



Built on trust



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Our reporting suite

Cbus Annual Integrated Report 2019

Produced in accordance with the International Integrated Reporting <IR> Framework.
Focuses on material matters and how we create value for our members and other stakeholders.



Cbus in Review 2019

Supports the Annual Integrated Report and includes developments in the fund in the last 12 months.



Supplements



Responsible Investment

Provides information about our approach to responsible investment, including our active involvement in environmental, social and governance (ESG) issues and transitioning to a climate resilient economy.

Prepared using the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) and with recommendations from the Taskforce on Climate-related Financial Disclosures (TCFD).



www.cbussuper.com.au/cs/responsible-investment

Annual Financial Statements

Sets out the financial statements for our regulators and other stakeholders.

Prepared in line with the Australian Accounting Standards; *Superannuation Industry (Supervision) Act 1993* and *Superannuation Industry (Supervision) Regulations 1994*, the *Corporations Act 2001* and *Corporations Regulations 2001*.



www.cbussuper.com.au/cs/annual-financial-statements
www.cbussuper.com.au/cs/united-super-financial-report

People, Culture and Remuneration

Provides information for our current and future employees, industry delegates and other interested parties about our people and culture. Also provides remuneration information of the Cbus Board, Executive team and all Cbus employees.

Prepared using the GRI Standards.



www.cbussuper.com.au/cs/people-culture-remuneration

Governance

Provides additional information about the Governance framework at Cbus.

Prepared in accordance with the Australian Institute of Superannuation Trustees (AIST) Governance Code and using the GRI Standards.



www.cbussuper.com.au/cs/governance-framework

Engagement and Materiality

Provides detail on our approach to engagement and how we determine what matters most to Cbus stakeholders.

The result of this engagement defines our value creation and assists in identifying Cbus' material issues.

Prepared using the GRI Standards and in line with the International <IR> Framework.



www.cbussuper.com.au/cs/engagement-materiality

GRI Standards Content Index

A table containing the GRI Standards Cbus has reported on and where to locate the information linked to the standard within the Annual Integrated report, supplements and the Cbus website.



www.cbussuper.com.au/cs/gri-index

Engaging with our stakeholders

Through our stakeholder engagement, we identify material topics for the 2019 Cbus Annual Integrated Report and its supporting supplements. In doing this, we consider the Global Reporting Initiative (GRI) Standards and the Integrated Reporting framework. Material topics impact the value Cbus creates for members and have broader external sustainability impacts.

Supplements to the Annual Integrated Report include: Engagement and Materiality; Governance; People, Culture and Remuneration; GRI Standards; and Responsible Investment.

Engaging with our stakeholders

In 2012, we mapped our stakeholders and we review this each financial year. As in previous years, we identified our major stakeholders for 2019 as members, employers and their associations, and construction and building unions. In our Annual Integrated Report and supplements, we focus on topics these stakeholders believe are most important.

This year, our engagement activity included obtaining direct and indirect feedback on Cbus, and on issues relating to superannuation and sustainability. We also reviewed issues that arose in the media and were raised by regulators, government and peer industry groups during the financial year.

This supplement focuses primarily on Cbus, but also includes Cbus Property – which is a wholly owned subsidiary of Cbus.

Table 1 lists Cbus' stakeholders and Table 2 summaries our stakeholder engagement activity.

Materiality – the issues that matter to our stakeholders

Through our stakeholder engagement, we drew more than 230 data points. We identified five material themes across the issues we considered relevant to Cbus' short, medium and long-term value creation for members. These themes may impact fund strategy, governance, performance or prospects over time. They are also significant for Cbus' sustainability impacts and influence the assessments and decisions of our stakeholders. The Cbus Executive team and Board reviewed these themes. The themes are:

Having enough income in retirement

Strong, reliable and trusted fund contributing to an effective superannuation system

Long-term, responsible and innovative investment strategy contributing to a sustainable global financial system

Meeting member and employer products and service needs

Getting the right help at the right time to make sound decisions

The most material theme we identified for the 2018/19 financial year was about members having enough income in retirement. This is consistent with the previous year. There are many topics that relate closely to this concern; for example – adequacy of superannuation. The other four material themes impact members having enough income in retirement. This has significant social and economic implications, given the size of our membership.

For reporting, we have prioritised the issues that have the highest relevance to value creation in the Annual Integrated Report. We have provided more detailed information on sustainability through the supplements.

Table 3 shows the stakeholder issues grouped for each theme.

Alignment to GRI Standards and boundaries applied

We reviewed the five key themes for alignment with the GRI Standards. We have included the GRI G4 Financial Services Sector Disclosures where relevant. The boundaries describe where the impacts occur for a material theme or topic, and Cbus' involvement with those impacts. The boundaries also consider the supply chain including fund managers, the companies in which we invest, the custodian, insurer and administrator.

Table 4 shows the stakeholder issues we associated with each theme, matched to GRI reporting standards, together with the boundaries we applied.

Tables

Table 1: Cbus stakeholders

Cbus' stakeholders
Members (and their families)
Potential members
Employers
Potential employers
Employer associations
Construction and building unions
Board/Management/Executives/Cbus employees
Service providers and business partners including TAL, Link Group, investment managers and consultants
Australian Government and regulators
Community and non-government organisations (NGOs)
Influencers (rating agencies, media)
Superannuation industry (other funds, peak bodies)
Construction industry
Companies in which Cbus invests
Media
Sponsoring organisations
Business partners

Tables

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Table 2: Engagement activity

<p>Members, potential members and the construction industry</p>	<p>Member feedback through Cbus annual member briefing</p> <p>Internal interviews:</p> <ul style="list-style-type: none"> • Cbus Advice Services • Member experience – the ‘Voice of Cbus’ • Cbus onsite coordinators • National front counter • Cbus operations support • Member complaints • Research analytics <p>External research:</p> <ul style="list-style-type: none"> • Investment Trends • KPMG Super Insights • The NMG Super Funds Review 2018–19 • Janus Interim Qualitative
<p>Employers, potential employers and the construction industry</p>	<p>Internal interviews:</p> <ul style="list-style-type: none"> • Senior Employer Relationship Manager • Senior Analyst <p>External research:</p> <ul style="list-style-type: none"> • Small Business Insights • 2019 Employer Engagement Survey
<p>Fund managers</p>	<p>Media releases and news from fund managers</p>
<p>Non-government organisations (NGOs)</p>	<p>Market forces – active campaigns and media releases</p> <p>Member queries driven through NGO campaigns</p>
<p>Government and regulators</p>	<p>Media releases and speeches from:</p> <ul style="list-style-type: none"> • Australian Prudential Regulatory Authority (APRA) • Australian Securities and Investment Commission (ASIC) • Australian Taxation Office (ATO) • Reserve Bank of Australia (RBA)
<p>Media</p>	<p>Various articles obtained through media monitoring highlighting key issues including: <i>The Australian</i>, <i>The Australian Financial Review</i>, <i>The Age</i>, <i>The Sydney Morning Herald</i>, <i>The Sunday Age</i>, <i>InvestorDaily</i>, <i>The Herald Sun</i>, <i>Investment Magazine</i>.</p>
<p>Super Industry</p>	<p>Media releases, reports and news items from:</p> <ul style="list-style-type: none"> • Australian Council of Superannuation Investors (ACSI) • Australian Institute of Superannuation Trustees (AIST) • Association of Superannuation Funds of Australia (ASFA) • Industry Super Australia Pty Ltd (ISA)

Sponsoring organisations	<p>Internal interviews with:</p> <ul style="list-style-type: none"> • Executive Industry Partnerships • Senior Consultants • Industry Partnerships • Master Builders Association (MBA) media releases and news
Cbus Property	<p>Interview with Cbus Property</p> <p>Green Building Council of Australia media releases and news</p> <p>Property Council of Australia media releases and news</p>
Business partners	<p>Media releases, reports and news items from:</p> <ul style="list-style-type: none"> • Responsible Investment Association Australasia (RIAA) • Investor Group on Climate Change (IGCC) • Principles for Responsible Investment (PRI) • Hermes EOS • GRESB
Cbus Executive team	<p>Internal interviews with:</p> <ul style="list-style-type: none"> • Chief Executive Officer – David Atkin • Chief Investment Officer – Kristian Fok • Group Executive for Brand, Product and Advocacy – Robbie Campo

Tables

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Table 3: Stakeholder issues grouped by theme

Material themes and issues	Stakeholders
Having enough income in retirement	
<ul style="list-style-type: none"> • Investment performance • Retirement adequacy • Parental leave/gender pay gap • Change in Superannuation Guarantee • Unpaid super • Retirement planning • Financial literacy • Financial hardship • Managing volatility • Products and service needs • Educating young members on the importance of contributing to super • Transition to retirement – nonfinancial needs, social and emotional needs • Construction cycle downturns • Rights and entitlements of temporary workers • Nation-building and creating jobs • Rising costs facing retirees • Affordable housing • Help setting up for the future 	<ul style="list-style-type: none"> • Members • Potential members • Employers • Potential employers • Sponsors • Media • Rating agencies • Australian Government and regulators • Industry
Strong, reliable and trusted fund contributing to an effective superannuation system	
<ul style="list-style-type: none"> • System stability • Super legislation • Royal Commissions • Productivity Commissions • Advocacy <ul style="list-style-type: none"> - legislation - industry • Fund size and scale • Risk and reputation • Governance and transparency • Manage non-financial risk • Contribution to the built environment • Nation-building and creating jobs • Changing nature of work • Informing members and employers • Flexibility to adapt to members' needs • Trust and social licence • Improving conduct • Restoring confidence in the financial services industry 	<ul style="list-style-type: none"> • Members • Potential members • Employers • Potential employers • Regulators • Staff • Sponsors • Media • Rating agencies • Industry • Community

Material themes and issues	Stakeholders
Long-term, responsible and innovative investment strategy contributing to a sustainable global financial system	
<ul style="list-style-type: none"> • Investment returns after fees (net benefit) • Thinking long term • Increasing internal capacity • Responsible investment • Managing threats and opportunities associated with climate change • Health and safety • Cognitive diversity • Labour and human rights • Product supply chains • Pollution and waste (Cbus Property) • Natural resources (Cbus Property) • Human capital (Cbus Property) • Managing disruption • Sustainable Development Goals (SRGs) • Modern slavery • Contribution to the built environment • Nation-building and creating jobs • Affordable housing • Managing environmental, social and governance risks 	<ul style="list-style-type: none"> • Members • Potential members • Employers • Potential employers • Staff • Sponsors • Governments regulators • Community • NGOs • Fund managers we invest through
Meeting member and employer products and service needs	
<ul style="list-style-type: none"> • Unburden me • Quick seamless service • Personalising the journey • Advice • Insurance solutions (adequate cover, fit for industry) • Face-to-face contact/service • Manage non-financial risk • Simplicity and low cost • Informing members and employers • Flexibility to adapt to members' needs • Evolving service model • Changing expectations – products need to keep up • Technology driving member expectations • Digital capabilities to engage members across multiple channels • Product solutions 	<ul style="list-style-type: none"> • Members • Potential members • Employers • Potential employers • Coordinators • Customer experience • Sponsors • Business partners • Government and regulators • Industry associations • Cbus Executive team • Cbus management

Tables

continued

Material themes and issues	Stakeholders
Getting the right help at the right time to make sound decisions	
<ul style="list-style-type: none"> • Member education and guidance (super, insurance) • Engaging and empowering members to make better decisions • Financial advice • Retirement planning • Face-to-face contact/service • Financial hardship • Manage non-financial risk • Work with apprentices • Community involvement • Contribution to the built environment • Educating young members on the importance of contributing to super • Transition to retirement (non-financial needs, social and emotional needs) • Digital capabilities to engage members across multiple channels • Creating tolerance for volatility 	<ul style="list-style-type: none"> • Members • Potential members • Employers • Potential employers • Coordinators • Customer experience • Community • Member research sources • Super industry

Table 4: Boundaries – what we disclose for GRI reporting

Stakeholder topics from engagement	Material aspects (GRI Standards and GRI G4 Financial Services Sector Disclosures)	Boundary
Having enough income in retirement	GRI 201: Economic performance	Cbus members (return on their investment), all working and retired Australians (policy impacts)
Strong, reliable and trusted fund contributing to an effective superannuation system	GRI 401: Employment GRI 404: Training and education GRI 405: Diversity and equal opportunity GRI 406: Non-discrimination	Cbus and Cbus Property impact on Cbus employees/prospective employees
Long-term, responsible and innovative investment strategy	GRI 203: Indirect economic impacts GRI G4 FSSD: Active ownership GRI G4 FSSD: Product portfolio GRI 302: Energy GRI 305: Emissions GRI 306: Effluents and waste GRI 403: OH&S	Cbus impact on external companies and investments, indirectly on economy Cbus impact on members' retirement outcomes Cbus Property (core portfolio only) impact on local and wider community (environmental impacts) Cbus Property impact on workers (not employees and not directly engaged by Cbus Property) Cbus Property and Cbus impact on employees
Meeting member and employer products and service needs	GRI G4 FS14: Local communities initiatives GRI G4 FS16: Financial literacy initiatives	Cbus impact on members and prospective members and their communities – Australian building and construction workers (health and financial education initiatives)
Getting the right help at the right time to make sound decisions	GRI G4 FS16: Financial literacy initiatives	Cbus impact on members and prospective members financial retirement outcomes – Australian building and construction workers (health and financial education initiatives)