

Hostplus - Socially Responsible Investment Balanced option

Ethical Survey, as voted by members of the Ethical Advisers Co-Op



Poor | Disappointing | Average | Appealing | Excellent

As voted by Ethical Adviser Co-op members. Find a specialised ethical adviser near you: www.ethicaladviserscoop.org/find-an-adviser.html

Fund Overview

This is a multi-asset investment option within the Hostplus super fund. It has a weak negative filter.

Ethical Concerns

Investments

- ✗ No public transparency on the socially responsible fund holdings.
- ✗ No disclosed filters other than a weakly worded “seeks to limit.... most carbon intensive fossil fuels,” and cluster munitions.

Other concerns

- ✗ Poor availability of information on the processes and considerations behind the SRI fund.
- ✗ A whole-of-fund ‘Significant Event Notice’ was issued in late 2018 because Hostplus failed to disclose fees appropriately.
- ✗ [Misleading language](#) regarding Responsible Investment Association of Australasia (RIAA) certification. Hostplus is not certified by RIAA, and neither are specific investment options.
- ✗ No public transparency on the socially responsible specific voting history.
- ✗ Policy states Hostplus “greatly favour engagement over withdrawal” and that “climate change... is one of the largest economic challenges facing investors today.” Whole-of-fund voting was previously generally against climate change reporting, although this has improved over the last 18 months.
- ✗ Hostplus has voted against most human rights resolutions, the exception being a recent domestic vote (Woolworths).
- ✗ Hostplus do not specialise in ethical investments.

Good Points

- ✓ Fund excludes cluster munitions.
- ✓ Recent proxy voting (whole of fund) is generally for climate change resolutions, with significant exceptions being Santos (report on methane emissions), and Origin Energy (climate risk disclosure) which Hostplus voted against.
- ✓ Some commitment to transparency by being a [UNPRI](#) signatory, but not [RIAA](#) certified.

About the 'Ethical Survey'

About the Ethical Advisers Co-Op

The Ethical Advisers Co-op is a group of 35 financial advisers who are passionate about ethics and finance. The Co-op was established as a not-for-profit over 10 years ago to enable likeminded financial advisers to work together to represent the voice of the consumer. We work to shift the super and investment industry into being more ethically aligned with their clients' objectives. The Co-op's nationwide membership of ethical financial advisers help over 3,300 Australians make financial decisions and invest in line with their ethical values.

How the Leaf-System Works

The ethical rating is voted by Australian financial advisers who specialise in ethical investments (Co-op members). The advisers assess if fund ethics suit their average ethical client, and if it matches with the average client's expectations and objectives. The advisers consider how successful the fund is at; 1) removing industries and stocks harmful to the environment and society 2) including companies with environmental or social benefits, and 3) providing evidence of actions from the fund which benefit society and/or the environment. The quality of information the fund provides on its ethical policies, companies invested in, and proxy voting is important in assessing if a fund is as ethical as claimed. The final rating is an average of these votes.

Financial advisers are voluntarily participating to help ethical consumers gain a quick understanding of how the clients of a group of industry professionals view the ethics of each fund. The Co-op and the advisers do not receive any form of remuneration or reward for participating.

Further Research

Does your fund walk the talk?

The Australasian Centre for Corporate Responsibility (ACCR) – a not-for-profit shareholder advocacy organisation – pushes for transparency around whether your super fund 'walks the talk' on issues such as climate and human rights. You can find details on your super fund [here](#).

Is your fund investing in fossil fuels?

Market Forces is a not-for-profit delivering transparency on fossil fuel lending, insuring and investing within super funds, banks and insurance companies. You can see how exposed your super fund, bank or insurance company is to the fossil fuel industry [here](#).

If the fund is certified by the Responsible Investment Association Australasia (RIAA)

You can find more ethical and investment information for certified funds [here](#).

More information on this fund

For exact details of the fund's claimed ethics, costs and legal details see the fund's Product Disclosure Statement - available on their website.

Vote based on information last updated 1st March 2019