



Controversial Weapons Divestment Policy - Super

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1. Introduction

Host-Plus Pty Ltd (Trustee) is the Trustee of the Hostplus Superannuation Fund (Fund) and the Hostplus Pooled Superannuation Trust (PST) (collectively referred to as 'Hostplus').

A core tenet of the *Responsible Investment Policy – Super* is to engage with investee companies, rather than divest from them. However, one exception to this approach relates to companies involved in certain types of Controversial Weapons which are weapons that have one or more of the following characteristics¹:

1. The weapon is indiscriminate (i.e. there is an increased risk of civilian casualties);
2. The weapon can be classified as a weapon of mass destruction with a single incident resulting in a large number of deaths;
3. The weapon is considered to be excessively injurious (i.e. it causes an inordinate amount of pain and suffering); or
4. The weapon may have long term health impacts on the populations in areas where they are used.

Controversial Weapons are subject to several international treaties and conventions which govern their use. Australia is a signatory to many of these treaties/conventions and in those instances it is illegal to produce Controversial Weapons domestically. However, it is still possible for an Australian-based entity to invest in, or provide finance to, overseas-based companies involved in Controversial Weapons.

Due to the nature of these weapons and their impact, particularly on civilian populations, the Fund has determined that a policy of explicitly banning them from investment portfolios is warranted.

2. Scope

The purpose of this Policy is to formally outline the Fund's commitments in relation to the exclusion of Controversial Weapons from its investment portfolios wherever practicable. This Policy is consistent with the Fund's operational and investment strategies, policies and processes. It resides within the Investment Policies and Procedures Statement which forms an integral part of the investment governance framework of the Fund.

The exclusion of Controversial Weapons set out in this Policy will apply to all of the Fund's investments in which the Fund has a high degree of control over investment exposures. It may not be practicable to exclude Controversial Weapons in respect of investments held via pooled fund vehicles, securitised financial instruments, such as collateralised loan obligations, and fund-of-fund structures. Notwithstanding this, where possible the Fund will work with the investment managers which control those investments to exclude exposure to Controversial Weapons.

3. Related Documents

This Policy should be read in conjunction with the following:

1. Responsible Investment Policy – Super

¹ Source: MSCI

4. Approach

As part of its commitment under this Policy, the Fund will implement an investment restriction for its investment managers to exclude ownership in companies and the provision of financing to companies directly or indirectly involved in the development, production, maintenance or sale of the following types of Controversial Weapons:

- Cluster Munitions
- Anti-personnel mines
- Depleted Uranium
- Biological Weapons
- Chemical Weapons
- Blinding Laser Weapons
- Non-Detectible Fragments Weapons
- Incendiary Weapons
- Nuclear Weapons
- White phosphorus weapons

5. Roles and Responsibilities

Role	Responsibilities
Trustee	Review and approve this Policy
Chief Investment Officer	Policy Owner
Head of Responsible Investment	Responsible for review and effective implementation of this Policy
Head of Investment Operations	Accountable for effective implementation of this Policy
Investment managers and service providers	Support the implementation of this Policy through integration of these exclusions into the investment process

6. Policy Non-Compliance and Exemptions

Non-compliance with this Policy should be reported to the Policy Owner and managed in accordance with the [Incident and Breach Management Policy](#).

Exemptions to this Policy may be granted on an exceptional basis. All exemption requests must be made in writing and provided to the Policy Owner for their review and approval, prior to the exemption taking effect.

7. Policy Review

This Policy must be reviewed and approved at least every three years by the Policy's Highest Approval Authority.

All changes to this Policy must be made in writing and summarised within the Document Control Information section of this Policy.

Material changes to this Policy can only be made by the Policy Owner, with the written approval of the Highest Approval Authority.

Non-material changes to this Policy may be made at any time with the written approval of the Policy Owner. Non-material changes include:

- Minor wording, numbering or grammatical changes for clarity/syntax.
- Changes in role titles to reflect organisational changes.
- Changes to names or references (policy, process, committee name changes).