



SUSTAINABLE SOLUTIONS DISCLOSURE

Socially Responsible Investment (SRI) – Balanced

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Hostplus' **Socially Responsible Investment (SRI) – Balanced** option seeks to reduce exposure to particular industries and invest in companies and assets that help contribute toward achievement of the **Sustainable Development Goals (SDGs)**.

The shares component of the option is invested in listed Australian and International (developed market) share portfolios via an investment manager mandate. The investment manager applies **rules-based exclusions** and then applies an optimisation to **maximise the weighted average Sustainable Development Goal score of the Portfolio** for a given level of tracking error against the relevant benchmark, as set out below.

Hostplus subscribes to Institutional Shareholder Services' (ISS) Sustainable Solutions data for this purpose. ISS Sustainable Solutions Overall Score measures a company or portfolio's impact on achievement of the 15 global sustainability objectives (which align with the SDGs) on a scale ranging from -10 to +10 (a significant obstruction or positive contribution, respectively, to the overall achievement of the objectives). A score around 0 reflects no net impact.

Significant Obstruction	Limited (Net) Obstruction	No (Net) Impact	Limited (Net) Contribution	Significant Contribution
-10.0 to -5.1	-5.0 to -0.2	-0.1 to 0.1	0.2 to 5.0	5.1 to 10.0

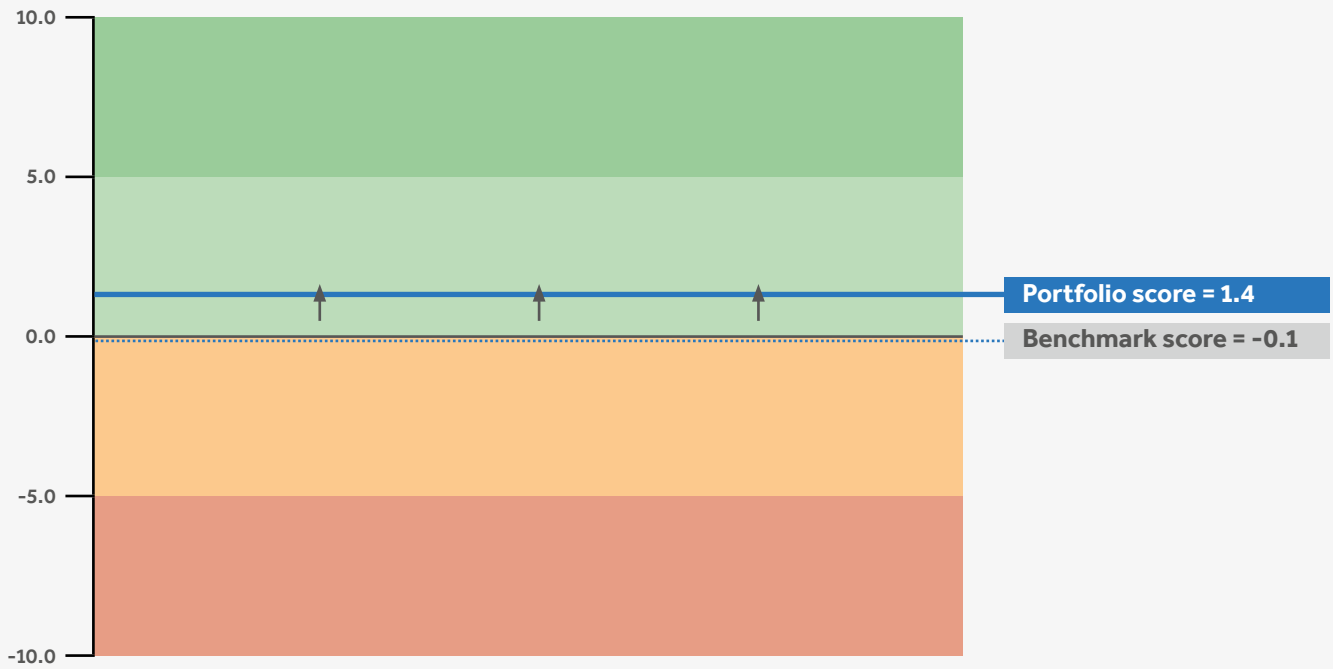
Each company is scored based upon the revenue distribution of its products and services and their relative alignment or misalignment to the objectives. The company score is the net of the largest positive score and largest negative score. To calculate a portfolio score, the constituent company scores are weighted according to their portfolio weight. The optimisation prevents companies that have a negative SDG score from being given a weight above that of the benchmark (after exclusions).

The results provide an indication of the real-world outcomes that a portfolio could create. Hostplus will report the weighted average Sustainable Development Goal score of each of the Australian and international share portfolios on a quarterly basis (each time the portfolios are rebalanced).

The results for each of the Australian and international shares portfolios for the SRI – Balanced option are summarised on the following page.



Australian Shares Sustainable Development Goal Score



International Shares Sustainable Development Goal Score

