



USS Group Code of Conduct

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Opening remarks from the Group Chief Executive – Bill Galvin



Dear colleagues,

We have a privileged role, providing for the retirement outcomes of so many in the higher education sector. We must not take it for granted. Our position depends absolutely on the USS Group retaining the trust and confidence of the sector and our membership.

Trust is earned – it is created because of a belief in competence, and in a belief in the alignment of interests. That is why the core values of this organisation are so important: we strive for excellence in everything we do: we put the interests of the pension scheme and its beneficiaries first and foremost in our decision making; we put the interests of the organisation before our own business area or personal wishes in the way we go about our work.

At USS Group, we pride ourselves on our working environments, on the values we demonstrate every day, and on the things that set us apart from others in the industry. This code is to help codify that - it provides a reference point for how we should interpret that culture, underpinned by policies and procedures.

But the culture of an organisation is not about the words on any page – it is about how we behave with each other, and when nobody is looking. I depend on each of you to hold me and each other to the highest standards in these areas – and to say if you believe anyone is not behaving in line with the standards we expect of each other. How we respond to adverse situations, how we share information, and how we make ourselves available to our colleagues are key indicators of a strong and resilient culture – and you will find some expected standards laid out in this document.

I thank you all for the time you spend in reviewing the code. Please continue to hold me and each other to the highest standards.

Bill

1. Introduction

The USS Group has the following compliance documents:-

- the USS Group Code of Conduct;
- the USSL Compliance Manual; and
- the USSIM Compliance Manual.

To be clear, this document is the USS Group Code of Conduct.

This Code of Conduct provides a statement of, and guidance for, behaviours and business conduct and it applies to all USS staff irrespective of their location, function, grade or standing. This includes permanent staff, temporary staff, consultants and those similarly employed under a contract of service or contract for services to any USS Group company. The Code applies to both Universities Superannuation Scheme Limited and USS Investment Management Limited. In this Code of Conduct “USS” refers to both of these companies. This Code of Conduct also serves as a reference point for all aspects of an employee’s working relationships; specifically – but not exclusively – with other USS staff, suppliers, regulators, subcontractors and joint venture partners.

The objectives of this document are to:

- Define acceptable standards of conduct that form the foundation for compliance with USS policies and procedures
- Inform and inspire USS staff to work towards desired behaviours
- Support USS in its objective of being a leader in corporate responsibility
- Contribute to the fulfilment of USS governance obligations.

Due to the diverse nature of USS it is possible that USS staff will make decisions or face dilemmas that are not covered by this Code of Conduct. In such circumstances USS staff must seek the guidance of members of Compliance and/or their line manager.

2. Upholding Cultural Values

If you believe that your own or another employee’s behaviour contravenes the standards of business conduct outlined in this Code of Conduct and other supporting policies or if you have a genuine concern that something is simply not right, then it is vital that you raise the matter immediately. Concerns must be raised with your line manager, with the Chief Compliance Officer or under the Whistleblowing Policy, depending on the nature of the matter at hand. All concerns raised are taken seriously and fully investigated and no employee will be discriminated against in any way as a result of raising an issue in good faith. Matters can be reported anonymously where necessary through the whistleblowing hotline. Details of which can be found in the Whistleblowing Procedure.

3. Statement of General Principles

This Code of Conduct is designed to provide USS with a clear statement of ethical and cultural standards. Fiduciary businesses are generally held to a higher standard of

conduct than other businesses and, as such, there are special obligations that can apply. The following key duties and principles govern our conduct as fiduciaries:

- **Act in line with the Trust Deed and rules** – we have a duty to act in line with the Trust Deed and Scheme rules.
- **Best interests of USS** – we have a duty to act with reasonable care, skill and diligence in the best interests of USS and the Scheme beneficiaries and to avoid or manage conflicts of interest.
- **Compliance with applicable laws and regulations** – we have a duty to comply with the laws, rules and regulations of the jurisdiction in which we operate, and to comply with the terms of our agreements.
- **Confidentiality** – we must maintain the confidentiality of information relating to USS and comply with all data protection requirements.
- **Delegation of duties** – reasonable care, skill and caution must be exercised in the selection of agents or delegates and how we review their performance.
- **Relations with regulators** – we seek open and responsive relationships with our regulators.

4. Treating the Scheme and Stakeholders Fairly

We must always ensure that we have the interests of the Scheme at the forefront of everything we do. We are all in a position of trust and, as such, are expected to adhere to the highest ethical standards and to put the Scheme’s interests first at all times.

Set out below are some of the key principles that we must follow as we operate our business. These principles help to explain what “fairness” means in our relationship with the Scheme and with stakeholders:

- Dealing openly and honestly
- Acting with integrity
- Ensuring the information we give to stakeholders is accurate, fair, clear and not misleading, to enable them to understand and make informed decisions
- Ensuring where errors or omissions have occurred or been brought to our attention, where we are at fault, that there is no detriment to USS
- Ensuring we deal with complaints in a fair and timely manner
- Honour the promises and representations we make
- Ensure we consider the impact of our actions on all stakeholders.

4.1 Applying the Code Across Stakeholders

4.1.1 Our People

USS aims to provide a safe working environment in which USS staff are treated fairly and with respect, encouraged to develop, and rewarded on the basis of individual performance. USS is committed to ensuring equality of opportunity to all USS staff on the basis of merit. Discrimination or bullying of any kind is not tolerated.

4.1.2 The Scheme

We seek to create and maintain long-term and mutually beneficial relationships within USS and to develop and promote a climate of trust, fairness, transparency, innovation and reliability.

In essence, we are committed to being clear about what is expected of us and delivering against those expectations. We also seek to understand the needs of the Scheme, the employers, the members and other beneficiaries.

4.1.3 Our Suppliers

We seek mutually beneficial relationships with suppliers, based on merit. It is unacceptable for any business dealing to be influenced by any inducement. We are committed to comply with the UK Bribery Act legislation.

4.1.4 Business Integrity

4.1.4.1 Fair Competition

In general, competition law prohibits companies from being involved in anti-competitive agreements or conduct. Some examples of such activities are fixing prices, restricting the supply of goods or services, bid rigging and market sharing. USS is committed to free and fair competition and to abiding by the laws and regulations which apply wherever it does business.

4.1.4.2 Conflicts of Interest

A conflict of interest exists whenever competing business or personal interests impair disinterested professional judgement or the ability to act in the interests of USS. We must take appropriate measures to recognise and manage situations where a conflict of interest might arise.

4.1.4.3 Management and Use of Information - Confidential Information

USS information must be held in the strictest confidence and in compliance with legal and regulatory requirements. Without specific authorisation, no employee is allowed to provide information to the press or discuss internal matters outside USS.

4.1.5 Company Assets and Systems

All USS staff are responsible for safeguarding any USS assets and systems under their control or accessed as part of their work. Assets can include funds, information, physical or intellectual property, and business development opportunities. Misappropriation of assets or misuse of USS systems may lead to disciplinary action and in certain cases may constitute a criminal offence. USS staff should not copy or distribute material which may infringe licensing agreements or copyright.

4.2 External Communication

USS is committed to openness and transparency in communicating with external audiences and seeks a constructive relationship with key stakeholders, including the Scheme's members, regulators, government, media and community and non-

governmental organisations. Senior management authorisation must be obtained for any public presentation of information and for any statement or expression of views that could be associated with USS. All information provided through the correct channel in our public and internal communications should be honest, accurate, timely and understandable.

4.3 Communications with Regulators

Delivering on USS's commitments and maintaining an open and clear dialogue with regulators is key to achieving excellence in compliance and meeting our regulatory obligations. All communications with regulators must be prompt, accurate and professional, and must (unless otherwise agreed with the CEO) be co-ordinated through the Group General Counsel.

4.4 Combating Financial Crime

USS recognises the critical importance of protecting the integrity of the global financial system by managing risks arising from financial crime and requires all USS staff to comply with the USS Group Anti-Bribery and Corruption Policy and USS Group Anti-Money Laundering Policy.

4.4.1 Bribery and Corruption

Bribes can take many forms, including the offer or acceptance of direct or indirect payments, services, charitable donations, sponsorships, gifts, entertainment or preferential treatment. We do not offer or accept bribes in any circumstances and demand the same of our business partners.

4.4.2 Gifts and Entertainment

USS Staff must never use gifts and hospitality to influence the business decision-making process or cause others to perceive an influence. The use of gifts and hospitality in such a manner constitutes an improper payment for the purposes of the USS Group Gifts and Hospitality Policy.

4.4.3 Personal Account Dealing

USS have established personal account dealing guidelines to ensure we carry out our investment activities using the highest level of integrity, and to protect USS and its staff from the risk or perception of insider trading, the potential for civil liability and the risk of embarrassing public criticism. Accordingly, all USS staff are required to comply with the USS Group Personal Account Dealing Policy.

4.5 Event Identification and Reporting

USS Group has established an Event Identification and Reporting Policy which requires all USS staff to report errors, breaches, operational losses and 'near misses' (as defined in the policy) within 24 hours. USS is committed to the highest possible standards of openness and accountability, and to the consistent and transparent identification and reporting of all events.

5. Your Responsibilities

All USS staff must be familiar with this Code of Conduct.

It is your responsibility to comply with relevant legal and regulatory requirements and behave in an ethical manner. This Code of Conduct cannot anticipate every possible situation or cover every topic in detail. USS has established special policies to address specific subjects and will update this Code of Conduct and those specific policies from time- to-time. If you are unclear about a situation, stop and ask for guidance before taking action.

Any violation of this Code of Conduct may result in disciplinary action, up to and including termination of employment. USS may also seek civil remedies from you and even refer criminal misconduct to law enforcement agencies.

If you have any questions please speak with your line manager or with the Chief Compliance Officer.

If you are aware of a violation and are uncomfortable speaking with any of these people or wish to remain anonymous, you may consider it appropriate to bring the matter to the attention of a Board member or the CEO or utilise the Whistleblowing Policy.

In addition to being familiar with this Code of Conduct:

- Staff involved with Scheme administration and other trustee activities must read and understand the USSL Compliance Manual; and
- Staff involved with investment management activities must read and understand the USSIM Compliance manual.