

BetaShares ESG-Related Proxy Voting Report



BetaShares Global Sustainability Leaders ETF (ASX: ETHI)
 BetaShares Australian Sustainability Leaders ETF (ASX: FAIR)

Financial year ending 30 June 2020

This report summarises the proxy voting record for the named funds in relation to ESG-related resolutions only. A full report of BetaShares proxy voting activities is available on the BetaShares website.

BetaShares Global Sustainability Leaders ETF (ASX: ETHI)

Company Name	Ticker	Meeting Date	Proposal Text	Management Recommendation	Vote Instruction	Voting Rationale
Cintas Corporation	CTAS	29/10/2019	Report on Political Contributions	Against	For	This resolution sought to encourage more transparency and accountability in corporate political spending by requesting that Cintas disclose more information about its political contributions. This included disclosing their policies and procedures for making political contributions or expenditures. A vote for this resolution was warranted as transparency on this issue aligns with the values of the fund.
Apple Inc.	AAPL	26/02/2020	Assess Feasibility of Including Sustainability as a Performance Measure for Senior Executive Compensation	Against	For	This resolution requested Apple to consider including sustainability performance measures, both environmental and social, into senior executive pay, stating that "Effectively managing for sustainability offers positive opportunities for companies and should be a key metric by which senior executives are judged." A vote for this resolution was warranted as encouraging more action on sustainability and climate change aligns with the values of the fund.
Apple Inc.	AAPL	26/02/2020	Report on Freedom of Expression and Access to Information Policies	Against	For	This resolution requested Apple to report on its policies on freedom of expression and access to information, including whether it has publicly committed to respect freedom of expression as a human right; the oversight mechanisms for formulating and administering policies on freedom of expression and access to information; and a description of the actions Apple has taken in the past year in response to government or other third-party demands that were reasonably likely to limit free expression or access to

						information. A vote for this resolution was warranted as more transparency and action on human rights issues aligns with the values of the fund. This was of particular importance with the recent controversies around Apple's actions in Hong Kong region.
Starbucks Corporation	SBUX	18/03/2020	Report on Risks of Omitting Viewpoint and Ideology from EEO Policy	Against	Against	This resolution was filed by a conservative think tank requesting that Starbucks report on risks related to omitting "viewpoint" and "ideology" from its equal employment opportunity policy. The filer argues that people with conservative political views may face discrimination at Starbucks. A vote against this resolution was warranted as the aim appeared to be to create pressure to incorporate conservative ideology at the governance level, rather than trying to create meaningful equality and inclusion within the company.
Adobe Inc.	ADBE	9/04/2020	Report on Gender Pay Gap	Against	For	This resolution sought Adobe to report on the company's global median gender/racial pay gap, including associated policy, reputational, competitive, and operational risks, and risks related to recruiting and retaining diverse talent. A vote for this resolution was warranted as encouraging transparency and further action on both the gender and racial pay gap aligns with the values of the fund.
Fastenal Company	FAST	25/04/2020	Prepare Employment Diversity Report	Against	For	This resolution requested Fastenal to issue a workforce diversity report, recommending metrics on the percentages of workers by gender categories for global operations, and by racial and ethnic group categories for U.S. operations, disaggregated into management and non-managerial job-levels. A vote for this resolution was warranted as encouraging transparency and further action on diversity aligns with the values of the fund.
Centene Corporation	CNC	28/04/2020	Report on Political Contributions Disclosure	Against	For	This resolution requested Centene to prepare a report semi-annually which discloses their monetary and non-monetary political contributions, to encourage transparency and accountability in corporate electoral spending. A vote for this resolution was warranted as transparency on this issue aligns with the values of the fund.
The Charles Schwab Corporation	SCHW	12/05/2020	Adopt Policy to Annually Disclose EEO-1 Data	Against	For	This resolution requested Charles Schwab to enforce a policy requiring the company to publicly disclose a comprehensive breakdown of its workforce by race and gender according to 10 employment categories annually. A vote for this resolution was warranted as encouraging transparency and further action on diversity aligns with the values of the fund.
The Charles Schwab Corporation	SCHW	12/05/2020	Report on Lobbying Payments and Policy	Against	For	This resolution requested that the company prepare a report on its direct and indirect lobbying activities, policies, and oversight mechanisms. A vote for this resolution was warranted as transparency on this issue aligns with the values of the fund.
O'Reilly Automotive, Inc.	ORLY	14/05/2020	Report on Material Human Capital Risks	Against	For	This resolution sought to improve diversity related disclosures by requesting O'Reilly Automotive to issue a report to shareholders describing the company's policies, performance, and improvement targets related to material human

						capital risks, so that shareholders can better assess the effectiveness of the company's diversity initiatives and its management of related risks. A vote for this resolution was warranted as encouraging transparency and further action on both diversity and human rights aligns with the values of the fund.
The Home Depot, Inc.	HD	21/05/2020	Prepare Employment Diversity Report and Report on Diversity Policies	Against	For	This resolution requested Home Depot to issue a workforce diversity report, including a chart identifying employees according to their gender and race in the nine major EEOC-defined job categories for the last three years, listing numbers or percentages in each category; a summary description of any affirmative action policies and programs to improve performance, including job categories where women and minorities are underutilized; a description of policies/programs oriented toward increasing diversity in the workplace. A vote for this resolution was warranted as encouraging transparency and further action on diversity aligns with the values of the fund.
The Home Depot, Inc.	HD	21/05/2020	Report on Congruency Political Analysis and Electioneering Expenditures	Against	For	This resolution requested that Home Depot report on the congruency between the company's political and electioneering expenditures and its publicly stated values and policies. A vote for this resolution was warranted as transparency on this issue aligns with the values of the fund.
PayPal Holdings, Inc.	PYPL	21/05/2020	Adopt Human and Indigenous People's Rights Policy	Against	For	This resolution requested that PayPal amend its governance documents, to articulate the fiduciary duties of Board and management to ensure due diligence on Human and Indigenous Peoples' Rights. A vote for this resolution was warranted as encouraging transparency and further action on human rights and Indigenous Peoples' rights aligns with the values of the fund.
Illumina, Inc.	ILMN	27/05/2020	Report on Political Contributions	Against	For	A vote for this resolution is warranted, as additional disclosure of the company's trade association memberships and payments, and the company's board oversight of those contributions, would allow shareholders to better assess related risks.
Vertex Pharmaceuticals Incorporated	VRTX	3/06/2020	Report on Lobbying Payments and Policy	Against	For	A vote for this proposal is warranted, as additional disclosure of the company's direct and indirect lobbying-related expenditures and oversight mechanisms would help shareholders better assess the risks and benefits associated with the company's participation in the public policy process.
Netflix, Inc.	NFLX	4/06/2020	Report on Political Contributions	Against	For	This resolution sought to encourage more transparency and accountability in corporate political spending by requesting that Netflix disclose more information about its political contributions. This included disclosing their policies and procedures for making political contributions or expenditures, the identity of recipients and the amount paid, and the title of the persons within the company who make the decision. A vote for this resolution was warranted as transparency on this issue aligns with the values of the fund.
Netflix, Inc.	NFLX	4/06/2020	Report on Risks of Omitting	Against	Against	This resolution was filed by a conservative think tank requesting that the company report on risks related to omitting "viewpoint" and "ideology" from its

			Viewpoint and Ideology from EEO Policy			equal employment opportunity policy. The filer argues that people with conservative political views may face discrimination at Netflix. A vote against this resolution was warranted as the aim appears to be to create pressure to incorporate conservative ideology at the governance level rather than trying to create meaningful equality and inclusion within the company.
The TJX Companies, Inc.	TJX	9/06/2020	Report on Reduction of Chemical Footprint	Against	For	This resolution requested that TJX report on its plans to reduce the use of chemicals of high concern to human health or the environment. A vote for this resolution was warranted as encouraging more action on sustainability and environmental protection aligns with the values of the fund.
The TJX Companies, Inc.	TJX	9/06/2020	Report on Animal Welfare	Against	For	This resolution requested that TJX report on its assessment of any material risks of continuing operations without a company-wide animal welfare policy or restrictions on animal-sourced products associated with animal cruelty. A vote for this resolution was warranted as encouraging more action on animal welfare aligns with the values of the fund.
The TJX Companies, Inc.	TJX	9/06/2020	Report on Pay Disparity	Against	For	This resolution requested that the Executive Compensation Committee of the Board of Directors take into consideration the pay grades and/or salary ranges of all classifications of Company employees when setting target amounts for CEO compensation, so as to consider whether the CEO's compensation is internally aligned with the Company's pay practices for its other employees. A vote for this resolution was warranted as encouraging transparency and further action on wealth inequality aligns with the values of the fund.
Activision Blizzard, Inc.	ATVI	11/06/2020	Report on Political Contributions Disclosure	Against	For	This resolution requested that Activision Blizzard report on its political activities and expenditures. This included disclosing their policies and procedures for making political contributions or expenditures, the identity of recipients and the amount paid, and the title of the persons within the company who make the decision. A vote for this resolution was warranted as transparency on this issue aligns with the values of the fund.
Expedia Group Inc	EXPE	10/06/2020	Report on Political Contributions and Expenditures	Against	For	This resolution requested that Expedia report on its political activities and expenditures. This included disclosing their policies and procedures for making political contributions or expenditures, the identity of recipients and the amount paid, and the title of the persons within the company who make the decision. A vote for this resolution was warranted as transparency on this issue aligns with the values of the fund.

BetaShares Australian Sustainability Leaders ETF (ASX: FAIR)

Company Name	Ticker	Meeting Date	Proposal Text	Management Recommendation	Vote Instruction	Voting Rationale
Suncorp Group Limited	SUN	26/09/2019	Approve Fossil Fuel Exposure Reduction Targets	Against	Against	This resolution requested additional reporting from Suncorp on its targets to reduce investment and underwriting exposure to fossil fuel assets. Suncorp already has a number of targets and disclosures including a Climate Change Action Plan available on its website, TCFD disclosure, climate change and resilience as part of its strategy, and it is in the process of developing Science Based Targets to account for all exposure to fossil fuels. A vote against this resolution was recorded based on the company's current level of disclosure, actions being taken by it to address the risks associated with climate change and the company's near-term commitment to further improving climate-related risk disclosure.
Insurance Australia Group Ltd.	IAG	25/10/2019	Approve Fossil Fuel Investment Exposure Reduction Targets	Against	For	This resolution requested reporting from IAG on its targets to reduce investment and underwriting exposure to fossil fuel assets. A vote for this resolution was warranted as encouraging more action on sustainability and environmental protection aligns with the values of the fund.

BetaShares Capital Limited (AFSL #341 181) ('BetaShares') is the report issuer and responsible entity of ETHI and FAIR.

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