

BetaShares ESG-Related Proxy Voting Report



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

Period: Year ending 31 December 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
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 argued that people with conservative political views may face discrimination at Starbucks. A vote against this resolution was warranted on the basis 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 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. It was requesting O'Reilly Automotive 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 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 underutilised; 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 that 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 was 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 was 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 made 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 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 argued that people with conservative political views may face discrimination at Starbucks. A vote against this resolution was warranted on the basis 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.
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 to 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 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 made 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 made the decision. A vote for this resolution was warranted as transparency on this issue aligns with the values of the fund.
Tesla, Inc.	TSLA	22/09/2020	Report on Paid Advertising	Against	Against	This resolution requested Tesla spend at least \$50 per car produced to advertise its products/services with the aim of increasing brand and product awareness and interest, achieve other goals set forth in the supporting statement, and to help mitigate and/or reduce harm to its goals, objectives, reputation, and finances. Requiring Tesla to spend a specific amount on advertising does not provide a clear benefit to shareholders.
Tesla, Inc.	TSLA	22/09/2020	Adopt Simple Majority Vote	Against	For	This proposal sought to increase shareholders rights by requesting Tesla take the necessary steps so that each voting requirement in the charter and bylaws that called for a greater than simple majority vote be eliminated and replaced by a requirement for a majority of the votes cast for and against applicable proposals, or a simple majority in compliance with applicable laws.
Tesla, Inc.	TSLA	22/09/2020	Report on Employee Arbitration	Against	For	This proposal requested that Tesla prepare a report on the impact that mandatory arbitration contractual provisions have on the company's employees and workplace culture. The report would evaluate the impact of Tesla's current use of arbitration on the prevalence of harassment and discrimination in its workplace and on employees' ability to seek redress.
Tesla, Inc.	TSLA	22/09/2020	Additional Reporting on Human Rights	Against	For	This proposal requested that Tesla prepare a report on their processes for embedding respect for human rights within operations and through business relationships.
Aena S.M.E. SA	AENA	29/10/2020	Approve Non-Financial Information Statement	For	For	This was a board proposal to shareholders to approve the company's 2019 CSR Report.
Broadridge Financial Solutions, Inc.	BR	19/11/2020	Report on Political Contributions Disclosure	Against	For	This proposal requested that Broadridge disclose more information about its political contributions, including electoral spending, payments to trade associations and other tax-exempt organizations.

BetaShares Australian Sustainability Leaders ETF (ASX: FAIR)

Company Name	Ticker	Meeting Date	Proposal Text	Management Recommendation	Vote Instruction	Voting Rationale
Insurance Australia Group Ltd.	IAG	23/10/2020 - Resolution withdrawn	Approve IAG World Heritage Policy	Against	For	<p><i>Due to positive conversations with the shareholders who submitted this proposal, this resolution was withdrawn prior to the AGM. IAG has committed to exploring the appropriateness of IAG becoming a signatory to the United Nations Principles for Sustainable Insurance-WWF-World Heritage Sites initiative.</i></p> <p>This proposal sought to enhance protection for cultural heritage sites by requesting that IAG establish a clear policy on protecting World Heritage properties. The policy should ensure that IAG does not play any financial or advocacy role in projects which impact negatively impact UNESCO listed properties; and bolster its position as a supporter of the UN Sustainable Development Goals, which includes the target of “[strengthening] efforts to protect and safeguard the world’s cultural and natural heritage”.</p>
Insurance Australia Group Ltd.	IAG	23/10/2020 - Resolution withdrawn	Approve Relationship with Industry Associations	Against	For	<p><i>Due to positive conversations with the shareholders who submitted this proposal, this resolution was withdrawn prior to the AGM.</i></p> <p>This proposal sought to increase transparency on IAG’s relationships with industry associations by requesting that IAG declare contradictions when they occur between the company’s policies and those of industry associations it is a member of or represented by.</p>
Insurance Australia Group Ltd.	IAG	23/10/2020 - Resolution withdrawn	Approve the Amendments to the Company’s Constitution	Against	For	<p><i>Due to positive conversations with the shareholders who submitted this proposal, this resolution was withdrawn prior to the AGM.</i></p> <p>This proposal sought to increase shareholders rights by requesting IAG insert a new clause into the constitution that would allow investors to express an opinion or request information about the way in which a power of the Company partially or exclusively vested in the directors has been or should be exercised in general meeting may by ordinary resolution.</p>

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