Betashares Global Sustainability Leaders ETF

ASX: ETHI

Quarterly Report - December 2025

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betashares

Performance[1]	1 month %	3 month %	6 month %	1 year %	3 years % p.a.	Inception % p.a.[2]
Fund Return (net)	-0.90%	1.19%	5.30%	4.13%	18.21%	16.49%
Growth Return	-0.90%	1.19%	3.28%	1.86%	14.46%	11.90%
Income Return	0.00%	0.00%	2.02%	2.27%	3.75%	4.59%
Index	-0.86%	1.31%	5.54%	4.54%	18.67%	16.96%

Past performance is not a reliable indicator of future performance.

[1]As at 31 December 2025. Returns are calculated after fees & expenses have been deducted and distributions have been reinvested.

[2]Inception date for the Fund is 5 Jan 2017.

Investment objective

The Fund aims to track the performance of an index (before fees and expenses) that provides exposure to 200 large global stocks (excluding Australia) which are "Climate Leaders" (as measured by their relative carbon efficiency) and which are not materially engaged in activities deemed inconsistent with responsible investment considerations.

Responsible entity

Betashares Capital Ltd

Distribution frequency

Semi-annual

Suggested minimum investment timeframe

At least five years

Fund facts	
Inception Date	5-Jan-17
Fund Size	$3799.9m
Historical Tracking Error (annualised)	0.12%
ASX Code	ETHI
Bloomberg Code	ETHI.AU
IRESS Code	ETHI.ASW

Fees	% p.a.
Management fee	0.49
Recoverable expenses	0.10

Investment strategy

The Fund generally invests in a portfolio of global equity securities that comprise the Index in proportion to the weightings of the securities in the Index.

The Index includes 200 large global stocks from developed market countries (excluding Australia) that have been identified as "Climate Leaders" and that have also passed certain eligibility screens designed to exclude companies with direct or significant exposure to the fossil fuel industry or that are engaged in other activities deemed inconsistent with responsible investment considerations.

Climate Leaders are companies that have carbon efficiency that places them in the top one-third of companies in their respective industry or are otherwise superior performers in relation to "Scope 4" carbon emissions (also known as "avoided emissions").

- **Carbon impact:** calculated based on the total greenhouse gas emissions from a company's operations, fuel use, supply chain and business activities, divided by its annual revenue.
- **Avoided emissions:** superior performers are those companies involved in commercialising technologies that have net positive climate benefits through substantial greenhouse gas emission reductions (e.g. primary business activities in renewable energy, energy efficiency, sustainable agriculture and land use, and carbon sequestration).
- **Fossil fuel screen:** is applied to the universe of Climate Leaders which removes companies with any direct involvement in the fossil fuel industry, as well as companies with material indirect exposure (including, without limitation, those with particularly high use of fossil fuels).

Eligibility screens are applied to remove companies which have exposure to other activities deemed inconsistent with responsible investment considerations (subject to certain materiality thresholds):

- Gambling
- Alcohol
- Tobacco
- Junk foods
- Armaments and militarism
- Pornography
- Uranium and nuclear energy
- Human and labour rights
- Destruction of valuable environments
- Chemicals of concern
- Animal cruelty
- Lack of board diversity i.e. no women on the board of directors
- Payday lending
- ESG related reputational risk or controversy
- Mandatory detention of asylum seekers and for-profit prisons

The Index is weighted by market capitalisation, with a maximum weight per security of 4% at each annual rebalance date. Industry weights cannot exceed the corresponding industry weights of the Nasdaq Developed Markets Index (a traditional broad global equities benchmark) by more than 3%.

For more information on the Index, see the Index methodology document available on our website.

Top 10 positions[1]	%
Broadcom Inc	7.1
NVIDIA Corp	5.9
Apple Inc	4.2
Mastercard Inc	3.6
Visa Inc	3.4
Home Depot	3.2
Toyota Motor Corp	2.9
ASML Holding NV	2.3
American Express Co	1.7
Salesforce Inc	1.6

[1]As at 31 December 2025

Industry exposure	Fund Weight %[1]
Information Technology	36.1
Financials	24.2
Consumer Discretionary	13.7
Health Care	12.8
Industrials	6.5
Real Estate	3.2
Communication Services	2.6
Materials	0.4
Utilities	0.2
Consumer Staples	0.1
TOTAL	100.00

[1]As at 31 December 2025

Country allocation[1]	%
United States	74.1
Japan	7.4
Netherlands	3.1
Canada	2.8
Germany	2.4
Britain	1.9
Switzerland	1.7
France	1.6
Denmark	1.4
Other	3.6

[1]As at 31 December 2025

Fund performance summary

The Fund returned 1.19% (in AUD) during the quarter. Assets increased from $3730.68m to $3799.90m over this period.

Health Care and Financials were the largest sector contributors to total return, with returns of 7.48% and 2.55% in AUD; their contributions were 0.92% and 0.60%, respectively. Industrials was the largest sector detractor with a return of -5.24%, and a contribution of -0.34%.

Broadcom, Toyota, and Applied Materials Inc were the three largest stock contributors to total return, and with returns of 4.45%, 10.28% and 25.00% in AUD; their contributions were 0.31%, 0.27% and 0.26% respectively. Home Depot, ServiceNow and Strategy Inc were the largest detractors, returning -15.05%, -17.29% and -53.13% in AUD; they contributed -0.58%, -0.29% and -0.26% respectively.

Other commentary

COP30, held in Belém, Brazil in November 2025, delivered modest but meaningful progress on climate implementation rather than a step-change in ambition. Governments reaffirmed commitment to the Paris Agreement and agreed to scale adaptation finance, with greater emphasis on physical climate risks, resilience and delivery in emerging markets. The conference advanced work on global adaptation metrics and endorsed a "Just Transition" framing but stopped short of binding commitments on fossil-fuel phase-outs or large new pools of concessional capital.[1]

For investors, COP30 reinforced several existing signals rather than resetting expectations. First, physical climate risk and adaptation are becoming investable themes, particularly across infrastructure, utilities, insurance and sovereign risk. Second, policy uncertainty remains high: climate ambition continues to diverge by region, underscoring the need for jurisdiction-specific risk assessment rather than reliance on global pledges. Finally, the absence of major new mandates suggests that capital markets, disclosure regimes and national policies, rather than COP outcomes alone, will continue to drive transition-related returns.[2]

In the final quarter of 2025, Europe's corporate sustainability framework faced a significant rollback that has drawn concern from market participants and civil society. The European Parliament and Council reached a provisional deal to weaken key elements of the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD) by raising thresholds for reporting and narrowing due diligence obligations — including dropping mandatory climate transition plans and limiting reporting to only the largest firms by turnover and headcount. Investors have warned that reduced transparency and comparability of ESG data will make it harder to assess transition alignment and climate risk, potentially undermining confidence in European sustainable markets.[3,4,5]

[1]https://www.wri.org/insights/cop30-outcomes-next-steps?

[2]https://www.msci-institute.com/themes/climate/no-major-progress-but-no-retreat-what-cop30-means-for-investors/?

[3]https://www.europarl.europa.eu/news/en/press-room/20251106IPR31296/sustainability-reporting-and-due-diligence-meps-back-simplification-changes?

[4]https://www.theguardian.com/world/2025/dec/16/green-groups-eu-betrayal-vote-reduce-oversight-firms?

[5]https://www.reuters.com/sustainability/boards-policy-regulation/eu-sustainability-cutbacks-make-low-carbon-leaders-harder-spot-2025-12-10/?

Proxy voting & engagement

During the quarter, the Responsible Investment Committee (RIC) actively engaged in Proxy Voting on Environmental, Social, and Governance (ESG) resolutions for index constituents.

Voting activities in Q4 2025

	Number	Proportion of total
Votes lodged	108	100%
Votes against management	25	23%

Votes against management by topic

	Number	Proportion of total
Governance	25	100%
Social	0	0%
Environmental	0	0%

In the fourth quarter of 2025, the RIC engaged with Apple Inc. following media reports raising concerns about labour practices at Foxconn, one of Apple's largest suppliers. The reports related to alleged breaches of local labour laws at Foxconn's primary iPhone manufacturing facility in Zhengzhou, including the excessive use of temporary workers beyond statutory limits, excessive overtime, discriminatory hiring practices, wage and benefits issues, occupational health and safety risks, and allegations of harassment and intimidation.[6]

In its response, Apple reaffirmed its commitment to high standards of labour rights, human rights, environmental stewardship and ethical conduct across its supply chain. The company stated that its suppliers are contractually required to meet these standards and that compliance is monitored through regular third-party audits. Apple also advised that its own teams were deployed on site to commence an immediate investigation.

The purpose of the engagement was to better understand Apple's oversight, audit processes and remediation approach in relation to supplier labour practices. The RIC will continue to monitor developments and assess any implications for Apple's supply-chain risk management and governance practices.

[6]https://www.business-humanrights.org/en/latest-news/china-foxconn-workers-producing-iphone-still-subject-to-wage-withhold-illegally-long-working-hours-coercion-of-student-workers-and-intimidation-new-report-alleges/

There are risks associated with an investment in ETHI, including market risk, international investment risk, non-traditional index methodology risk and foreign exchange risk. For more information on risks and other features of ETHI, please see the Product Disclosure Statement.

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SUSTAINABLE PLUS
CERTIFIED BY RIAA

The Betashares Global Sustainability Leaders ETF (ASX: ETHI) has been certified and classified by the Responsible Investment Association Australasia according to the operational and disclosure practices required under the Responsible Investment Certification Program.
See www responsiblereturns.com.au and RIAA's Financial Services Guide for details.[1]

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