



## Stakeholders and affiliations



*UCA Funds Management also has a number of funds certified by the Responsible Investment Association Australasia (RIAA) for Ethical Investment.*

*Signatory of:*



*Portfolio Manager Tim Starke has also been a part of the PRI Australian Advisory Committee for the last three years.*

*Signatory of:*



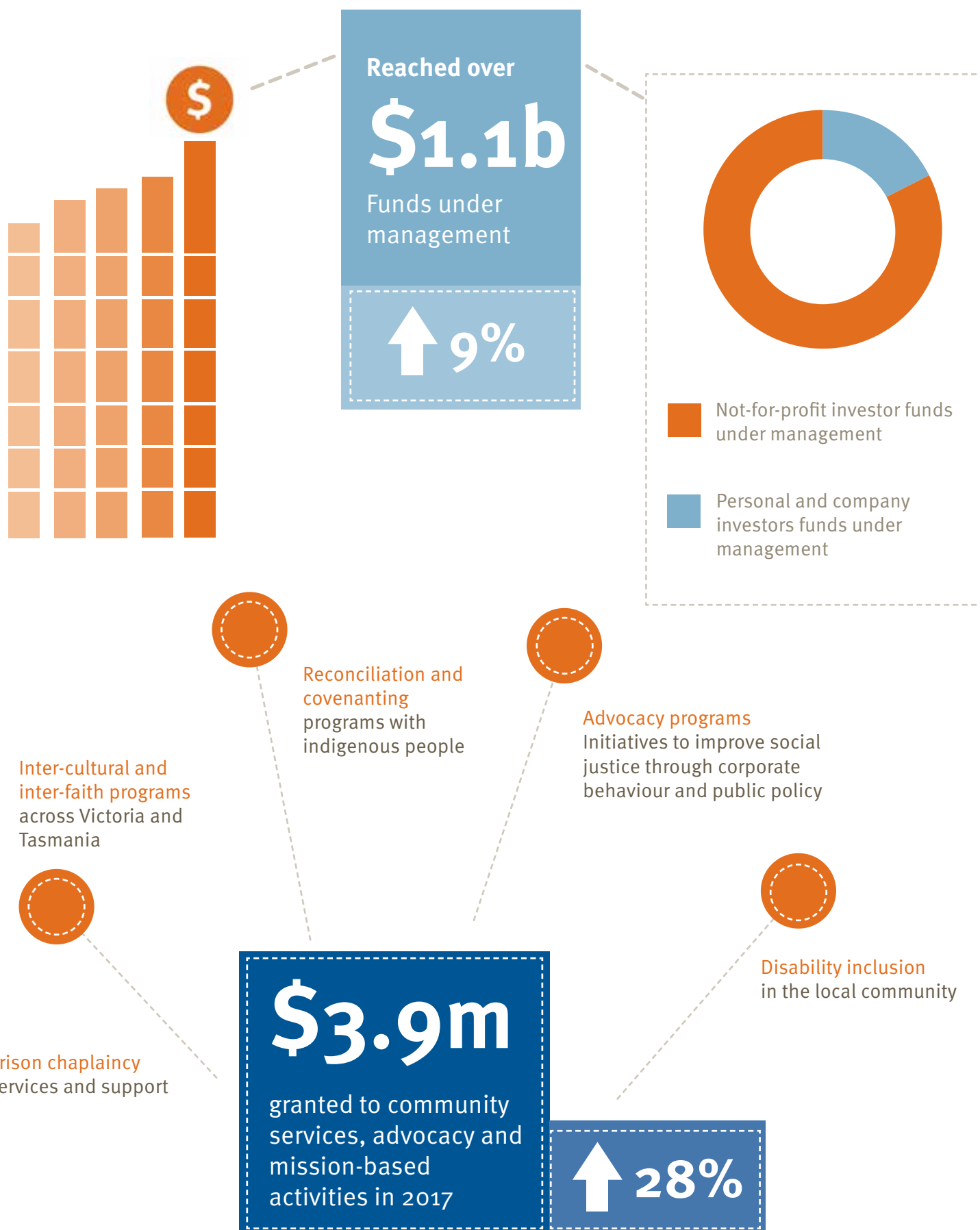
GRI reference: G4-15; G4-16



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## The report at a glance



GRI reference: G4-9



## New ethical discussion group formed in 2017

Learn about the Ethical Consultancy Group on page 27

## Continued gender equality initiatives

Encouraging ASX listed boards to target 30% female board representation (See page 25)

## New Director Investments

Meet James Cook on page 21



## Distributed \$49 million in investment income

See more financial information on page 43

## More impact focused reporting and events

(See page 23)

### Our clients

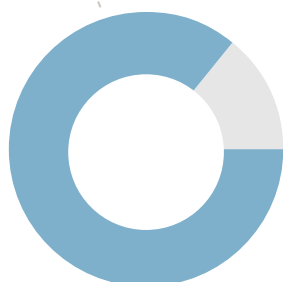
**4,233** personal investors and companies

**645** Not-for-profit groups

**86%**

of clients would recommend UCA Funds Management's services

More client survey results on page 32



**88%**

staff satisfaction

More staff survey results on pages 47 and 48



## Gender equal board

Equal non-executive director membership

GRI reference: G4-9

Who are we?



Granted more than

**\$58m**

to community services,  
advocacy and  
mission-based  
activities since 1995.

Almost

**5,000**

ethically minded  
investors Australia  
wide, including more  
than 600 charities  
and community  
organisations.

Established in

**1985**

as a dedicated ethical  
fund manager and  
social enterprise.

## UCA Funds Management is an ethical fund manager with a difference. We believe in better investments, better returns, and a better world.

Unlike other fund managers, we grant most of our operating surplus to community and mission activities to support those that need it most. With advocacy a part of our DNA, we spearhead campaigns on social issues to influence change.

We are joined by almost 5,000 investors who want to make a difference and protect the world. And we are committed to helping our investors achieve these goals.

**Together we can make a difference.**

### Our approach

360° ethical® investing represents our business approach and commitment to the service we provide. It also illustrates the impact you have as an investor with UCA Funds Management.



#### Invest in the future

Your future and a sustainable future for the next generation.



#### Support companies doing good

Invest in companies that are impacting the world for the better.

#### Support the community

Providing funds to support community services, advocacy work and mission activities.



#### Be an active voice for change

Be an influencer of social change and community impact.



**360°  
ethical®  
investing**

GRI reference: G4-8; G4-56; G4-DMA: Economic performance



A young girl with long, wavy brown hair and a blue hair clip is laughing joyfully in a grassy field. A small, fluffy yellow chick is perched on her head. The background is a soft-focus green field with trees.

Better investments

More than 9 in 10 Australians  
expect their investments to  
be invested responsibly and  
ethically.

“From Values to Riches” report, Responsible  
Investment Association of Australasia (RIAA)



## Seeking the good, excluding the bad

At UCA Funds Management, extensive research is conducted before a company is selected for investment. The Investment Team not only looks at the company's performance, but also evaluates the economic prospects of their contribution to a sustainable future. We conduct both positive and negative screening to ensure you are supporting companies doing the right thing and avoiding those that have a negative impact on the world around you.

### Positive screening

Searching to invest in companies which promote human welfare, dignity and respect, and whose purpose is for the general good.

- ✓ Clean energy
- ✓ Recycling
- ✓ Employment
- ✓ Healthcare
- ✓ Community services

### Negative screening

Analysing a company's products, services and practices, excluding those that have a negative effect on society or the environment.

- ✗ Armaments
- ✗ Uranium
- ✗ Gambling
- ✗ Alcohol production
- ✗ Tobacco manufacturing
- ✗ Pornography
- ✗ Thermal coal mining and exports
- ✗ Unconventional oil and gas extraction

**Table 1: Positive investments in each fund as at 31 December 2017**

As part of our Ethical Investment Policy, we aim to have a minimum of 10 per cent of each portfolio in positive investments. Currently, we would classify 11 per cent of stocks as positive investments in the S&P/ASX 300 Accumulation Index (S&P/ASX 300).

Fund	Positive investments (%)
UCA Enhanced Cash Portfolio	11.1
UCA Growth Portfolio	21.7
UCA Australian Equities Portfolio	24.9
Uniting Ethical Enhanced Cash Trust	11.1
Uniting Ethical Australian Equities Trust	23.6
Funeral Fund	11.1
S&P/ASX 300	11.5

GRI reference: FS10; FS11

Table 2: Positive companies as at 31 December 2017

Company	Industry
The A2 Milk Company	Milk and baby formula
Bendigo and Adelaide Bank	Community banking
Cardinal Health	Healthcare
CSL	Plasma, biotech
<b>Ecolab</b>	Water efficiency
G8 Education	Early childcare education
Glaxosmithkline	Pharmaceuticals
InvoCare	Funerals
Mayne Pharma	Pharmaceuticals
Monash IVF Group	IVF treatments
Novo Nordisk	Diabetes
Koninklijke Philips	Healthcare
Ramsay Health Care	Private hospitals
ResMed	Sleep disorder treatment
<b>Seek</b>	Employment services
Sonic Healthcare	Medical diagnostics



Created right here in Melbourne, SEEK is the global leader in the creation and operation of online employment markets. SEEK makes a positive contribution to people's lives through connecting more people to relevant job opportunities, using its marketplace scale and technology to build radically more efficient and effective employment marketplaces.

Core to delivering on SEEK's purpose is education. SEEK's education businesses are focused on helping working adults achieve their career aspirations via online learning and providing independent education and career insights.

[www.seek.com.au](http://www.seek.com.au)



Ecolab is the global leader in water, hygiene and energy technologies and services that protect people and vital resources. The company is a trusted partner at nearly three million customer locations. It delivers comprehensive solutions, data-driven insights and on-site service to promote safe food, maintain clean environments, and optimise water and energy use. Ecolab improves operational efficiencies for customers in the food, healthcare, energy, hospitality and industrial markets around the world. Its innovative solutions touch virtually every aspect of daily life, and many of the world's most recognisable brands rely on Ecolab to help ensure their product integrity and brand reputation.

[www.ecolab.com](http://www.ecolab.com)

GRI reference: FS10, FS11

## Why is ethical investing important to me?

*Supporting people to live and age well is at the heart of everything we do. Being able to invest in areas of the community and social services that impact people for good is a natural extension of that support.*

Andrew Kinnersly, Chief Executive Officer  
**Uniting AgeWell**  
(Charity investor)





**Table 3: Excluded stocks as at 31 December 2017**

We regularly review the companies (stocks) that are included in the S&P/ASX 300 against the elements of our Ethical Investment Policy. The following stocks are excluded from investment by UCA Funds Management as they are materially and directly involved in activities that could have a negative effect on society and the environment. See page 9 for a full list of industries and practices that we exclude from investment.

Company	Excluded for
Ainsworth Game Technology	Gambling
Aristocrat Leisure	Gambling
Austal	Armaments
AWE	Shale gas
Beach Energy	Coal seam gas
BHP Billiton	Uranium mining, thermal coal, shale gas
CIMIC Group	Human rights (corruption)
Coca-Cola Amatil	Alcohol production
Crown Resorts	Gambling
Domino's Pizza Enterprises	Human rights (labour justice)
Hotel Property Investments	Gambling
Nine Entertainment Co. Holdings	Gambling
Origin Energy	Coal seam gas
Rio Tinto	Uranium mining, thermal coal
Santos	Coal seam gas
Senex Energy	Coal seam gas
Sino Gas & Energy Holdings	Shale gas
Skycity Entertainment Group	Gambling
South32	Thermal coal
Sundance Energy Australia	Shale gas
Syrah Resources	Uranium mining
Tabcorp Holdings	Gambling
The Star Entertainment Group	Gambling
Thorn Group	Lending practices
Treasury Wine Estates	Alcohol production
Whitehaven Coal	Thermal coal
Woolworths	Gambling, alcohol production



We monitor these excluded stocks for improvements in behaviour and for signs of renewed community support. If a company demonstrates improvement, we will reconsider it for investment. With this flexible and dynamic investment approach, we ensure a company has the opportunity to rectify its actions and we do not banish it forever due to past 'sins'.

## Looking past the surface: The importance of supply chain transparency

Last year Domino's Pizza made the news for all the wrong reasons. It was underpaying workers and exploiting migrant labour. Although Domino's is not a part of our portfolios and is now on our excluded stocks list, this behaviour would have made many non-UCA Funds Management investors wealthy – with its share price surging more than 2000 per cent since its entry to the market in 2005.

As ethical investors, it is our duty to look at a company's profitability as well as interrogate the inputs and outputs of the business. One of the key pillars of the Ethical Investment Policy is to avoid investing in companies that cause or perpetuate injustice and suffering, and that infringe human rights.

We take this stance from a social justice perspective and to seek out companies that strive for excellence across their business. This includes how a company treats its suppliers and other production inputs, such as underpaying and exploiting workers (in the case of some Domino's franchises). However, sometimes this uncovers more serious supply chain issues and concerns.

As ethical investors, it is our duty to look at a company's profitability as well as interrogate the inputs and outputs of the business.

### Modern slavery

Due to the power and influence of large companies' global supply chains, civil society, governments and investors have forced companies to increase supply chain transparency and take 'ownership' of human rights issues that may occur. This demand has led to a raft of proposed or new legislation in California, the UK and the EU in order to combat human trafficking and 'modern slavery'.

Through product consumption and investments, we might be exposed to companies that — unwittingly or not — perpetuate such injustices. It is not just an emerging market story. 'Modern slavery' is close to home, with justice issues apparent in places such as temporary labour hire in the Australian agriculture and food industries.

'Modern slavery' includes child labour and involuntary labour through force, fraud or coercion, including those in debt bondage. The Global Slavery Index 2016 indicates there were 45.6 million slaves globally. Sadly, due to the hidden nature of these practices, the true figure is most likely higher. For this reason, in March 2017 UCA Funds Management signed the Principles for Responsible Investment

(PRI) sponsored Investor Statement on the Introduction of a Modern Slavery Act for Australia.

In December the final report of the Inquiry into establishing a Modern Slavery Act in Australia was tabled in Parliament. It recommends the provision of an independent Anti-Slavery Commissioner and mandatory supply chain reporting requirements of modern slavery risks for companies with more than \$50 million in revenue, to be housed in a central data repository. Other recommendations include labour hire company licensing, a compensation scheme and other slavery risk mitigation and support measures.

Most UK holdings within the international component of the UCA Growth Fund now issue annual anti-slavery statements online. As a result of social-risk mapping requirements for their overseas supply chains, Australian companies are also primed for this level of reporting. While we have always addressed egregious social harms within stock selection, increasing the supply chain due diligence threshold raises the bar to a new level of responsible, ethical investment.

## Better returns

Distributed more than

**\$49m**

to investors as  
investment income  
in 2017.

More than

**\$1.1b**

Funds under  
management as at 31  
December 2017.

Reached

**\$3.4m**

in capital reserve as at  
31 December 2017.



## Statement from the Chairperson

UCA Funds Management had a successful 2017. This was based on the foundations created in earlier years and was the culmination of the five year tenure of Chief Executive Officer Michael Walsh.

With Michael retiring in 2018, the success of the business during his tenure can be measured by six key performance indicators:

- › investment performance
- › income distributions
- › growth in funds under management
- › operating surplus and grants
- › client satisfaction and service
- › staff engagement and satisfaction

Reviewing investment performance, 2017 presented itself as another year of the ‘Goldilocks’ scenario – an economy that is neither too hot nor cold, sustaining moderate growth and rising asset values.

Share markets continued to rally. Buoyed by rising earnings and a renewed confidence from synchronised global growth, they posted strong returns. Traditional risk signals – such as market volatility, a strong US Dollar or Japanese Yen, and hoarding of cash or gold – did not eventuate.

Throughout the year, the Reserve Bank of Australia (RBA) decisions on the cash rate were carefully scrutinised by commentators. With potentially up to one-third of Australian households in financial stress, the RBA had reason to be wary of a major downturn in the property market. The bank maintained an official cash rate of 1.5 per cent – unchanged since August 2016.

For 2017, the enhanced cash funds (UCA Enhanced Cash Portfolio, Uniting Ethical Enhanced Cash Trust and Funeral Fund) performed solidly. These funds distributed income that compared favourably with cash management accounts or one-year term deposits from the major banks.

The UCA Growth Portfolio, UCA Australian Equities Portfolio and Uniting Ethical Australian Equities Trust (Equities Trust) benefitted from double-digit

share market returns, with the two portfolios also outperforming their benchmarks. The Equities Trust did not perform as strongly. This was a result of some smaller company exposures.

Importantly, the pattern of fund out performance has been similar for these funds over the last five years.

Income distributions on all funds were again at, or close to, their forecasts. As expected, the yields on funds invested in growth assets (such as shares and listed property trusts) were higher than the enhanced cash funds (which invest in cash, fixed interest, mortgages and community impact loans).

In 2017, we were able to grow our funds under management by 9.2 per cent to \$1.12 billion (see chart 1). This brings overall funds growth to 37 per cent over the last five years, attributable to both new assets under management and appreciation of existing assets.

During 2017 we saw management fee income increased while expenses were tightly restrained. This resulted in our operating surplus growing by 20 per cent to \$3.9 million, and enabled an annual grant to the Uniting Church in Australia, Synod of Victoria and Tasmania, of \$3.9 million – a 28 per cent increase from 2016 (see chart 2).

Moving to ethical investment practices, a highlight of the year was traction on our campaign to restrict the use of credit cards for online gambling. After continued engagement with the banks, we expect some restrictions will be implemented in the coming year. Another highlight has been our efforts to see more women appointed on ASX-listed boards. We have been active in this space through proxy voting, engagement letters to ASX-listed companies and leading by example with our own Board appointments (see page 25 for more).

Improvements in client engagement and reporting were implemented based on feedback from last year’s client survey. These included more ethical investing and financial sustainability focused events for not-for-profit organisations. We also improved client reporting by amending the frequency and method of delivery.

*GRI reference: G4-1; G4-2; G4-13; G4-DMA: Economic performance; G4-DMA: Employment; G4-DMA: Occupational health and safety; G4-DMA: Training and education; G4-DMA: Equal remuneration for women and men; G4-DMA: Non-discrimination; G4-DMA: Anti-corruption; G4-DMA: Product and service labelling; G4-DMA: Customer privacy*

We are happy that staff satisfaction levels from last year have again improved in the current year's survey, with 88 per cent overall staff satisfaction. This high level of engagement in the face of changes in leadership, regulations and businesses practices reflects well on our management team and is a testimony to a resilient organisational culture.

At the end of 2017, John Etherington retired after ten years on the board. During John's 18 months as Chairperson he set a high standard of stewardship and governance for the organisation. I would also like to thank John for helping to ease the path for me to take on the role of Chairperson.

With the expected retirement of Michael Walsh, the board undertook an extensive search process for a new CEO. We are delighted to welcome Mathew Browning to this position. Mathew is a highly experienced investment professional who we consider well qualified to develop and implement our ethical investment growth strategy. We want to continue to provide competitive financial returns for our investors, but also to maximise our social impact.

I am pleased to welcome Fiona Pearse to the board, who comes to us as a seasoned non-executive director with significant experience in business and the not-for-profit sector.

Finally in addition to John and Michael, I wish to thank all board members and staff for their dedication to serving our clients and commitment to the 360° ethical® investing approach – an essential part of the business – and, most importantly also, our investors for their continued loyalty, feedback and support.



**Dr David Cousins AM**

Chairperson



Financial reporting and fund performance as at 31 December 2017 can be found in section "Our performance" on page 42

*GRI reference: G4-1; G4-2; G4-13; G4-DMA: Economic performance; G4-DMA: Employment; G4-DMA: Occupational health and safety; G4-DMA: Training and education; G4-DMA: Equal remuneration for women and men; G4-DMA: Non-discrimination; G4-DMA: Anti-corruption; G4-DMA: Product and service labelling; G4-DMA: Customer privacy*

## Note from new Chief Executive Officer

It is a great privilege to have been selected to lead UCA Funds Management. I'm excited to be a part of the company's deep ethical investment heritage and to have joined its passionate team.

It is a truism that we stand on the shoulders of those who came before us. Accordingly, my sincere thanks go to Michael Walsh. In particular, Michael led UCA Funds Management through a major transformation, including securing a comprehensive Australian Financial Services Licence in 2016 and enabling significant service enhancements through our arrangements with Northern Trust. These achievements provide us with strong foundations to serve our existing clients better and to grow.

Over the next five years, our aim is to increase the annual grant we give to community services, advocacy and mission-based activities. I will be working with the leadership team on refreshing our strategy to deliver on this aspiration centred around three pillars:

1. Visibility – becoming better known by a broader community of investors for our ethical authenticity and investment capabilities
2. Accessibility – creating investment solutions that meet varying client needs and making them available on relevant investment platforms
3. Performance – ensuring we continue to deliver competitive investment performance for all our clients

I look forward to working with the board and the wonderful team at UCA Funds Management to strengthen our position in the sector and to leading us into new areas of innovation and growth.

I hope to meet many of you at upcoming events as we journey together towards our vision of better investments, better returns and a better world.

**Mathew Browning**  
Chief Executive Officer

Chart 1: Funds under management over the past 10 years

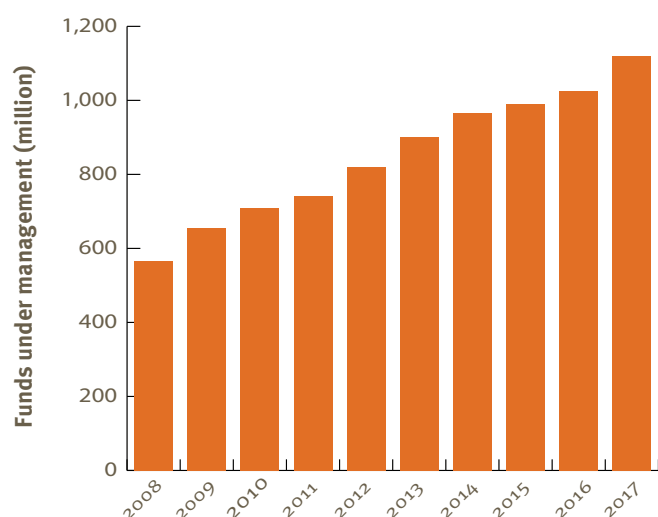


Chart 2: Operating surplus over the past 10 years

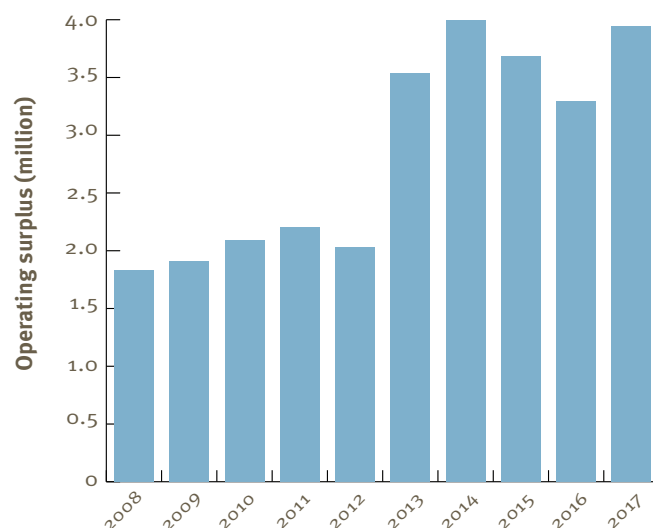


Chart 3: Funds under management and administration breakdown

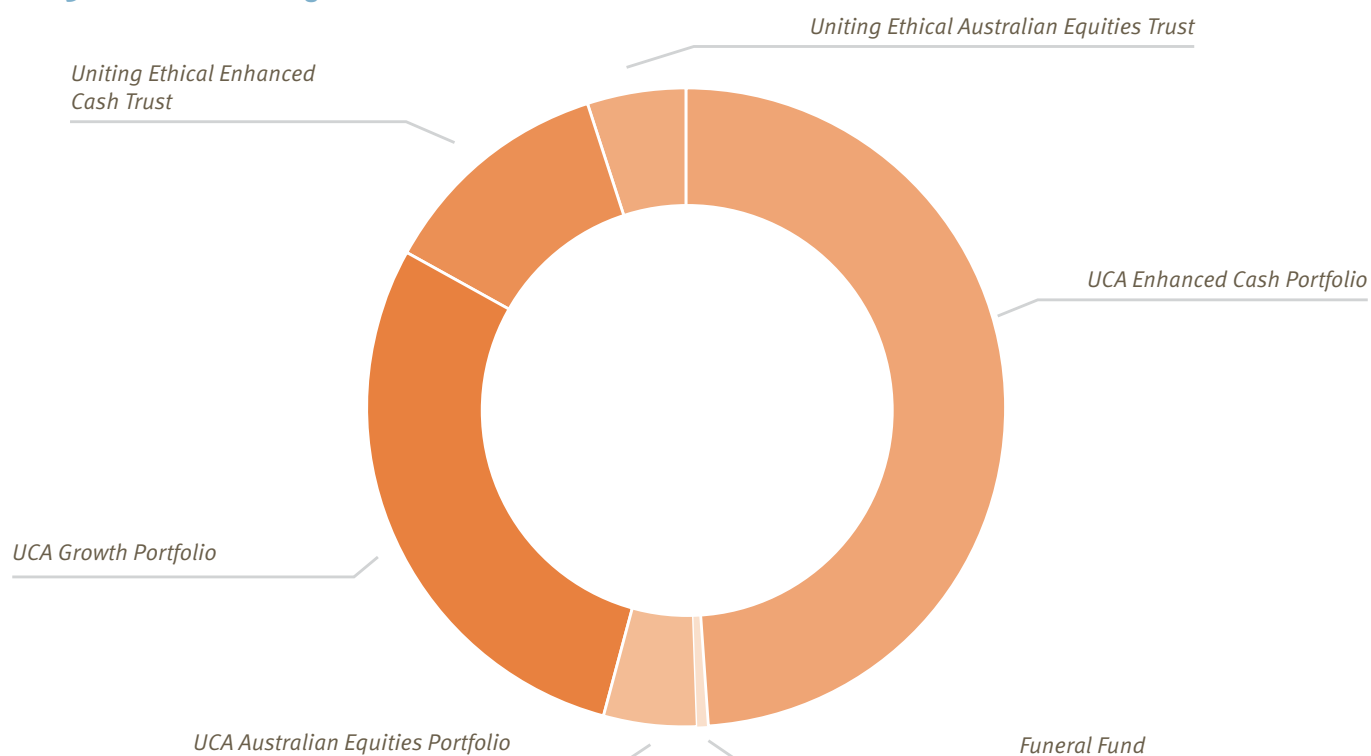


Table 4: Fund size as at 31 December 2017

Funds	Fund size (million)
UCA Enhanced Cash Portfolio	723.8*
UCA Growth Portfolio	321.7^
UCA Australian Equities Portfolio	292.4
Uniting Ethical Australian Equities Trust	54.0
Uniting Ethical Enhanced Cash Trust	132.9
Funeral Fund	4.8

\* Figure includes funds invested from the Uniting Ethical Enhanced Cash Trust and Funeral Fund

^ Figure includes funds invested in UCA Australian Equities Portfolio

GRI reference: G4-8



**Table 5: Summary of investment performance to 31 December 2017**

This table shows the performance of each fund compared with its benchmark as well the fund's relative performance.

Funds	1 year %	5 years % p.a.	10 years % p.a.	20 years % p.a.	Inception % p.a.	Inception date
<b>UCA Enhanced Cash Portfolio</b>	2.63	3.48	4.62	5.16	7.42	1 Jul 1985
Benchmark <sup>1</sup>	2.00	2.59	4.19	4.86	–	–
Relative performance	0.63	0.89	0.43	0.30	–	–
<b>UCA Growth Portfolio</b>	11.57	11.33	5.17	9.30	10.26	1 Jul 1985
Benchmark <sup>2</sup>	10.59	10.68	4.26	–	–	–
Relative performance	0.98	0.65	0.91	–	–	–
<b>UCA Australian Equities Portfolio</b>	12.40	10.41	4.76	8.63	10.75	1 Jan 1986
Benchmark <sup>3</sup>	11.94	10.15	4.00	8.83	10.22	–
Relative performance	0.46	0.26	0.76	-0.20	0.53	–
<b>Uniting Ethical Australian Equities Trust</b>	9.08	8.89	4.39	–	8.05	7 Jul 2003
Benchmark <sup>3</sup>	11.94	10.15	4.00	–	9.53	–
Relative performance	-2.86	-1.26	0.39	–	-1.48	–
<b>Uniting Ethical Enhanced Cash Trust</b>	2.35	3.12	4.18	4.50	6.05	1977
Benchmark <sup>1</sup>	2.00	2.59	4.19	4.86	–	–
Relative performance	0.35	0.53	-0.01	-0.36	–	–
<b>Funeral Fund</b>	2.35	3.12	4.18	4.50	4.56	2 Feb 1997
Benchmark <sup>1</sup>	2.00	2.59	4.19	4.86	4.62	–
Relative performance	0.35	0.53	-0.01	-0.36	-0.06	–

Based on exit price with distributions reinvested, and are net of all fees. UCA Enhanced Cash Portfolio, UCA Growth Portfolio and UCA Australian Equities Portfolio performance includes reinvested franking credits.

From 1 October 2015, the Uniting Ethical Australian Equities Trust moved to a 100% Australian equities fund from previously having an 80% Australian equities and 20% cash allocation.

<sup>1</sup> 50% Bloomberg Bank Bill Index (0+yr) Maturity and 50% Bloomberg Composite Bond Index 0 – 3 Year Maturity

<sup>2</sup> Composite reference index based on the following: 70% S&P/ASX 300 Accumulation Index, 10% MSCI World Ex Australia Net Total Return Index (AUD), 10% S&P/ASX 300 Real Estate Accumulation Index, 5% Bloomberg Bank Bill Index, and 5% Bloomberg 0–3 year Bond Index.

<sup>3</sup> S&P/ASX 300 Accumulation Index

UCA Funds Management has been certified by the Responsible Investment Association Australasia (RIAA) according to the strict disclosure requirements under the Responsible Investment Certification Program. The Certification Symbol signifies that an investment product or service takes environmental, social, ethical or governance considerations into account along with financial returns. Developed in response to investor requests for help in making informed choices, the Symbol and Certification Program promotes consistent, standardised disclosure and education about responsible investment products and services. The Symbol does not constitute financial advice by RIAA. See [www.responsibleinvestment.org](http://www.responsibleinvestment.org) for details.



**Table 6: Portfolio composition list as at 31 December 2017**

Below is a list of all shares and issuers included in our portfolios and trusts as at 31 December 2017.

Company	
<b>Australian shares</b>	
Abacus Property Group	Oil Search
Afterpay Touch Group	Qantm Intellectual Property
Amcor	QBE Insurance Group
Australia and New Zealand Banking Group	QMS Media
Australian Unity Office Fund	Ramsay Health Care
Bluescope Steel	REA Group
Boral	ResMed Incorporated
Carsales.com	Scentre Group
Charter Hall Group	Seek
Commonwealth Bank of Australia	Sonic Healthcare
CSL	Southern Cross Media Group
Fortescue Metals Group	Stockland Group
G.U.D. Holdings	Suncorp Group
G8 Education	Telstra Corporation
Goodman Group	The A2 Milk Company
GPT Group	The Reject Shop
InvoCare	Transurban Group
JB Hi-Fi	Vicinity Centres
Lendlease Group	Wesfarmers
Macquarie Group	Westfield Corporation
Mayne Pharma Group	Westpac Banking Corporation
Monash IVF Group	Woodside Petroleum
National Australia Bank	
<b>International shares</b>	
Alphabet	Mastercard
Apple	Novo Nordisk
Berkshire Hathaway	Samsung Electronics
Cardinal Health	SAP
CME Group	TJX Companies
Ecolab	Unilever
GlaxoSmithKline	Union Pacific Corporation
Home Depot	United Parcel Service
Koninklijke Philips	Visa
<b>Cash and fixed interest issuers</b>	
Australia and New Zealand Banking Group	ING Bank (Australia)
Bank of Queensland	National Australia Bank
Bank of Western Australia	Securitised Debt
Bendigo and Adelaide Bank	Suncorp Group
Commonwealth Bank of Australia	Westpac Banking Corporation

## Why is ethical investing important to me?

*Our investment in UCA Funds Management underscores our commitment to ESG [environmental, social and governance] principles. It also delivers the prospect of good returns to our members and a brighter future for our communities.*

**NGS Super**

UCA Funds Management institutional investor

**ngs  
Super**

Your fund.  
Your wealth.  
Your future.



To learn about your impact as an investor, see section “Better world” on page 24.



## Our investment team

In 2017 we expanded our investment team to increase the level of service and investment knowledge available to clients. Bridgette McDonald joined the team in January as an Investment Specialist, with Matthew Ball appointed Investment Analyst in May. James Cook joined as Director Investments in August 2017.

The investment team reports to the Investment Committee, chaired by Ms Gayle Wilson. The committee is governed by a charter which provides strategic guidance and effective management oversight (read more on page 34 “Governance”).



**James Cook**  
**Director Investments**

*BEco, RG146*

James’ 32 years of portfolio and senior management experience in Australia and the UK brings a high level of economic and investment expertise to the team. The bulk of his career has been in funds management, across Australasian, Asian and international equity portfolios, both as a direct investor and a manager of managers. His most recent experience involved managing diversified portfolios for charities and not-for-profit groups. As well as managing the investment team, James is responsible for the formulation of investment strategy and overall management of the portfolios.



**Noel Bryant**  
**Senior Portfolio Manager**

*AdvDip Option Theory [Chicago],  
CTA, CA[SA]*

Noel manages the UCA Enhanced Cash Portfolio and the Property Trust. He also leads debates on voting intentions at company Annual General Meetings. With more than 40 years’ experience in funds management and stockbroking, Noel has managed multi-billion dollar, fixed interest portfolios for major institutions in both South Africa and Australia.



**Tim Starke**  
**Portfolio Manager**

*BCom, Accredited Derivatives Advisor Level 1 and 2, PS146,  
PRI RI Essentials*

Tim focuses on domestic equities, managing our Uniting Ethical Australian Equities Trust and the UCA Australian Equity Portfolio. He is also responsible for monitoring company compliance within the Ethical Investment Policy and liaising with corporate boards. With more than 15 years’ experience with leading global institutions, Tim has specialist knowledge in a variety of roles including portfolio strategy and complex investment instruments.



*Investment Committee Chair, Ms Gayle Wilson*



**Jon Fernie**  
**Senior Investment Analyst**

*B Com, CFA*

Jon is primarily responsible for key stock and sector equity research ideas in both domestic and international portfolios. In addition, he provides ongoing risk analysis and in-depth monitoring of portfolios. He has more than 10 years' experience in the financial services industry in both Australia and the UK, with previous roles in equities research and wealth management.



**Bridgette McDonald**  
**Investment Specialist**

*BA, GradDip BS, PGDip DevS*

Specialising in ethical investing, Bridgette provides key investment insight and supports the integration of the Ethical Investment Policy across the portfolios. Bridgette also works closely with the development team to ensure clients receive the highest level of investment and performance information. Bridgette has 20 years' experience in funds management in Australia and the UK, including IFM Investors and Legg Mason Global Asset Management.



**Matthew Ball**  
**Investment Analyst**

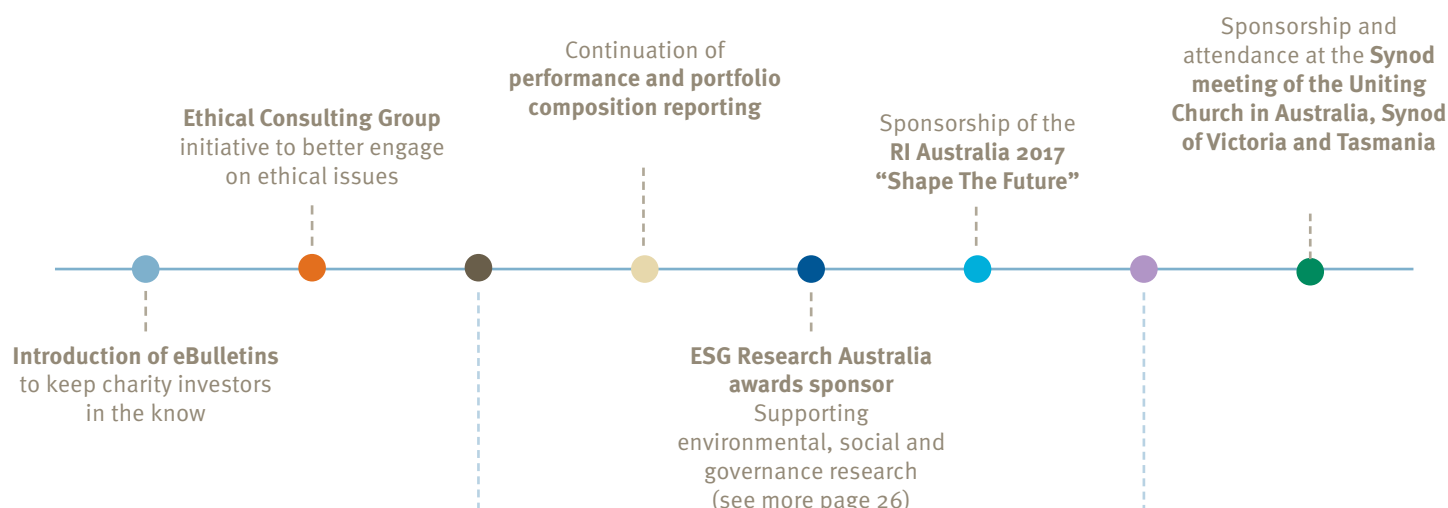
*B Bus*

Matthew assists the business with credit risk analysis and monitoring of the UCA Enhanced Cash Portfolio. He also works with the mortgage team on community impact loans and commercial mortgages. He has seven years of financial services experience and most recently worked as a dealer in the Bank of Queensland treasury team.

## UCA Funds Management in action

In 2017, we made a commitment to bring more value to our investors by providing educational events, information about the impact of investments, as well as regular communication. We also continued our involvement in key industry and community events.

We will continue this focus in 2018 as we look to invest in our business and deliver sustainable growth in our operating surplus and grant.



### Not-for-profit Post Budget Breakfast

We hosted the second not-for-profit post-budget breakfast in May 2017. Created for leaders of Australian charities, four panellists addressed the 140-plus attendees, focusing on issues in the wake of both the Victorian and federal budgets.

A keynote delivered by the Commonwealth Bank's Director of Global Markets Bruno Bellon provided an overview of the federal budget and the state of the economy.

This was followed by a facilitated Q&A session with industry experts:

- › Deb Tsorbaris, CEO of the Centre for Excellence in Child and Family Welfare,
- › Beth Webster, Pro Vice Chancellor at Swinburne Uni, and
- › Darrell Price, Associate Director – Financial Advisory Senior Living, Disabilities, Aged and Community Care at Grant Thornton

Attendees left the session with a new found appreciation of the impacts of the budgets on Australia's social and community service sectors.

### 2017 Annual Investor Briefing

In August, more than 200 investors attended the annual investor briefing. To provide insight into investments within the portfolios, 2017's event focused on "Investing for impact".

The investment team took attendees through an economic update and shared details on a number of positive companies represented in the portfolios over the last 12 months. Investment Specialist Bridgette McDonald also gave an update on ethical developments, including work on projects associated with credit card gambling and gender equality.

During question time, attendees asked about the possibility of investing in affordable housing. We have since looked into ways to invest in affordable housing projects in Melbourne and look forward to sharing an update in 2018.



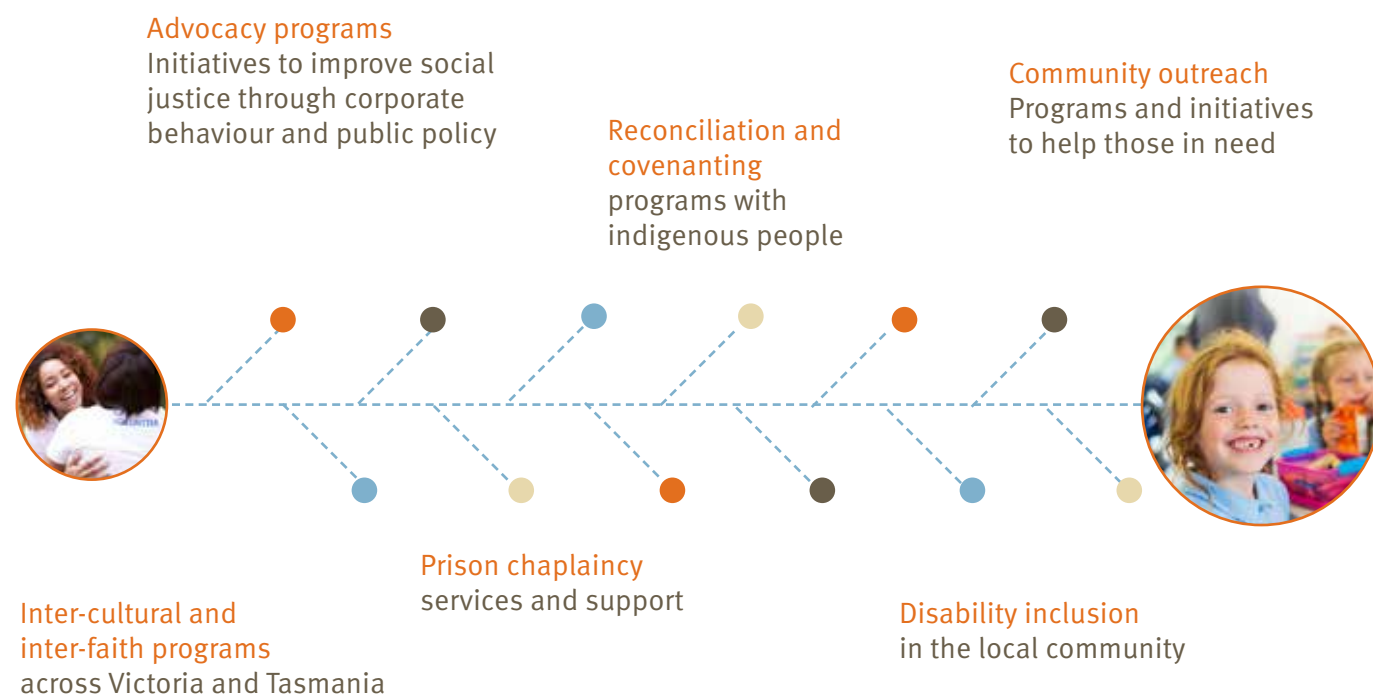
A photograph of four hands of different skin tones cupping a bright red heart. The hands are positioned in a way that the heart is the central focus, held gently in the palms. The background is a rustic, blue-painted wooden surface with visible grain and some peeling paint. A dark blue horizontal bar is at the top left, and a semi-transparent grey box is at the bottom right.

Better world

Through investors support,  
we were able to grant  
\$3.9 million in 2017.

## Giving back to those in need

Through the support of our investors, each year we give most of our operating surplus to community services, advocacy and mission-based activities throughout Victoria and Tasmania. Since 1995, we have been able to give more than \$58 million to these activities. Below are just a few areas supported in 2017.



## Advocacy initiatives in 2017

### Gender equality

In 2016, we first announced our commitment to the Australian Council of Superannuation Investors (ACSI) goal to ensure 30 per cent female representation on all ASX 200 boards by 2018. Since then, we have continued to actively monitor ASX listed companies and the proportion of women on their boards. We also engage with those without female representation or that are under the 30 per cent target.

In August 2017, we set ourselves the challenge of reaching 50 per cent non-executive female board membership by 2018.

We were pleased to announce in December 2017 that we reached this target, with the appointment of Fiona Pearce as non-executive director.

Both Australian and international studies have repeatedly confirmed the positive impact of board gender diversity, not only on the financials but also the internal culture of an organisation. To this end, UCA Funds Management is committed to supporting gender diversity, both within our organisation and among the companies in which we invest.

**Gayle Wilson**, UCA Funds Management  
Non-executive Director

## Online gambling

The rise of online gambling has also created a rise in using credit for gambling activities, and the debt cycle this form of gambling creates is a major social issue. We believe the banks have a social responsibility to review the policies surrounding the use of credit cards.

We continued campaign work to stop credit card gambling in 2017. This involved direct engagement with the banks throughout the year, as well as work

with industry, community and social groups to tackle the issue. In November, we also engaged with Responsible Wagering Australia.

Although some encouraging feedback has been received from the banks, we are yet to see significant changes preventing credit cards being used in this way or measures put in place. As such, we will continue our advocacy in 2018.

## Payday and predatory lending

We continued to work with industry, community and social groups to bring to light the negative social impacts of these issues. We are urging the tabling of proposed small amount credit contract legislation in parliament.

This legislation will bring about greater protection for lower income earners with regards to consumer leases and lending. This proposal also recommends that repayment caps out at 10 per cent of income, and a maximum interest charge of 4 per cent for 48 months.



For more about our advocacy work, go to “Investing ethically and for impact” on page 36.

## Supporting environmental, social and governance research

We had the privilege of presenting Australian Wildlife Conservancy and The Fred Hollows Foundation with donations on behalf of ESG Research Australia award winners in 2017.

Attended by leading superannuation funds, fund managers and broking firms, the awards recognise excellence in ESG (environmental, social and governance) research. It also promotes the important role brokers play in identifying and assessing ESG impacts on investments and their returns.

Submissions included 30 pieces of research from seven broking firms in Australia. The research explored a variety of ESG topics, with coverage of social issues continuing to grow. There was also resurgence in the coverage of environmental issues including environmental rehabilitation and climate change.

With ESG research at the core of what we do, we believe it is an important industry to support. We have been a proud sponsor of the ESG Research Australia awards for the past eight years and look forward to continuing in the future.

## Nominated recipients

The Australian Wildlife Conservancy received a donation on behalf of Sandra McCullagh and Zoe Whitton (from Credit Suisse), winners of Best Piece of New ESG Research by an Individual Analyst or Team.

Citi Research took home two awards and nominated The Fred Hollows Foundation for both donations. Citi Research’s Elaine Prior and Joel Quintal won Best Piece of Ongoing ESG Research by an Individual Analyst or Team. Citi Research also won Best ESG Broking Firm.





*UCA Funds Management Development Officer Karli McRostie (right) presents The Fred Hollows Foundation Partnerships Coordinator and Coastrek Jane Crouch with a \$2,000 donation on behalf of Citi Research.*

## Ethical discussion forum

In 2017, UCA Funds Management kicked off a new initiative: the Ethical Consulting Group (ECG). Created to promote ethical discussion and thought leadership, the initiative involves round-table discussions on the impact of corporate ethical issues and how to respond as ethical investors.

To create a robust discussion, each session includes interested investors, topic experts, key

stakeholders from the Uniting Church, and UCA Funds Management representatives.

ECG forums are used to further our engagement with ASX listed companies and in the development of social and advocacy projects.

This initiative will continue in 2018, with three forums to be hosted during the year.

## Forum on the rise of impact investing

Held in July 2017, this forum was facilitated by Sam Richards from Brightlight Impact Advisory. The group discussed a number of topics, including the \$300 million bond issued by the Victoria government for green energy as well as Uniting's social bonds issued for mental health and family support.

Although bonds are a good start, the group agreed social outcomes should be the focus. Funding was also seen as important for social change, with the group commenting the state government should be

commended for recent initiatives for social housing projects.

To finish the session, the group discussed the potential to drive innovation in the socially disadvantaged housing. Since being questioned on the topic at last year's investor briefing, UCA Funds Management has been actively looking at affordable housing projects and it is an area we will continue to focus on in 2018.



A photograph of a middle-aged man with grey hair and glasses, wearing a bright yellow short-sleeved button-down shirt and blue jeans. He is smiling and hula hooping with a blue hula hoop. His arms are raised in the air. The background is a sunlit park with green grass and trees, creating a warm, golden-hour atmosphere. A green banner is at the top left, and a semi-transparent blue box with white text is at the bottom right.

## The report

An overview of our performance  
and sustainability efforts  
throughout the year.

## Introduction

This 2017 Annual Report marks UCA Funds Management's 11th sustainability report. It provides our stakeholders with an overview of our performance and sustainability efforts throughout the year. The annual reporting period covers the calendar year to 31 December 2017. The report is limited to the activities of UCA Funds Management and its controlled entities, which only operates in Australia. For quantitative measures of performance, the report includes data from previous years for year-on-year comparison and trend identification.

The financial data in this report was prepared in accordance with International and Australian Accounting Standards based on unaudited management accounts. There were no restatements in 2017.

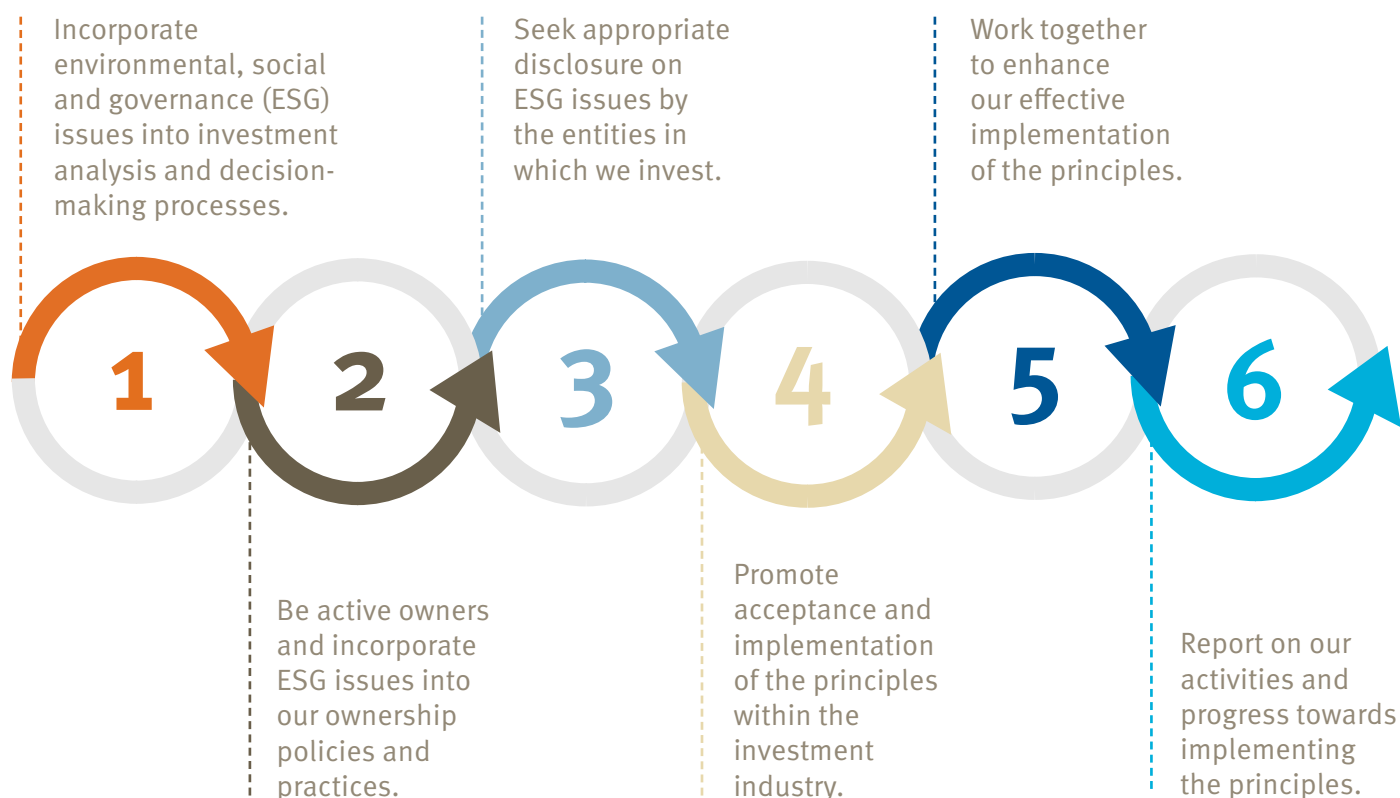
To uphold the highest reporting standards possible for the industry, we have continued to adhere to the Global Reporting Initiative (GRI) G4 Guidelines.

We have also applied the GRI Reporting Framework's Guidance, which defines our report content and associated principles. Additionally, we have integrated the six principles of the United Nations Principles of Responsible Investment (UNPRI) into this report. These six principles have been detailed in the chart below.

To incorporate these principles, we consulted with key stakeholders to gain insights into important issues pertaining to UCA Funds Management.

We review our policies and processes to ensure we contribute positively towards the community and environment while generating economic performance for investors. Each year we provide grants to the Uniting Church in Australia, Synod of Victoria and Tasmania (the Synod) to support its mission. For more information about this grant, including what it supported, go to page 25.

### United Nations Principles of Responsible Investment (UNPRI)



GRI reference: G4-22; G4-28; G4-29; G4-30



## About UCA Funds Management

UCA Funds Management is a social enterprise backed by the assets and resources of the Synod, which is also the source of our ethical authenticity. We are a company limited by guarantee and a responsible entity regulated by the Australian Securities and Investments Commission. UCA Funds Management is a charity registered with the Australian Charities and Not-for-profits Commission.

UCA Funds Management is the manager for the following funds.

### Funds for charitable entities with tax exemption status

- › UCA Enhanced Cash Portfolio
- › UCA Growth Portfolio
- › UCA Australian Equities Portfolio

### Funds for all other investors

- › Uniting Ethical Australian Equities Trust
- › Uniting Ethical Enhanced Cash Trust
- › Funeral Fund
- › Ministers' Home Endowment Fund (for Church ministers)

## Determining materiality

In 2014 we conducted a materiality review. This review confirmed the economic, environmental and social indicators we deemed important and covered areas of interest that may substantively influence the assessments and decisions of our stakeholders. These did not alter in 2017.

We continue to report on all material issues identified as important to our business and stakeholders.

Our extensive Ethical Investment Policy is stringently applied to constituent companies and other securities that form part of investment portfolios.

What we expect of the companies we invest in is also what we expect of ourselves. We have engaged with a number of organisations on issues that are important to us.

## Our stakeholders

This report gives stakeholders the opportunity to review our economic, environmental and social performance.

By evaluating the dynamic environment in which UCA Funds Management operates, stakeholder concerns are addressed and managed on an ongoing basis. This engagement means we often deal with a diverse and complex range of stakeholder expectations. We endeavour to manage these expectations in a transparent and fair way.

Our engagement process enables us to track and manage current and emerging issues from internal and external stakeholders. These issues include our direct impact as well as those of associated companies and industries. Refer to table 7 Stakeholder engagement on page 31.

In this report we prioritised the most relevant and significant issues relating to UCA Funds Management and our stakeholders.

Table 7: Stakeholder engagement

Stakeholder group	Reason for engagement	Engagement in 2017
<b>Investors</b>	Primary external stakeholder	<ul style="list-style-type: none"> <li>› Direct client engagement</li> <li>› Quarterly newsletters</li> <li>› Investment updates</li> <li>› Marketing materials</li> <li>› Presentations</li> <li>› Website publications</li> <li>› Annual reporting</li> </ul>
<b>Staff</b>	Primary internal stakeholder	<ul style="list-style-type: none"> <li>› Performance reviews</li> <li>› Training and professional education</li> <li>› Staff satisfaction survey</li> <li>› Workplace agreement</li> </ul>
<b>Regulators</b>	Compliance	<ul style="list-style-type: none"> <li>› Annual return</li> <li>› Audits</li> <li>› Written submissions</li> <li>› Consultation on changes</li> <li>› Lodgement of fund documentation</li> </ul>
<b>Selected equity investments</b>	Support company behaviour	<ul style="list-style-type: none"> <li>› Active shareholder engagement</li> <li>› Participation in industry associations</li> </ul>
<b>Excluded equity investments</b>	Modify company behaviour	<ul style="list-style-type: none"> <li>› Direct engagement</li> <li>› Participation in industry associations</li> </ul>
<b>Professional industry associations</b>	Knowledge sharing and advocacy with peers and industry	<ul style="list-style-type: none"> <li>› Industry group memberships</li> <li>› Focus groups</li> <li>› Surveys, conferences and presentations</li> <li>› Regular liaison on current issues</li> </ul>
<b>Socially concerned entities, volunteers/community groups</b>	Primary objective of ethical investment strategies	<ul style="list-style-type: none"> <li>› Newsletters</li> <li>› Website publications</li> <li>› Contribution to public debate</li> <li>› Community sponsorship</li> <li>› Sector forums</li> </ul>
<b>Suppliers</b>	External stakeholder	<ul style="list-style-type: none"> <li>› Direct procurement of services or resources</li> <li>› Legal, tax, audit and reporting advice</li> </ul>

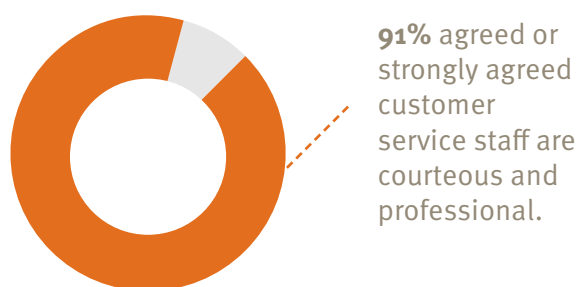
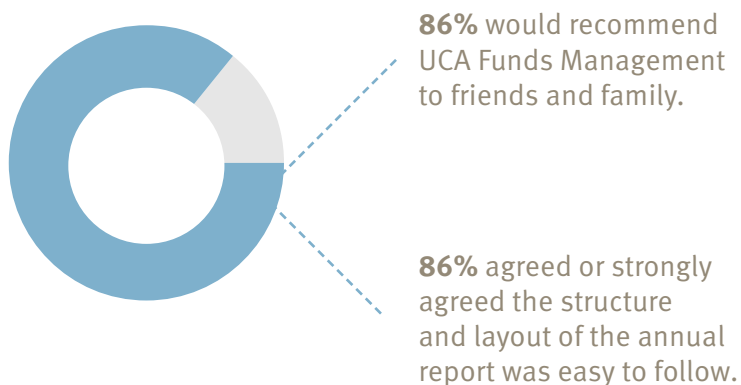
GRI reference: G4-7; G4-8; G4-18; G4-19; G4-24; G4-25; G4-26; G4-27; G4-DMA: Product and service labelling; G4-DMA: Customer privacy

## Clients

In early 2017 we sent a customer satisfaction survey to all clients. The survey attracted more than 600 responses and indicated overall client satisfaction of 88 per cent. While delighted with this result, we will take on board the various comments and suggestions to further improve investor service and communications.

We received only one complaint in 2017.

Our complaint process is well documented and accessible on our website.



## Social issues

Each year, the Synod's Justice and International Mission conducts a survey to determine which social issues are most important to Uniting Church members. The following is a list of the top ten concerns in 2017:

1. People seeking asylum and refugees
2. Curbing climate change
3. Justice for indigenous Australians
4. Curbing family violence
5. Ending racism
6. Curbing human trafficking and slavery
7. Reducing poverty in Australia
8. Reducing poverty in developing countries
9. Human rights in West Papua
10. Mental Health



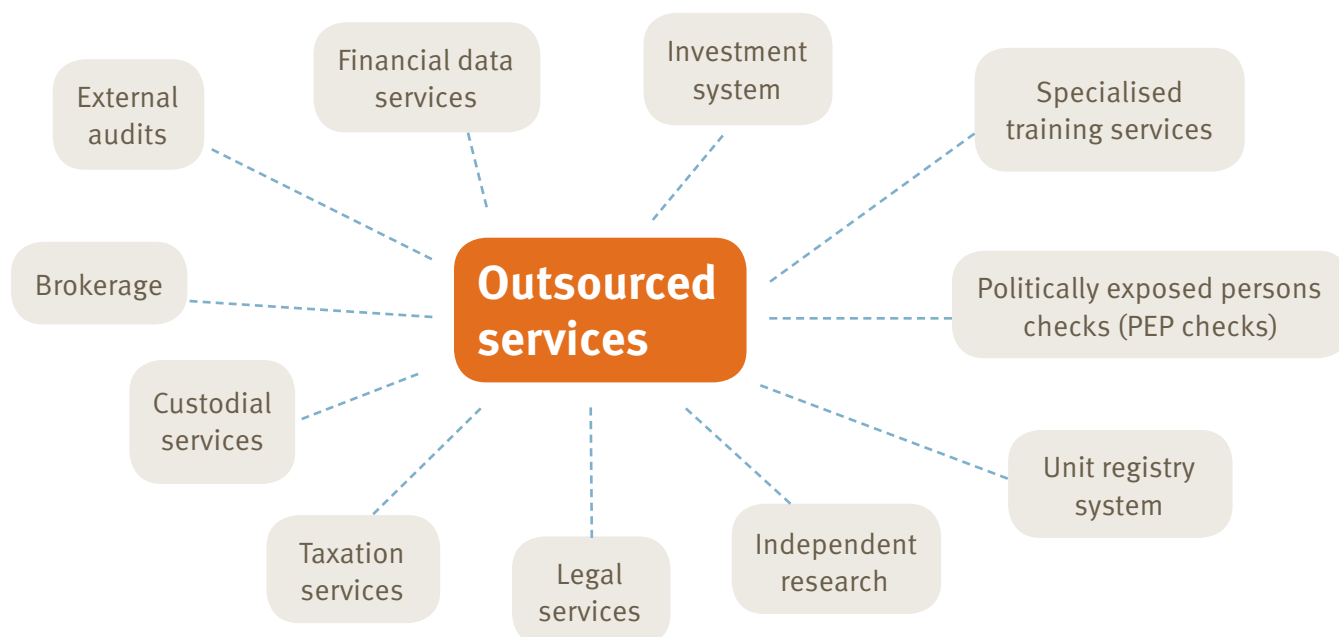
To learn how we address these issues, go to "Investing ethically and for impact" on page 36.

We address key social issues important to our investors through advocacy campaigns and by supporting programs tackling these issues.



## Our supply chain

The majority of our administration services are provided by the Synod, with the following services outsourced:



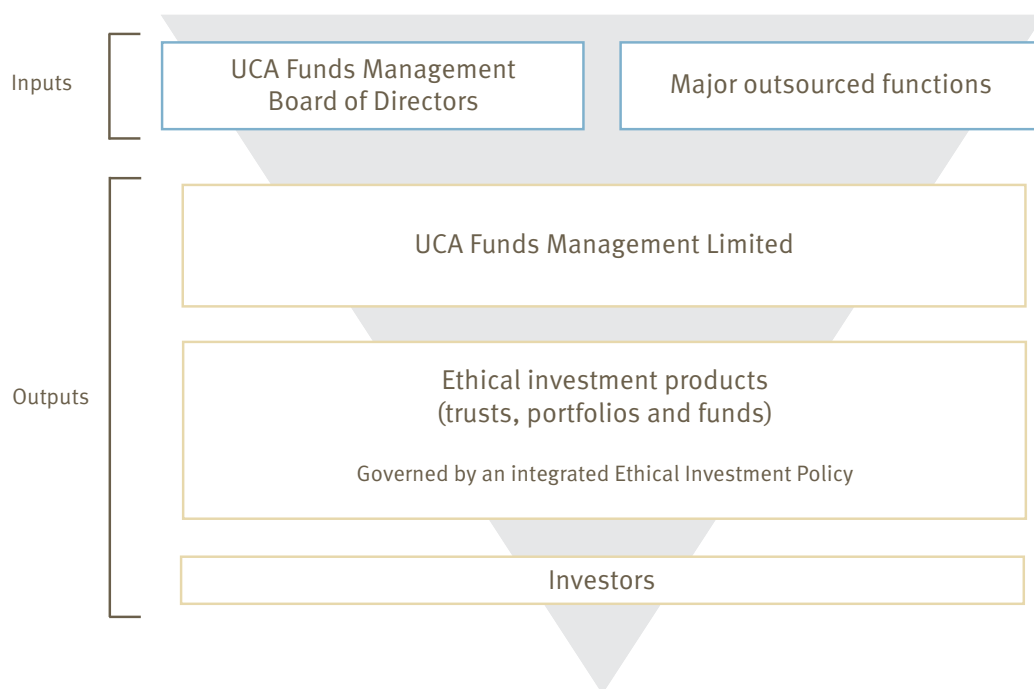
The investment team reviews the broker panel (a list of brokers used by UCA Funds Management) annually. The revision process ensures the brokers are delivering the appropriate research on publicly listed equities, executing trades in a timely and efficient manner and have a strong financial position to mitigate third party risk.

When acquiring major new services, UCA Funds Management seeks competitive proposals and screens organisations to determine their alignment with the Ethical Investment Policy.

## Major outsourced functions

- › External audits: Deloitte Touche Tohmatsu
- › Broker panel:
  - › Bell Potter
  - › Credit Suisse
  - › Crestone
  - › Evans and Partners
  - › Goldman Sachs
  - › Macquarie Private Wealth
  - › Paterson's Securities
  - › Sanford C Bernstein
  - › Taylor Collison
- › Custodial services and investment system: Northern Trust
- › Financial data providers: Morningstar, IRESS and Bloomberg
- › Politically Exposed Persons (PEP) checks: Thomson Reuters
- › Specialised training: Financial Education Professionals
- › Taxation services: PricewaterhouseCoopers
- › Unit registry system: OneVue Fund Services
- › Independent research: BCA Research
- › Legal services: Mercer Legal

## Our supply chain



## Governance

Investors trust UCA Funds Management to manage funds on their behalf. In return, we aspire to the highest levels of good governance.

The Board of Directors sets a high standard with their strategic direction while maintaining accountability to all stakeholders. The structure, composition and diversity of the board is essential to its effectiveness. With the exception of the Chief Executive Officer, all board members are independent non-executive directors who may not serve for a period greater than 10 consecutive years.

The board has the ultimate oversight of our sustainability practices, Ethical Investment Policy and this report. It includes four committees:

- › Audit, Risk and Compliance
- › Investment
- › Remuneration and Nomination
- › Due Diligence

The board and each of the committees are governed by a charter which provides strategic guidance and effective management oversight.

The board and each committee undertake an annual performance review to allow directors to reflect on their performance. Directors who are to be re-elected are peer reviewed every three years. All directors have been reviewed in the last three years, with the exception of recent appointments.

John Etherington retired from the board after 10 years of service in December 2017. During this time he was chairperson of the board, chairperson of the Remuneration and Nomination Committee, and chairperson of the Audit, Risk and Compliance Committee. Non-executive Director Dr David Cousins AM replaced John as chairperson of the Board. In September 2017, Fiona Pearse was appointed to the board. She is a member of the Audit, Risk and Compliance Committee and Due Diligence Committee. With John's retirement and Fiona's appointment, the board achieved equal gender representation.

*GRI reference: G4-34; G4-38; G4-39; G4-DMA: Employment; G4-DMA: Occupational health and safety; G4-DMA: Training and education; G4-DMA: Equal remuneration for women and men; G4-DMA: Non-discrimination; G4-DMA: Anti-corruption; G4-DMA: Product and service labelling; G4-DMA: Customer privacy; G4-DMA: Active ownership*

Table 8: Board of Directors

Director name	Time in office	Position	Independent	Committee membership
<b>David Cousins AM</b>	2 years	Chairperson, non-executive	Yes	<ul style="list-style-type: none"> <li>› Remuneration and Nomination (chairperson)</li> <li>› Investment</li> </ul>
<b>John Etherington</b>	10 years <i>Retired 31 December 2017</i>	Former chairperson, non-executive	Yes	<ul style="list-style-type: none"> <li>› Remuneration and Nomination</li> <li>› Audit, Risk and Compliance</li> </ul>
<b>Katherine Allchin</b>	1 year	Director, non-executive	Yes	<ul style="list-style-type: none"> <li>› Audit, Risk and Compliance</li> </ul>
<b>Jane Bell</b>	3 years	Director, non-executive	Yes	<ul style="list-style-type: none"> <li>› Audit, Risk and Compliance</li> <li>› Investment</li> </ul>
<b>Mathew Browning</b>	<i>Appointed 5 February 2018</i>	Director, executive	No	<ul style="list-style-type: none"> <li>› Remuneration and Nomination</li> </ul>
<b>Terry McCredden</b>	4 years	Director, non-executive	Yes	<ul style="list-style-type: none"> <li>› Investment</li> </ul>
<b>Lindsay Mann</b>	3 years	Director, non-executive	Yes	<ul style="list-style-type: none"> <li>› Due Diligence (chairperson)</li> <li>› Investment</li> </ul>
<b>Fiona Pearce</b>	<i>Appointed 19 September 2017</i>	Director, non-executive	Yes	<ul style="list-style-type: none"> <li>› Audit, Risk and Compliance</li> <li>› Due Diligence</li> </ul>
<b>Gayle Wilson</b>	5 years	Director, non-executive	Yes	<ul style="list-style-type: none"> <li>› Investment (chairperson)</li> <li>› Remuneration and Nomination</li> </ul>
<b>Michael Walsh</b>	5 years <i>Retired 28 February 2018</i>	Director, executive	No	<ul style="list-style-type: none"> <li>› Remuneration and Nomination</li> </ul>
<b>David Watson</b>	2 years	Director, non-executive	Yes	<ul style="list-style-type: none"> <li>› Audit, Risk and Compliance (Chair)</li> <li>› Due Diligence</li> </ul>

## Compliance

UCA Funds Management's compliance framework ensures effective management of our financial services compliance obligations. As responsible entity of our managed investment schemes (MIS) and manager of our portfolios and other financial products, we adhere to all applicable legislative and regulatory requirements. This includes, but is not limited to, the Corporations Act 2001, our Australian Financial Services Licence (AFSL) conditions, anti-money laundering and counter-terrorism financing and privacy. The Risk and

Compliance Manager oversees these requirements through training, monitoring, testing, and reporting against our policies, procedures and processes, as well as engaging with auditors, legal counsel and regulators.

To ensure our compliance framework is robust, UCA Funds Management undergoes external audits of compliance plans for our registered MIS and AFSL requirements on an annual basis. We report all external audit findings to the Audit, Risk and

GRI reference: G4-DMA: Non-discrimination; G4-DMA: Anti-corruption; G4-SO3; G4-SO4; G4-PR3; G4-PR4; G4-DMA: Active ownership

Compliance Committee, which reports to the board. The Risk and Compliance Manager then works with the business to ensure any issues identified are

remedied and controls strengthened where required.

During the year, there were no material or reportable incidents or breaches.

## Discrimination

UCA Funds Management works within the ethos and policies of the Uniting Church in Australia, Synod of Victoria and Tasmania (the Synod). Upholding the values of the Synod means we provide an environment where all stakeholders are treated with dignity and respect, and have zero tolerance towards discrimination.

During the year no incidents of discrimination were reported.

The UCA Funds Management board recognises that

gender diversity from the board down is a priority. The board approved a Gender Diversity Policy in 2016, which upholds the guidelines set by the Australian Stock Exchange and includes a target for women to comprise 30 per cent of an ASX-listed company's board. Our Gender Diversity Policy required our board to be 30 per cent women, 30 per cent men, and 40 per cent of either gender. We appointed a female Director when John Etherington retired from the board and as a result we now have 50 per cent female representation.

## Investing ethically and for impact

In an era when consumers are more socially aware of the products and services they buy, it is no wonder that ethical investing has moved from a 'niche' to a mainstream way of investing.

As Australia's first dedicated ethical fund manager, we welcome this shift in the investment industry. Two standards influencing this move towards ethical investing are the United Nations Principles of Responsible Investment – to which we have been a signatory for the last ten years – and the introduction of Global Reporting Initiative (GRI) reporting standards. The adoption of these standards by companies across the globe has led to greater business transparency, as well as enabled recognition of environmental, social and governance (ESG) risks, challenges and opportunities.

This year, we have chosen to report investor impacts against the United Nations Sustainability Development Goals (SDGs). These goals are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. The SDGs work in the spirit of partnership and pragmatism to make the right choices now to improve life in a sustainable way for future generations. They provide clear guidelines and targets for all countries to adopt in accordance with their own priorities and the environmental challenges of the world at large.

There are 17 goals in total, and within these 169 targets (see page 37).

We are pleased that our 360° ethical® approach and the Ethical Investment Policy align with the essence of the SDGs. Our ethical investing approach focuses on impacting the world around us for the better. We exclude and engage with companies involved in negative practices or industries, and support companies which have a positive impact. A full list of positive companies and excluded stocks can be found on pages 10 and 12.

Our annual grant supports community services, advocacy and mission-based activities – with a focus on ending poverty, education, environmental sustainability and equality.

For the purpose of this report, we have presented goals under five themes (as grouped by MSCI Research):

- › Basic needs
- › Empowerment
- › Natural capital
- › Climate change
- › Governance

With 17 goals in total, the following pages demonstrate how investors and UCA Funds Management are supporting key SDGs under each theme.

*GRI reference: G4-56; G4-DMA: Employment; G4-DMA: Occupational health and safety; G4-DMA: Training and education; G4-DMA: Equal remuneration for women and men; G4-DMA: Non-discrimination; G4-HR3; G4-DMA: Anti-corruption; G4-DMA: Active ownership*



## United Nations 17 Sustainability Development Goals (SDGs)



Adopted by world leaders in September 2015 at an historic UN Summit, the 17 Sustainable Development Goals officially came into force on 1 January 2016. With these new Goals that universally apply to all, countries will mobilise efforts over the next 15 years to end all forms of poverty, fight inequality and tackle climate change, while ensuring that no one is left behind.

**Learn more at [www.un.org/sustainabledevelopment](http://www.un.org/sustainabledevelopment)**

GRI reference: G4-56; G4-DMA: Employment; G4-DMA: Occupational health and safety; G4-DMA: Training and education; G4-DMA: Equal remuneration for women and men; G4-DMA: Non-discrimination; G4-DMA: Anti-corruption; G4-DMA: Active ownership

## Basic needs

1 NO POVERTY



2 ZERO HUNGER



3 GOOD HEALTH AND WELL-BEING



6 CLEAN WATER AND SANITATION



11 SUSTAINABLE CITIES AND COMMUNITIES



1 NO POVERTY



One of the key pillars of our Ethical Investment Policy is built upon addressing poverty. UCA Fund Management's grant is used for programmes and activities supporting those in need and addressing poverty.

In 2017, we continued our engagement to bring to light the negative social impacts of predatory lending and using credit for gambling activities. More about these initiatives can be found on page 26.

2 ZERO HUNGER



Many, even in developed world countries, are at risk of living in hunger, with lack of access to affordable nutritious food. This issue affects at least 5 per cent of Australians, with at-risk groups including the unemployed, single parent households and young people.

Nutrition, hygiene and personal care company Unilever derives more than half its revenue from provision of nutrition and sanitation products and in recent years has heavily invested in sustainable supply improvements.

The A2 Milk Company provides access to A2 beta casein protein milk products. This protein has been shown to provide benefits to those with lactose intolerance.

As at 31 December 2017, both companies were included in our portfolios.

3 GOOD HEALTH AND WELL-BEING



We actively seek to invest in companies involved in healthcare, with companies in this industry comprising 15 per cent of our equity portfolios. We also target companies providing fair access to healthcare and pharmaceuticals, such as Mayne Pharma and GlaxoSmithKline.

11 SUSTAINABLE CITIES AND COMMUNITIES



We have a considerable part of our portfolios in real estate companies. This includes a number of companies that aim to lower carbon footprints with "green" building practices, such as Lendlease.

Green building is the practice of creating structures and using processes that are environmentally responsible and resource-efficient. This focus is carried throughout the building's life cycle, from design to operation, maintenance and deconstruction.

i

## Empowerment



Around one third of the UCA Enhanced Cash Portfolio is comprised of commercial mortgages and community impact loans. Many of these loans are directed to schools and university colleges.

We also actively seek to invest in education companies. One example is G8 Education which operates childcare centres throughout Australia and Singapore.



We actively engage with invested companies to promote gender equality. This includes voting against male director board nominations where the company has less than 30 per cent female board members. This is a target set by the Australian Council of Superannuation Investors (ACSI), which aims to have 30 per cent female board representation on all ASX listed boards by 2018. During 2017 we voted against male directors in 23 companies in line with our policy.

Wanting to lead by example, we were pleased to reach 50 per cent non-executive board representation on our own board in 2017. We also have in place an active Gender Diversity Policy.

More about our gender equality initiatives can be found on page 25.



We actively engage with our invested companies about our CEO pay threshold (60 times average total adult earnings). We vote against executive and board remuneration packages proposed over this threshold.

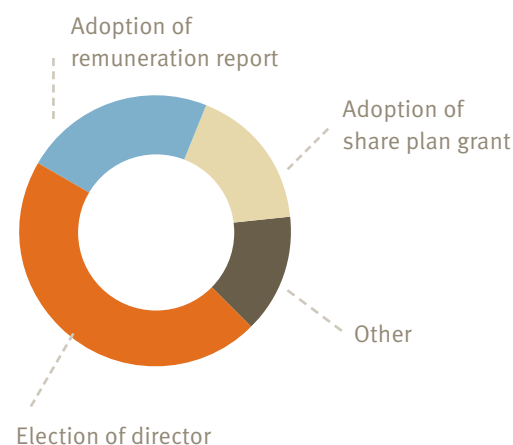
As gambling negatively impacts the community, it is an industry excluded from investment. Companies involved in gambling or the gaming industry are placed on our excluded stocks list.

A full list of excluded stocks can be found on page 12.

**Table 9: AGM voting details as at 31 December 2017**

2017	Total	Participation (%)
Number of votable AGMs	59	100
Number of resolutions	488	100

	For	Against	Abstain
<b>Total</b>	362	122	4
<b>%</b>	74	25	1



GRI reference: G4-56; G4-DMA: Employment; G4-DMA: Occupational health and safety; G4-DMA: Training and education; G4-DMA: Equal remuneration for women and men; G4-DMA: Non-discrimination; G4-DMA: Anti-corruption; G4-DMA: Active ownership



## Climate change

7 AFFORDABLE AND CLEAN ENERGY



13 CLIMATE ACTION



We purchase carbon offsets which avoid and reduce greenhouse gas emissions and our overall carbon footprint.

7 AFFORDABLE AND CLEAN ENERGY



Many of the companies we invest in are leaders in transitioning to renewable operational practices. Taking Apple as an example, the company provides technicians and funding for their suppliers to implement production processes that reduce their environmental footprint.

13 CLIMATE ACTION



Companies producing thermal coal and involved in non-conventional oil and gas extraction are excluded from investment due to their negative environmental impact. As such, BHP Billiton, Rio Tinto, South 32, Origin Energy, Santos and some small coal seam gas or shale gas companies are excluded from investment.

## Natural capital

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



14 LIFE BELOW WATER



15 LIFE ON LAND



14 LIFE BELOW WATER



This goal makes reference to targeting the prevention of acidification of oceans. We remain focused on reducing our carbon footprint. Our portfolios have a low carbon footprint, mainly through exclusion of certain fossil fuels.

More about our carbon footprint can be found on page 48.

**Table 10: Total exposure to carbon-intensive sectors as at 31 December 2017**

Industry group	UCA Australian Equities Portfolio (%)	S&P/ASX 300 (%)
Capital goods	0.0	0.8
Energy	5.1	5.2
Materials	9.8	17.7
Transportation	2.2	4.2
Utilities	0.0	2.0
<b>Total</b>	<b>17.1</b>	<b>29.9</b>

GRI reference: G4-56; G4-DMA: Employment; G4-DMA: Occupational health and safety; G4-DMA: Training and education; G4-DMA: Equal remuneration for women and men; G4-DMA: Non-discrimination; G4-DMA: Anti-corruption; G4-DMA: Active ownership

## 15 LIFE ON LAND



We support companies that are focused on sustainably using resources. For example, in its move to close the loop towards a circular economy, last year Amcor committed to 100 per cent recyclable or reusable packaging by 2025. It has also been very active within the New Plastics Economy Initiative.

## Governance

## 16 PEACE, JUSTICE AND STRONG INSTITUTIONS



## 17 PARTNERSHIPS FOR THE GOALS



We have a long track record of peace and human rights advocacy.

## 16 PEACE, JUSTICE AND STRONG INSTITUTIONS



We have a long track record of peace and human rights advocacy. We exclude companies engaged in production of weapons and uranium. In addition, we are firm advocates of anti-corruption practices, and exclude companies that have a poor corruption track record. The CIMIC Group is currently on our excluded list for these practices.

## 17 PARTNERSHIPS FOR THE GOALS



We support the allocation of private capital towards solving ‘wicked’ problems and a more sustainable world. As members of the UNPRI and Responsible Investment Association Australasia (RIAA), we are active in collaborating and partnering for positive change.

A problem is considered ‘wicked’ if it is difficult or impossible to solve because of incomplete, contradictory and changing requirements that are often difficult to recognise.



GRI reference: G4-56; G4-DMA: Employment; G4-DMA: Occupational health and safety; G4-DMA: Training and education; G4-DMA: Equal remuneration for women and men; G4-DMA: Non-discrimination; G4-DMA: Anti-corruption; G4-DMA: Active ownership



## Our performance

A photograph of a man and a young girl in a grassy field with many chickens. The man, wearing a plaid shirt and a hat, is walking away from the camera. The girl, wearing a white shirt and denim overalls, is smiling and holding a brown chicken. The field is filled with many other brown chickens. In the background, there are trees and a white silo under a clear sky.

Capital reserve increased to  
\$3.4 million in 2017.



## Financial performance

Fees received by UCA Funds Management are used to meet operating costs, provide grants and build up working capital. Operating performance in 2017 resulted in a surplus of \$3.94 million after operating costs. This surplus also funded grants of \$3.90 million.

The capital reserve increased to \$3.37 million. The capital reserve represents accumulated current year and prior year savings. The funds are invested by UCA Funds Management for the purpose of regulatory and working capital requirements. The remainder of the surplus was granted to The Mission Support Fund of The Uniting Church in Australia, Synod of Victoria and Tasmania (the Synod).

**Table 11: Statement of financial position as at 31 December 2017**

	2017 \$000's	2016 \$000's	2015 \$000's	2014 \$000's
<b>Total current assets</b>	<b>1,120,484</b>	<b>1,023,972</b>	<b>973,389</b>	<b>963,444</b>
Liabilities attributable to investors	(1,117,109)	(1,021,113)	(971,124)	(961,657)
Capital reserve account	(3,375)	(2,859)	(2,265)	(1,787)
<b>Total liabilities and equity</b>	<b>(1,120,484)</b>	<b>(1,023,972)</b>	<b>(973,389)</b>	<b>(963,444)</b>

**Table 12: Financial performance**

	2017 \$000's	2016 \$000's	2015 \$000's	2014 \$000's
<b>Direct economic value generated</b>				
Investment income	49,075	50,596	56,014	77,232
Other income (mark to market)	(1,747)	(2,821)	(1,969)	(7,857)
<b>Total direct economic value generated</b>	<b>47,328</b>	<b>47,775</b>	<b>54,045</b>	<b>69,375</b>
<b>Economic value distributed</b>				
Employee wages and benefits	(2,638)	(2,728)	(2,930)	(2,787)
Operating costs	(2,165)	(1,842)	(2,020)	(1,454)
Payments to providers of capital	(38,106)	(39,580)	(45,428)	(61,142)
Payments to government	—	—	—	—
Community investments*	(3,903)	(3,031)	(3,189)	(3,230)
Allocation to capital reserve account	(516)	(594)	(478)	(762)
<b>Total economic value distributed</b>	<b>(47,328)</b>	<b>(47,775)</b>	<b>(54,045)</b>	<b>(69,375)</b>

\* This represents grants paid to the Uniting Church in Australia, Synod of Victoria and Tasmania to support community services, advocacy work and mission-based activities.

GRI reference: G4-9; G4-DMA: Economic performance; G4-EC1



The 2017 operational focus was improving client interaction.



## Client communications

In 2017, many investors submitted feedback via the bi-annual client survey (see page 32 for a detailed report).

While we generally received positive feedback about our products and services, a clear theme emerged: investors wanted to understand more about the positive impacts of their investment.

In light of this feedback, we introduced an impact focused theme for the 2017 annual investor briefing. Titled “Investing for impact”, the event focused on investors’ impact throughout the year. This included presenting positive stocks within portfolios, diving into positive themes, and highlighting the advocacy work investors helped support. We also introduced more impact focused news in our quarterly newsletter and launched an Ethical Consulting Group discussion forum (see page 27 for more details).

The client survey also gave insight into how we

communicate with investors. After a review of our communications schedule, we made changes to the frequency of reporting and how we communicate with investors. Our performance email bulletins and associated reports moved to a quarterly basis, and the excluded stocks list is now updated after each Investment Committee meeting. In addition, these changes opened up discussions on more effective ways to keep investors informed about the impact of investments, including adjusting the newsletter schedule, reviewing investment updates, and the inclusion of more impact stories and positive stock highlights.

To improve the investor experience, we also reviewed forms and other support materials. Forms were revised to ensure they can be used across all funds and to improve usability. With further work to do, we will continue this project in 2018.

## Valuing people

UCA Funds Management views its people as its most valuable resource. We believe a cohesive work environment is central to maintaining a strong, experienced and professional team. This focus enables UCA Funds Management to deliver positive outcomes and professional service to investors.

We actively support a healthy work-life balance for our staff and ensure reasonable working hours

are maintained and conditions are above normal workplace standards.

Benefits provided to temporary or part-time employees are the same as those provided to full-time employees.

## Staff turnover

It is important for successful businesses to invest in people who bring a combination of youthful passion and deep experience.

During the year, five new staff joined UCA Funds Management: Bridgette McDonald as Investment Specialist; Matthew Ball as Investment Analyst;

Jeffrey Su as Funds Management Administrator; Carissa Perano as Risk and Compliance Manager; James Cook as Director Investments.

John Dennison resigned from the position of Risk and Compliance Manager in June 2017.

*GRI reference: G4-10; G4-DMA: Employment; G4-LA1; G4-LA2; G4-LA3; G4-DMA: Occupational health and safety; G4-DMA: Training and education; G4-DMA: Equal remuneration for women and men*



Table 13: Total workforce

		2017				2016				2015				2014			
		Male	%	Female	%	Male	%	Female	%	Male	%	Female	%	Male	%	Female	%
Total staff	Management	3	60	2	40	3	75	1	25	3	75	1	25	4	67	2	33
	Non-management	9	56	7	44	7	54	6	46	7	50	7	50	9	53	8	47
	<b>Total</b>	<b>21</b>				<b>17</b>				<b>18</b>				<b>23</b>			
Total staff: Full time	Management	3	60	2	40	3	75	1	25	3	75	1	25	4	67	2	33
	Non-management	6	55	5	45	6	60	4	40	7	54	6	46	8	57	6	43
	<b>Total</b>	<b>16</b>				<b>14</b>				<b>17</b>				<b>20</b>			
Total staff: Part time	Management	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Non-management	3	60	2	40	1	33	2	67	0	0	1	100	1	33	2	67
	<b>Total</b>	<b>5</b>				<b>3</b>				<b>1</b>				<b>3</b>			
Total collective Agreement	Management	3	60	2	40	3	75	1	25	3	75	1	25	4	67	2	33
	Non-management	9	56	7	44	7	54	6	46	7	50	7	50	9	53	8	47
	<b>Total</b>	<b>21</b>				<b>17</b>				<b>18</b>				<b>23</b>			
Total collective Agreement: Full time	Management	3	60	2	40	3	75	1	25	3	75	1	25	4	67	2	33
	Non-management	6	55	5	45	6	60	4	40	7	54	6	46	8	57	6	43
	<b>Total</b>	<b>16</b>				<b>14</b>				<b>17</b>				<b>20</b>			
Total collective Agreement: Part time	Management	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Non-management	3	60	2	40	1	33	2	67	0	0	1	100	1	33	2	67
	<b>Total</b>	<b>5</b>				<b>3</b>				<b>1</b>				<b>3</b>			
Consultant	Management	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Non-management	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	<b>Total</b>	<b>0</b>				<b>0</b>				<b>0</b>				<b>0</b>			

Management = Chief Executive Officer and direct reports

Non-management = all other staff

Table 14: Staff and non-executive director salary information by gender

	2017		2016		2015		2014	
Salary range	Male	Female	Male	Female	Male	Female	Male	Female
\$0 – \$50,000*	5	4	7	2	6	2	6	3
\$50,001 – \$100,000	4	5	3	6	5	6	6	6
\$100,001 – \$150,000	3	4	3	1	2	2	4	4
\$150,001 – \$200,000	3	–	2	–	1	–	1	–
\$200,001 – \$250,000	1	–	1	–	1	–	1	–
\$250,001 – \$300,000	–	–	–	–	–	–	–	–
\$300,001 – \$350,000	1	–	1	–	1	–	1	–

\* This band consists of non-executive directors only, whose average remuneration is \$11,500

GRI reference: G4-10; G4-11; G4-DMA: Employment; G4-DMA: Equal remuneration for women and men; G4-LA13

## Training and development

UCA Funds Management actively encourages all staff to continue to improve their professional knowledge and expertise. As a registered ASIC responsible entity and Australian Financial Service Licence holder, UCA Funds Management requires staff to demonstrate competence across a range of regulatory requirements in order to continue to provide general financial product advice and ensure our products are administered in a compliant manner.

This year we have increased the number of staff members qualified under ASIC's Regulatory Guide 146, ensuring the professional management of funds and client interactions.

In 2017, the number of external training and development activities rose 20 per cent. This increase was largely driven by the mandated regulatory standards. Internal training hours dropped due to staff turnover. Through the year, managers averaged 65 hours training, and non-managerial staff averaged 32 hours.

We continue to financially support staff to maintain professional membership with their relevant industry bodies.

**Table 15: Staff training**

Training type	2017		2016		2015		2014	
	Male	Female	Male	Female	Male	Female	Male	Female
External training	355	167	244	154	174	197	199	79
Internal training	23	21	270	119	152	81	201	91
<b>Total training hours</b>	<b>378</b>	<b>188</b>	<b>514</b>	<b>273</b>	<b>326</b>	<b>278</b>	<b>400</b>	<b>170</b>

## Employee satisfaction

The staff survey provides an opportunity for staff to communicate or raise concerns anonymously. The survey results are reported to the board so they are aware of staff sentiment and the management team's approach to maintaining staff satisfaction.

An annual staff satisfaction survey was completed

in 2017 and 100 per cent of staff participated. This year's survey revealed an improvement in most areas and overall satisfaction remained very high at 88 per cent.

## OH&S injuries and incidents

There were no workplace injuries in 2017.

During the year the office conducted an annual fire evacuation drill and provided training to all fire wardens and first aid officers.

To promote healthy living, UCA Funds Management provides staff with a seasonal fruit box twice a week.

A rooftop garden, which includes veggie boxes and a lunch area, is also available to all staff to encourage time outdoors.

UCA Funds Management staff accrue 12 personal leave days\* annually. The average personal leave taken was 6 days per employee in 2017.

**Table 16: Personal leave**

	2017	2016	2015	2014
<b>Average personal leave days*</b>	<b>6</b>	<b>7</b>	<b>11</b>	<b>5</b>

\*Personal leave days include sick and carer's leave

GRI reference: G4-DMA: Economic performance; G4-DMA: Employment; G4-DMA: Occupational health and safety; G4-LA6; G4-DMA: Training and education; G4-LA9; G4-LA10; G4-LA11; G4-DMA: Non-discrimination; G4-DMA: Anti-corruption; G4-DMA: Product and service labelling; G4-DMA: Customer privacy; G4-DMA: Active ownership

Table 17: Staff survey results

	2017				2016				2015				2014			
	Very satisfied	Somewhat satisfied	Somewhat dissatisfied	Very dissatisfied	Very satisfied	Somewhat satisfied	Somewhat dissatisfied	Very dissatisfied	Very satisfied	Somewhat satisfied	Somewhat dissatisfied	Very dissatisfied	Very satisfied	Somewhat satisfied	Somewhat dissatisfied	Very dissatisfied
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Job satisfaction	35	60	5	—	25	75	—	—	31	56	13	—	33	57	10	—
Adequate work facilities	45	30	20	5	25	75	—	—	31	56	13	—	45	41	14	—
Opportunity for development	40	45	15	—	38	62	—	—	44	37	13	6	32	45	23	—
Training	25	60	10	5	38	56	6	—	38	37	25	—	23	45	32	—
Benefits	25	45	30	—	6	56	38	—	19	44	31	6	24	47	29	—
Involved in decision making	30	55	15	—	25	56	19	—	19	49	19	13	16	58	26	—
<b>Overall satisfaction</b>	<b>88</b>				<b>85</b>				<b>77</b>				<b>74</b>			

## Human rights

Our Ethical Investment Policy aims to ensure all portfolio investments do not infringe human rights. We continually review and assess all investments to ensure they do not operate in countries that condone human rights abuses. If any concerns arise, UCA Funds Management actively engages with the company in question.

Please refer to the section ‘Valuing people’ (on page 45) to obtain details on how UCA Funds Management operates.

## Carbon footprint

Due to the size and nature of our business, UCA Funds Management’s carbon footprint remains small. In 2017, we purchased carbon offsets from biodiverse carbon offset company Greenfleet. As well as offsetting greenhouse gas, this action improves water quality, reduces soil degradation and provides essential habitat for native wildlife.

Carbon offsets avoid and reduce greenhouse gas emissions and our overall carbon footprint. Through each offset purchased, Greenfleet use the funds to plant trees and restore forests in Australia and New Zealand. Since 1997, Greenfleet has planted over 8.7 million native trees – creating more than 425 biodiverse forests in Australia – on behalf of thousands of environmentally focussed individuals and organisations.

To learn more visit  
[www.greenfleet.com.au](http://www.greenfleet.com.au)

## Paper usage

We continue to monitor office printing, with all printers using duplex or recycled paper where possible. All staff are requested to review their printing usage on a regular basis. Colour printing is only used for advertising or marketing publications.

We print all marketing and investor materials, including newsletters and annual reports, on recycled paper.

GRI reference: G4-DMA: Non-discrimination; G4-HR3

	Page	References and notes
<b>Strategy and analysis</b>		
<b>G4-1</b>	15, 16	Statement from Chairperson
<b>G4-2</b>	15, 16	Statement from Chairperson
<b>Organisational profile</b>		
<b>G4-3</b>	30	About UCA Funds Management
<b>G4-4</b>	30	About UCA Funds Management
<b>G4-5</b>	56	Contact details
<b>G4-6</b>	56	Contact details
<b>G4-7</b>	30	About UCA Funds Management
	30, 31	Our stakeholders
<b>G4-8</b>	30	About UCA Funds Management
	7	Our approach
	17	Chart 3
	30, 31	Our stakeholders
<b>G4-9</b>	4, 5	The report at a glance
	30	About UCA Funds Management
	43	Table 12: Financial Performance
	–	<a href="#">Financial Statements - visit our website</a>
<b>G4-10</b>	45	Valuing people
	46	Table 13: Total workforce
<b>G4-11</b>	46	Table 13: Total workforce
<b>G4-12</b>	33	Our supply chain
<b>G4-13</b>	15, 16	Statement from Chairperson
<b>G4-14</b>	–	Not applied
<b>G4-15</b>	2	Stakeholders and industry affiliations
<b>G4-16</b>	2	Stakeholders and industry affiliations
<b>Identified material aspects and boundaries</b>		
<b>G4-17</b>	30	About UCA Funds Management
<b>G4-18</b>	30	Determining materiality
	30, 31	Our stakeholders
<b>G4-19</b>	30	Determining materiality
	30, 31	Our stakeholders
<b>G4-20</b>	49 - 55	GRI Content Index
<b>G4-21</b>	49 - 55	GRI Content Index
<b>G4-22</b>	29	Introduction
<b>G4-23</b>	30	Determining materiality

GRI reference: G4-20; G4-21



	Page	References and notes
<b>Stakeholder engagement</b>		
<b>G4-24</b>	30, 31	Our stakeholders
<b>G4-25</b>	30, 31	Our stakeholders
<b>G4-26</b>	30, 31	Our stakeholders
<b>G4-27</b>	30, 31	Our stakeholders
	32	Clients
	32	Social issues
<b>Report profile</b>		
<b>G4-28</b>	29	Introduction
<b>G4-29</b>	29	Introduction
<b>G4-30</b>	29	Introduction
<b>G4-31</b>	56	Feedback
<b>G4-32</b>	–	Core option
<b>G4-33</b>	–	No external assurance
<b>Governance</b>		
<b>G4-34</b>	34	Governance
<b>G4-38</b>	34	Governance
<b>G4-39</b>	34	Governance
<b>Ethics and integrity</b>		
<b>G4-56</b>	7	360° ethical® investing
	36 - 41	Investing ethically and for impact

## Specific Standard Disclosures

Disclosures on management approach and indicators	Page	Omissions	References and notes	I or E Boundary*
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### Category: Economic

Material aspect: Economic performance				
<b>G4-DMA</b>	Disclosure on management approach: Economic	15, 16	Statement from Chairperson	
		7	360° ethical® investing	
		47	Training and development	
		43	For performance go to Table 12: Financial Performance	
<b>G4-EC1</b>	Direct economic value generated and distributed	43	Financial performance	I and E
<b>G4-EC2</b>	Financial implications and other risks and opportunities for the organisation's activities due to climate change	–	Not applicable - no material impact	
<b>G4-EC3</b>	Coverage of the organisation's defined benefit plan obligations	–	Not applicable - The organisation does not provide staff with a defined benefit plan	
<b>G4-EC4</b>	Financial assistance received from government	–	Not applicable - No financial assistance is received from the government	

### Category: Social

Sub-category: Labour practices and decent work				
Material aspect: Employment				
<b>G4-DMA</b>	Disclosure on management approach: Employment	15, 16	Statement from Chairperson	
		36 - 41	Investing ethically and for impact	
		34	Governance	
		45	Valuing people	
		47	Training and development	
		47	Table 15: Staff Training	
		46	Table 14: Staff and non-executive director salary information by gender	
<b>G4-LA1</b>	Number and rate of new employee hires and employee turnover by age group, gender and region	45	Staff turnover	I
<b>G4-LA2</b>	Benefits provided to full-time employees that are not provided to temporary or part-time employees	45	Valuing people	I
<b>G4-LA3</b>	Return to work and retention rates after parental leave, by gender	45	Staff turnover	I

GRI reference: G4-20; G4-21

\* Internal (I) or External (E)

Disclosures on management approach and indicators		Page	Omissions	References and notes	I or E Boundary*
<b>Material aspect: Occupational health and safety</b>					
<b>G4-DMA</b>	Disclosure on management approach: Occupational health and safety	15, 16		Statement from Chairperson	
		36 - 41		Investing ethically and for impact	
		34		Governance	
		45		Valuing people	
		47		For performance go to: OH&S injuries and incidents	
<b>G4-LA5</b>	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise occupational health and safety programs	-	Not applicable - UCA Funds Management does not have, nor is obligated, to have a worker health and safety committee		
<b>G4-LA6</b>	Type of injury, rates of injury, occupational diseases, lost days, absenteeism and number of work related fatalities	47		OH&S injuries and incidents	I
<b>G4-LA7</b>	Workers with high incident or high risk of diseases related to their occupation	-	Not applicable - UCA Funds Management does not work in an environment that poses threat of injury or disease		
<b>G4-LA8</b>	Health and safety topics covered in formal agreements with trade unions	-	Not applicable - UCA Funds Management employees do not have any representation by trade unions in relation to health and safety topics		
<b>Material aspect: Training and education</b>					
<b>G4-DMA</b>	Disclosure on management approach: Training and Education	15, 16		Statement from Chairperson	
		36 - 41		Investing ethically and for impact	
		34		Governance	
		45		Valuing people	
		47		Training and development	
		47		Table 15: Staff Training	

Disclosures on management approach and indicators		Page	Omissions	References and notes	I or E Boundary*
<b>G4-LA9</b>	Average hours of training per year per employee by gender and employee category	47		Training and development	I
<b>G4-LA10</b>	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	47		Training and development	I
<b>G4-LA11</b>	Percentage of employees receiving regular performance and career development reviews by gender and employee category	47		Training and development	I

#### Material aspect: Equal remuneration for women and men

<b>G4-DMA</b>	Disclosure on management approach: Equal remuneration for women and men	15, 16		Statement from Chairperson	
		36 - 41		Investing ethically and for impact	
		34		Governance	
		45		Valuing people	
		46		Table 14: Staff and non-executive director salary information by gender	
<b>G4-LA13</b>	Ratio of basic salary and remuneration of women to men by employee category	46		Table 14: Staff and non-executive director salary information by gender	I

#### Category: Social

##### Sub-category: Human rights

#### Material aspect: Non-discrimination

<b>G4-DMA</b>	Disclosure on management approach: Non-discrimination	15, 16		Statement from Chairperson	
		36 - 41		Investing ethically and for impact	
		34		Governance	
		47		Training and development	
		36		For performance go to: Discrimination	
		35		Compliance	
		48		Human rights	
<b>G4-HR3</b>	Total number of incidents of discrimination and corrective actions taken	36		Discrimination	I
		48		Human rights	I



Disclosures on management approach and indicators		Page	Omissions	References and notes	I or E Boundary*
<b>Sub-category: Society</b>					
<b>Material aspect: Anti-corruption</b>					
<b>G4-DMA</b>	Disclosure on management approach: Anti-corruption	15, 16		Statement from Chairperson	
		36 - 41		Investing ethically and for impact	
		34		Governance	
		47		Training and development	
		35		For performance and specific monitoring go to: Compliance	
<b>G4-SO3</b>	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	35		Compliance	I
<b>G4-SO4</b>	Communication and training on anti-corruption policies and procedures	35		Compliance	I
<b>G4-SO5</b>	Confirmed incidents of corruption and actions taken	–	Not applicable - No corruption incidents occurred in this reporting period		

**Category: Social**

<b>Sub-category: Product responsibility</b>					
<b>Material aspect: Product and service labelling</b>					
<b>G4-DMA</b>	Disclosure on management approach: Product and service labelling	15, 16		Statement from Chairperson	
		34		Governance	
		47		Training and development	
		30, 31		Our stakeholders	
<b>G4-PR3</b>	Type of product and service information required by the organisation's procedures for product and service information and labelling, and percentage of significant product and service categories subject to such information requirements	35		Compliance	I
<b>G4-PR4</b>	Number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by outcome	35		Compliance	E
<b>G4-PR5</b>	Results of surveys measuring customer satisfaction	32		Clients	E

Disclosures on management approach and indicators		Page	Omissions	References and notes	I or E Boundary*
<b>Material aspect: Customer privacy</b>					
<b>G4-DMA</b>	Disclosure on management approach: Customer privacy	15, 16		Statement from Chairperson	
		34		Governance	
		47		Training and development	
		30, 31		Our stakeholders	
<b>G4-PR8</b>	Number of substantiated complaints regarding breaches of customer privacy and losses of customer data	32		Clients	I
<b>Material aspect: Active ownership</b>					
<b>G4-DMA</b>	Disclosure on management approach: Active ownership	36 - 41		Investing ethically and for impact	
		34		Governance	
		35		Compliance	
		47		Training and development	
		35		For performance go to: Compliance monitoring and breaches	
		39		Table 9: AGM voting	
<b>FS10</b>	Percentage and number of companies held in UCA Fund Management's portfolio with which we have interacted on environment or social issues	9, 10		Seeking the good, excluding the bad	E
<b>FS11</b>	Percentage of assets subject to positive and negative environmental or social screening	9, 10		Seeking the good, excluding the bad	E

#### **UCA Funds Management Limited**

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UCA Funds Management is the registered business name of UCA Funds Management Limited ABN 46 102 469 821, AFSL 294147, and is a social enterprise of The Uniting Church in Australia, Synod of Victoria and Tasmania.

#### **Your feedback is important**

Central to our philosophy is a commitment to open dialogue with stakeholders, which is why your feedback is important. Please contact us with any feedback you might have about this report.

*GRI reference: G4-5; G4-6; G4-31*



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