enjoy with their children
2. Ice Cream Socials & WisdomTree Taps – Informal social events geared at building comradery amongst employees, typically catered by local vendors
3. Casual Dress Code – In addition to our year-round casual office attire, shorts are permitted from May to September to complement the summertime heat

# 5. Community Investment

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## Community Service at WisdomTree

WisdomTree encourages employees to be active members of the community and to give back through a variety of programs:

1. **Paid Volunteer Days:** Employees are offered paid time off to volunteer at a charitable organization of their choice
2. **New York Cares:** We have partnered with New York Cares, the largest volunteer network in New York City offering thousands of volunteer opportunities with nonprofits and schools, to give our New York-based employees access to volunteer opportunities, such as fitness challenges and holiday gift giving programs with local low-income schools
3. **Pilotlight:** In our London office, we support a program that matches our employees with local charities and social enterprises to provide business guidance and support to become more efficient, effective, and sustainable organizations.
4. **Charitable Events:** WisdomTree hosts employee events to raise money for charitable organizations throughout the year, such as charity game nights and fitness challenges. We also offer unique volunteer opportunities for our employees – for instance, our London team spent a day painting a Night Shelter which is used to house beds for the local homeless population
5. **Building-Sponsored Volunteer Opportunities:** Charitable initiatives sponsored by our office building, including blood drives and coat and clothing collection boxes

# 6. Environment

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## Climate Awareness Statement

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 recognize that it is imperative to use our position as a global platform to implement positive change so that we may offset any negative impact. To that end, WisdomTree seeks to operate a more sustainable business through various initiatives, including, but not limited to, an organization-wide commitment to sustainability efforts, becoming a signatory to the United Nations Principles for Responsible Investment and launching funds dedicated to environmental, social and governance (“ESG”) strategies.

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## Going “Green” at WisdomTree

WisdomTree strives to maintain an environmentally-friendly work environment and we encourage our employees to avoid waste where possible. We are also committed to maintaining these values with regard to our corporate shareholders and have therefore instituted a paperless policy as the default option for all proxy materials.

WisdomTree takes measures to ensure environmentally conscious materials are used throughout our offices, including energy-efficient lighting and water efficient features. We have several programs to promote ongoing sustainable practices, including:

1. **Single-Stream Recycling** – A program ensuring all plastic, metal, glass, paper, and cardboard are properly recycled
2. **Compost** – Program launched in October 2017 with the goal of using compostable tableware and cutlery throughout the office to reduce landfill waste
3. **The Big Green Box** – A recycling program for electronics, including batteries/cell phones/cables/etc.
4. **Bin Stations** – In our London office, we have removed all desk trash bins and have introduced “bin stations” to encourage recycling

## 6. Environment (continued)

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### Sustainable Buildings

WisdomTree is proud to have our New York headquarters located in a building that has been LEED certified since 2009 and currently has a LEED Gold ranking. The building's LEED Gold ranking was achieved due to activities that achieved outcomes of water use reduction, sustainable site selection and development, responsible materials selection and waste management, enhanced indoor environmental quality, energy efficient operations and design and energy performance disclosure. The building offers several programs, such as:

1. IES EnergyDesk system allows building engineers to detect irregularities in energy usage
2. Low flow fixtures for sinks and toilets to reduce water consumption
3. Collection of electronic waste, such as computer monitors, for re-use

WisdomTree's European headquarters in London have several programs to promote a sustainable work environment, including:

1. **LED Light Bulbs** – Where possible the office has LED or energy saving light bulbs installed. Compared to traditional bulbs, LED bulbs use 75% less energy and can last over 3 times as long.
2. **Ride to Work Facilities** – Bike racks and “ride to work” schemes to encourage staff to make sustainable commuting choices.
3. **Water Preservation** – Refillable glass water bottles are available in all meeting rooms in addition to water cannisters distributed to all employees to discourage usage of single-use plastic bottles.

# 7. Suppliers

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## Supplier Code of Conduct

WisdomTree is committed to conducting all of its business activities in a socially responsible and ethical manner and we expect all of our suppliers and service providers to act in the same manner. WisdomTree is dedicated to ensuring that all suppliers are committed to maintaining the highest of ethical standards as it relates to their employees. We expect each service provider and/or vendor to have implemented a robust Corporate Social Responsibility program and we incorporate the review of all such programs as part of our standard due diligence process. On an ongoing basis, we review our vendors' policies to ensure that they continue to meet these high ethical standards. To date, we have not found any suppliers to be in non-compliance.

At a minimum, WisdomTree expects all suppliers to do the following:

1. Hold themselves to the highest ethical standards and act with integrity at all times
2. Fully comply with all applicable laws and regulations within their respective industries and jurisdictions, including with regards to fair competition and anti-trust, bribery and corruption, and employee wages and working hours
3. Provide a safe work environment for their employees and treat all employees and suppliers with dignity and respect
4. Disclose any potential conflicts of interest in relation to the business they conduct with WisdomTree



# 8. Governance

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## Sustainable Corporate Governance

WisdomTree's Sustainable Corporate Governance Committee is responsible for ensuring that our firm is continually advancing sustainability initiatives at a corporate level. The committee is comprised of senior leaders from a variety of regions and departments, including several members of our Executive Management team, who meet monthly to discuss ESG issues relevant to WisdomTree and who are tasked with identifying opportunities to improve our corporate social responsibility profile. Below is the committee's roadmap for advancing ESG issues at WisdomTree:

### 1. Internal Diligence & Education

- a. Understand material ESG matters affecting WisdomTree
- b. Review third party ESG governance reports & competitive practices
- c. Discuss best practices for reporting & new initiative development

### 2. Identification and Implementation of Corporate Enhancements

- a. Explore potential initiatives that WisdomTree could implement to improve our ESG profile
- b. Assemble working group with individuals from relevant departments to scope out a framework and project plan for implementing enhancements
- c. Monitor progress of enhancement implementation

### 3. Communication

- a. Keep WisdomTree Executive Committee updated on ESG enhancements
- b. Communicate enhancements publicly where appropriate

## 8. Governance (continued)

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### WisdomTree Board Policies

Our Board of Directors sets high standards for employees, officers and directors. Implicit in this philosophy is the importance of sound corporate governance. It is the Board's duty to serve as a prudent fiduciary for shareholders and to oversee the management of the Company's business. To this end, the Board has established an Audit Committee, a Compensation Committee and a Nominating and Governance Committee, each of which operates pursuant to a charter adopted by the Board.

The Board has developed Corporate Governance guidelines that serve to promote the effective governance of WisdomTree. These guidelines include but are not limited to:

1. Standards for Board Composition, Leadership, Term and Independence
2. Conflicts of interest
3. Compensation
4. Annual Board and Committee evaluations

Additionally, the Board has amended its corporate governance guidelines to specify that when considering director candidates, the Nominating and Governance Committee:

1. May consider whether a nominee will help achieve a Board mix representing diversity of background and experience, inclusive of gender, race, ethnicity, age, gender identity, gender expression and sexual orientation; and
2. Should actively seek out highly qualified women and people of color as nominees

The Board's commitment to diversity is also applied to WisdomTree's senior management, not just its own members.

**Thank You**