

Question 1: Why doesn't the SRI option exclude investments in alcohol and uranium, which are investment classes that socially responsible options at other funds prohibit?

Our approach to how we invest in the SRI option is no different to most and underpinned by a rigorous and thoughtful [materiality thresholds](#), which guides our investment decisions. In relation to fossil fuel, we seek to reduce exposure to companies that own reserves, explore, mine, extract, produce, refine or generate energy from fossil fuels as well as those companies that receive revenue from servicing these sectors through equipment services, pipeline transport or distribution. We seek to apply a zero-materiality threshold but dedicated renewable energy generators with backup fossil fuel sources of <5% may remain investible.

It's also essential to note that uranium has multiple applications. These include medical radiopharmaceuticals for cancer treatment and diagnostics, industrial X-rays, and scientific research, highlighting its multifaceted utility including potential uses in fossil fuel-free energy production. In relation to our investment in Paladin, we support their mission on delivering a reliable supply for the world's carbon-free future.

It's also worth noting that the HostPlus SRI Balanced option was created based on a survey conducted in late 2021, which sought to understand our members' values from a socially responsible perspective. The product design aimed to address the enablers and inhibitors to investing in HostPlus' SRI option and the preferences of SRI investors.

The exclusions were determined based on member preferences and rankings coming out of this survey, and while we exclude industries, such as fossil fuels and controversial weapons, certain sectors like alcohol were not highly ranked for exclusion by our members. Notably, the hospitality sector, which employs many of our members, includes alcohol-related companies. This may reflect the SRI preferences of our members.

Question 2: Is it misleading to hold these assets in an investment option labelled "socially responsible"?

We do not believe that holding these assets is misleading. We clearly disclose the holdings and exclusions in the Product Disclosure Statement (PDS), and our website which allows members to make informed investment decisions.

Question 3: Is HostPlus concerned that members who have this selection would be surprised to find these holdings in the portfolio?

No. We go to great lengths to ensure our members have access to all relevant information. Our PDS explicitly outlines what is excluded from the SRI option, and the holdings are publicly available on our website for anyone to view. Furthermore, we maintain compliance with all regulatory disclosure

requirements. Additionally, members have the flexibility to invest via Choiceplus if they wish to exclude specific industries that may be part of the SRI Balanced option.

Other:

Hostplus invests over \$1.5Bn in innovative and clean technologies to support the transition to a low carbon future. You can find out more [here](#).