

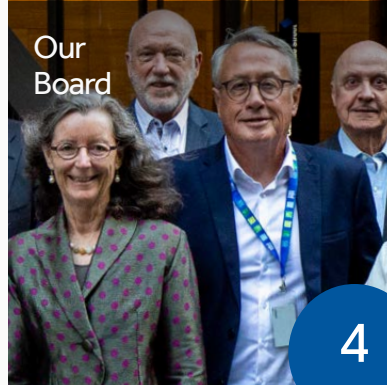


Building
stronger
foundations



Contents

Governance 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 entity 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.



Our Board

The Board of the Trustee is ultimately responsible for the sound and prudent management of the Trustee's business operations. The Directors of the Board are appointed from Member and Employer associations and supported by two Independent Directors.

The composition of the Cbus Board in the last financial year is as follows:

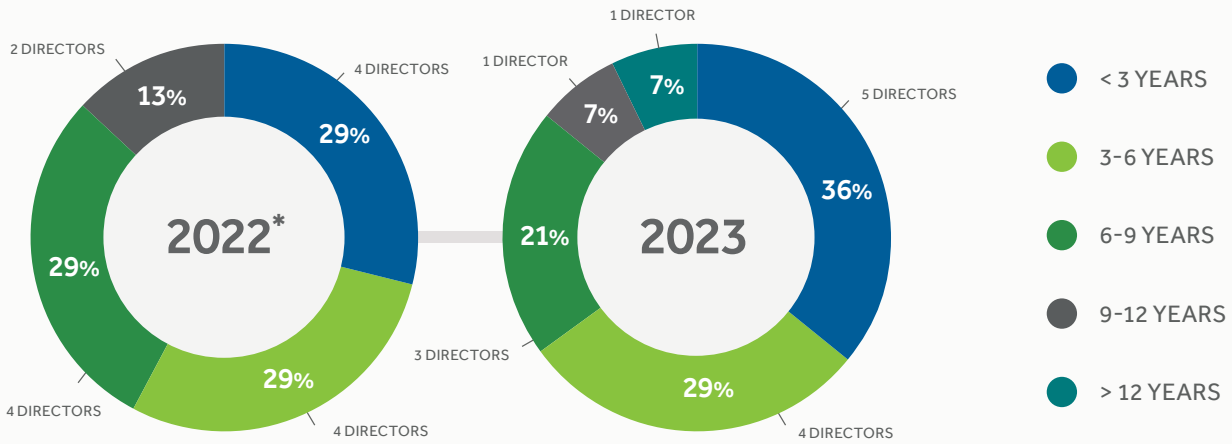
Wayne Swan	Chair of the Board and Independent Director
Denita Wawn	Deputy Chair and Employer Director
Michelle Beveridge	Chair of Audit and Finance Committee and Employer Director
Stephen Dunne	Chair of Investment Committee and Employer Director
Rita Mallia	Chair of Member, Employer and Growth Committee and Member Director
Michael (Misha) Zelinsky	Chair of People, Culture and Remuneration Committee and Member Director
John Edwards	Chair of Risk Committee and Independent Director
Abha Devasia	Member Director
Dave Noonan	Member Director
Earle Setches	Member Director
Jason O'Mara	Member Director
Anne Milner	Employer Director
Hedley Davis	Employer Director
Ray Sputore	Employer Director

The following Directors retired from the Board in the last financial year:

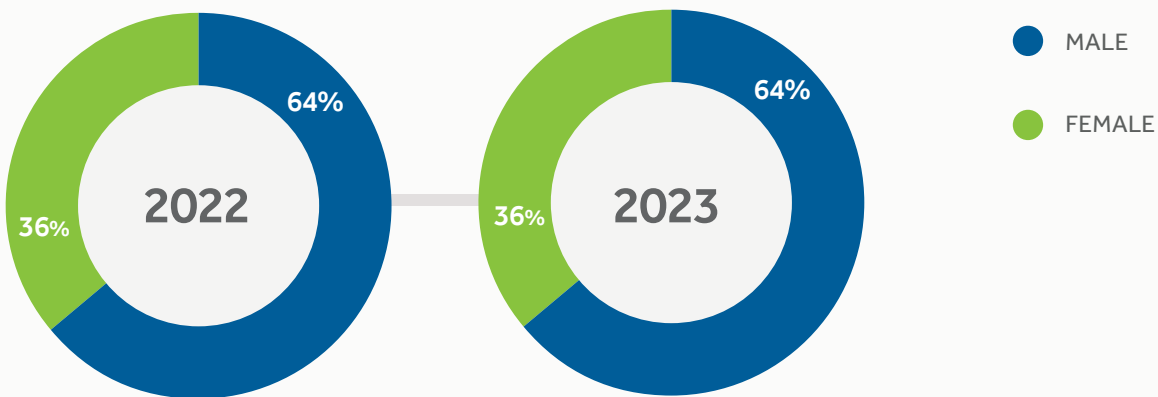
Anne Donnellan	Member Director (retired 31 December 2022)
Frank O'Grady	Member Director (retired 31 March 2023)

Tenure %

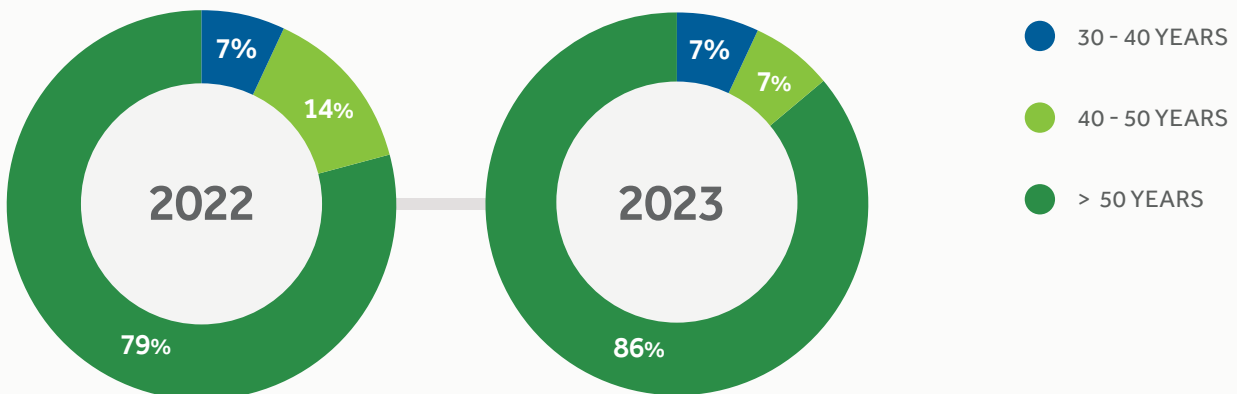
Cbus' Directors bring various capabilities and career experience, technical specialties and formal education. The Directors are of different gender, age, geographic representation and this is illustrated in the tables below.



Gender %



Age %



Experience and skills of Board Members

Upon appointment, each Director participates in a detailed induction program which involves training and development designed to ensure they meet the specific skills set by the Fund which include but are not limited to:

- Trustee obligations and duties;
- Investments;
- Strategy and Growth;
- Risk;
- Finance;
- Governance;
- Operations;
- People and Culture;
- Technology and Project Delivery;
- Insurance;
- Overview of Cbus Property; and
- Overview of Board Committees.

Directors attend induction briefings with the Group Executives and key members of Management to gain insights into the Fund's structure and operations. Each Director is provided with a formal induction schedule as well as access to information, policies, licences, other key Fund documents and training programs.

Board and Committee Skills

The Board has collectively identified the series of skills required on the Board to ensure it can effectively set and execute the Trustee's strategy. These skills have been captured in our Skills Matrix and the results of the Directors self-assessment is below.

There are certain skills that are required only at a Committee level. These skills are more technical and are required to ensure the Committee can effectively discharge its delegated duties from the Board. All other skills are required at the Board level. The boxes that are shaded in grey indicate that those skills are not relevant for that particular Committee.

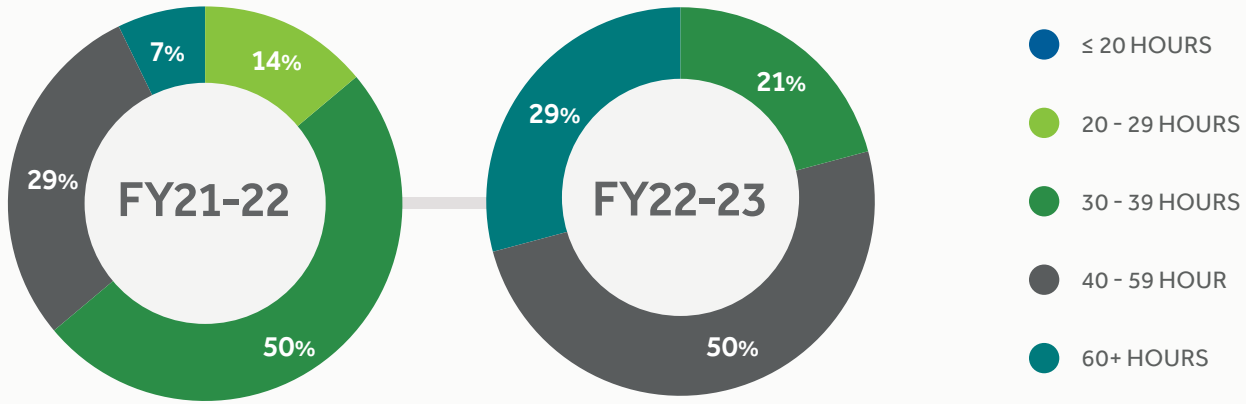
The Directors are required to assess their skills against the Skills Matrix upon appointment and annually as part of the Fit and Proper process. The Skills Matrix is reviewed annually by the Board to ensure the skills remain relevant.

The Board Skills Matrix 2021 can be found [here](#). Please note, this Board Skills Matrix will be refreshed in 2023.

The Collective Board Skills 2023 can be found [here](#), which shows the actual skills of the Board benchmarked against the desired state in our Board Skills Matrix.

Training

In accordance with the Fit and Proper Policy, it is a requirement for Directors to undertake a minimum of 30 hours of professional development each year



Meeting Attendance

FY22-23 Board Attendance	Board	Audit and Finance Committee	Investment Committee	Member, Employer and Growth Committee	Nominations Committee	People, Culture and Remuneration Committee	Risk Committee
Total meetings	9	5	5	5	3	4	6
Meetings attended	89%	93%	97%	100%	100%	95%	88%
Apologies	11%	7%	3%	0%	0%	5%	11%

FY21-22 Board Attendance	Board	Audit and Finance Committee	Investment Committee	Member and Employer Services Committee	Growth Committee	Nominations Committee	People, Culture and Remuneration Committee	Risk Committee
Total meetings	7	5	11	2	3	2	5	5
Meetings attended	97%	100%	95%	100%	100%	100%	92%	80%
Apologies	3%	0%	5%	0%	0%	0%	8%	20%

AIST Governance Code

As a member of the Australian Institute of Superannuation Trustees (AIST), Cbus annually reports against the AIST's Governance Code (the Code). The 2022 version of the Code is a principles-based framework which consists of 8 principles and 22 requirements, promoting continuous improvement in governance practice. It aims to protect and improve outcomes for members.

AIST have confirmed that funds will not be required to submit reports against the Code, for FY2023. However, Cbus will continue to review and uplift our governance practices to ensure we remain fully compliant with the Code.

A copy of Cbus' FY2022 Compliance Report can be located on our website, which was assessed as fully compliant by the AIST Governance Code Panel in 2022:



cbussuper.com.au/content/dam/cbus/files/governance/reporting/Compliance-Report-AIST-Governance-Code.pdf

Board and Committees

The Cbus Board is supported by five permanent standing Board Committees. Below is an overview of the focus areas of Board Committees over the last financial year.

Audit and Finance Committee

The role of the Audit and Finance Committee (AFC) is to assist the Board in meeting its statutory, fiduciary, governance and regulatory responsibilities, mainly through provision of a non-executive review of:

- the effectiveness of the Trustee's financial governance and reporting responsibilities;
- corporate governance, audit, tax and other commercial matters; and
- enterprise performance, including the delivery of best financial outcomes for members.

This review supports the achievement of the Trustee's strategic objectives, consistent with its Risk Appetite and the Risk Management Framework.

In the last financial year, the AFC's focus included the following areas of support:

- the Fund's FY24 Budget;
- the Fund's Member Outcomes Framework, including its FY22 Member Outcomes Assessment and FY22 Business Performance Review;
- establishment of the Defined Benefits Policy;
- the Fund's Annual Financial Statements and Risk Management Declaration;
- updates to the Fund's Financial Delegations; and
- uplifting Tax Risk Management.

Investment Committee

The overall role of the Investment Committee (IC) is to assist the Board in its implementation of the Fund's Investment Governance Framework, including developing, selecting, managing and monitoring the Fund's investments and investment strategies.

In the last financial year, the IC focused on:

- oversight of the investment portfolio including regular reviews of the asset class strategies, and considering and approving changes to the Strategic Asset Allocations of the Fund's different investment options;
- oversight of the investment activity involved in Fund mergers to ensure they are implementing efficiently with appropriate risk management controls;
- providing guidance and direction on the next 5-year strategy for the investment function;
- continuing to evolve the Fund's Responsible Investment approach (particularly, the approval of an exclusion governance framework and endorsement of Cbus' third climate change roadmap, continuing progress on climate change, modern slavery and stewardship work programs);
- reviews of investment risk, including investment risk appetite, liquidity, operational risk, interest rate;
- risk and reviews of investment policies; and
- oversight of the resourcing and culture in the investment team.

Member, Employer and Growth Committee

Previously the Member, Employer and Services Committee, in the last financial year, the Committee changed its name to the Member, Employer and Growth Committee (MEGC). This name change is reflective of the Fund's commitment to organic growth.

The main objective of the MEGC is to assist the Board in the oversight and implementation by the Fund of material strategies and key operational matters and systems relevant to the delivery of member and employer products, services, benefits and organic growth. As part of this, MEGC continually considers the Fund's service and experience strategies and design to ensure an improved experience for our members and employers.

In the last financial year, the MEGC focused on:

- the implementation of the Fund’s Member Service Strategy and Organic Growth Strategy;
- annual review and implementation of the Fund’s Retirement Strategy;
- the FY23 Industry Partnerships Program, including the Fund’s Partnerships Agreement Policy;
- Insurance Premium reviews; and
- regular updates from the Media Super – Joint Advisory Committee.

People, Culture and Remuneration Committee (PCRC)

The overall role of the People, Culture and Remuneration Committee is to assist the Board in the oversight of the Fund’s organisational capabilities and implementation of its people management and remuneration frameworks.

The PCRC is also responsible for ensuring that the Fund’s remuneration strategies align to support the achievement of strategic objectives and business plan of the Fund, consistent with its Risk Appetite and the Risk Management Framework, whilst also supporting Cbus’ member-focused culture.

In the last financial year, the PCRC focused on the:

- review and endorsement of the Director, CEO and Executive remuneration;
- review of the FY22 Variable Pay Program for the Investment team;
- Employee Engagement Survey results;
- holistic review of the Director Fee Model; and
- talent and succession planning and outcomes.

Risk Committee

The overall role of the Risk Committee (RC) is to assist the Board by providing an objective non-executive review and oversight of the effectiveness of the Trustee's Risk Management Framework and advise the Board on the Trustee's current and future Risk Appetite, Risk Culture and Risk Management Strategy.

In the last financial year, the RC focused on:

- review of the Trustee's Risk Appetite, Risk Management Strategy and Risk Culture;
- review of the Fund's material risk profile;
- elevating the Board's focus on technology risk and cyber security;
- considering the risks and opportunities for the Fund arising from the external environment;
- regulatory change and engagement;
- monitoring the risks associated with merger activity;
- results from the APRA Risk Culture Survey 2022;
- Modern Slavery, including oversight of the Fund's roadmap and endorsement of the annual Modern Slavery Statement;
- review of incidents, breaches, AML/CTF compliance and complaints; and
- oversight of responsible investment (RI) related disclosure risks, including training on the current external environment and oversight of an assurance review of RI related controls and collateral.

Other Committees

Nominations Committee

The primary role of the Nominations Committee is to provide recommendations to the Trustee Board regarding all Director appointments and Committee membership based on the individual's skills and experience and skill requirements of the Board.

Media Super – Joint Advisory Committee (JAC)

The purpose of the JAC is to assist and advise the Member, Employer and Growth Committee (and the Board as appropriate) in its understanding and assessment of issues and risks of particular significance or concern for members of the Media Super division of the Fund.

Governance at Cbus Property

Cbus Property is a wholly owned entity of Cbus Super. It manages the Fund’s direct property portfolio, creating strong returns and jobs and developing sustainably built and managed buildings.

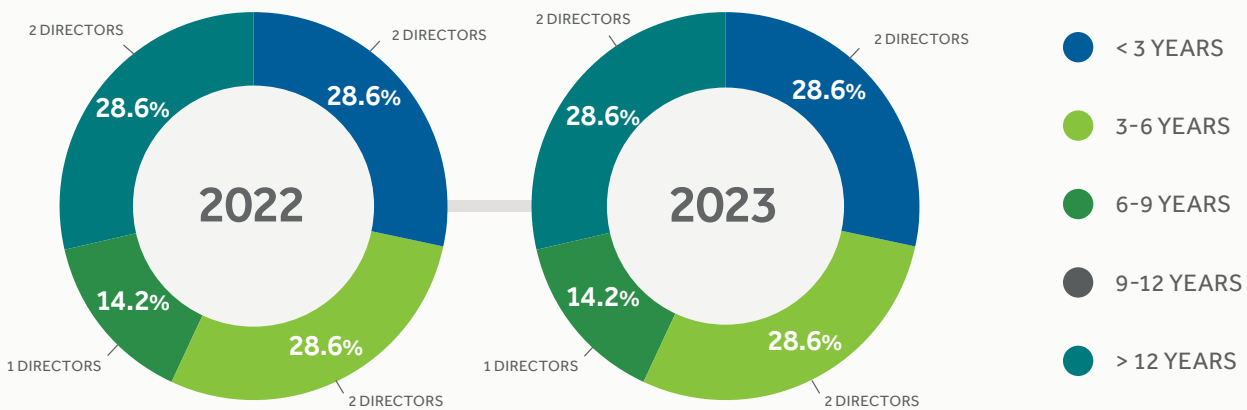
There were no changes in the composition of the Cbus Property Board in the financial year, as set out below:

Georgina Lynch	Chair of Board and Independent Director
Simon Shakesheff	Independent Director
Susan MacDonald	Chair of Remuneration Committee, Independent Director
Michelle Beveridge	Chair of Audit Committee, Employer Director
Steve Bracks AC	Member Director
Dave Noonan	Member Director
Hedley Davis	Employer Director

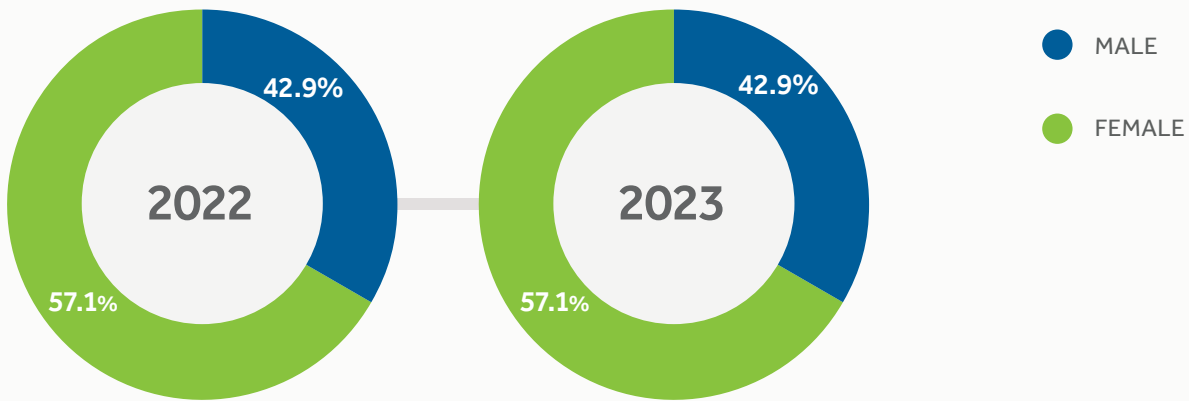
Cbus Property Directors are selected and appointed by Cbus. Directors bring various capabilities and career experience, including property industry experience, technical specialties and formal education.

Cbus Property Board diversity metrics are illustrated in the tables below:

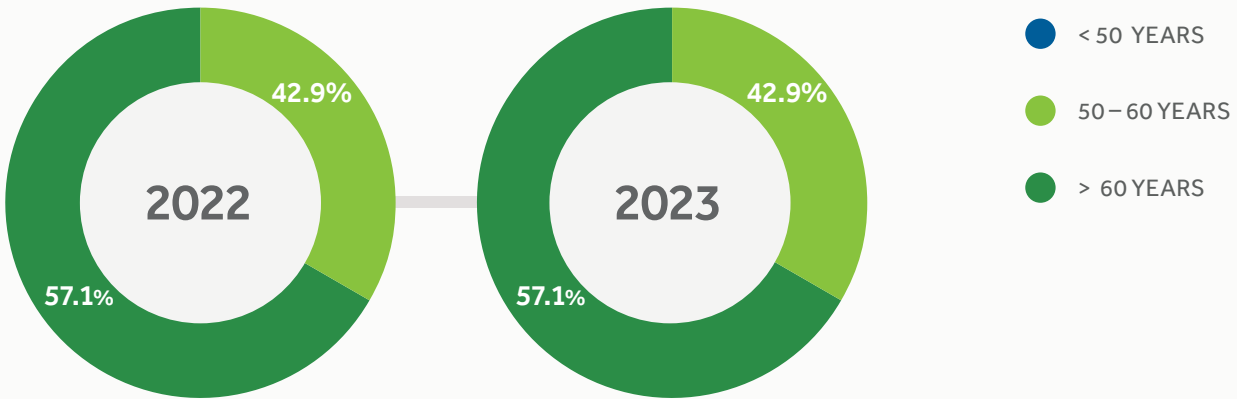
Tenure %



Gender %



Age %



Experience and skills of Board members

Upon appointment, each Director participates in a detailed induction program, involving meetings with the Executive Team.

The program includes:

- Overview of Cbus Property, Structure and Strategy;
- People Management Strategy;
- Governance, Risk and Compliance;
- Sustainability;
- Commercial, Treasury, Finance and Audit;
- Investments; and
- Developments.

Directors are provided with access to information, policies and other key documents, including the Investment Management Agreement with Cbus. On an ongoing basis throughout the year, Directors visit the various Cbus Property corporate offices and a number of investment properties and development sites to continue to develop their understanding of the company’s operations and direct property investment activities.

All directors participate in ongoing formal and informal professional development.

Board Attendance	2022	2023
Total meetings	12	9
Meetings attended	99%	95%
Apologies	1%	5%

Further details on the Cbus Property Board and those of the Executive team are on the Cbus Property website:

 cbusproperty.com.au/about/our-team

Cbus Property Governance Bodies and Frameworks

The Cbus Property Governance Framework has been established to help build an environment of trust, transparency and accountability necessary for fostering long-term financial stability and supporting the company's strategic goals and values.

Cbus Property Board

The Cbus Property Board is responsible for the governance, risk management, financial and strategic performance of Cbus Property.

In discharging these responsibilities, the Board may delegate appropriate matters to Board Committees and Management (refer to sub-committees below) within defined and documented parameters.

Extensive interaction is maintained with the Cbus Investment Committee, with the Cbus Property Chair invited to Committee meetings as an Observer.

Cbus Property Audit Committee

The Cbus Property Audit Committee assists the Board in fulfilling its governance and oversight responsibilities in relation to Cbus Property’s financial reporting.

The Committee meets at least once annually to consider the annual reports of the company and the Owner Entities managed by the company. The Committee meets with and receives reporting from the company’s external and internal auditors.

Cbus Property Remuneration Committee

The Cbus Property Remuneration Committee recommends to the Board remuneration policies and strategy. The Committee ensures that remuneration is comparable and competitive with the industry in which Cbus Property participates and is equitable and consistent with the principles of good corporate governance.

Governance Frameworks

Cbus Property has a comprehensive set of Policies, Procedures, Guidelines and Supporting Documents that support its Governance, Risk and Compliance Framework and enable the company to achieve compliance and operational objectives in a uniform manner that is within risk tolerance. All elements of the frameworks are regularly reviewed, evaluated and updated.

People, Culture and Remuneration Data (Cbus Property)

Gender composition of Cbus Property employees and governing body, by position level.

	2024 Goal	2023
Cbus Property Board	43%	43%
Executive	40%	43%
Senior roles	40%	40%
All employees	40%	44%

Other Governance Disclosures

Changes to the Cbus Trust Deed during FY2023

Throughout the year, changes to the Cbus Trust Deed were approved by the Board which were subject to the EISS Super successor fund transfer (SFT) being completed. The SFT occurred on 12 May 2023 and the approved Trust Deed amendments became effective as at that date.

Under the laws governing SFTs, Cbus was required to confer on the transferring EISS members rights that were equivalent to their rights, entitlements, and benefits under the EISS Super Fund. To ensure that this requirement was met, Cbus performed an assessment of the Cbus Trust Deed to ensure that the rights of transferring EISS Super members were equivalent following the SFT.

The effect of the EISS Super merger has meant that a new 'Defined Benefits Section' was introduced to the Trust Deed and contained in a separate document, creating a 'Pool B Sub-Division'. The rules for the Pool B Sub-Division are provided in Section 2 of the Cbus Trust Deed and includes separate annexures for each Sub-Division of Pool B.

Trust Deed Reference	Description of amendment
Clause 2.1(f) – Admission of Employers	Under the <i>Superannuation Administration (Cbus Transitional Provisions) Regulation 2022</i> (NSW), seven employers are bound to contribute to Cbus in respect of Pool B members. A new sub-clause has been included that names of the Pool B employers required to contribute to the Pool B Sub-Division of the Defined Benefit Section of Cbus from the Transfer Date (as defined in the Trust Deed).
Clause 2.6(c) and (d) – Winding up of an Employer	A new clause 2.6(c) has been inserted that contemplates the winding up of an Employer who is contributing to the Fund on behalf of Defined Benefit Members. The new provision requires that in such an event, the Trustee (after obtaining the advice of the actuary), may adjust the Benefit payable to any Defined Benefit Member, who may (in the Trustee's discretion) be affected by the winding up of that employer, to the extent and in the manner as the Trustee considers appropriate and equitable. Sub-clause 2.6(d) sets out additional rules that apply in the event the Trustee has determined to adjust benefits under sub-clause 2.6(c).
Clause 3.2A - Section Rules	This new clause was inserted to provide the Trustee with the power (exercisable by resolution) to make, amend or revoke rules for any section of membership at any time. The clause also requires the Trustee to have separately identifiable assets and members for each of the Accumulation and Pension Section and the Defined Benefit Section. The interests of each member in the Accumulation and Pension Section and the Defined Benefit Section must be determined in accordance with the provisions of the Trust Deed that are relevant to the member. Where a member is both an Accumulation and Pension Section Member and a Defined Benefit Section Member, any benefit payable must be paid in accordance with the relevant section applicable to the benefit payable.
Minor amendments to various clauses	Various amendments were made to clarify whether a provision applies only to Accumulation and Pension Members, only Defined Benefit Members or otherwise contemplates that there may be contrary requirements specific to Defined Benefit Members set out in the Defined Benefit Section Rules. See for example amendments contained in clause 5 'Benefits in the Accumulation and Pension Section'.

Trust Deed Reference	Description of amendment
<p>Clause 7.2 – Definitions</p>	<p>The following definitions have been inserted or amended in the Trust Deed to distinguish between Accumulation and Pension Members vs Defined Benefit Members and clarify which provisions within the Trust Deed apply to which category of membership:</p> <ul style="list-style-type: none"> • Accumulation and Pension Member • Accumulation and Pension Section • Accumulation and Pension Rules • Deed • Defined Benefit Member • Defined Benefit Section • Defined Benefits Section Rules • Pool B Transfer Date
<p>Section 2</p>	<ul style="list-style-type: none"> • A new “Section 2” to the Trust Deed has been inserted which includes the Defined Benefit Section Rules and Annexures.

People, Culture and Remuneration Data

Employee Headcount – Permanent and MTC employees

	Number
Contract Fulltime	34
Contract Parttime	3
Full Time	607
Part Time	51
Total	695

Total New Employees – Permanent and MTC employees

	Number
Contract Full Time	22
Contract Part Time	4
Full Time	102
Part Time	3
Total	131

Cbus Headcount including headcount by Gender

	Female	Male	Total
Maximum Term Contract (MTC)	17	20	37
MTC Full Time	16	18	34
MTC Part Time	1	2	3
Permanent Full Time	274	333	607
Permanent Part Time	42	9	51
Total	333	362	695

Cbus Permanent and MTC employees by State

	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	Total
Permanent	2	65	1	21	7	4	545	13	658
MTC	0	3	0	1	0	0	32	0	37
Total	2	68	1	22	7	4	578	13	695

Turnover Rate

	FY2020	FY2021	FY2022	FY2023
Cbus voluntary turnover rate	4.3%	7.1%	14.5%	9.3%
Industry Voluntary Turnover rate*	12%	13%	14%	14%
Cbus total turnover rate	8.2%	13.9%	17%	12%
Industry total turnover rate*	17%	13%	18%	16%

* July 2023 FIRG HR Policies and Practices Survey

Annual Compensation Ratio

	FY2020	FY2021	FY2022	FY2023
Cbus	1:6.34	1:6.23	1:6.83	1:4.19

The annual compensation ratio is the ratio for the median annual total compensation of employees (ex the highest paid individual) to the highest paid individual.

* Cbus industry mean: (FIRG General Survey & Industry Leaders 50th Percentile)

Ratio of Salaries of Women to Men

Age	Ratio of salaries of women to men (excluding the CEO)			
	FY2020	FY2021	FY2022	FY2023
All women	1:1.17	1:1.148	1:1.124	1:1.14
Under 30	1:1.01	1:1.07	1:1.02	1:0.99
30-50	1:1.15	1:1.13	1:1.13	1:1.15
Over 50	1:1.15	1:1.13	1:1.09	1:1.14

Gender composition of Cbus employees and governing body, by position level

	Female	Male	Total	Female	Targets
Board	5	9	14	36%	40%
Executive	3	5	8	38%	50%
Head of	20	31	51	39%	50%
Manager	63	80	143	44%	45%
Non-Manager	247	246	493	50%	50%
Total	333	362	695	48%	50%
Investments	61	94	155	39%	40%

* Board data from cbussuper.com.au