

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

**Product name:** WisdomTree Battery Solutions UCITS ETF  
5493004C7HV76SE51G24

**Legal entity identifier:**

## Environmental and/or social characteristics

### Did this financial product have a sustainable investment objective?

**Yes**

It made **sustainable investments with an environmental objective:** \_\_\_%

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

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

It made **sustainable investments with a social objective:** \_\_\_%

**No**

It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 23% of sustainable investments

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

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

with a social objective

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

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

WisdomTree Battery Solutions UCITS ETF (the **Fund**) promoted the environmental characteristic of reduction in carbon emissions generated, primarily, by road transportation and power production, scaling up renewable energy delivery and energy transition. The Fund promoted these characteristics by offering an investment case supporting the evolution of battery and energy storage solutions (**BESS**).

A reference benchmark, the WisdomTree Battery Solutions Index (the **Index**), was designed for the purpose of attaining this environmental characteristic promoted by the Fund. The Index reviewed companies' involvement in BESS based on revenue exposure to BESS and an intensity rating developed by third party BESS specialists, which determined companies' alignment to the reduction in carbon emissions as further described in the Index methodology. Only companies with greater than 20% revenue exposure to BESS were included in the Index

Additionally, exclusionary criteria were used in the Index's construction methodology for the purposes of attaining environmental and social characteristics promoted by the Fund. The Index excludes companies based on environmental, social and governance (**ESG**) criteria.

The ESG criteria excluded from the eligible investment universe companies that (i) are non-compliant with certain commonly accepted international norms and standards, such as UN Global Compact (**UNGC**) Principles and Organisation for Economic Co-operation and Development (**OECD**) guidelines, (ii) are significantly involved in controversial weapons such as biological, chemical, cluster, nuclear or white phosphorous weapons or in anti-personnel mines, (iii) are significantly involved in the tobacco industry or (iv) are

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



significantly involved in thermal coal activity, such as coal mining and exploration and coal-based power generation, and (v) do not meet such other ESG criteria as detailed in the Index methodology.

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

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

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

During the reporting period, the Fund observed indicators linked to individual United Nations Sustainable Development Goals (**UN SDGs**) to measure the attainment of the environmental characteristic of reduction in carbon emissions. A company’s UN SDG alignment considers the most significant contributions its products and services make, which are aligned with specific targets under the UN SDG framework. The Fund’s ESG data provider assesses companies’ revenue streams which were aggregated up to a portfolio level according to the weighting of the investment. The UN SDGs considered for revenue alignment to measure the attainment of the environmental objective of climate change mitigation during the reporting period to for the Fund were:

UN SDG 7: Affordable & Clean Energy; and  
UN SDG 13: Climate Action.

The Fund’s investments were assessed as being aligned with contributing to the above UN SDGs relating to environmental goals based on qualitative and quantitative criteria.

Additionally, the Index applied ESG screening and Global Screening Standard (**GSS**) criteria to verify companies’ eligibility for inclusion in the Index.

It has been assessed that 100% of the portfolio of the Fund was aligned with the ESG and GSS screening criteria applied by the Index. The following sustainability indicators measured the environmental and social characteristics promoted by the Fund:

Indicator	Metric
Exposure to controversial weapons	It has been assessed that Fund had 0% investment in companies significantly involved in controversial weapons such as biological, chemical, cluster, nuclear or white phosphorous weapons or in antipersonnel mines.
Exposure to companies involved in tobacco production	It has been assessed that the Fund had 0% investment in companies involved or owning significant shares of companies involved in tobacco production and supplying of tobacco-related products/services. Additionally, the Fund had 0% investment in companies that derived over 10% revenue in from tobacco distribution.
Coal exposure	It has been assessed that the Fund had 0% investments in companies deriving more than 25% of their revenues from thermal coal extraction or having more than 25% revenue or capacity from thermal coal-based power generation.
Violations of UNGC principles and OECD Guidelines	It has been assessed that the Fund had 0% investment in companies that are non-compliant based on the ESG data provider’s GSS assessment. GSS identifies companies that violate commonly accepted international norms and standards such as the UNGC principles, the UN Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises and their underlying conventions.

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

Not applicable as there is no previous reporting period for the Fund under Regulation (EU) 2019/2088.

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

The sustainable portion of the Fund’s investments were in companies primarily involved in BESS which are considered to contribute to the environmental objective of climate change mitigation because the

companies' activity results in substantial greenhouse gas reduction, including carbon, emission reductions in transport, stationary and off-grid energy storage and other industrial applications.

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

The Fund assessed the economic activity carried out by the investee companies regarded as sustainable investments against the do no significant harm (DNSH) criteria for the activity in the EU Taxonomy of manufacture of batteries. The DNSH assessment is undertaken as part of the EU Taxonomy alignment process carried out by the Fund's reputable ESG data provider. Aligned activities must make a substantial contribution to one of the EU Taxonomy's objectives, not harm any of the others and have minimum safeguards in place to comply with international norms and standards.

During the reporting period, third-party data was relied on for determining EU Taxonomy alignment. Estimated values were used in the absence of reported data due to a lack of reported EU Taxonomy data acute with small-medium EU companies and non-EU based companies. These companies do not fall within scope of Directive 2014/95/EU (the Non-Financial Reporting Directive) and as such, are not required to report on EU taxonomy alignment. This position may change over time and additional reported EU Taxonomy data may become available]

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

Principal adverse impact (PAI) indicators are incorporated into the Manager's DNSH test and are evaluated on a qualitative and quantitative basis quarterly.

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

As outlined above, companies are excluded from the Index that are non-compliant based the GSS assessment carried out by the Fund's ESG data provider. This assessment identifies companies that violate or are at risk of violating commonly accepted international norms and standards such as UNGC principles, which include Human Rights, Labour, Environment and Corruption considerations, UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises and their underlying conventions. Companies on the UN, US and EU sanctions lists are excluded. Companies designated under the US Executive Order 13959 are also excluded from the Index.

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

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

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

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

PAIs of investee companies are considered at the Fund level based on Table 1 of Annex I of the Regulatory Technical Standards and any relevant indicators in Tables 2 and 3 of Annex I are produced at Fund level. The Manager conducts controls on PAI indicators and monitors them. The Manager started monitoring PAIs for the Fund following the implementation of Level 2 requirements for Regulation (EU) 2019/2088.

The list includes the investments constituting the greatest proportion of investments of the financial product during the reporting period which is: 21 December 2022.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



## What were the top investments of this financial product?



Largest investments	Sector	% Assets	Country
Umicore	Chemicals	3.84%	Belgium
TDK	Electronics	3.54%	Japan
GEM	Environmental Control	3.00%	China
QuantumScape	Auto Parts & Equipment	2.98%	United States
BASF	Chemicals	2.93%	Germany
Blink Charging	Electrical Components &	2.92%	United States
Siemens	Miscellaneous	2.57%	Germany
EnerSys	Electrical Components &	2.43%	United States
Bayerische Motoren	Auto Manufacturers	2.22%	Germany
Qingdao TGOOD Electric	Electrical Components &	1.99%	China
Bloom Energy	Machinery, Construction	1.98%	United States
Li-Cycle Holdings	Environmental Control	1.76%	China
SMA Solar Technology	Electrical Components &	1.75%	Germany
FuelCell Energy	Energy Alternate Sources	1.73%	United States
Ballard Power Systems	Energy – Alternate	1.71%	China

## What was the proportion of sustainability-related investments?

23% of Investments made by the Fund were sustainable investments based on alignment with the EU Taxonomy.



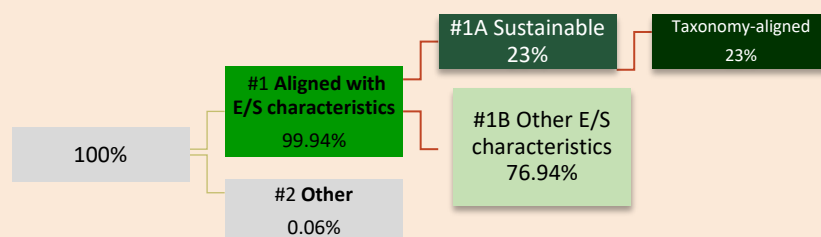
### What was the asset allocation?

The Fund invested substantially all of its assets in the constituents of the Index. As a result, 99.94% of the Fund's investment portfolio aligned with the environmental and social characteristics promoted by the Fund. The remaining portion of the Fund's investment's ("#2Other") consisted of ancillary liquid assets (cash and cash equivalents) for which relevant ESG data was not available. As such, these investments were not aligned with ESG characteristics promoted by the Fund. 23% of the investments made by the Fund qualified as sustainable investments with an environmental objective and were aligned with EU Taxonomy.

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments. This figure relates to ancillary liquid assets (cash and cash equivalents) held by the Fund as at 31 December 2022 for which ESG data was not available. These investments are not aligned with the ESG characteristics promoted by the Fund, as at present there are no minimum environmental or social safeguards in relation to these investments.

The category #1 Aligned with E/S characteristics covers:

- The sub-category #1A Sustainable covers environmentally and socially sustainable investments.
- The sub-category #1B Other E/S characteristics covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

## In which economic sectors were the investments made?

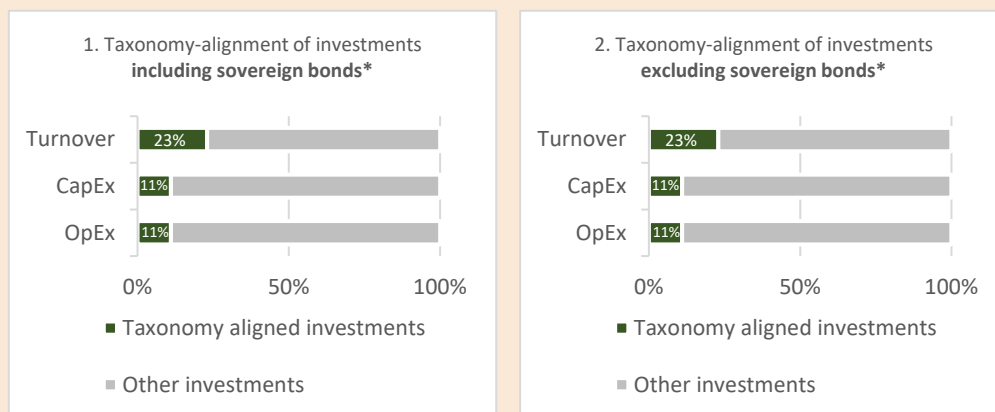
Please refer to the “Schedule of Investments” included in the annual report for the ICAV for all information on the Fund’s geographical and industry exposure as at 31 December 2022.



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

During the reporting period, the Fund committed 10% of its assets to EU Taxonomy aligned investments. The EU Taxonomy alignment figures reported below are based on figures provided by the Fund’s ESG data provider for the reporting period.

*The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\*For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures

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

The share of investments made in enabling activities was 19.5%. The share of investments made in transitional activities was 0%. The remaining 3.43% of aligned investments were own performance, meaning economic activities that make a substantial contribution to climate change mitigation based on their own performance.

### How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reporting period s?

Not applicable as there is no previous reporting period for the Fund.



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

There were no sustainable investments made by the Fund not aligned with EU Taxonomy.



## What was the share of socially sustainable investments?

0%



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

The Fund’s investments were held with a view to achieving the Fund’s investment objective, including investments not aligned to the environmental and/or social characteristics promoted by the Fund. As part of the investments made by the Fund in pursuit of its investment strategy, the Fund held 0.06% in ancillary liquid assets (cash and cash equivalents) as at 31 December 2022, for liquidity purposes to achieve its

investment objective as permitted under the UCITS Regulations. At present, there are no minimum environmental or social safeguards in relation to these ancillary liquid assets.

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



During the reporting period, investments were made by the Fund under the condition of meeting the ESG and GSS criteria applied by the Index. Where companies met certain thresholds relating to unsustainable activities or did not meet specific environmental principles set by the Index, they were either excluded from the Index in their entirety or are excluded based on certain revenues derived from these activities.

In addition, the attainment of social objectives was measured in the same manner by verifying whether companies are eligible for inclusion in the Index based on the GSS applied by the Index. GSS identifies and excludes companies that violate or are at risk of violating commonly accepted international norms and standards, such as the UNGC Principles, the UN Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises and their underlying conventions, as set out in the methodology for the Index.

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



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 is designed to track the performance of companies primarily involved in BESS. The Index also excludes companies based on specified ESG criteria outlined above. Further information on the methodology used for the calculation of the designated index can be found here: <https://www.wisdomtree.eu/en-gb/-/media/eu-media-files/documents/1604/wisdomtree-index-methodology-217.pdf>.

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

The Index was developed by WisdomTree in collaboration with third party specialists in BESS to identify companies operating across the battery value chain. A scoring process helps identify parts of the value chain that deserve a higher weight and then individual companies are also scored on the basis of their exposure to the battery theme. The Index is also aligned with ESG factors using exclusion criteria. The Index methodology includes the GSS process described above which takes ESG considerations into account. Companies that are non-compliant with GSS criteria are excluded. The Index methodology also excludes companies engaged in specific activities, such as involvement in controversial weapons, tobacco or thermal coal activities described in more detail above.

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

The Index tracked the performance of companies primarily involved in BESS. The Index also excluded companies based on specified ESG criteria

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

The Fund seeks to track the price and yield performance of the Index. The aim of the Investment Manager is to keep Tracking Error for the Fund below or equal to 2% for each share class for the Fund. The divergence between anticipated and realised Tracking Error for the period is set out at Investment Manager's report in the annual report for the ICAV.

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

- As described above, the Index was developed in order to track the performance of publically traded companies primarily involved in BESS and, in addition, takes into account ESG considerations and applies relevant exclusions. Accordingly, the Index is not comparable to any specific broad market index and so no comparison of the performance of the Fund relative to a broad market index during the period of this report can be provided.

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