



FY2020 REPORT: AIST GOVERNANCE CODE

Fund name:

UniSuper

Date of report:

20/08/2020

Document owner:

Company Secretary

Document owner contact details:

Email address:

jane.panton@unisuper.com.au

Phone number:

03 8831 6258

Date of approval by the Board:

27/08/2020

Date of submission to AIST:

30/09/2020

FY2020 REPORT: AIST GOVERNANCE CODE

Requirement	Compliance level Please select one:	Explanation	List changes made in FY2020	Planned improvement activities
<p>1.1 A profit-to-member superannuation Board must:</p> <ul style="list-style-type: none"> conduct all appropriate enquiries to ensure that nominees have the appropriate skills and experience before appointing a person as a trustee director; for the appointment of representative directors in particular, this includes engagement with sponsoring organisations. 	<p><input checked="" type="checkbox"/> Full</p> <p><input type="checkbox"/> Partial</p> <p><input type="checkbox"/> Does not/cannot comply</p>	<p>In accordance with the APRA Fit and Proper Prudential Standard SPS 520 in undertaking an assessment of the fitness and propriety of a new Director, consideration is given to their skills and experience. If it is identified that, in order to meet the skill component of the assessment, some training is required, this training must be undertaken within 90 days of their appointment to the Board.</p> <p>Each year, prior to the commencement of the election cycle, a whole of Board assessment is undertaken to identify any skill gaps or any other criteria or attributes the Board may consider desirable in a nominated representative Director. A recommendation to the nominating bodies may be made by the Board to address any identified gaps. These requirements are outlined in the Board policy Directors' Appointment, Renewal, Performance and Remuneration Policy.</p> <p>A Board approved Director Capability Statement is provided to all nominating bodies prior to elections/nominations taking place. The Capability Statement sets out the minimum attributes and the personal attributes regarded as essential for each Director personally in addition to the corporate and industry specific attributes essential for the Board collectively.</p>		<p>A review of the components of the skill matrix is currently being undertaken.</p>

FY2020 REPORT: AIST GOVERNANCE CODE

Requirement	Compliance level Please select one:	Explanation	List changes made in FY2020	Planned improvement activities
<p>1.2 A profit-to-member superannuation fund must have a written agreement with each trustee director and senior executive setting out the terms of their appointment.</p>	<p><input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply</p>	<p>Prior to completion of the formal appointment process at the Annual General Meeting of the Trustee company, the Chair of the Board writes to the incoming Trustee Director setting out the terms of appointment. Acceptance of the appointment is evidenced by the provision of a signed 'Consent to Act' document which meets the requirements of the Corporations Act and provides confirmation that the candidate director is not a disqualified person.</p> <p>A letter of offer detailing the position, remuneration and employment conditions is provided to senior executives who are required to sign a duplicate copy of the letter acknowledging their acceptance of the role and the terms of their appointment.</p>		
<p>1.3 The fund's company secretary is accountable directly to the Board, through the Chair, on all matters concerning effective Board operations and must provide every assistance to the Board to fulfil their obligations in acting in the best interests of members. The Chief Executive Officer must not be the company secretary.</p>	<p><input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply</p>	<p>The Company Secretary is accountable directly to the Board through the Chair. Responsibilities of the role are detailed in section 6 of the Board Charter and section 3.1.8 of the publicly available document, Statement of Governance Practice, available on the UniSuper website.</p> <p>The Chief Executive Officer is not the Company Secretary.</p>		

FY2020 REPORT: AIST GOVERNANCE CODE

Requirement	Compliance level Please select one:	Explanation	List changes made in FY2020	Planned improvement activities
<p>1.4 Profit-to-member superannuation funds must have a written diversity policy, appropriate to the circumstances of the fund, which sets out clear and measurable objectives and provides for annual reporting to the Board and members. This policy must establish objectives concerning gender balance as a minimum, with other forms of diversity considered by the fund as appropriate. Objectives must relate to processes, which may, but do not necessarily, include targets for participation at Board and management levels, to ensure that the fund taps the broadest talent pool and is responsive to the needs of all its members.</p>	<p><input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply</p>	<p>Diversity and Inclusion policy has been updated and is available on the UniSuper website.</p> <p>Half way through the strategy cycle, some positive progress in some areas and slower progress in others in relation to the goals agreed has been achieved.</p> <p>The Board annually assesses both the objectives and progress made in achieving them.</p> <p>Information provided to the Workplace Gender Equality Agency is also publicly available on the UniSuper website under the title, Public Report 2019-20.</p>	<p>1. Progress: Female proportion of management pool (per WGEA report) for 19/20:</p> <ul style="list-style-type: none"> • Executive: 33% • Senior Management: 33% • Middle Management: 35% <p>2. Completed: First stage of RAP completed.</p> <p>3. Progress: 50% of women identified for senior management roles, as part of succession, have mentors</p>	<p>Continue to progress on the goals and measures articulated for this current strategy cycle.</p>

FY2020 REPORT: AIST GOVERNANCE CODE

Requirement	Compliance level Please select one:	Explanation	List changes made in FY2020	Planned improvement activities
<p>1.5 In accordance with SPS 510, profit-to-member superannuation funds must have:</p> <ul style="list-style-type: none"> • annual procedures to evaluate the performance of the Board; • annual procedures to evaluate individual trustee directors. <p>The fund must:</p> <ul style="list-style-type: none"> • disclose a summary of those procedures and; • confirm annually that the performance evaluations were undertaken during the reporting period. 	<p><input checked="" type="checkbox"/> Full</p> <p><input type="checkbox"/> Partial</p> <p><input type="checkbox"/> Does not/cannot comply</p>	<p>To evaluate performance and ensure, on an ongoing basis, the necessary diversity of skills, experience and expertise to meet the Fund’s needs are available to the Board and its Committees, a Board policy and supporting procedures have been developed and implemented.</p> <p>It is the responsibility of the Chair to facilitate an annual review of the performance of the Board, Board Committees and individual directors and Committee members. The Board and Board Committees are assessed, relative to the objectives of the relevant Charters, both collectively and individually. The performance of the Chair and each Committee Chair is also assessed, and individual assessments are facilitated by a one-on-one interview between the Director and/or Board Committee member and the Board Chair or Committee Chair as applicable.</p> <p>Every three years an independent assessment is undertaken by a specialist external provider. Any issues or weaknesses identified through the performance assessment are managed having regard to the Fit and Proper Policy which requires the immediate steps to be taken to remove a director if they are no longer fit and proper. Failure relating only to the fitness test, if the issue can be rectified through training, may not necessitate removal however.</p> <p>This information is outlined in the Statement of Governance Practice and is publicly available on the UniSuper website.</p> <p>All required performance assessments for the reporting period have been undertaken.</p>		

FY2020 REPORT: AIST GOVERNANCE CODE

Requirement	Compliance level Please select one:	Explanation	List changes made in FY2020	Planned improvement activities
<p>1.6 The Board of a profit-to-member superannuation fund must have a documented process for evaluating the performance of the senior management. The fund should disclose whether such a performance evaluation was undertaken during the reporting period.</p>	<p><input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply</p>	<p>An updated remuneration and performance assessment approach was implemented during the 19/20 year. Amendments provide further clarity and include consequence in relation to governance gateway and risk assessments. The Annual Report and UniSuper website provide information on the remuneration approach and specific payments made to senior management.</p> <p>All required performance assessments for the reporting period have been undertaken.</p>	<ul style="list-style-type: none"> • Updates were made to the Remuneration Policy and Governance Gateway approach • An additional Remuneration Committee meeting was held in 2020 to address COVID-19 related matters. 	<p>Continue to embed the updated remuneration and performance assessment approach.</p> <p>Consideration of the 2020 Financial Accounting Regime (FAR) guidelines in relation to remuneration will occur during 2021.</p>

FY2020 REPORT: AIST GOVERNANCE CODE

Requirement	Compliance level Please select one:	Explanation	List changes made in FY2020	Planned improvement activities
<p>2.1 The Board of a profit-to-member superannuation fund must:</p> <ul style="list-style-type: none"> • Have a committee responsible for Board renewal that has at least three members; • The committee must have a charter that is publicly disclosed and; • It should meet at least annually. <p>For each reporting period the fund must:</p> <ul style="list-style-type: none"> • disclose the members of the Board renewal committee and; • attendance records for any meetings during that period. 	<input type="checkbox"/> Full <input checked="" type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply	<p>Matters concerning Board renewal are managed through a sub-committee comprising the Chair and at least two other directors which is formed and convened whenever there is a vacancy concerning one of the non-representative (independent) directors. UniSuper does not control the outcomes of the elections of representative directors.</p> <p>Further details analogous to what would be included in a Charter are contained in the Board policy Directors' Appointment, Renewal, Performance and Remuneration Policy and the Process for Re-appointment of Non-representative Director.</p>		

FY2020 REPORT: AIST GOVERNANCE CODE

Requirement	Compliance level Please select one:	Explanation	List changes made in FY2020	Planned improvement activities
<p>2.2 A profit-to-member superannuation fund must:</p> <ul style="list-style-type: none"> Maintain a matrix showing the skills, relevant experience and diversity the Board currently has and acknowledge gaps it is looking to fill in order to effectively fulfil its strategic plan. It must disclose annually a representation of the existing collective skills, experience and diversity of the Board. 	<input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply	<p>A matrix showing the skills, relevant experiences and diversity of the Board is maintained. Currently no gaps have been identified which may impact on the Fund's ability to effectively fulfil its strategic plan.</p> <p>A representation of the existing, collective knowledge, skills, experience and diversity of the Board is disclosed on the UniSuper website at UniSuper Board knowledge, skills and experience</p>		<p>A full review of the skills matrix will be undertaken in the second quarter of the 2021 financial year. The review will incorporate input from directors and a Board sub-committee who will directly assist in the development of the revised skill matrix which will be presented to the full Board for approval.</p>
<p>2.3 In disclosing the names of its directors, a profit-to-member superannuation fund must identify for each director whether they are a member representative, an employer representative or a non-representative member. In each instance, the name of the nominating body must also be publicly disclosed.</p>	<input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply	<p>Information relating to each director and whether they are a member or employer representative or a non representative member of the Board is provided in the 'Our people - Board' section of the UniSuper website.</p> <p>This information is also included in the UniSuper in Review publication also available on the UniSuper website.</p>		

FY2020 REPORT: AIST GOVERNANCE CODE

Requirement	Compliance level Please select one:	Explanation	List changes made in FY2020	Planned improvement activities
<p>2.4 The voting rights of all trustee directors on the Board must:</p> <ul style="list-style-type: none"> • Be equal, regardless of their status as a member or employer representative director, or non-representative director. • The voting majority for any Board decision should be no less than two-thirds of all trustee directors. 	<input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply	<p>Although it is the practice of the Board to generally make decisions by consensus, as detailed in section 7 of the USL Board Charter - <i>Decisions of the Board</i>, all directors are entitled to vote and each vote is of equal weight.</p> <p>If voting on an item does take place, decisions of the Board are made in accordance with the USL Constitution and the <i>Superannuation (Industry) Supervision Act 1993</i> that decisions are made with a two thirds majority of the total number of directors. Refer Rule 51 of the USL Constitution which reflects this requirement and stipulates that questions arising at any meeting shall be decided in accordance with the requirements of the <i>Superannuation (Industry) Supervision Act 1993</i>.</p>		
<p>2.5 The Chair of a profit-to-member superannuation fund Board must:</p> <ul style="list-style-type: none"> • Be appointed by the Board, and • Must satisfy all the requirements of skill and experience identified in the fund's skills matrix for the role of Chair. 	<input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply	<p>The Chair is appointed by the Board and satisfies the Fund's skills and experience requirements. As outlined in section 3.1.7 of Statement of Governance Practice and in accordance with Clause 52 of the USL Constitution, the Chair is elected by and from the full Board of Directors.</p> <p>The Board, or a selection panel convened at the Board's discretion in accordance with clause 3.3 of the Directors' Appointment, Renewal, Performance and Remuneration Policy, determines the selection criteria which includes a preferred skills profile and details of relevant experience requirements.</p>		As detailed above at section 2.2.

FY2020 REPORT: AIST GOVERNANCE CODE

Requirement	Compliance level Please select one:	Explanation	List changes made in FY2020	Planned improvement activities
2.6 The CEO must not be a director of the fund.	<input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply	<p>As detailed in the Statement of Governance Practice at clause 3.1.6- Structure of the Boards, all directors are non-executive and independent of management.</p> <p>The CEO is not a director of UniSuper Limited, the Trustee of the Fund.</p>		

FY2020 REPORT: AIST GOVERNANCE CODE

Requirement	Compliance level Please select one:	Explanation	List changes made in FY2020	Planned improvement activities
<p>2.7 A profit-to-member fund must:</p> <ul style="list-style-type: none"> • Have an induction program for new trustee directors and • Provide appropriate ongoing professional development and training opportunities to continuously enhance their skills and knowledge. 	<p><input checked="" type="checkbox"/> Full</p> <p><input type="checkbox"/> Partial</p> <p><input type="checkbox"/> Does not/cannot comply</p>	<p>Induction and ongoing training is provided to enable directors to properly meet their responsibilities. The induction program is structured to provide the new director with information on their responsibilities, corporate governance and Fund and Board policies and to reinforce their responsibilities and fiduciary duties as a trustee director. Induction also includes the new director meeting with each member of the Executive Leadership Team who provide a synopsis of each area of the business. Briefing sessions with the Board Chair, CEO, external and internal auditors and the Fund actuary also form part of induction training, providing an insight into the Fund’s structure and philosophy. All Directors are provided with access to information, current policies, licences and documents relevant to the Fund and their role on the Boards. Where warranted, new directors also attend a trustee director course specially designed for newly appointed directors run by an industry body</p> <p>The Board is also committed to continuous education thereby ensuring that directors’ skills and knowledge remain current and relevant. Ongoing training is provided, including briefings on legislative and regulatory change and its impact, investment updates and periodic Trustee/RSE Licensee training. Directors are encouraged to attend industry forums, briefings and external training sessions as relevant. (Section 3.2.4 Induction and training - Statement of Governance Practice).</p>		

FY2020 REPORT: AIST GOVERNANCE CODE

Requirement	Compliance level Please select one:	Explanation	List changes made in FY2020	Planned improvement activities
3.1 A profit-to-member superannuation fund must: <ul style="list-style-type: none"> Have a code of conduct for its Board, senior management and employees. This code, or a summary of it, must be publicly disclosed. 	<input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply	<p>The Code of Conduct, developed to promote professional, fair and ethical standards of behaviour for Directors, Officers, Committee Consultants and employees is available on the UniSuper website.</p> <p>The Code details the ethics and minimum standard of behaviour appropriate in any dealing with members, suppliers, fellow employees, directors or committee members</p>		
4.1 The Board of a profit-to-member superannuation fund must ensure the financial integrity of both the fund and the trustee entity.	<input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply	<p>Based on the financial statements for the most recent completed financial year, the Board is satisfied with the financial integrity of the Fund and the Trustee.</p> <p>Responsibilities of the Board are outlined in UniSuper's Statement of Governance Practice document which is publicly available on the UniSuper website. Reference may also be made to the Financial Statements which include the independent auditor's report as well as information on assets, income and liabilities and the report of the Fund Actuary.</p>	<p>Appointment of new Chief Operating Officer in November 2019.</p> <p>Finalisation of a new corporate structure of the finance team including new appointments (in June 2020).</p>	<p>Review and enhancement of fixed asset register.</p> <p>Review and update of fixed assets and intangibles policy.</p> <p>Review of control framework between project system and general ledger.</p>

FY2020 REPORT: AIST GOVERNANCE CODE

Requirement	Compliance level Please select one:	Explanation	List changes made in FY2020	Planned improvement activities
<p>4.2 A profit-to-member superannuation fund must ensure due process in all transactions and ensure that any related party transactions are conducted under market conditions with full transparency and disclosure.</p>	<p><input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply</p>	<p>The Fund has entered into an administration agreement and an investment management agreement with UniSuper Management Pty Ltd (USM), which is wholly owned by the Fund.</p> <p>Apart from USM, UniSuper does not invest in, or deal with, any related bodies and, because USM is an asset of the Fund, any profits which it generates benefit UniSuper members through dividends paid to the Fund or an increase in the value of the Fund's shareholding in USM.</p> <p>Written agreements are in place to govern the relationship between the Fund and USM. Steps are taken to ensure that those agreements reflect arms' length terms or that they are even better than arms' length terms from the Fund's point of view.</p> <p>With regard to the administration agreement, the services provided have been benchmarked against peer administrators and the overall fees paid by UniSuper members are objectively confirmed as being highly competitive. The Trustee is represented by legal advisers who prepare the terms on which USM are appointed to ensure that those terms are arms' length (or better) from the Fund's point of view.</p> <p>With regard to the investment management agreement, the legal terms reflect comparable terms to those on which external investment managers are appointed. Staff who are independent of the investment team review the terms of any new portfolio mandate to ensure that they are arms' length terms. A sub-committee of the Board personally reviews the investment performance of USM to avoid any conflict of interest which would otherwise exist if the management team were to be solely responsible for managing its own performance.</p>		<p>Review of member benefits associated with USM administrative agreement.</p>

FY2020 REPORT: AIST GOVERNANCE CODE

Requirement	Compliance level Please select one:	Explanation	List changes made in FY2020	Planned improvement activities
<p>4.3 The Board of a profit-to-member superannuation fund must:</p> <ul style="list-style-type: none"> Receive an attestation from the fund's CEO* and CFO* that the fund's accounts are a true and accurate reflection of the fund's financial position and that the financial records have been properly maintained, before approving the financial statements. In accordance with SPS510 an independent auditor must be appointed. The auditor must be fit and proper pursuant to SPS520 and must issue their opinion on the financial statements to the trustee and members of the fund. 	<p><input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply</p>	<p>In accordance with statutory and regulatory requirements and to assist in the verification of the compliance of the financial statements, a Letter of Representation signed by the CEO and Chief Operating Officer is provided initially to the Audit, Risk and Compliance Committee and subsequently to the Board. The Letter of Representation confirms that appropriate inquiries in relation to the preparation of the financial statements have been made and that these inquiries have enabled Management to make representations resulting in a certification of the system of risk management and internal compliance and control underpinning the preparation of the financial statements.</p> <p>Ernst & Young (EY) is the current external auditor and the relevant partner assigned to the Fund has been assessed as being fit and proper under the requirements of the Fit and Proper Policy.</p> <p>Each year, EY's lead auditor provides a declaration confirming that, in relation to the audit, there have been no contraventions of the auditor independence requirements of the <i>Corporations Act 2001</i> or applicable codes of professional conduct. The <i>Auditor's Independence Declaration</i> forms part of the Fund's Annual Financial Report.</p>		

* Titles may differ – please indicate the title of relevant manager/s undertaking attestation.

FY2020 REPORT: AIST GOVERNANCE CODE

Requirement	Compliance level Please select one:	Explanation	List changes made in FY2020	Planned improvement activities
<p>5.1 A profit-to-member superannuation fund must develop and implement a stakeholder engagement program, for effective disclosure of relevant and material issues. The program must provide opportunities for directors and senior management to communicate directly with stakeholders and for stakeholders to ask questions of them.</p>	<p><input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply</p>	<p>A robust stakeholder engagement plan incorporates the following stakeholders:</p> <ol style="list-style-type: none"> 1. Consultative Committee members 2. Shareholders 3. Universities 4. Unions 5. Regulators 6. Industry Bodies 7. Policy makers and parliamentarians 8. Members including the holding of an Annual Member Meeting <p>1. Consultative Committee Members The Consultative Committee, established in 1983 under the provisions of UniSuper Trust Deed and the UniSuper Ltd Constitution, provides a forum for members and employers to discuss important issues and to make key decisions associated with the governance and operation of the UniSuper Fund. It is also responsible for approving changes to the Trust Deed and nominating four directors to the Board. The Consultative Committee consists of 148 members who are nominated, appointed or elected from the 37 shareholder universities. Each university has four representatives, two appointed by the employer university, one elected by and from academic staff and one elected by and from professional staff.</p>	<p>Due to COVID-19 imposed restrictions, instead of the national roadshows, this year a virtual meeting was held.</p>	

FY2020 REPORT: AIST GOVERNANCE CODE

Requirement	Compliance level Please select one:	Explanation	List changes made in FY2020	Planned improvement activities
		<p>During the year Consultative Committee members engage with UniSuper through a dedicated email address or alternatively through the main communication channel, a secure website devoted to Consultative Committee members. The website provides specialised information and a forum for members to discuss matters with other members. The Consultative Committee meets once a year in November. This meeting, primarily held to vote on proposed Trust Deed changes, also provides an opportunity for Directors and senior management to meet with Consultative Committee members. At the meeting, the CEO and the Chairman of the UniSuper Limited Board brief Committee members on the previous financial year. Members of the Executive Leadership Team also present on topics such as investment performance and strategies, the financial position of the Fund, and new business initiatives.</p> <p>In July/August every year, several directors, the CEO, selected members of the Executive Leadership team and senior staff embark on a national Consultative Committee roadshow. The roadshow, convened in capital cities at UniSuper state offices, provide a forum for Consultative Committee members to ask questions of management and be updated on the Fund's performance and key operational, regulatory and legislative matters. Proposed Trust Deed changes which will be formally presented at the annual Consultative Committee meeting in November, are also discussed. This year, due to COVID-19 travel restrictions, the national</p>		

FY2020 REPORT: AIST GOVERNANCE CODE

Requirement	Compliance level Please select one:	Explanation	List changes made in FY2020	Planned improvement activities
		<p>roadshow was held as a webcast. Members were invited to attend the livestream and a recording of the webcast was also made available after the event.</p> <p>2. Shareholders Once a year, the Chairman and the CEO provide an update on the Fund's performance and present the financial accounts of UniSuper Limited at the Annual General Meeting, typically held in quarter three of the calendar year. It is an opportunity for the shareholders to ask questions and formally approve the appointment of directors nominated by the universities and academic or professional staff representatives of the Consultative Committee.</p> <p>3. Universities The CEO regularly meets with university Vice Chancellors and the Chief Customer Officer periodically meets with Human Resource Directors to keep them abreast of developments in the Fund and external environmental changes that may impact Fund performance or operations. The Employer Relationship team engages daily with university staff responsible for the administration of superannuation within the university assisting them to remain up to date as well as acting on feedback they give on the service offering being provided. University stakeholders are also kept informed via email updates and the periodical news magazine, <i>Super Matters</i> and a survey to gauge satisfaction with the service being provided is also undertaken annually.</p>		

FY2020 REPORT: AIST GOVERNANCE CODE

Requirement	Compliance level Please select one:	Explanation	List changes made in FY2020	Planned improvement activities
		<p>UniSuper also engages with Universities Australia – the peak body representing Universities in Australia. All the above initiatives ensure a strong partnership is in place to facilitate the delivery of great retirement outcomes for Fund members</p> <p>4. Unions The CEO and Chief Strategy and Marketing Officer have regular interactions with key Unions to keep them informed of important developments relating to the Fund. Focus in this area has increased in recent times with the plan to present regularly at union National Committee meetings once COVID-19 travel restrictions are removed.</p> <p>5. Regulators Interaction with Regulators occurs regularly ensuring they are kept well informed on key developments and Fund updates.</p> <p>6. Industry bodies As a member of several industry bodies UniSuper also makes a considered effort to work with relevant sub-committees to ensure contributions are made to the formation of industry policy. As a leading fund UniSuper has an important role to play in the strategic direction of superannuation in Australia.</p> <p>7. Policy makers, Parliamentarians UniSuper also believes it is important to engage policy makers directly. We do this to advocate with respect to issues that directly affect our membership. Typically, this involves making formal submissions to inquiries on issues that affect our members as well, at times, direct engagement with</p>		

FY2020 REPORT: AIST GOVERNANCE CODE

Requirement	Compliance level Please select one:	Explanation	List changes made in FY2020	Planned improvement activities
		<p>Parliamentarians on the impact proposed policies will have on the Fund to ensure that due consideration is given to particular issues facing our members.</p> <p>8. Members UniSuper engages with its members in multi-forms through several channels reactively and proactively. Proactive communication includes providing them an update on investment performance through videos as well as in person through retirement seminars in major cities across Australia. UniSuper also holds a series of seminars in universities to educate and provide updates to members, this, in addition to having a physical “store” presence in several university campuses across Australia.</p> <p>Annual Member Meeting UniSuper will hold its inaugural Annual Member Meeting in the first half of calendar year 2021. This will offer another opportunity to provide members with an update on the Fund and its performance. The meeting will be livestreamed as a webcast and the recording and minutes will be available online to members and the public after the event.</p>		

FY2020 REPORT: AIST GOVERNANCE CODE

Requirement	Compliance level Please select one:	Explanation	List changes made in FY2020	Planned improvement activities
<p>6.1 A profit-to-member superannuation fund must:</p> <ul style="list-style-type: none"> • Have a strong risk culture with a Board that provides robust oversight of the fund’s material risks. • The risk management framework must explicitly address factors that may erode the fund’s members-first culture. 	<p><input checked="" type="checkbox"/> Full</p> <p><input type="checkbox"/> Partial</p> <p><input type="checkbox"/> Does not/cannot comply</p>	<p>UniSuper fosters a culture of balanced risk taking, considering strategic benefits and potential impacts, in order to provide greater retirement outcomes to members. In setting the UniSuper Strategy and business plans, decisions are guided by the Board’s defined Risk Appetite, both from the perspective of risks that need to be reduced to protect the interests of members, and those that should be pursued for reward.</p> <p>UniSuper is committed to ensuring that risk management is part of everyday practice at all levels of management and is underpinned by a culture of transparency and accountability. To that end, UniSuper has a well-resourced and dedicated risk function, led by the Chief Risk Officer who is a member of the Executive Leadership Team.</p> <p>The Trustee has in place a Board approved Risk Management Framework that describes the processes, policies, structures and systems in place for the management of risks. It is designed to ensure material risks and key controls are identified and managed in accordance with the Risk Appetite Statement of the Board. Material risks are those that may have a significant impact on the Fund’s ability to serve the best interests of members and/or meet its strategic objectives and are further defined in the Risk Management Strategy.</p> <p>The Fund's material risks are identified and assessed by Management and are reported to the Board at each meeting. The reporting highlights the current control frameworks that are in place to mitigate the material risks and describes any risk remediation activities that are currently underway to enhance controls.</p>	<p>During FY2020, the Risk Management Framework, Risk Management Strategy and Risk Appetite Statement underwent a full review and refresh to ensure continued alignment with the UniSuper strategy and appropriate coverage of the material risks to the strategic objectives.</p>	<p>Continuous improvement.</p>

FY2020 REPORT: AIST GOVERNANCE CODE

Requirement	Compliance level Please select one:	Explanation	List changes made in FY2020	Planned improvement activities
<p>7.1 A profit-to-member superannuation fund must have policies and practices in place to attract and retain highly competent people, assessed relative to the size, nature and complexity of the fund. These policies and practices must be consistent with its responsibilities for maximising members' retirement outcomes and encouraging and rewarding ethical practices and behaviour.</p>	<input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply	<p>Information is provided in the document 'Remuneration at UniSuper' available on the UniSuper website:</p>	<p>No further changes made during FY20.</p>	<p>No planned improvement activities.</p>
<p>8.1 A profit-to-member superannuation fund must design and manage appropriate investment strategies having regard to member demographics and circumstances during both the accumulation and decumulation phases.</p>	<input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply	<p>Appropriate investment strategies have been developed suitable for members in both the accumulation and decumulation phases of their superannuation savings. Details of the investment strategies are available on the UniSuper website at Investment Options, performance and holdings.</p> <p>This information is also included in the publicly available, annual publication, "UniSuper in Review".</p>		