

conflicts management policy summary

March 2026

Introduction

The HESTA Conflicts Management Policy ('Policy') governs how the Trustee identifies and manages conflicts that may arise for H.E.S.T. Australia Ltd ('Trustee') and HESTA ('Fund').

The purpose of this document is to provide a summary of the Policy.

The Policy aims to ensure the Trustee prudently manages conflicts in a manner that meet both its legal obligations and high standards of corporate governance.

The Policy outlines the framework to identify and assess conflicts and provide a process for how they should be appropriately managed.

Legal Obligations

The Trustee is obliged by various sources of law to ensure it effectively identifies and manages conflicts that arise during the management of the Fund and provision of financial services. The key legal obligations are contained in:

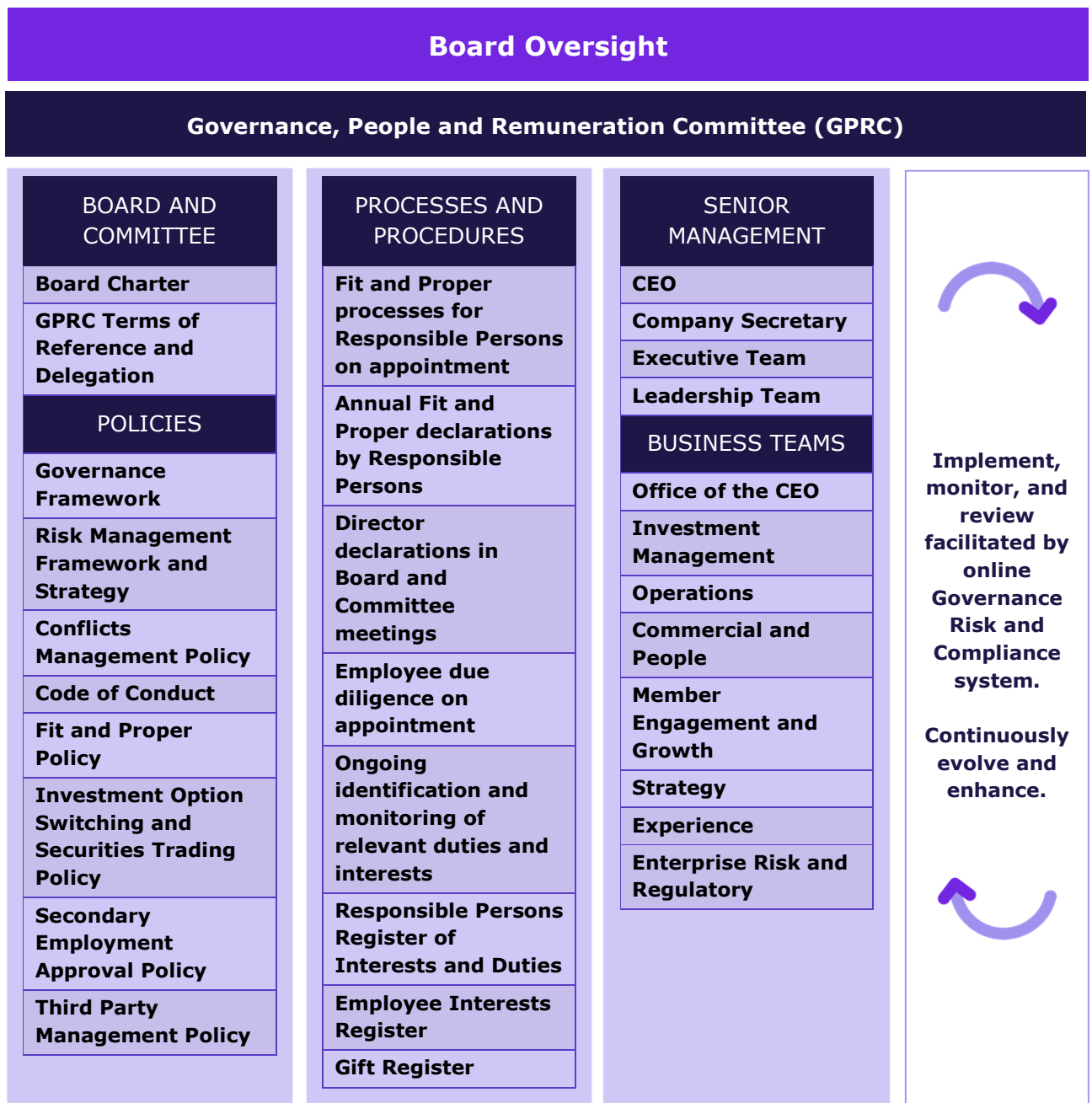
- Superannuation Industry (Supervision) Act 1993 (Cth) ("SIS Act")
- Superannuation Prudential Standard SPS 521 - Conflicts of Interest ("SPS 521")
- Corporations Act 2001(Cth) ("Corporations Act")
- Regulatory Guide RG 181 – AFS licensing: Managing conflicts of interest ("RG 181").

Sections 52 and 52A of the SIS Act impose covenants on the Trustee and its Directors to ensure that where a conflict arises in relation to itself and the beneficiaries of the Fund, "*priority to the duties to and interests of the beneficiaries*" must be given over those of any other persons.

Conflicts Management Framework

The Policy outlines the conflicts management framework which consists of the “totality of systems, structures, policies, processes and controls within the Trustee’s operations to identify, assess, mitigate, manage and monitor all conflicts”.

The Trustee maintains a robust conflicts management framework which is illustrated by the diagram below.



Definitions

Some of the key definitions included in the Policy include:

conflicts refer to both a conflict of interests and a conflict of duties, and includes actual or perceived conflicts, and those that arise in both a personal and professional context. A conflict can also arise between interests and duties – for example, the duties owed by an individual Director or Trustee office member to another organisation may be in contradiction to the interests of HESTA beneficiaries.

conflicts of interests refer to circumstances where the interests of relevant persons, service providers or office members of the Trustee are contrary to those interests of HESTA beneficiaries.

conflicts of duties refer to circumstances where the duties owed by relevant persons, service providers or office members of the Trustee to HESTA beneficiaries are in contradiction to the duties owed by them to another organisation or group of persons and vice versa.

relevant interests refer to interests, gifts (as applicable), emoluments, or benefits of the Trustee, the Trustee's relevant persons, office members and service providers, whether directly or indirectly held, to the extent they meet any prescribed materiality thresholds and give rise to or have the potential to give rise to a conflict.

relevant duties refer to duties owed by the Trustee, the Trustee's relevant persons, service providers and office members to HESTA beneficiaries or any other organisation or person, to the extent they give rise to or have the potential to give rise to a conflict.

gifts refer to any goods or services (such as entertainment, hospitality, travel or accommodation), received by the Trustee's Directors or office members in their capacity as a Trustee Director or office member, that hold a monetary value of \$300 and above. Individual gifts that may hold a value below \$300 but are received in multiples from the same provider and cumulatively have a value of \$500 and above annually, are also captured.

Approach to conflict management

The Trustee approaches conflicts management by way of applying the following measures:

- Identification
- Disclosure
- Control
- Avoidance

Not all conflicts will impact the capacity of Trustee Directors or office members to act in the best financial interests of beneficiaries of the Fund.

Conflict Management Matrix

The Conflicts Management Matrix sets out the types of conflicts identified that may arise and the appropriate measures applied to deal with the particular type of conflict. The Enterprise Risk Team has primary responsibility, in consultation with the relevant Executive and Company Secretary, for applying appropriate measures to deal with identified conflicts of office members, as per the Conflicts Management Matrix.

Policy review

The Policy is reviewed by Management annually and approved periodically by the Governance, People and Remuneration Committee.