

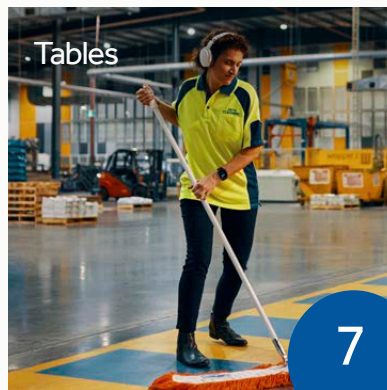
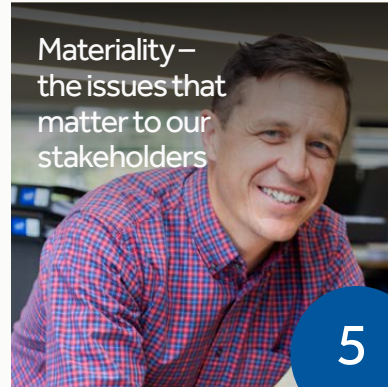
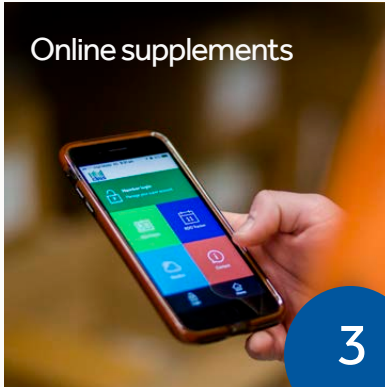


Building
stronger
foundations



Contents

Stakeholder Engagement and Materiality Supplement 2023



Important information

This Cbus Annual Integrated Report including Supplements is issued by United Super Pty Ltd ABN 46 006 261 623 AFSL 233792 as trustee for the Construction and Building Unions Superannuation Fund (Cbus Super) ABN 75 493 363 262 offering Cbus and Media Super products. This information is about Cbus and doesn't take into account your specific needs, so you should look at your own financial position, objectives and requirements before making any financial decisions. Read the relevant Product Disclosure Statement (PDS) and the relevant Target Market Determination to decide whether Cbus is right for you. These documents are available on our website or by calling us. Please phone 1300 361 784 or visit cbussuper.com.au for a copy. The use of 'us', 'we', 'our' or 'the Trustee' is a reference to United Super Pty Ltd. Use of 'Fund' refers to Cbus Super fund, which offers Cbus and Media Super products. Cbus Property Pty Ltd (referred to as Cbus Property) is a wholly-owned subsidiary of United Super Pty Ltd, and is responsible for the development and management of Cbus' direct property investments. Insurance is issued under a group policy with our insurer, TAL Life Limited ABN 70 050 109 450 AFSL 237848.



Online supplements

We have provided more detailed information about Cbus in our online supplements. This report and the supplements have been prepared with reference to the Global Reporting Initiative's Sustainability Reporting Standards (GRI Universal Standards 2021). Our Responsible Investment Supplement reports with reference to the Task Force on Climate-Related Financial Disclosure (TCFD 2021) recommendations.

Responsible Investment

Provides information about our approach to responsible investment, including our active involvement in **Environmental, Social and Governance (ESG)** issues, contributing to sustainable development and transitioning to a climate resilient economy. Prepared with reference to the **GRI Universal Standards 2021** and with reference to the TCFD 2021 recommendations.



cbussuper.com.au/responsible-investment-2023

Cbus Property Sustainability Report

Provides information on Cbus Property's approach to sustainability performance.



cbusproperty.com.au/sustainability

Annual Financial Statements

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, the Superannuation Industry (Supervision) ('SIS') Act 1993 and Regulations and the provisions of the Trust Deed.



cbussuper.com.au/annual-financial-statements-2023

Online Supplements

Our reports address the needs of our diverse stakeholders. The information we have provided reflects our commitment to operating with integrity and transparency. You can access the reports on our website.



cbussuper.com.au/aboutus/annualreport

Stakeholder Engagement and Materiality

Provides detail on our approach to engagement and how we determine what matters most to our stakeholders. The result of this engagement informs our value creation and assists in identifying the Fund's material issues. Prepared with reference to the **GRI Universal Standards 2021** and with reference to the TCFD 2021 recommendations.



cbussuper.com.au/engagement-materiality-2023

Governance

Provides additional information about the governance framework at Cbus and Cbus Property. Prepared in reference to the **GRI Universal Standards 2021**.



cbussuper.com.au/governance-framework-2023

GRI Standards Content Index

A table prepared with reference to the **GRI Universal Standards 2021**. We have reported where to locate the information linked to the standards within the Annual Integrated Report, Cbus Property Sustainability Report, our supplements and our website.



cbussuper.com.au/gri-standards-2023

KPMG

KPMG were engaged to provide limited assurance over the Cbus Annual Integrated Report pages 5 to 57 in accordance with the **International Financial Reporting Standards (IFRS) Foundation's Integrated Reporting Framework**. The assurance report is presented on pages 72 to 73.



Engaging with our stakeholders

Each year we undertake an extensive process whereby we engage with a range of stakeholders to understand material impacts that matter most to our stakeholder groups. This engagement process includes obtaining direct and indirect feedback, conducting internal interviews with a broad range of groups (including member and employer facing staff), surveying members and analysing both internal and external industry reports and publications.

When we undertake this engagement, we report in reference to the Global Reporting Initiative Sustainability Reporting Standards 2021 (GRI Universal Standards 2021) and the International Financial Reporting Standards (IFRS) Foundation’s Integrated Reporting Framework. The material topics and themes identified impact the value we create for our members and has broader external sustainability impact.

We have identified our main stakeholders for 2023 as the following:

	Our members
	Our employer groups and their associations
	Trade unions and sponsoring organisations
	Our employees
	Business partners
	The industry regulators
	The industries we serve and operate in

This supplement focuses primarily on Cbus Super Fund (including Media Super members), but also includes Cbus Property, a property developer and asset manager owned by Cbus Super Fund.

Table 1 lists our stakeholders and engagement activity.

Materiality – the issues that matter to our stakeholders

Through our stakeholder engagement process, six stakeholder groups were engaged, 182 pieces of feedback were collected, and 12 key topics identified. We then synthesised and categorised this feedback and confirmed five material themes. The five material themes that were identified are unchanged from the previous financial year and bring together issues that we consider relevant to our short, medium and long-term value creation for members. These themes may impact the Fund’s strategy, governance, performance and/or prospects over time. They are also significant for our sustainability impacts and influence the assessments and decisions of our stakeholders. As part of the process, our Executive team and the Board review these themes.

The themes are:

				
<p>Getting the right help at the right time to make sound decisions.</p>	<p>Having enough income in retirement.</p>	<p>Meeting member and employer products and service needs.</p>	<p>A strong, reliable, and trusted fund contributing to an effective superannuation system.</p>	<p>Long-term, responsible and innovative investment strategy contributing to a sustainable global financial system.</p>

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

In reference to the GRI Universal Standards 2021 and boundaries applied

Table 2 shows the stakeholder issues grouped for each theme.

We reviewed the five key themes in reference to the GRI Universal Standards 2021 and 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 our involvement with those impacts. The boundaries also consider our supply chain including external investment managers, the companies in which we invest, our custodian, insurer and administrator.

Table 3 shows the stakeholder issues we associated with each theme, in reference to the GRI Universal Standards 2021, together with the boundaries we applied.

Tables

Table 1: Our stakeholders and engagement activity

			
<p>Our members</p> <ul style="list-style-type: none"> Member feedback through our Annual Members' Meeting and annual briefing program <p>Internal interviews:</p> <ul style="list-style-type: none"> Advice Services Member experience – the 'Voice of Customer' Workplace coordinators National front counter Operations support Member complaints Research analytics <p>External research:</p> <ul style="list-style-type: none"> Kantar Brand Tracker CoreData Super Brand, Retirement Research KPMG Super Insights Trust Research 	<p>Our employer groups and their associations</p> <p>Internal interviews:</p> <ul style="list-style-type: none"> Employer Team <p>External research:</p> <ul style="list-style-type: none"> Small Business Insights Employer Engagement Survey Trust Research 	<p>Trade Unions and Sponsoring organisations</p> <p>Internal interviews:</p> <ul style="list-style-type: none"> Executive Industry Partnerships Senior Consultants Industry Partnerships 	<p>Our employees</p> <p>Internal interviews:</p> <ul style="list-style-type: none"> Employees Executives Board Cbus Property
			
	<p>The industry regulators</p> <p>Media releases:</p> <ul style="list-style-type: none"> APRA ASIC ATO RBA 	<p>The industries we serve and operate in</p> <ul style="list-style-type: none"> Master Builders Association media releases and news The NMG Super Funds Review <p>Media releases:</p> <ul style="list-style-type: none"> ACSI AIST ASFA ISA 	<p>Our community</p> <p>Internal research:</p> <ul style="list-style-type: none"> Responsible Investment Survey
			
			<p>Business partners</p> <p>Internal interviews:</p> <ul style="list-style-type: none"> Fund managers Link Custodian

Table 2: Stakeholder issues grouped by theme

Theme	Stakeholders	Issues	Example of issues raised*
Getting the right help at the right time to make sound decisions	<ul style="list-style-type: none"> • Our members • Our employer groups and their associations • Trade unions and sponsoring organisations • Our employees • Business partners • The industry regulators • The industries we serve and operate in • Our community 	Quality of service	Members want timely customer service when they need it the most. Members also want us to handle their queries in a timely manner, especially when their requests are more complex, such as financial hardship and insurance cover claims.
		Communication	When we communicate to our members early and proactively (for example in relation to investment volatility), members are more confident when faced with these challenges.
		Ease of use	Our members want easier to understand information and access to timely service.
		Brand and reputation	Employers take comfort in knowing that they can refer employees to our Fund to have their questions and issues resolved.
		Quality of service	Our members appreciate the Fund helping them transition into retirement and making good investment decisions.
		Mergers	Some Media Super members and employer groups did not understand why Media Super was merging with Cbus Super Fund.
		Having enough income in retirement	<ul style="list-style-type: none"> • Our members • Our employer groups and their associations • Trade unions and sponsoring organisations • Our employees • Business partners • The industry regulators • The industries we serve and operate in • Our community
Fees	Our fees and charges are perceived as high by some members.		
Targeted member campaigns	There has been a continued and targeted campaign against some high-net-worth members transitioning to retirement by some of our competitors.		
Investment returns	Members have ongoing concerns with market volatility following industry-wide negative returns experienced in FY22. Some members believe that this is unique to Cbus and are more open to exploring other super funds.		

Theme	Stakeholders	Issues	Example of issues raised*
Meeting member and employer products and service needs	<ul style="list-style-type: none"> • Our members • Our employer groups and their associations • Trade unions and sponsoring organisations • Our employees • Business partners • The industry regulators • The industries we serve and operate in • Our community 	Retirement outcomes	There is demographic shift signalling a need for greater focus by super funds on the retirement phase of their members.
		Ease of use	Access to advice is important to our members.
		Quality of service	Front counter and Workplace Coordinator services continue to have high member satisfaction. Members really appreciate the Workplace Coordinators noting that other industry super funds do not offer the same level of service or equivalents.
		Insurance	Members that are categorised in manual occupations for insurance purposes were happy with the insurance cover they have.
		Ease of use	The 'Live Chat' channel and functionality is a highly rated feature for employers and is becoming the preferred service channel.
		Quality of service	Members expect high levels of customer service and want their experience with the Fund to be quick and responsive.
		Education	Our Education Seminars have been well received by employer groups. Members really appreciate the retirement seminars and like to learn more about our retirement offering.

Theme	Stakeholders	Issues	Example of issues raised*
A strong, reliable and trusted fund contributing to an effective superannuation system	<ul style="list-style-type: none"> • Our members • Our employer groups and their associations • Trade unions and sponsoring organisations • Our employees • Business partners • The industry regulators • The industries we serve and operate in • Our community 	Regulatory change	Members really appreciate the advocacy work that we undertake in the areas of unpaid super, early release access and super pay day changes. They trust we are advocating in their best interests.
		Engagement	The construction industry is booming at the moment and the industry is having issues with labour shortages.
		Investment performance	Regulatory standards and the Your Future, Your Super (YFYS) performance test means more peer awareness and comparisons with returns.
		Investments	With a lot of investment internalisation, we are seeing there may be some challenges with hiring of specialist investment talent.
		Brand and reputation	Employers frequently provide positive feedback on our association and interconnectedness with their industries. They like that our service and product offering is suitable for their business and workforces.
		Regulatory change	APRA is monitoring climate related financial risks and ASIC is monitoring greenwashing in ESG practices and marketing claims across the industry.
		Fees	Our marketing, servicing, and product makeup in conjunction with competitive fees and strong returns help employers to feel confident that we are an appropriate fund for workers in the Building & Construction, Energy and related sectors.
Long-term, responsible and innovative investment strategy contributing to a sustainable global financial system	<ul style="list-style-type: none"> • Our members • Our employer groups and their associations • Trade unions and sponsoring organisations • Our employees • Business partners • The industry regulators • The industries we serve and operate in • Our community 	Responsible Investment	Members are satisfied with the transparency of our approach to responsible investments.
		Investment performance	Members want strong long-term investment returns.
		Responsible Investment	Media Super members are very interested in ethical and sustainable investments, especially the younger cohort.
		Investments	Global expansion within investments will happen gradually as the need for larger transactions and opportunities grows.
		Investments	Investments that are aligned to our members industries are great for our members' and also increases brand loyalty.

* Several data points were linked to each issue, we have provided examples to give context.

Table 3: Boundaries – what we disclose in reference to the GRI Universal Standards 2021 reporting

Stakeholder topics from engagement	Material aspects <small>(In reference to the GRI Universal Standards 2021 and GRI G4 Financial Services Sector Disclosures)</small>	Boundary
Getting the right help at the right time to make sound decisions	GRI G4 FS16: Financial literacy initiatives	Our impact on members' and prospective members' financial retirement outcomes for the Australian Building & Construction, Energy and related sectors.
Having enough income in retirement	GRI 201: Economic performance	Our members (return on their investment), all working and retired Australians (policy impacts).
Meeting member and employer products and service needs	GRI G4 FS14: Local communities initiatives GRI G4 FS16: Financial literacy initiatives	Our impact on members and prospective members and their communities for the Australian Building & Construction, Energy and related sectors; workers' (health and financial education initiatives).
Meeting member and employer products and service needs	GRI 401: Employment GRI 404: Training and education GRI 405: Diversity and equal opportunity GRI 406: Non- discrimination	Our impact on employees and prospective employees.
Long-term, responsible and innovative investment strategy	GRI 203: Indirect economic impacts GRI G4 FSSD: Active ownership	Our impact on external companies and investments, indirectly on the economy.
	GRI G4 FSSD: Product portfolio	Our impact on members' retirement.
	GRI 302: Energy GRI 303: Water	Cbus Property (core portfolio only).
	GRI 305: Emissions GRI 306: Effluents and waste	Environmental impact on local and wider community: including our scope 1 and 2 emissions for equity, property and infrastructure portfolios.
	GRI 403: OH&S	Cbus Property's impact on workers (not employees and not directly engaged by Cbus Property); Cbus Property and Cbus' impact on employees.