Responsible Investment Report

2025

SECURING YOUR FUTURE

cbus super

Overview

Executive summary

This financial year presented many complex challenges as we operated in a global context of rising climate instability, geopolitical tension and regulatory reform.

Domestically, the introduction of mandatory climate-related financial disclosures marked a significant shift in expectations for transparency and accountability. Globally, enforcement actions against greenwashing reinforced the need for credible environmental, social and governance (ESG) commitments and robust governance.

We recently updated our Responsible Investment Policy to clarify our approach.

This year we contributed to government consultations and participated in industry roundtables focused on enabling investment in the net zero transition and shaping the future of ESG regulation. These engagements reflected our belief that system-level reform is essential to protect and grow members' retirement savings.

We also took steps to prepare for future reporting obligations. A Fund-wide working group was established to prepare for mandatory climate disclosures in FY27. Additionally, a climate strategy designed to uplift work across the Fund to meet the new standard was approved.

In line with our adaptable and evidence-driven approach to responsible investment, we also refined our approach to the United Nations (UN) Sustainable Development Goals (SDGs). While we previously mapped our activities to the SDGs, we no longer do so, recognising that the SDGs are not easily embedded within investment decision-making. Instead, we continue to prioritise outcomes aligned with our strategic objectives and stewardship themes.

Following the initial insights gathered from our FY24 member survey, we will continue to engage with members through additional surveys and/or forums to deepen our understanding of their views on responsible investment.

We remain focused on supporting the delivery of long-term value for members while supporting a more sustainable financial system.

Responsible investment reporting

The Responsible Investment Report provides an overview of the activities that the Trustee undertook throughout the year to support our responsible investment approach.

Our members, our key stakeholders and our governing bodies, including the Australian Prudential Regulation Authority (APRA), expect us to invest, protect and grow our members' retirement savings. We believe our responsible investment approach helps manage risk, supports long-term investment returns and is consistent with our duty to act in members' best financial interests.

As part of our commitment to clear, concise reporting and transparency, we have prepared this Responsible Investment Report with reference to the Task Force on Climate-related Financial Disclosures (TCFD) 2021 framework and considered the Australian Securities & Investments Commission's Greenwashing Information Sheet (INFO 271).

We use the Principles for Responsible Investment (PRI), the Responsible Investment Association Australasia (RIAA) Scorecard and the Global Real Estate and Infrastructure Benchmarks (GRESB) to assess and inform our ESG practices and evaluate their robustness. We also consider the APRA Prudential Practice Guides: CPG 229 Climate Change Financial Risks and SPG 530 Investment Governance.

We engaged KPMG to provide limited assurance over the Responsible Investment Report in accordance with relevant internal policies and procedures that we developed, and for the purposes of assessment of alignment with the recommendations made in the TCFD 2021 framework. The assurance report is presented on pages 43 and 44.

How we invest responsibly

At Cbus, responsible investment means considering Material[1] ESG risks and opportunities as one input in the investment decision-making process (integration), using active stewardship (voting and engagement) to protect and preserve value for our members, and shaping the systems we operate in through public policy and regulatory advocacy.

We aim to apply our approach across most of our portfolio in accordance with our Responsible Investment Policy.[2]

For more information about our approach to responsible investing, visit cbussuper.com.au/sustainability

Through integration

All business activities, sectors, and asset types across the economy may be exposed to Material ESG risks and opportunities in different ways. Our integration approach is iterative and underpinned by continuous improvement.

Integration is supported by various activities, including investment manager selection and monitoring processes, investment manager ratings and investment monitoring with third-party data support.

Refer to pages 10–12 for more detail regarding our approach to integration

Through stewardship

Our stewardship activities include advocacy, the suite of rights attached to our shareholdings, and engagement with investee companies with the goal of protecting and preserving value for members' retirement savings.

Either directly or alongside others, we support the shift towards a more effective and sustainable finance system by encouraging the development of standards, guidelines and regulatory reform. We also aim to advocate for policy settings that protect our members' retirement savings from systemic environmental and social impacts.

Through voting and engagement, we aim to improve practices so that the companies that we invest in are better run, and therefore better positioned to provide more sustainable long-term investment returns.

Refer to pages 8–9 for more detail regarding our advocacy work, and pages 13–20 for more detail regarding our voting and engagement activities

We identify key areas of focus

We have identified a set of portfolio-wide ESG priorities for increased focus across our integration, stewardship and research areas as we work to protect and preserve member value. These priorities generally represent a systemic risk to our portfolio, are the subject of regulation, or are closely linked to our members and the industries they work in.

Our current portfolio-wide priorities are climate change, nature and biodiversity loss, modern slavery, workplace health and safety, and investing in the real economy.

We adapt and are evidence-based

We work to ensure our priorities continue to align with our members' best financial interests through time and we scan the horizon so we are aware of issues that may become more prominent into the future.

We use a wide range of research and data to measure, support and evolve our evidence-based approach. Our strategies and approaches are underpinned by an assessment of best practice coupled with a view of what is fit for purpose for the Fund.

We are transparent

We measure our activities and report on our progress so our members can be confident that we do what we say we do.

We partner

We recognise that through partnership and collaboration we can share knowledge and learnings and protect our portfolio from systemic risks.

Refer to pages 21–22 for more detail regarding how we work with our partners

We aim to apply our approach across most of our portfolio in accordance with our Responsible Investment Policy.[2]

1 Material ESG risks and opportunities are those that are likely to affect business or investment performance.

2 As at the date of preparation of this document, our Responsible Investment Policy does not apply to cash, derivatives or overlays.

FY25 highlights

Investing in the real economy

Through investments in sustainable property and renewable infrastructure we continue to allocate capital in the real economy. A standout example is the development of 435 Bourke Street in Melbourne, a $1.1 billion commercial office tower by Cbus Property, which has already achieved a 6 Star Green Star Buildings Design Review, Platinum WELL precertification and a NABERS Energy 5.5 star Independent Design Review. We also expanded our investment in renewables through Igneo Infrastructure Partners, approving a minority equity stake in Atmos Renewables, with clean energy projects across Australia.

> **Refer to pages 24–25 for more detail regarding how we are investing in the real economy**

Climate change

In FY25 we started the process of updating our approach to climate change. We had previously used climate change roadmaps to capture key actions over a two-year period, with our most recent roadmap closing in June 2024. We have now replaced these roadmaps with a longer-term climate strategy. Our initial climate strategy is focused on preparing Cbus for mandatory climate-related disclosures, which is being led by a Fund-wide climate disclosure working group. The strategy will also include a refresh of our climate ambition and implementation plans to ensure they remain appropriate, feasible and underpinned by credible assumptions.

> **Refer to pages 26–38 for more detail regarding our focus on climate change**

Nature and biodiversity loss

Following endorsement from our Board in August 2024, we began implementing actions under our Nature and Biodiversity Roadmap this year.

A focus this year was successfully sourcing a suitable nature and biodiversity data solution. The results of this analysis will guide other actions under the roadmap, such as identifying investment managers and companies for priority engagement on nature-related issues.

> **Refer to page 39 for more detail regarding our work towards nature and biodiversity loss prevention**

Modern slavery

This year we delivered modern slavery training to an increased number of Cbus employees compared to last year to promote broader awareness. We engage Fair Supply each year to conduct a portfolio-wide analysis to identify theoretical modern slavery risks across our investment holdings. Following last year's analysis, we initiated a targeted engagement program with 17 investment managers to improve transparency and risk management. We also continued our involvement in collaborative initiatives such as Investors Against Slavery and Trafficking Asia Pacific (IAST APAC) and the Responsible Investment Association Australasia (RIAA) Human Rights Working Group.

> **Refer to page 12 for more detail regarding our work to combat modern slavery**

Workplace health and safety

We demonstrated a strong commitment to workplace health and safety through focused engagement and voting. Safety was a key discussion point with companies, covering safety governance, remuneration alignment, enhanced disclosures and operational practices. In some cases, we cast votes at company Annual General Meetings (AGM) in favour of improved disclosure or improved conduct, and/or against director re-election on accountability grounds or against executive remuneration where we believe executive remuneration was misaligned with safety outcomes.

> **Refer to pages 14 and 17 for more detail regarding our workplace health and safety efforts**

RAINMAKER INFORMATION ESG LEADER 2025

We have once again earned the Rainmaker ESG Leader Award for 2025.

The ESG Leader Rating is earned by super funds that perform Environmental, Social and Governance (ESG) principles to a high level, while having a track record of strong investment performance.


CFMEU VICTORIA
40 years cbus super
I'm hard-headed about my choice in super
cbus
Super for us

02

Approach

Advocacy

As an investor within the financial system, we have a focus on financial risks as we work to protect our members' long-term returns.

We recognise, however, that the financial system is also connected to social and environmental systems. This means our investments are exposed to the volatility and performance consequences of economy-wide environmental and social impacts. These impacts are called systemic risks – risks that flow and cascade through society and the economy, impacting the companies and assets we invest in, and the industries our members work in.

We cannot avoid systemic risks by simply diversifying our portfolio, nor can we respond to these risks on our own. Responding to systemic risks (such as climate change) requires public policy and regulatory responses, driven by governments and global organisations such as the UN.

We consider **advocacy** to be a key pillar of our responsible investment approach. Advocacy allows us to contribute to the development of the public policies, regulations and standards that are needed to reduce systemic risks and their financial impacts. This offers potential to shape the systems in which we operate and invest, which may drive better outcomes for our members.

An overview of our advocacy efforts in FY25

Direct Government Engagement		
Climate, Social impact investing	We participated in a Treasurer's Investor Roundtable to help unlock investment in national priorities such as housing and cleaner and cheaper energy.	
Climate, Sustainable Finance	We attended several roundtables and meetings convened by ASFI, IGCC and the Principles for Responsible Investment (PRI). Discussions focused on key climate policy matters such as the 2035 emissions reduction target and Australia's bid to host COP31.	
Initiatives – where Cbus provided financial support or was represented on key committees		
Australian Sustainable Finance Institute (ASFI)	Chair and Member of ASFI Board. Funding partner and founding member of COP31 Work Program (see case study on page 9).	
Investor Group on Climate Change (IGCC)	Chair and Member of Board. Funding partner for 'Climate Action Pays Off' campaign.	
International Sustainable Standards Board (ISSB)	Member of ISSB Investor Advisory Group.	
Joint statements		
Statement to governments on biodiversity loss	Signatory to a coalition of pension investors' statement to global governments, calling for robust policies and regulations to address nature and biodiversity loss.	
Open letter to ASX regarding shareholder rights	One of 21 Australian super funds and equity managers that signed an open letter to the ASX, outlining concerns for shareholder rights based on application of listing rules to the proposed merger between James Hardie Industries (James Hardie) and The AZEK Company (AZEK) (see case study on page 9).	
Consultations – Direct submissions		
Productivity Commission	Consultation on investing in cheaper, cleaner energy and the net zero transformation.	We contributed feedback on the planning and approvals process for large energy infrastructure, and on the barriers and enablers to climate-resilient housing.
Consultations – Supported member organisation submissions In the consultations below, Cbus, along with others, provided input and feedback on the submissions made by member organisations.		
Federal Treasury	Consultation on a Future Made in Australia Front Door (for major transformational investments).	IGCC resources
ASFI	Second round of consultation on the Australian Sustainable Finance Taxonomy.	IGCC Statement on the Australian Sustainable Finance Taxonomy
Australian Securities & Investments Commission (ASIC)	Consultation on regulatory guidance for Sustainability Reporting.	ACSI's response to proposed ASIC regulatory guidance on Sustainability Reporting
		IGCC Response to ASIC Consultation Paper 380: Sustainability Reporting

Looking ahead

Following the reconvening of Parliament after the May 2025 election, several major policy reforms have been announced (e.g. Australia's 2035 emissions reduction target, Net Zero Plan and sector plans). We continue to see strong advocacy opportunities and intend to participate in relevant consultations, including those regarding:

- Implementation of Australia's Trajectory for Low Energy Buildings Plan, a national policy pathway to achieve net zero emissions in residential and commercial buildings by 2050.
- Amendments to Prudential Standards CPS 220 and SPS 220 Risk Management to include climate risk, as part of APRA's commitment to raising expectations for regulated entities to integrate climate risks into decision-making.
- Ongoing reforms to implement recommendations of the independent review of the *Modern Slavery Act 2018 (Cth)*.

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Cbus support for ASFI COP31 Work Program

Case Study

The issue

The Conference of the Parties (COP) is held annually and is the largest global United Nations event for discussions and negotiations on climate change. Australia, in partnership with the Pacific, is bidding to host the 31st COP (COP31) in 2026. Hosting this annual global climate conference presents an opportunity for Australia to advance global climate action, including scaling up private sector finance and investment.

Our contribution

We are a founding member of ASFI's COP31 Work Program Steering Committee. The program works with key members of the Australian finance sector and the Australian Government to identify, develop and execute outcomes at COP31 that support climate finance and investment.

In FY25, we attended ASFI-convened climate finance roundtables and meetings with the Australian Government. These discussions identified potential deliverables that government could work towards, including opportunities for blended finance to mobilise private capital.

Outcome

ASFI's COP31 Work Program Steering Committee facilitated engagement between Australian financial institutions and government. Engagement related to COP31 planning, brought a private capital lens to inform the Australian Government's consideration of COP31 and promoted potential COP31 initiatives on private finance.

Advocating for corporate governance and shareholder rights

Case Study

The issue

In March 2025, James Hardie announced its acquisition of AZEK at a significant premium. While the deal was unanimously approved by both Boards, key governance concerns emerged.

Most notably, the terms of the agreement were considered unfavourable to existing James Hardie shareholders, and they were not given an opportunity to vote on the transaction. Investors were also concerned with potential changes to listing status. This was reflected in the market response to the transaction, where James Hardie's share price dropped 14.5% on the day of announcement and to a total of over 30% within three weeks of the deal being announced.

Our contribution

In April 2025, we joined a coalition of investors, including asset owners and investment managers, in co-signing an open investor letter addressed to the ASX Ltd (ASX) Chair, Chief Executive Officer (CEO) and Chief Compliance Officer (CCO).

This letter outlined concerns regarding the application of the ASX Listing Rules to the James Hardie–AZEK transaction, noting the dilution of interests for existing shareholders and the impacts to shareholder rights, and called for a review of the ASX Listing Rules relating to the transaction.

Outcome

The ASX announced it would review and update its 2017 analysis regarding shareholder approval levels needed for listed company mergers. At the same time, the ASX will examine when companies are required to disclose receipt of any waivers to the ASX Listing Rules approvals when making public announcements related to those waivers. The ASX also committed to seek stakeholder feedback as part of this process.

We participated in a roundtable discussion led by the ASX CEO to discuss investors' feedback, and for the ASX to share its guiding principles, which may inform a consultation on the matter.

Additionally, James Hardie announced it would not seek Foreign Exempt Listing status and would hold a shareholder vote before making any decision to change its listing status.

Integration

ESG integration is the inclusion of Material ESG risks and opportunities into investment analysis as one input into investment decision-making. We aim to apply this across most of our asset classes (excluding cash, derivatives and overlays), alongside traditional financial factors, with the aim of supporting better-informed decisions and enhancing long-term, risk-adjusted returns for our members.

Our approach to ESG integration is supported by investment stewardship activities and our broader ESG risk management framework. Key features of our approach include:

Collaboration

Our Responsible Investment team works closely with our Investment teams to provide expertise and support.

Governance and oversight

Our Board and management oversee responsible investment programs, including stewardship, and our climate change work.

Risk management framework

We incorporate Material ESG risks into our risk management framework. To support this, our Board of Directors and Investment Committee monitor key risk indicators and process controls and the Fund's operations.

Capability building

We deliver training to staff and the Board on ESG risks and opportunities.

External investment manager requirements

Responsible investment is integrated into new investment manager selection and appointment process, with due diligence conducted on new managers to understand their ESG practices. We aim to include in our agreements with external investment managers provisions relating to responsible investment. These may include reporting and monitoring requirements, subject to the type of asset class and investment strategy being employed.

Annual attestation process

Our Operational Due Diligence team manages the annual attestation process where our aim is for external investment managers to complete ESG-related questions annually.

Compliance monitoring

Exclusion monitoring is undertaken through compliance systems for public market investments.

How we integrate risks and opportunities

Given the diverse nature of investing, there are several ways to incorporate the consideration of Material ESG risks and opportunities into investment analysis.

Consistent with this, we adopt a nuanced approach to ESG integration, which varies depending on the nature of the investment and the relevant investment strategy.

We utilise external investment managers and internally managed investment strategies. We also invest globally across a range of asset classes such as listed equities, credit, infrastructure, property and private equity.

Internal strategies

We continue to enhance our approach to ESG integration across our internal strategies for relevant asset classes as part of ongoing improvement.

Over the course of FY25, we rolled out Asset Class Guidelines across our key internal asset classes. The purpose of these guidelines was to enhance ESG integration across our internal portfolios and directly held assets during relevant phases of the investment lifecycle.

We are currently developing a proprietary assessment of Material ESG risks and opportunities for investment decision-making for select internal Australian Equities strategies.

External investment managers

Responsible investment is a component of our investment manager selection and appointment process. We undertake due diligence on our investment managers to identify their ESG practices so that we better understand the stage they are at in their responsible investment journey.

Due diligence and pre-investment

We conduct ESG due diligence prior to new investment manager appointment. Our recommendations for a prospective investment manager are incorporated in the approval paper for that investment manager prior to the new investment manager appointment and onboarding. In addition, we provide guidance and assistance in relation to the ESG assessments undertaken by the Cbus Investment teams prior to making co-investments alongside existing investment managers and direct investments.

Appointment

We assign an internal rating to all new managers and supplement this with our investment consultant's rating of external strategies.

Post-investment

We periodically monitor post-appointment, which may involve engagement and meetings with our external investment managers where we seek to share learnings, raise issues and influence change.

Individual portfolio-specific investment restrictions

Under some investment strategies, our ability to engage with or influence the companies with poor ESG practices is limited. Where that is the case, we may apply investment restrictions in addition to the investment exclusions described on this page.

For example, some of our investment managers may utilise 'quantitative strategies' – that is, where investment decisions are primarily based on mathematical models. For shares held under those strategies, we seek to exclude companies that fall within criteria defined by our service provider, which is currently Institutional Shareholder Services Australia Pty Ltd (ISS). These criteria currently include:

- Country-level conflict indicators, assessing both violent and non-violent conflicts, and
- Human rights and labour rights flags which assign scores to companies based on their performance against internationally recognised human rights and labour rights frameworks.

The list of companies falling within these restrictions is reviewed and updated annually, and provided to our investment managers.

Similarly, in some instances, we may apply investment restrictions on certain internal and external investment strategies to incorporate climate transition risk. These restrictions are informed by our internal quantitative climate overlay which systematically assesses transition risk exposure and flags companies for potential adjustment where there is a risk of asset stranding. These restrictions are not the same as our investment exclusions.

Investment exclusions

While integration is preferred, there are circumstances where we may consider exclusion of a sector or a specific asset type or stock from the Fund's investment portfolio, having regard to members' best financial interests.

We regularly review our approach to exclusions, but have outlined our current approach on this page, which is accurate as at the date of publication of this report.

> **For the most up-to-date information regarding our approach to exclusions, please visit our website. Details about our investment exclusions can be found in the Our Approach section at cbussuper.com.au/sustainability**

For Australian or International listed shares, when we invest directly in those shares (either through our internal or external investment managers), we exclude direct investments in the following (subject to the exceptions set out further below):

Controversial weapons*

Applies to companies which have direct involvement in:

- The manufacturing of controversial weapons (specifically cluster munitions, biological and chemical weapons, anti-personnel mines, depleted uranium, and white phosphorus weapons), or
- The manufacturing of components or services of the above core weapon systems where those components or services are considered essential for the lethal use of the weapon.

Tobacco manufacturing^

Applies to companies deriving 5% or more of their revenue from involvement in manufacturing and production of traditional tobacco products including cigars, blunts, cigarettes, beedi, kretek, smokeless tobacco, snuff, snus, chewing tobacco, as well as e-cigarettes. E-cigarettes include devices designed to resemble a cigarette containing a nicotine-based liquid that is vaporised and inhaled, and used to stimulate tobacco smoking (also called vapes, e-hookahs, vape pens, tank systems, mods, and electric nicotine delivery systems or ENDs).

These italicised terms above are known as the Investment Exclusions.

For the purposes of the Investment Exclusions, direct investment means investment in Australian or International listed shares where we or our custodian (on our behalf) directly owns the relevant shares (and as a result, we can directly control what shares are and are not held).

For all other investments (including in the case of indirectly held Australian or International shares), we seek to apply equivalent investment exclusions where possible or relevant. This depends on the nature of the investment or the investment structure, for example:

- Investments made by investment vehicles where the investment decision-making sits with a non-Cbus entity (such as unit trusts, funds of funds, or other pooled vehicles)
- Where we do not directly own the underlying assets, and
- Other indirect equity and debt investments, for example through exchange traded funds (ETFs) or derivatives.

Exceptions to the Investment Exclusions and restrictions

There may be circumstances which result in holdings in companies which are subject to the Investment Exclusions or restrictions. This may occur, for example:

- Where a merger with another fund in the future results in the acquisition of, or exposure to, holdings covered by the Investment Exclusions or restrictions, or
- Where there is exposure to a newly listed company or an existing company's revenue exposure exceeds the exclusion threshold outside of the annual review cycle undertaken by our third-party provider.

Where a company becomes subject to an exclusion or restriction, we will seek to exit these holdings if possible and in a manner consistent with members' best financial interests, taking into account matters such as alternative available options, liquidity, market conditions and investment fund structure.

* Definition provided by Morningstar Inc. Sustainalytics®.
^ Definition provided by ISS.

Modern slavery

We have long recognised the value of human capital within organisations. Our focus has extended to understanding and mitigating the risk of modern slavery within our investment supply chain, whilst also seeking to safeguard labour rights and promote safe working environments for people

We prepare a Modern Slavery Statement annually, as required under the *Modern Slavery Act 2018 (Cth)*, which aims to increase business awareness of modern slavery risks in the production and supply chains of Australian goods and services.

This statement relates to both our operations and our investments, and our approach continues to evolve, reflecting both regulatory developments and our commitment to responsible investment.

> **You can read more here and in our Modern Slavery Statement available at cbussuper.com.au/annualreport**

Work on Modern Slavery in FY25

In terms of our approach to modern slavery risk management across our investment portfolio throughout FY25, we have undertaken the following:

Training and Education

Modern slavery training was again delivered to relevant internal teams to create broader awareness.

Investment manager engagement

Each year, we commission an external subject matter expert, Fair Supply, to conduct a portfolio-wide analysis to identify theoretical modern slavery risks across our investment portfolio. These insights form the basis for our engagement strategy with investment managers.

Following the FY24 portfolio exposure analysis conducted by Fair Supply, we initiated a targeted engagement program with 17 investment managers whose holdings reflected the highest indicative modern slavery risks.

The majority of these managers were primarily invested in global, domestic, and/or emerging market equities. We engaged these investment managers in writing, seeking responses about their due diligence process, engagement actions, and any investment decisions influenced by modern slavery risk. Based on our analysis of responses, we believe there is a maturing approach across investment managers, with notable improvements in transparency and risk management.

FY25 portfolio exposure analysis

This year, our investment portfolio was once again assessed by Fair Supply, enabling us to identify modern slavery risk within our portfolio and plan engagement with external investment managers holding these assets with elevated modern slavery risk. Our Modern Slavery Statement outlines the findings of our modern slavery risk analysis.

Participation in investor initiatives

We continued our involvement in collaborative initiatives such as Investors Against Slavery and Trafficking Asia Pacific (IAST APAC) and the RIAA Human Rights Working Group.

Ongoing monitoring and due diligence

In addition to our annual portfolio exposure analysis and manager/asset engagement program, we have several mechanisms to oversee modern slavery risk.

A modern slavery questionnaire is issued to new investment managers as part of our due diligence process to assess their awareness and management of these risks. To stay informed of emerging risks we also monitor for actual, perceived and potential incidents through manager reporting, data providers and media coverage.

We aim to include modern slavery reporting requirements in relevant agreements with investment managers and assets, supported by annual attestations from investment managers confirming they have met these contractual obligations.

Stewardship

Our stewardship framework aims to deploy our resources and influence as an investor with the goal of protecting and preserving value for members' retirement savings.

Where we hold voting rights as a result of our shareholding, we may vote on the election, appointment and nomination of directors that have the capability, capacity and integrity to pursue value-creating corporate strategies, manage material risks and opportunities soundly, and monitor, assess, disclose and remain accountable for the company's performance (including its impact on employees, suppliers, customers, communities, and the environment).

Our voting is supported by engagement, and we advocate for systemic changes that seek to protect our members' retirement savings from systemic environmental and social impacts (see Advocacy on page 8).

> **View our Stewardship Process and read our Stewardship Statement to find out more.**

Voting

Voting at company meetings is one way we can exercise our shareholder rights. We take steps to vote on proposals at company meetings, in markets globally, for our listed equity holdings. There are circumstances where we may not vote, including where we hold our interest through a pooled fund, or as a result of securities lending, share blocking or power of attorney market requirements.

We rely on external analysis and vote recommendations from ACSI and CGI Glass Lewis to support us in voting on approximately 23,000[3] resolutions globally each year. In addition to this, for ASX 300 and directly-held, actively-managed global companies, our voting is guided by the ACSI Corporate Governance Guidelines. These were developed by ACSI and its member funds (including Cbus) and are reviewed every two years.

We apply criteria, approved by our Investment Committee, to identify meetings and proposals for internal review. As part of our review, we consider a range of inputs from investment managers, service providers, other stakeholders (where applicable), as well as engagement with the company to inform our vote decision.

The process for vote decision-making includes investment delegations to the Head of Responsible Investment, Stewardship Strategy reviews, and reporting to our Investment Committee and Board.

Please see the following page for additional detail of our voting over recent years.

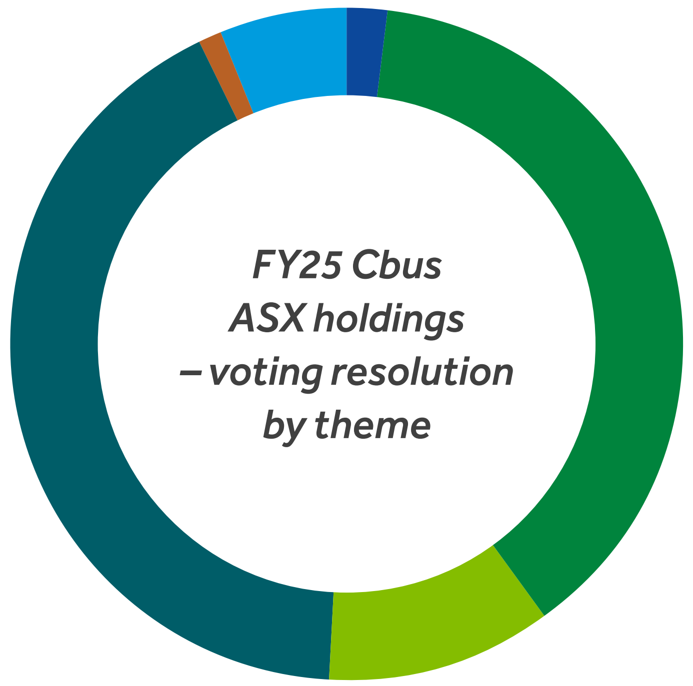
> **We disclose our voting decisions after the relevant meeting, which can be accessed here.**

3 Based on FY25 voting data.

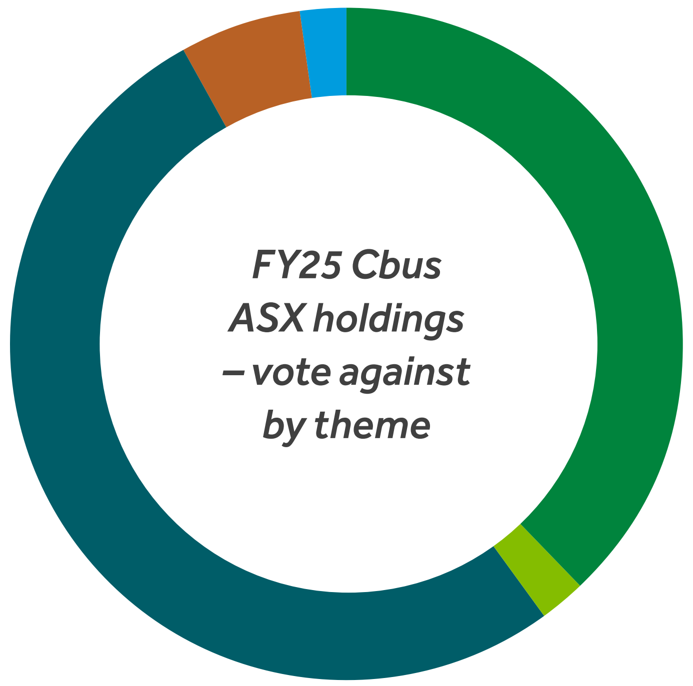
Australian share voting

Proxy voting outcomes for Cbus ASX holdings from 2021–2025

Financial Year	# of resolutions voted	For (%)	Against (%)	Abstain (%)
2025	2,518	87	12	1
2024	2,598	84	14	2
2023	3,083	87	12	1
2022	2,605	87	12	1
2021	2,249	86	12	2



2%	Audit/Financials
38%	Election of Directors
11%	Capital Management
42%	Executive Pay
1%	Shareholder Proposals
6%	Other



0%	Audit/Financials
38%	Election of Directors
2%	Capital Management
52%	Executive Pay
6%	Shareholder Proposals
2%	Other

Our Australian voting positions supported the following outcomes in FY25:

Corporate governance

- We withheld support for the remuneration report at Mineral Resources due to our concerns of a misalignment between remuneration outcomes and shareholder experience. This decision was informed by emerging allegations concerning the CEO's use of company resources and related party transactions. We would typically also assess board oversight and accountability in these circumstances. However, as only newly nominated directors were seeking election at the AGM, this was not a necessary consideration. The remuneration report resolution received a first strike and the resolution to approve the grant of securities to the Managing Director was withdrawn.
- In FY25, Nine Entertainment Co faced allegations of bullying and harassment in its broadcast news division. These issues were subsequently disclosed in a company commissioned independent cultural review. We voted against the remuneration report as we did not consider executive bonuses aligned with company performance. While we provided qualified support for director re-elections, we noted that this was only to ensure Board stability and called for an orderly transition.

> **Refer to the case studies on page 19 for more detail**

- At another media company, we voted against the reappointment of the longest serving director at its parent company and against a resolution to approve potential termination payments. This was in response to workplace culture issues involving claims of sexual harassment and bullying, and to express concern over the level of Board oversight and response. We were concerned that the termination payments were not in shareholders' best financial interest. Both resolutions were carried, although we note a material level of minority shareholder dissent reflected in the vote outcomes for the termination benefits.

Workers' rights

- After careful review of a shareholder proposal advocating for employer-funded paid parental leave at an early childhood education and care provider, we voted against the resolution which received 28% support from shareholders. Employee feedback indicated that the company's existing suite of benefits was valued higher than the proposed changes and that employee engagement and retention scores were improving. We note that the company has committed to further work on its employee offering as part of its updated three-year people strategy.

Workplace health and safety

- Noting a history of fatalities at a global mining services company and multiyear engagement, we voted against the remuneration report for the fourth consecutive year given insufficient accountability for safety performance. Through engagement alongside our service provider, we understand the company is committed to reviewing its remuneration structure going forward to reflect fatalities and poor safety performance.

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- At another global mining company, we withheld support for the re-election of the Safety and Sustainability Committee Chair based on our view that there should be accountability for several fatalities in the last two years and what we considered unsatisfactory progress of its Fatality Risk Management program. This was our second vote against this director. We also voted against the remuneration report due to concerns over misalignment of pay and safety outcomes. While each fatality was investigated by the company, several medium-term focus areas remain ongoing. These include refreshing assurance programs, reviewing safety risks and standards against the company's evolving risk profile, strengthening engagement skills for control reviews and hazard discussions, and developing safety and risk leadership skills across the company.

Climate change

- Three AGMs offered a second non-binding advisory Say on Climate (SoC) resolution, reflecting climate progress and improved disclosures. We supported all three resolutions.
- There was no SoC resolution placed before the Woodside Energy Group Ltd's (WDS) AGM in 2025. However, as part of our ongoing approach to stewardship with WDS we withheld support for the re-election of the Sustainability Committee Chair and voted against the company's remuneration report. Having voted against the company's climate transition action plan at the 2024 AGM, we determined that director-level accountability was warranted given WDS's lack of responsiveness to our feedback, limited progress against its own climate commitments, and the misalignment between remuneration outcomes and shareholder experience.

> **Refer to the case study on page 20 for more detail**

Remuneration

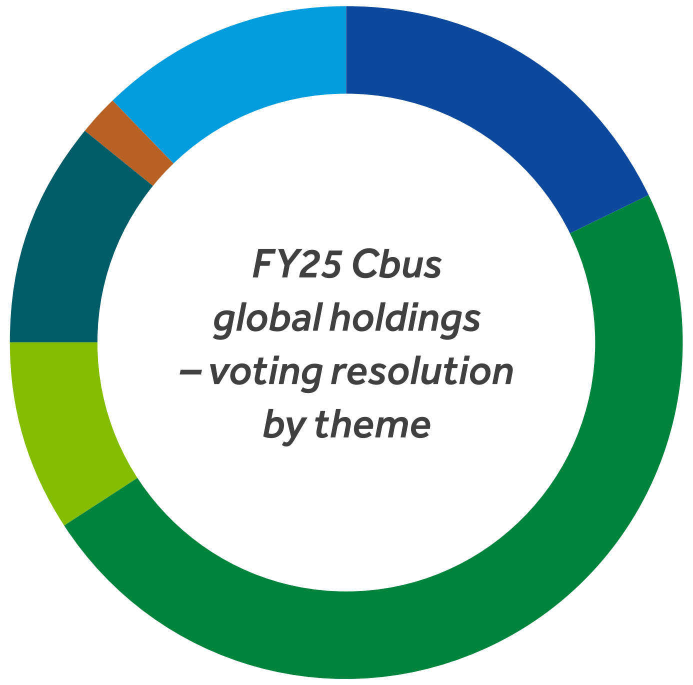
During the year there were 36 strikes[4] against remuneration reports of ASX 300 companies, reflecting continued investor dissent with remuneration structures and outcomes.

- We have identified a rise in US-style pay structures. These structures exhibit large awards with minimal or no performance conditions, heightened retention concerns, and misaligned outcomes. This prompted us to vote against the remuneration reports at the AGMs of both a specialist fast fashion jewellery retailer, which received its fourth consecutive strike, as well as that of an infrastructure provider.
- We opposed a mining company's remuneration report due to concerns regarding Board discretion to remuneration outcomes following damage to cultural heritage artefacts. The resolution received a strike, reflecting strong investor dissent.
- A multinational banking and financial services company received a strike when we and other investors voted against its remuneration report, citing adjustments to variable remuneration did not sufficiently reflect accountability of risk management issues. The CEO equity grant approval was also withdrawn.

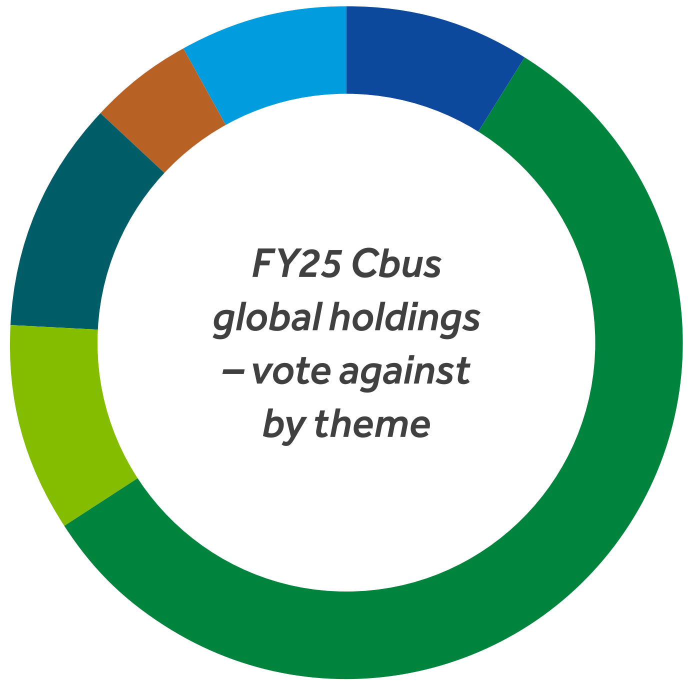
Global share voting

Proxy voting outcomes for Cbus global holdings from 2021–2025

Financial Year	# of resolutions voted	For (%)	Against (%)	Abstain (%)
2025	20,720	82	16	2
2024	19,699	82	16	2
2023	18,872	83	15	2
2022	21,150	82	16	2
2021	24,278	81	17	2



18%	Audit/Financials
48%	Election of Directors
9%	Capital Management
11%	Executive Pay
2%	Shareholder Proposals
12%	Other



9%	Audit/Financials
57%	Election of Directors
10%	Capital Management
11%	Executive Pay
5%	Shareholder Proposals
8%	Other

4 A strike is defined as a situation where 25% or more of shareholders vote against the company's remuneration report at its AGM. Of the 36 strikes, Cbus contributed to 26 of these strikes, voting against remuneration reports.

Voting on shareholder proposals

Voting on non-binding shareholder proposals (SHPs), put forward by shareholders rather than the company's Board, is another tool we use to raise concerns with a company regarding management of Material ESG risks and opportunities. We assess SHPs on a case-by-case basis and, consistent with our approach to voting described above, we consider a range of inputs to our decision-making process.

For example, we consider external analysis and vote recommendations from our proxy advisors, as well as views from investment managers, service providers, other stakeholders (where applicable), as well as engagement with the company and shareholder proponent for Australian shareholder proposals to inform our vote decision on shareholder proposals.

We may support non-binding proposals under our stewardship framework to reinforce our position to directors or affirm actions they have taken, since this would enable us to evaluate director actions (or inaction) within the context in which they have received a concrete, unambiguous signal of shareholder views. Voting in this manner will be captured and reported as a data point by companies.

Australian holdings

There were 25 non-binding SHPs for our ASX 300 holdings in FY25, a decrease from 60 in FY24, aligning with a broader global trend.

- Eight were environmental resolutions, primarily focused on aligning capital expenditure with the Paris Agreement. Notably this included three SHPs put forward by Market Forces in relation to transition plans at three major banks, which received between 15% and 34% support, including from Cbus.
- Four of these addressed nature and biodiversity related to farmed salmon sold through major retailers, with the two disclosure-related proposals receiving between 30% and 39% support from shareholders, including Cbus. Please see our nature and biodiversity case study on page 18 for more information on two key shareholder proposals.
- There were 16 governance-related resolutions, and one social resolution. One governance-related SHP was at a global mining and metals company regarding unification, which received 81% votes against, including from Cbus.
- No constitutional amendments requiring boards to act on the conditional shareholder proposals were passed.

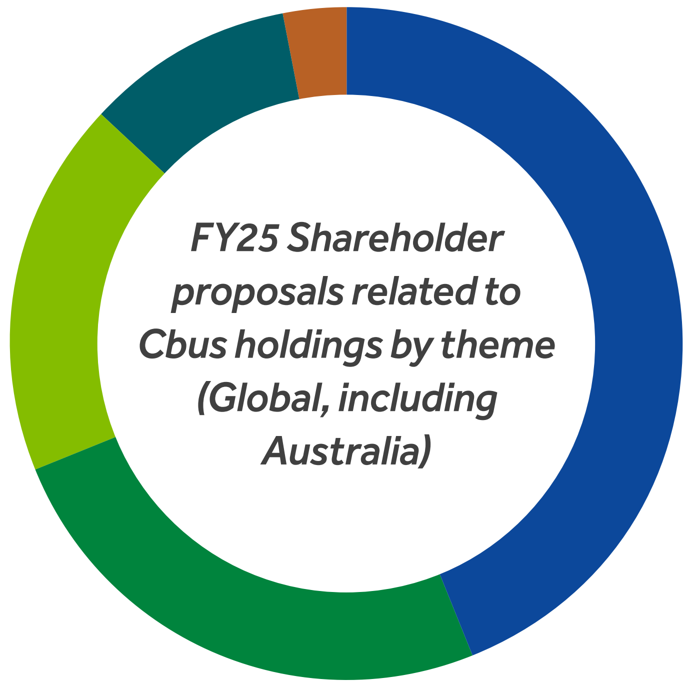
Global holdings

There were 472 global SHPs in FY25, down from 540 in FY24. Of these, 84 were environmental, 207 were governance-related, and 120 were social. (See charts to the right for a full breakdown.)

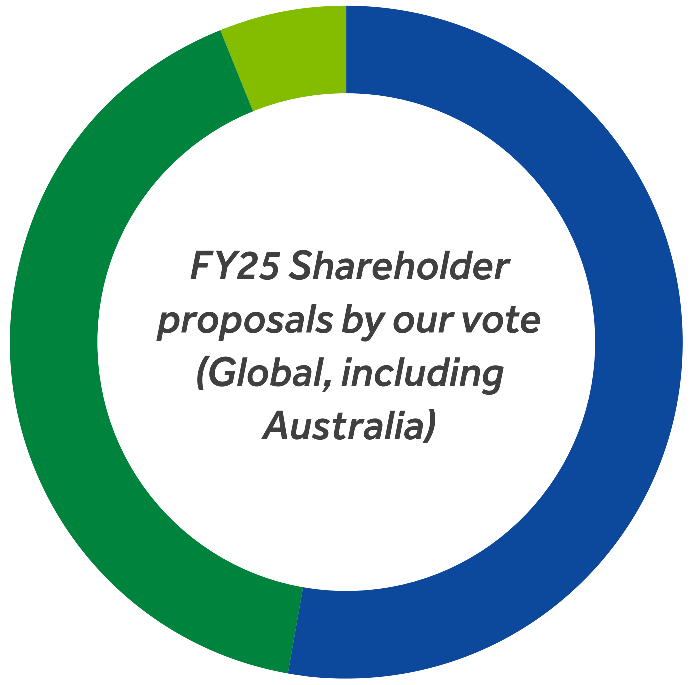
- We supported 79% of environmental proposals, with most relating to climate change.
- We also supported 60% of social-related proposals, such as reporting on racial equity audits, equal employment opportunities, human capital management, and political and charitable contributions.
- We typically supported governance SHPs on topics calling for an independent Chair and separation of Chair and CEO, pay equity reports, climate risk management and the strengthening of minority shareholder rights, human and workers' rights, safety, privacy, and data and AI protections.

Outlined below are SHPs raised at three separate global technology companies:

- ~26% of shareholders including Cbus voted in favour of an SHP calling for equal voting rights
- ~31% of shareholders including Cbus voted in favour of an SHP calling for equal voting rights
- ~17% votes from shareholders including Cbus supported an SHP calling for the separation of the CEO and Chair positions and 23% of shareholders voted in favour of request for a report on the company's warehouse working conditions.



207	44%	Governance
120	25%	Social
84	18%	Environment
49	10%	Compensation
12	3%	Other



249	53%	For
194	41%	Against
29	6%	Abstain

Engagement

We engage with a broad range of stakeholders including our investment managers, listed companies, and directly held unlisted companies.

We use prioritisation tools to define a set of thematic priorities that inform our engagement program.

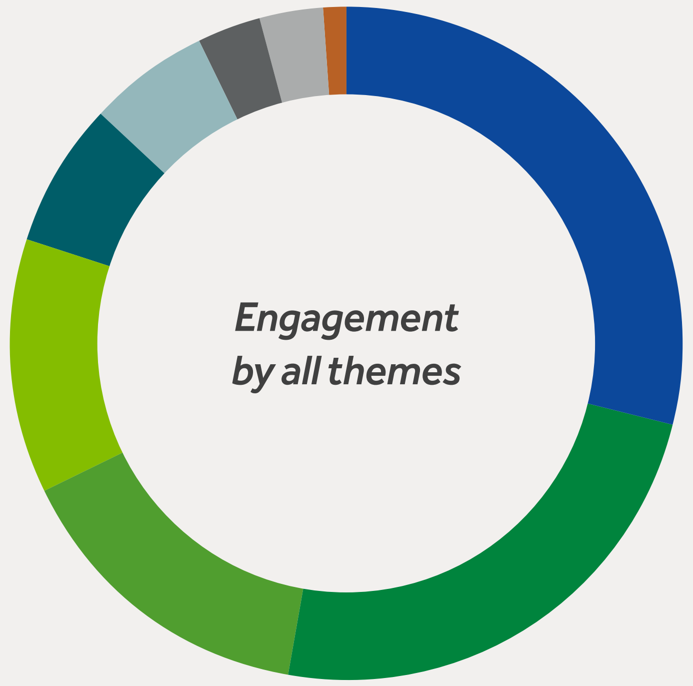
We engage with companies to assess Material ESG risks and opportunities, inform our voting positions, understand company perspectives, and advocate for improvement in practices to protect members' retirement savings. We often engage alongside other investors and shareholder representative groups with investee companies.

Our approach to stakeholder dialogue is flexible and we engage companies directly, in partnership with other investors, or through external service providers.

Where possible, we prefer to work alongside others to share knowledge and learnings, manage resources efficiently and be more effective.

Progress against our thematic priorities

Last year we outlined the following thematic engagement priorities that would guide our work over FY25 and beyond. We are pleased to report on our progress against them (right).



40	29%	Climate change
35	24%	Corporate governance
21	15%	Workplace health and safety
17	12%	Inequality and executive remuneration
10	7%	Business strategy
9	6%	Culture, conduct and ethics
5	3%	Modern slavery
5	3%	Nature and biodiversity loss
2	1%	Human rights

Our FY25 engagement statistics

144 Total engagements (up 16%, from 124 in FY24)

62 Companies engaged (up 29%, from 48 in FY24)

72 Direct engagements (up 18%, from 61 in FY24)

72 Engagements with partners (up 14%, from 63 in FY24)

Progress against our thematic priorities

Theme	Activities
Climate change	We engaged with all our eight climate priority focus companies during FY25 through 25 engagements, both directly and in collaboration with others. We also engaged with companies outside of our climate priority focus list on climate-related matters. As an indication of progress and responsiveness to ongoing climate-related engagement, we supported the second Say on Climate at BHP Group Ltd, Rio Tinto Ltd and Santos Ltd.
Corporate governance	Emerging high-profile events and controversies related to conduct and culture issues highlight examples of poor governance practices. This informed our work during FY25 which led to 12 engagements under this focus area. With a mixed response to engagement, progress remains largely ongoing. Advocacy-related efforts include our work in relation to the ASX and its review of the ASX Listing Rules related to shareholder approvals following the approach with James Hardie and AZEK (Please see the case studies on page 9 for more.)
Diversity, equity, and inclusion	In preparing objectives for FY26, we acknowledge the evolving geopolitical environment and data availability. During FY25 we remained focused on gender diversity of boards. This includes our expectations that no gender occupies less than 30% of board positions, as reflected in ACSI's governance guidelines, and our work to understand the company's circumstances and commitments that inform our voting position. During FY25 there were six ASX listed companies across industrials, metals and mining, retail, and software sectors where we voted against the re-election of a director in relation to low gender diversity and other governance concerns. We responded to the proposed fifth edition of the ASX Corporate Governance Principles and Recommendations. Although the ASX Corporate Governance Council paused this review, we remain supportive of disclosure that reports gender pay gap.
Human rights	Beyond our existing work on modern slavery noted below, human rights is a new thematic priority for us. Our initial work in 2025 has focused on gaining a better understanding of the approach to, and management of, Human Rights-related risks by certain investee companies exposed to conflict-affected and high-risk areas.
Inequality	Our objectives under this thematic priority were to focus on inequality through the lens of annual executive salary increases relative to that for the broader workforce. We found that this data was not typically reported by companies or captured by data providers thereby impacting our ability to progress this thematic as originally envisaged. Where relevant and possible, we engage on this topic through our focus on executive remuneration.
Modern slavery	Our objectives reflect our multiyear engagement as IAST APAC lead for both a global home appliance manufacturer and a fast-food restaurant operator. We were also a participating member of another IAST APAC company engagement. The global home appliance company has been receptive to engagement which has led to progress during FY25. It has expanded its supplier audits during FY25 and is embedding modern slavery training and oversight within its own quality control team to support efforts to identify and assess potential issues on site. We also note that it is accelerating plans to diversify its manufacturing operations outside China. However, in relation to the fast-food operator, a strategic review and divisional management changes have had limited progress during FY25.
Nature and biodiversity loss	We have achieved our phase 1 objectives to engage alongside our service providers across three priority focus companies to build capacity in this area. Our analysis of nature and biodiversity loss shareholder proposals noted in the case study on page 18 provided an opportunity to expand our work in this area.
Workers' rights	We participated in the development and publishing of an ICGN Investor Viewpoint: Workers' voice in corporate decision-making and joined a panel discussion at the ICGN conference on the topic (Please see our workers' rights case study on page 20).
Workplace health and safety	We engaged with 21 companies in relation to workplace health and safety. This included six focus companies under the workplace health and safety thematic priority – two companies that have experienced recent fatalities, two companies with a poor history of fatalities and two companies in relation to a lack of safety indicators. Our engagement was either direct or collaborative with ACSI and our objectives were to monitor progress in response to fatalities, encourage disclosure of safety metrics or seek enhanced safety metrics and disclosures. We note some improved disclosure across some priority focus companies. We will continue to assess future reporting for the remainder of priority companies. We also observed improved alignment of safety and remuneration outcomes at one investee company. This follows five years of persistent engagement and voting action to hold directors accountable for poor safety performance and/or withholding support for remuneration reports where we believed executive remuneration was misaligned with safety outcomes.

The first nature and biodiversity shareholder proposals in Australia

Case Study – Nature and biodiversity loss

The issue

Coles Group Ltd (COL) and Woolworths Group Limited (WOW) both sell Tasmanian-farmed salmon. This includes salmon from Macquarie Harbour, a region in Tasmania and key habitat for the endangered Maugean skate.

Shareholder advocacy group, Sustainable Investment Exchange (SIX), filed two non-binding shareholder proposals at both the COL and WOW 2024 AGMs, raising concerns that both companies face material risks from their association with a likely extinction event for the Maugean skate.

In addition to a shareholder proposal regarding constitutional amendment, there was a shareholder proposal that requested a report on the impact of farmed seafood procured for both companies' own brand products on endangered species under the *Environment Protection and Biodiversity Conservation Act 1999 (Cth)* by 30 April 2025 that was contingent on the constitutional amendment. The second contingent shareholder proposal requested that the companies cease procuring farmed salmon for their own brand products from Macquarie Harbour by no later than 30 April 2025.

Our FY25 mode of engagement and objectives

We met with both COL and WOW in the lead up to their AGMs, in collaboration with our service providers. We also engaged with proponents of this shareholder resolution alongside Nature Action 100. Our aim was to learn more about the nature and biodiversity efforts of COL and WOW, particularly regarding the farming and procurement of salmon in Tasmania.

Outcome

We note the shareholder proposals were not carried at the AGM. We did not support the shareholder proposal requiring constitutional amendments that would bind management to the outcome of the shareholder proposal since our preference continues to be for regulatory reform on these matters. We voted in favour of the shareholder proposal regarding a report on the impacts of farmed seafood, but did not support the shareholder proposal calling to cease procuring farmed salmon from Macquarie Harbour.

Overall, 39% (COL) and 30% (WOW) of shareholders voted in favour of enhanced reporting, indicating a significant level of support from investors for this proposal. Support for the resolution to cease sourcing farmed salmon from Macquarie Harbour was limited and backed by only 7% (COL) and 5% (WOW) of shareholders. Despite strong investor support for the enhanced reporting shareholder proposal, it was not carried.

Following the AGMs, we wrote to COL and WOW to encourage enhanced disclosures and transparency. We continue to monitor developments that will inform our next steps.

Macquarie Harbour, Tasmania

Executive conduct and organisational culture

Case Study – Corporate governance

The issue

There were several high-profile conduct and Board oversight issues throughout FY25 at both Mineral Resources Ltd (MinRes) and WiseTech Global Limited (WiseTech).

At mining services company, MinRes, controversies related to allegations of tax evasion and related party transactions by its founder and Managing Director, negatively impacting its share price and market value when the news broke.

At WiseTech, a software solutions company, the Founder and former CEO was the subject of ongoing allegations of inappropriate relationships and governance issues. Following the allegations, he initially resigned as CEO, was subsequently appointed as a consultant and then announced as Executive Chair.

Our FY25 mode of engagement and objectives

Alongside ACSI, we met with both MinRes and WiseTech and sought our investment managers' views as an input to inform our voting decisions at both companies' AGMs.

Outcome

We joined 75% of shareholders in voting against the remuneration report at MinRes's November 2024 AGM, delivering a first strike.

We also wrote to MinRes, urging the Board to disclose the results of its investigation and to accelerate succession plans for both the Chair and the CEO. All three members of the MinRes Ethics & Governance Committee resigned from the Board without explanation in April 2025.

We supported all resolutions at WiseTech's November 2024 AGM, which included the remuneration report and Board appointments, noting that the Founder did not participate in incentive plans and director elections related to new Board appointments. We also wrote to WiseTech to share our expectations that the Founder should not be involved in the business while the Board was conducting an internal review of his conduct. We note that WiseTech appointed the Founder as Executive Chair after four independent directors left the Board, citing intractable differences and a dispute.

Both companies are currently the subject of an ASIC investigation and class action.

Following both AGMs, we worked with our investment managers to understand their ongoing engagement with MinRes and WiseTech in light of the investigation and class action.

Case Study – Corporate governance

The issue

In FY25, Nine Entertainment Co Holdings Limited (NEC) faced allegations of a systemic culture of sexual harassment, bullying and abuse of power. This was subsequently reported in a Board-commissioned and published business review by consultancy firm, Intersection.

It followed the departure of the former National Director of News and Current Affairs, following complaints about inappropriate behaviour, the resignation of the former Chair after an altercation with a journalist, and the departure of the former CEO, by mutual agreement with the Board.

Our FY25 mode of engagement and objectives

At its AGM, we opposed the remuneration report due to misaligned bonuses, poor shareholder outcomes (including a 28% share price drop in FY24) and findings from the Intersection report.

We engaged directly with NEC twice following its 2024 AGM as more details emerged. Our engagement covered ongoing Board renewal, the implications of Intersection's report around remuneration outcomes, and next steps.

Outcome

The remuneration report received its first strike with 37% of shareholders voting against it, reflecting a broad level of shareholder dissent.

We also provided qualified support of the Chair for a transitional period given their tenure and significant organisational change, noting that 17% of shareholders voted against the Chair's re-election.

Whilst the Board has stated its commitment to implement all recommendations from the Intersection report, it is also looking to management to deliver a comprehensive action plan to uplift the company's culture, which we acknowledge will take time to effect the required change and to judge the success of these initiatives.

Response to Say on Climate

Case Study – Climate change and corporate governance

The issue

Woodside Energy Group Ltd (WDS) is an Australian energy company, and a climate focus priority company for Cbus. We regularly engage with both its Chair and CEO. Along with 58% of shareholders, we voted against WDS's 'Say on Climate' (SoC) at its 2024 AGM.

While we voted in favour of the re-election of the Chair on a qualified basis, and in favour of the remuneration report at the 2024 AGM, we wrote to the company to share our vote decision on its climate strategy and disclosures, and to call for an orderly succession plan for the Chair.

Our FY25 mode of engagement and objectives

In the lead-up to its 2025 AGM, we met with WDS eleven times. This was both directly and in collaboration with ACSI and Climate Action 100 (CA100+). Our engagement objectives were to see an uplift in climate disclosures and responsiveness to shareholder concerns, noting the company's climate commitments.

Outcome

Recognising that WDS did not enhance its climate disclosures in FY25 following the high shareholder vote against its SoC at the 2024 AGM, and our engagement feedback against WDS's own commitments, we voted against the Chair of the Sustainability Committee to reflect our view of director accountability and continued concerns. We also voted against the Remuneration Report, given our view that there is a misalignment between pay outcomes and shareholder experience. Both resolutions were subsequently carried, with 19% of shareholders voting against the Chair of the Sustainability Committee, and 15% against the Remuneration Report.

We wrote to WDS outlining our rationale for voting against two resolutions, emphasising concerns about climate disclosure and accountability, and recommending actions such as aligning capital allocation with Paris Agreement goals, improving transparency on decarbonisation plans and strengthening remuneration structures to better reflect shareholder outcomes and safety performance.

Our future voting positions will be informed by engagement objectives and company progress as applicable.

Giving workers a voice in corporate decision-making

Case Study – Workers' rights

The issue

In 2024, we joined the International Corporate Governance Network (ICGN), a group of global investors that aim to advance high standards of corporate governance and investor stewardship worldwide.

Workers' competencies, capabilities and experience, and motivations to innovate are increasingly seen by investors as a major source of value for every company – this is defined as human capital. One aspect of effective human capital management is facilitating appropriate channels for workers' voices.

Our contribution

We participated in the panel discussion Reflecting Stakeholders Views at the ICGN Melbourne Conference in November 2024. The session explored how boards can reflect stakeholder views, including those of workers, in governance processes.

In December 2024, the ICGN published its Investor Viewpoint: Workers' voice in corporate decision-making. We joined a Workers' Rights working group under ICGN's Human Capital Committee, and actively contributed to this piece and helped shape its direction.

The viewpoint considers how worker engagement can contribute to the long-term success of a company. It explores corporate governance mechanisms that can help management and boards hear workers' perspectives. Finally, it proposes questions investors can ask company boards and management teams to gain a better understanding of how companies approach this issue.

Outcome

The ICGN's Investor Viewpoint showed that integrating workers' voice as an input into corporate decision-making is part of effective human capital management. It can help company boards and management identify risks and opportunities, enhance workforce performance and productivity, and build trust with stakeholders.

Our involvement demonstrates our commitment to advancing global standards in corporate governance and investor stewardship. By supporting the integration of the worker voice into boardroom dialogue, we hope to reinforce our broader advocacy for long-term value creation.

Key advocacy, voting and engagement partners

In addition to our direct engagement with companies and voting, we work with several service providers and collaborative engagement organisations. Listed below are our key service providers and links to their websites for more information.

ACSI

Cbus is a founding member of ACSI, an organisation owned exclusively by its members which exists to provide a strong, collective voice on financially-material ESG issues.

ACSI's research, company engagement, advocacy and voting recommendations support its members in exercising active ownership and strengthening investment outcomes. This evidence-based approach aims to achieve better financial outcomes through genuine and permanent improvements to the governance and sustainability practices of the companies in which members, including Cbus, invest. These improved outcomes flow through to the beneficiaries who entrust their retirement savings to ACSI members.

ACSI produces research with detailed insights into material investment issues, market practices and ASX 300 companies. This research feeds into ACSI's company engagement program.

In FY25, ACSI held 340 meetings with 202 different listed companies, seeking robust management of financially material issues, and key engagement priority areas included:

- **Environment** – Climate change, circular economy, biodiversity, and nature.
- **Social** – Workforce (including modern slavery, equitable and just transition, workplace safety and wage underpayments), First Nations, cultural heritage and community engagement, corporate culture (conduct, sexual harassment) and gambling harm.
- **Governance** – Board diversity and composition, accountability and remuneration.

ACSI's voting research integrates insights from its company engagement and broader research program. Its voting recommendations are a useful input for subscribers when determining their votes at company AGMs.

On behalf of its members, ACSI also engages with government, regulators and others in the financial services sector to promote a regulatory system that is effective for long-term investors.

> **To learn more, read ACSI's 2025 Stewardship Report**

Federated Hermes

EOS at Federated Hermes Limited (EOS) undertakes engagement with listed global companies on our behalf, covering approximately 57% of our total global equity holdings. EOS's constructive engagements with corporate boards and executives on environmental, social, governance and strategic issues enable investors to be more active owners of their equity and fixed-income assets, supporting stronger financial performance and better outcomes for society. With almost half of its engagements now more than nine years in duration, EOS is committed to realising positive, enduring change. EOS spearheads collaborative engagements with investors worldwide and its expertise has been called upon to help develop stewardship codes in developed and emerging markets.

> **To read more about the work of EOS visit their stewardship page**

Glass Lewis

CGI Glass Lewis (Glass Lewis) provides research, recommendations, data, and operational support to help us vote on our shares in public companies. Glass Lewis also assists us with the infrastructure required to support the complexities of global voting and custom voting guidelines, as well as auditing, workflow and reporting requirements.

Climate Action 100+

Cbus is a signatory to Climate Action 100+ (CA100+). CA100+ is an investor-led initiative where more than 600 investors engage with companies on their climate change strategies as an efficient mechanism to support individual investment strategies associated with the mitigation of financial risk and long-term value creation.

Cbus is a member of the Investors Against Slavery and Trafficking Asia Pacific (IAST APAC), which is an investor-led multistakeholder initiative convened to promote effective action among companies in the Asia-Pacific region to find, fix and prevent modern slavery, labour exploitation and human trafficking in their value chains. The initiative also aims to provide an advocacy voice where appropriate and where applicable, for instance through submissions, consultation with policy makers as well as acting as a conduit for members to collaborate on policy advocacy opportunities.

Across the Asia-Pacific region, IAST APAC participants seek to work together to foster good practice in investor engagement with companies exposed to modern slavery risks.

> **For progress update for our Stewardship thematic engagement priorities, see page 17.**

Cbus is a member of the International Corporate Governance Network (ICGN). Established in 1995 by the world's most influential investors, ICGN advances high standards of corporate governance and investor stewardship worldwide, focused on material governance issues in line with members' fiduciary responsibilities. ICGN is led by investors responsible for assets under management of >US$ 90 trillion and its members are based in more than 40 countries.

> **For more information on our work with ICGN, see our workers' rights case study page 20.**

Cbus is a member of the Australian Sustainable Finance Institute (ASFI), and our CEO sits on the ASFI Board as its Chair. ASFI was established in July 2021 to coordinate and drive the growth and credibility of sustainable finance in and from Australia, working collaboratively across the financial sector, government, regulators, civil society and academia. Its members are Australian banks, asset owners, asset managers, insurers and financial services companies who are committed to ASFI's vision and willing to contribute to sustainable and impactful solutions.

Cbus is a member of the Investor Group on Climate Change (IGCC), and a Cbus Board Director also sits on the IGCC Board as its Chair. IGCC is the leading network for Australian and New Zealand investors to understand and respond to the risks and opportunities of climate change. Its members include both countries' largest superannuation and retail funds, specialist investors and advisory groups. These members are custodians of the retirement funds and savings for more than 15.8 million Australians and millions more New Zealanders, managing more than $4 trillion locally.

IGCC Climate Leaders Award 2025

Our Head of Responsible Investment, Ros McKay, won the Driving the Policy Agenda award at the 2025 Investor Group on Climate Change (IGCC) Climate Leaders Awards. The award recognises individuals who have made a significant contribution to the mission of accelerating investment for a net zero economy.

The IGCC recognised multi-year leadership from Ros and Cbus on important climate policies for Australia's future, her strategic insights, and ability to engage across government, industry and investors.

Ros's pivotal role in shaping sectoral transition plans, driving momentum for a strong 2035 Nationally Determined Contribution, and championing the industry-first Climate Action Pays Off campaign were also recognised, with the IGCC noting this contribution has been central to ensuring investors' perspectives influence national climate ambition and policy design.

Pictured: Ros McKay (Head of Responsible Investment, Cbus) and Stephen Dunne (Chair, IGCC and Employer Director, Cbus Board) (Photo: IGCC/Melissa Hobbs Business Photography)

03

Key focus areas

Investing in the real economy Cbus Property

Cbus Property[5] has strong foundations in the building and construction industry, with a proven track record as one of Australia's leading integrated property investors and developers.

Sustainability is a core principle in how Cbus Property develops and manages our assets. This is reflected in a legacy of office, retail and residential buildings that are designed to deliver positive environmental, social and economic outcomes.

From Adelaide's first all-electric office building at 83 Pirie Street to 443 Queen Street in Brisbane, named the nation's *Best Sustainable Development – Residential* at the 2025 Property Council of Australia Innovation and Excellence Awards, Cbus Property continues to push boundaries.

By embedding sustainable practices throughout the development process, Cbus Property is building for the long term. Our members can see their super savings at work in Australia – creating jobs, driving economic activity and delivering future-proofed sustainably designed assets to provide strong, stable returns.

435 Bourke Street, Melbourne

Anticipated for completion in late 2026, 435 Bourke Street will be one of Cbus Property's most technologically advanced office towers to date, demonstrating how investing in innovation can power our members' long-term returns.

Already more than 50% leased, this all-electric, premium-amenity workplace has attracted a range of high-profile tenant partners.

Designed by Bates Smart, the $1.1 billion, 48-level commercial tower will provide 62,000 square metres of premium office space, 1,300 square metres of retail, 116 car spaces and a three-level sky garden. Offering a variety of indoor-outdoor settings, this vertical village will be home to more than 5,500 workers, supporting the wider CBD economy.

At the heart of the design is one of the world's first solar skin façades. More than 1,300 integrated solar panels across the façade, crown and rooftop will generate up to 20% of the building's electricity needs on site. Combined with off-site renewables, the fully electric tower will operate at net zero carbon from day one.

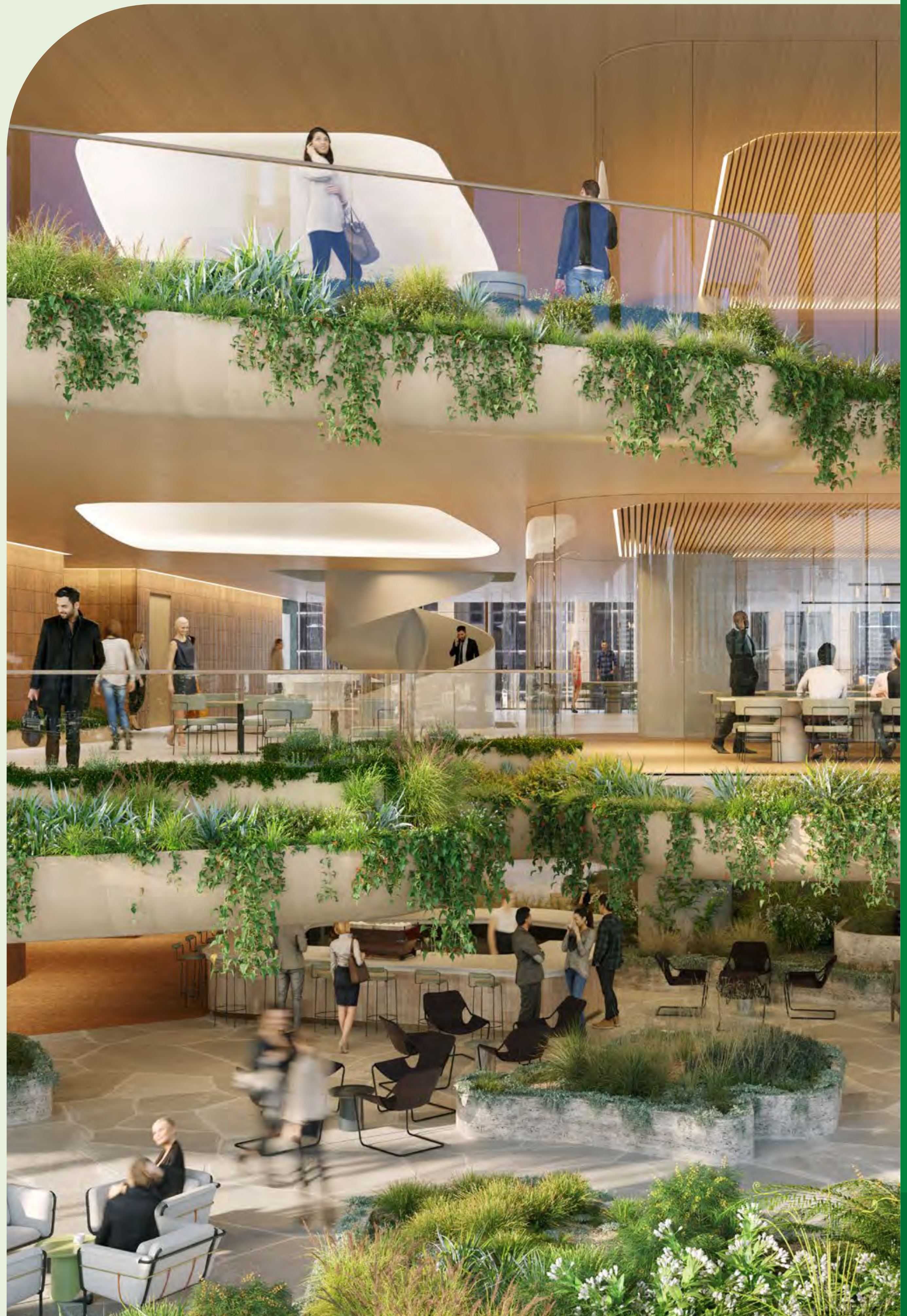
Through advanced materials such as low-carbon concrete and reduced-carbon reinforcement, the building is on track to reduce its embodied carbon by 45%.[6] The project is also the first site in Victoria to use hydro-treated vegetable oil (HVO100) renewable diesel to power the tower cranes, significantly reducing carbon emissions compared to conventional diesel fuel.

435 Bourke Street is also set to become a boundary-breaking dining destination, with renowned restaurateur Chris Lucas opening two all-electric venues designed in collaboration with Cbus Property to seamlessly align hospitality with sustainability. As Mr Lucas has previously been quoted, "global cities thrive on world-class hospitality venues and exceptional dining experiences," saying 435 Bourke Street represents "an important city-shaping project for Melbourne."

The project has already achieved industry-leading sustainability ratings, including a 6 Star Green Star Buildings Design Review, Platinum WELL precertification and a 5.5 star NABERS Energy Independent Design Review.

It is also expected to generate 3,500 jobs during construction, with a strong focus on apprentices, women and First Nations people.

435 Bourke Street, Melbourne – Artist Impression



5 Cbus Property Pty Ltd is a wholly-owned entity of United Super Pty Ltd and is responsible for the development and management of a portfolio of Cbus Super's property investments.

6 Embodied carbon includes emissions from the manufacturing, construction, renovation and demolition of buildings. Embodied carbon reduction under Green Star certification is assessed by comparing the upfront carbon emissions of the proposed building against a defined reference building as a baseline.

Investing in the real economy Infrastructure

We aim to support Australia's transition to a low-carbon economy through our investments in renewable energy infrastructure.

Recycling capital, realising returns

In April 2025, we completed the sale of our stake in Bright Energy Investments (BEI). This decision reflects our approach to actively manage our portfolio and consider opportunities to recycle capital from mature assets into new investments. BEI's portfolio included 367MW of wind and solar renewable energy projects across Western Australia and delivered strong returns for our members.

Atmos Renewables: powering Australian projects

The sale of our interest in BEI did not take our focus away from supporting Australia's energy transition. In August 2025, we announced that we'd be taking an equity stake in Atmos Renewables (Atmos) through our partnership with Igneo Infrastructure Partners.

Atmos has 18 renewable assets in operation and under construction, with a combined capacity of 1.5GW – enough to power about 775,000 homes or a city larger than Adelaide. Its projects span the National Electricity Market and the Wholesale Electricity Market, with projects in Queensland, New South Wales, Victoria, Tasmania, South Australia and Western Australia.

Atmos is focused on renewable projects across various stages of the investment lifecycle and supporting Australia's future energy needs, whilst delivering reliable, long-term returns.

Supporting projects in WA and SA

Our investment – along with capital from other investors – will help to support two landmark projects:

- The 100MW/400MWh **Merredin Battery Energy Storage System (BESS)** in Western Australia is Atmos' first greenfield development and battery project to reach financial close. During construction this $220 million project is expected to create around 40 to 50 direct jobs. It will enhance regional grid stability and energy security, with operations expected to begin by 2027.
- The full acquisition of the 316MW **Hornsdale Wind Farm** in South Australia, increasing Atmos' stake from 23.4% to 100%, further strengthening its contracted income base.

As at 30 June 2025, we have over $2.1 billion invested in renewables and enabling infrastructure within our infrastructure portfolio.

Hornsdale Wind Farm, South Australia

Climate change

We believe that a fair and fast transition to a low carbon economy will generate the best opportunities for our members, through supporting risk-adjusted investment returns, the creation of new jobs and helping to reduce pressure on the cost of living. Achieving this will require participation of governments, business, investors and industry, and a focus on coordination and real emissions reduction.

Climate change and the energy transition

As a super fund, the systemic risks produced by climate change will impact our portfolio returns and potentially how we operate as a Fund. Likewise, the energy transition, which aims to mitigate climate change by reducing global emissions, has the potential to impact our portfolio, our investee companies and our members' industries.

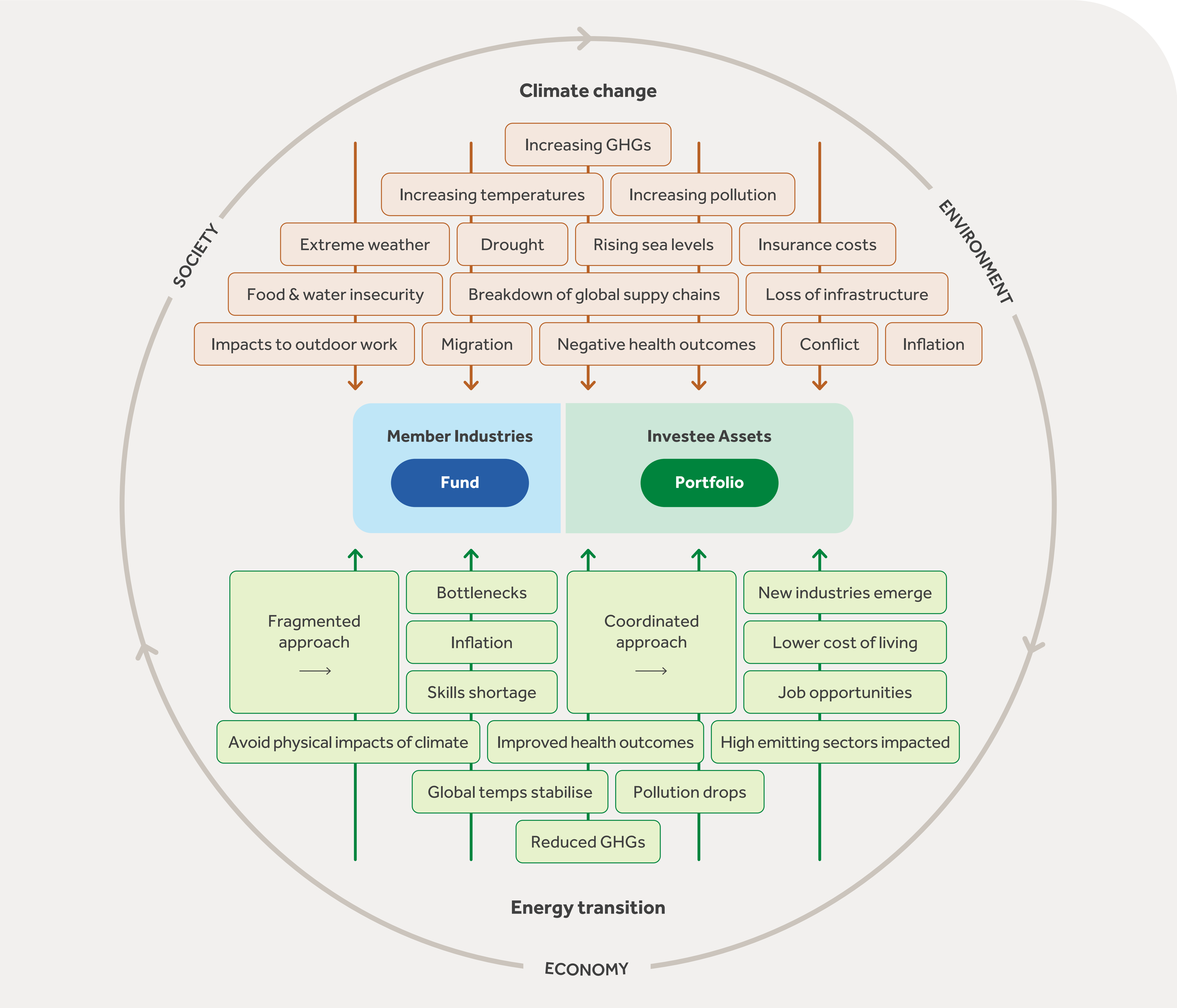
Research tells us that limiting global warming to the greatest extent possible is the outcome that best protects our members' long-term returns.

The diagram (right) is an overview of how the impacts from climate change and the energy transition flow through the environment, society and the economy, with the potential to impact portfolio returns and how we operate as a Fund (via the industries our members work in).

The Paris Agreement

The overarching goal of the Paris Agreement, adopted in 2015 by 196 parties, was to hold "the increase in the global average temperature to well below 2°C above pre-industrial levels" and pursue efforts "to limit the temperature increase to 1.5°C."[7] The Intergovernmental Panel on Climate Change (IPCC) released their Special Report on Global Warming of 1.5°C in 2018, with the finding that pathways that limited global warming to 1.5°C reached net zero around 2050, and pathways that limited warming to below 2°C reached net zero around 2070.

While the energy transition is certainly well underway, it is currently progressing too slowly to reach net zero by 2050, or to limit global warming to well below 2°C.[8]



7 UNFCCC (2015), Paris Agreement. 195 countries and the European Union initially joined the Paris Agreement. As of September 2025, Iran, Libya, Yemen have not joined, and the United States of America has withdrawn.

8 IEA (2023) Net Zero Roadmap: 2023 update; UNEP (2024) Emissions Gap Report 2024: No more hot air… please!; Climate Action Tracker (2024) Warming projections global update 2024; Bloomberg New Energy Finance (2025) New Energy Outlook 2025 Executive Summary.

Outlook

The World Meteorological Organization (WMO) has confirmed that 2024 was the warmest year on record, and that we have likely seen the first calendar year with a global mean temperature of more than 1.5°C above the pre-industrial average.[9]

The global energy transition is well underway but moving too slowly:

- In the years leading up to the Paris Agreement, it had been estimated that the world was on track for more than 4°C of warming by the end of the century.[10] This has now reduced to between 2.6–3.1°C.[11]
- Clean energy investment looks set to double that of fossil fuels in 2025,[12] but remains insufficient to achieve net zero by 2050.[13]
- Solar and wind are now among the lowest-cost options for energy generation,[14] and 40% of global electricity was generated from low carbon sources in 2024.[15]
- China added more wind and solar capacity in 2024 than the rest of the world combined.[16]

Regional variation is emerging:

- China has emerged as a global leader in clean energy investment, supported by strong manufacturing, favorable policies and exports to emerging markets. However China is increasing coal-fired generation alongside the rapid deployment of renewables.[17]
- The United States of America has withdrawn from the Paris Agreement,[18] is increasing fossil fuel development and has wound back federal climate commitments.[19]
- Developing economies face a growing finance gap in meeting domestic mitigation and adaptation needs.[20]
- Globally, people are increasingly concerned about climate change,[21] but this has not always translated into calls for stronger climate action during election cycles.[22]

Global energy demand increasing:

- Global energy demand is increasing, driven in part by the need for air conditioning and growth in digitisation and Artificial Intelligence (AI).[23]
- Electricity demand is increasing at an even faster rate, as electrification accelerates.[24]
- Despite renewable capacity expanding, fossil fuels continue to play a strong role in meeting rising energy demand. This is exacerbated by infrastructure bottlenecks and investment constraints.[25]

Market-led transition won't be sufficient:

- Evidence suggests that a market-led transition won't be sufficient to achieve net zero by 2050 nor mitigate the impacts of climate change; suggesting a strong, coordinated global policy response is required.[26]

9 World Meteorological Organization (2025) WMO confirms 2024 as warmest year on record at about 1.55°C above pre-industrial level.
10 World Bank (2012) Turn down the heat.
11 Indicates estimated warming by the end of the century as per IEA (2023) Net Zero Roadmap: 2023 update; UNEP (2024) Emissions Gap Report 2024: No more hot air… please!; Climate Action Tracker (2024) Warming projections global update 2024; Bloomberg New Energy Finance (2025) New Energy Outlook 2025.
12 IEA (2025) World Energy Investment 2025.
13 UNEP (2024) Emissions Gap Report 2024: No more hot air… please!
14 IEA (2024) Strategies for affordable and fair energy transitions.
15 Ember (2025) Global Electricity Review 2025.
16 Ember (2025) Global Electricity Review 2025.
17 Climate Action Tracker (2025) China – country summary. IEA (2025) World energy investment 2025: China.
18 White House (2025) Putting America first in International environmental agreements.
19 White House (2025) Unleashing American energy.
20 UNEP (2024) Emissions Gap Report 2024: No more hot air… please!; IEA (2025) World Energy Investment 2025.
21 UNDP (2024) Peoples' Climate Vote; Ipsos (2025) People and Climate Change; Yale Sustainability (2024) The Politics of Climate Change.
22 IDEA (2024) The 2024 election year in review: Climate at the ballots?
23 IEA (2025) Global Energy Review 2025.
24 IEA (2025) Global Energy Review 2025. Energy Institute (2025) Statistical Review of World Energy.
25 Climate Action Tracker (2024) Warming projections global update 2024. Energy Institute (2025) Statistical Review of World Energy. UNEP (2024) Emissions Gap Report 2024: No more hot air… please!
26 Institute and Faculty of Actuaries and University of Exeter (2025), Planetary Solvency – finding our balance with nature. Bloomberg NEF (2025) New Energy Outlook 2025 Executive Summary. Sachs (2025) Distinguishing among climate change-related risks.

Climate change risks and opportunities

Given the uncertain nature of the energy transition and the trajectory of global emissions reduction, scenario analysis allows us to consider the impact of different climate futures, helping to improve our strategic planning and long-term decision-making.

In FY25 we continued our work with Ortec Finance, leveraging their 2025 climate scenarios to analyse the impact of different possible futures on investment returns and economic indicators. These scenarios utilise the Cambridge Econometrics E3ME model, a model that is widely used by policy-makers and international institutions to assess the economic impacts of energy and climate-related policies.

These findings demonstrate that universal investors such as Cbus, who invest across the globe, would be better placed to protect long-term member returns in a future that avoids the extreme physical impacts of a high warming scenario. Even as an orderly transition to net zero seems increasingly unlikely, a pathway that achieves net zero, even a delayed one, remains the best outcome for global investors. Under a high warming or even a limited action scenario investors would be increasingly exposed to the impacts of climate change as they flow through the economy and society, significantly impacting their ability to generate long-term returns.

This work informs our policy advocacy, where we have engaged with government to establish policy settings that support a fast and fair transition to net zero, and also underpins our support of the Paris Agreement.

As with all scenario work, this work is based on the underlying assumptions built into the Ortec Finance climate scenarios. The analysis also comes with a range of limitations; key limitations include the uncertainty around the timing and severity of sentiment shock and pricing in events, and the uncertainty in modelling tipping point impacts. A summary of assumptions and limitations can be found in our 2025 Responsible Investment Data Pack.

At this stage we have continued to estimate the potential impact of climate change on our expected investment return assumptions using our existing approach which leverages the Phase III scenarios from the Network for Greening the Financial System (NGFS).[28]

Climate risks and opportunities can be classified as follows:

Transition

Transition risks and opportunities occur as the world transitions to a low carbon future; businesses may see changes in the value of their assets or their cost of doing business because of changes in policy, technology or stakeholder behaviour (e.g. consumers, investors). Increased transition risk occurs when climate policy is uncertain, in situations where policy and technological developments happen at speed, or when a business's transition plans are inadequate.

Physical

Physical risks (and opportunities) stem from the physical impacts of climate change and the ways in which these flow through society and the economy.

Market

Market risk flows from transition and physical risk and arises when investors react to real-world events such as a sudden extreme weather event or a policy change causing a sudden change in investor behaviour (also known as 'sentiment shock').

Liability

Liability risk arises directly or indirectly from stakeholder claims, complaints, litigation and regulatory enforcement. Liability risks may materialise due to (for example) perceived inaction on climate, perceived inadequate action on climate, or perceived misrepresentation of climate action.

27 We have shown US Global Domestic Product (GDP) here as the US is the largest contributor to global GDP. We recognise that GDP is not a good measure of human and environmental wellbeing but have used it here for ease of recognition and understanding to demonstrate financial impact to the economy at large. We have shown global equity returns to demonstrate the impact to global investors, as most are exposed to global equities within their portfolio.

28 Further detail on our approach using NGFS scenarios can be found in our 2023 Responsible Investment Supplement. This work utilises the NGFS Phase III climate scenarios.

Scenario analysis – Limiting global warming supports long-term investment outcomes

Net Zero

1.6°C

Highly ambitious but orderly transition with climate adaptation.

2050 Assumptions
95% emissions reduction
87% renewable electricity

Moderate Transition Risk
Low Physical Risk

Disorderly Net Zero

1.6°C

Sudden repricing, triggering market dislocation centred on high-emitting stocks.

2050 Assumptions
95% emissions reduction
87% renewable electricity

Severe Transition Risk
Low Physical Risk

Delayed Net Zero

1.9°C

A sudden step-up in policy action in 2030 drives a sentiment shock in financial markets.

2050 Assumptions
64% emissions reduction
87% renewable electricity

Moderate Transition Risk
Moderate Physical Risk

Limited Action

2.9°C

The world falls short of meeting emissions targets and pledges, driving high exposure to physical risks.

2050 Assumptions
17% emissions reduction
81% renewable electricity

Low Transition Risk
High Physical Risk

High Warming

3.7°C

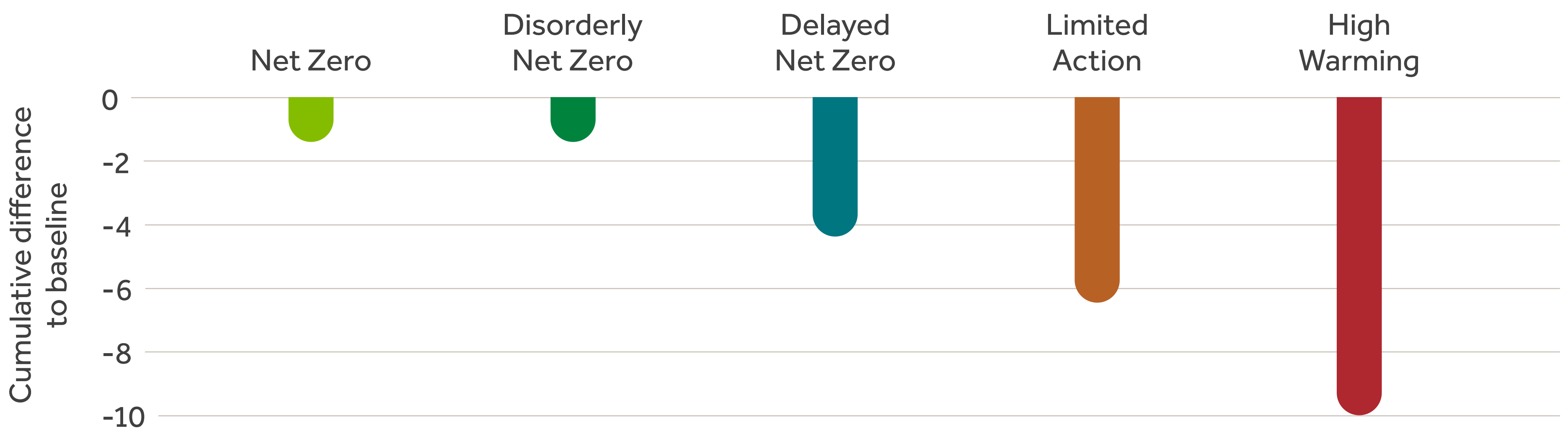
No further action is taken to limit climate change, triggering multiple climate tipping points and very severe physical risks.

2050 Assumptions
4% emissions reduction
65% renewable electricity

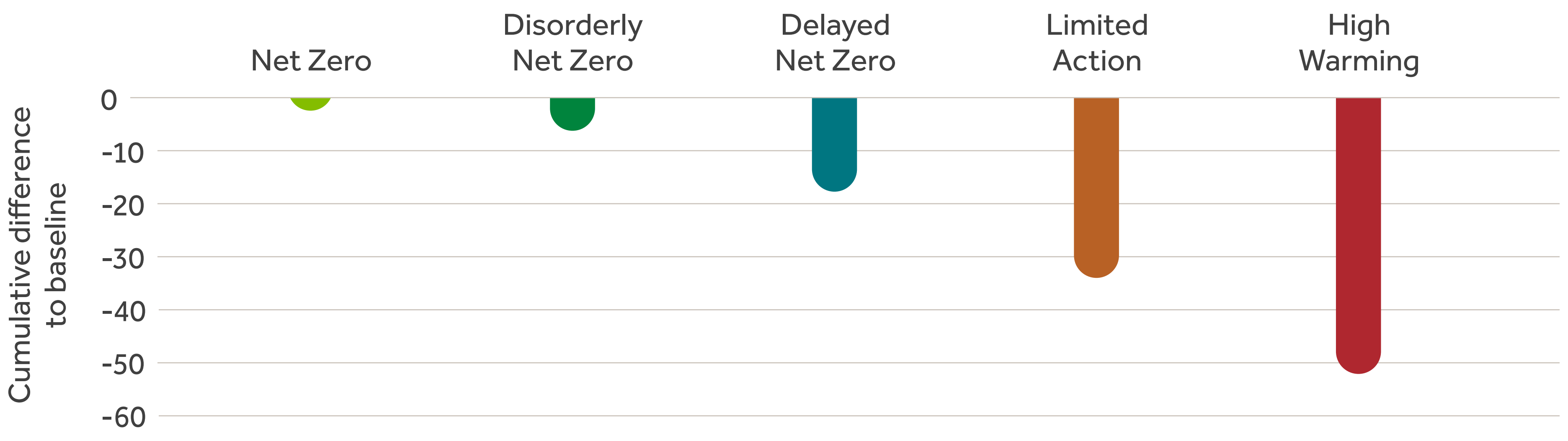
Low Transition Risk
Very Severe Physical Risk

We have used the Ortec Finance scenarios to understand the impact of different climate futures on key economic and financial metrics, as demonstrated in the graphs below. The graphs show the cumulative impact of different climate futures on US GDP and global equity returns out to 2050, as compared to a baseline where climate change has minimal impacts on the economy.

US GDP – 2050



Global Equity Returns – 2050



Note that both measures show the cumulative difference between 2025 and 2050, compared to a baseline that has 2–3°C of warming (the world's current trajectory) with low transition and physical risks, reflective of a world where climate change and climate policy have minimal impacts on the economy. Results were obtained using the Ortec Finance Climate Scenarios 2025.

Climate change risks and opportunities for Cbus

Our scenario analysis provides us with a top-down view of what the financial impacts of climate change may look like under different possible futures. Within that top-down view it is useful to understand the risks and opportunities we will be exposed to as a global investor across the short, medium and longer term.

We have leveraged public research and scenarios from Ortec Finance and the NGFS to identify potential risks and opportunities that impact us both as an investor (through our portfolio) and as a member organisation (via the industries in which our members work). We have grouped these into categories: transition, physical, liability and market.

Short term (5 years)

In the short term, risks and opportunities are largely driven by how coordinated the transition is. Lack of certainty, fragmented approaches and sudden policy changes can bring risk, while increased coordination may bring opportunities. The physical impacts in the short term will be similar regardless of the path forward.

Climate risks	As an investor We are potentially impacted as climate change and the energy transition impacts our investments and influences market behaviour and our regulatory environment.				As a member organisation We are potentially impacted as climate change and the energy transition impacts the industries in which our members work, affecting member numbers, inflows, and insurance costs.			
	Net zero	**Disorderly net zero**	**Delayed net zero**	**Limited action/high warming**	**Net zero**	**Disorderly net zero**	**Delayed net zero**	**Limited action/high warming**
Transition	If the speed of the energy transition is clear, we may see increased opportunities to invest in the energy transition.	If the speed of the energy transition is unclear, the performance of investments in high-emitting and green sectors may differ from expectations. A lack of clear climate policy may create ongoing tension between short-term returns and long-term climate goals. Fragmented policies across different regions may complicate strategic capital allocation.			If the energy transition progresses, unemployment rates in emissions-intensive sectors may increase. This may be offset by new job opportunities in green sectors (but not like-for-like). A coordinated energy transition will likely increase training and employment opportunities related to renewable energy, retrofitting buildings and energy efficiency.		There is likely to be minimal transition risk in the short term under a delayed, limited action or high warming future.	
Physical	In the short term, our investments and the industries our members work in may be exposed to ongoing regional extreme climate impacts, regardless of the path forward.							
Liability	Legal action may increase against those not seen to be taking sufficient account of climate change. Possible increased focus on misleading ESG claims by regulators, with risk of enforcement action.							
Market	An orderly transition will likely have minimal market risks.	Sudden, ambitious climate policies may impact investment returns, particularly in equity portfolios (stranded assets, liquidity challenges, repricing events).	Market awareness of underestimated physical risk increases, creating potential for rapid repricing events.		Market risks generally apply to our investments.			

Medium term (10 years)

Over the medium term, we see increased transition risk in scenarios where the transition is not orderly and increasing physical risks where the transition does not occur.

<table>
<tr><th rowspan="2">Climate risks</th><th colspan="4">As an investor</th><th colspan="4">As a member organisation</th></tr>
<tr><th>Net zero</th><th>Disorderly net zero</th><th>Delayed net zero</th><th>Limited action/high warming</th><th>Net zero</th><th>Disorderly net zero</th><th>Delayed net zero</th><th>Limited action/high warming</th></tr>
<tr><td rowspan="2">Transition</td><td colspan="4">As the path forward becomes clearer (net zero vs limited action vs high warming), stranded asset risk may become clearer.</td><td colspan="3" rowspan="2">A net zero transition (orderly, disorderly or delayed) likely creates significant employment opportunities in Australia's energy sector due to manufacturing, construction and installation of renewable energy projects.
Workers in carbon-intensive industries will be impacted, with an orderly transition offering a more coordinated approach to retraining.</td><td rowspan="2">There is likely to be minimal transition risk in the medium term under a limited action or high warming future.</td></tr>
<tr><td></td><td colspan="2">A disorderly or delayed transition may cause interdependencies to be overlooked, which could result in issues such as workforce shortfalls and undeveloped supply chains. This in turn may impact investment outcomes and opportunities.</td><td></td></tr>
<tr><td>Physical</td><td colspan="3">Physical risks are likely reduced under a net zero transition.</td><td>A limited transition or high warming future may see increased extreme weather events that lead to:
• potential impacts on investment performance
• potential increases in levels of uninsurable projects and properties, impacting financing of home, business and infrastructure loans.</td><td colspan="3">Physical risks are likely reduced under a net zero transition.</td><td>A limited transition or high warming future may see:
• increasing extreme weather events that drive job creation through resilience and adaptation efforts, such as in building retrofits and energy efficiency
• increasing temperatures that drive heat stress, potentially leading to productivity declines and increasing risk of workplace injuries in sectors that rely on outside work (e.g. agriculture, construction).</td></tr>
<tr><td>Market</td><td colspan="3">Physical risks are likely reduced under a net zero transition, reducing the risk of repricing events.</td><td>Market awareness of physical risk may continue to increase, creating potential for repricing events.</td><td colspan="4">Market risks generally apply to our investments.</td></tr>
</table>

Long term (20 years+)

Over the long term, physical risks become prominent in scenarios where the energy transition has not been successful.

<table>
<tr><th rowspan="2">Climate risks</th><th>As an investor</th><th colspan="4">As a member organisation</th></tr>
<tr><th>Limited action/high warming</th><th>Net zero</th><th>Disorderly net zero</th><th>Delayed net zero</th><th>Limited action/high warming</th></tr>
<tr><td>Physical</td><td>A limited transition or high warming future sees extreme weather events and changes in resource availability that result in property damage, increased un-insurability, supply chain disruptions, weakened consumer demand and decreases in productivity. This would negatively impact economies globally and may reduce performance across all asset classes.</td><td colspan="3">A successful energy transition likely continues to create significant employment opportunities in Australia's energy sector due to manufacturing, construction and installation of renewable energy projects.</td><td>A limited transition or high warming future likely sees unemployment increase out to 2050.
Extreme weather events and increasing temperatures continue to impact feasibility and safety of outside work.</td></tr>
</table>

Climate change and Cbus

With a long-term focus and a diversified portfolio, we invest across the global economy. As a large asset owner, we operate within the finance sector. However, we recognise that the financial, social and environmental systems are interconnected. Climate change brings different types of risk, and different players within these interconnected systems have unique capabilities and different incentives in terms of how and to which risks they respond.

The role Cbus plays

Direct role

As a financial institution, we believe Cbus has a **direct** role to play in managing the financial risks and opportunities that climate change and the energy transition pose to our investments and our members' investment returns.

We also believe that as an allocator of capital, Cbus has a **direct** role to play in supporting the energy transition by investing in the companies and assets that enable and support the move to a low carbon economy.

However, in a world where climate policy and market signals are not aligned with ambitious climate action, managing financial risk and opportunity does not always result in real-world impacts such as supporting the energy transition or reducing emissions. Likewise, under these conditions, our duty to always act in our members' best financial interest does not always support investment in the transition.

Indirect role

For these reasons, and because we are a large asset owner whose average member will be retiring around 2050, we also believe Cbus has an **indirect** role to play in helping to shape climate policy and regulation through advocacy and engagement.

Strong climate ambition and supporting policies and regulation will help to reduce systemic risks. These are risks that will impact our investee companies and assets in the long term. In this way, advocacy can play a key role in protecting our members' long-term returns.

Advocacy also has a near-term impact. Ambitious, coordinated climate policies support a more orderly transition. In an orderly transition it becomes easier to align our best financial interest duty with our climate ambition as the path to decarbonisation is clearer and our investee companies and assets have more confidence to invest in their own transition. That's why advocacy can also play a key role in supporting our own climate ambition.

We acknowledge that we cannot control the outcomes of our advocacy efforts and that partnering is often needed to strengthen our voice.

Energy transition and our members

Climate change and the energy transition will impact the industries in which our members work, with potential flow-on effects to how we operate as a Fund.

The construction industry is identified as one of the key industries likely to be impacted by climate change, with rising heat stress making outdoor work increasingly untenable and reducing productivity. Extreme weather can lead to site closures, disrupt global supply chains, raise insurance costs and increase safety issues for workers.

The energy transition brings both risks and opportunities to the industries in which our members work. Members who work in high-emitting sectors may risk loss of employment, requiring training and reskilling opportunities, planning and policy support. In contrast, the transition to net zero is forecast to drive substantial employment growth across several industries, including construction and installation of renewable energy infrastructure, and retrofitting existing buildings for energy efficiency.

Visualisation of Merredin Battery Energy Storage System (BESS) in Western Australia when construction has completed. See page 25 for more.

Climate strategy

In FY25 we started the process of refreshing our approach to climate change. We have developed an initial internal climate strategy to replace our roadmap that closed in June 2024. This initial strategy is focused on preparing Cbus for mandatory climate-related disclosures (AASB S2).[29]

The work has been led by a Fund-wide climate disclosure working group, established to prepare Cbus for mandatory disclosure requirements in FY27. This working group includes representation from across the Fund and is co-sponsored by our Chief Investment Officer and our Chief Operating Officer.

The work to refresh our approach to climate change will continue into FY26. Over the next 12 months we will continue to prepare for mandatory AASB S2 disclosures and use lessons learned to strengthen our strategic approach to these disclosures.

In parallel, we will review our climate ambition and implementation plans to ensure that they remain appropriate, feasible and underpinned by credible assumptions in the face of market dynamics, including in the context of the National Climate Risk Assessment and 2035 Emissions Reduction Target recently released by the Australian Federal Government.

Climate ambition

Our current climate ambition was set having regard to the IPCC guidance that global warming could be held to 1.5°C if global emissions declined by about 45% by 2030 (from 2010 levels) and reached net zero by 2050.[30]

Climate change goals

Portfolio carbon reduction goals

2050

Net zero portfolio emissions

Interim goal

45% reduction in adjusted portfolio carbon intensity by 2030

(compared to a 2019 baseline)

Our portfolio carbon reduction goals cover our Scope 1 and 2 financed emissions; that is, our share of the operational emissions of companies and assets that we finance through our investment and lending activities. At this stage we include those asset classes we are able to measure; listed equities, property and infrastructure (~72% of our portfolio).

We exclude cash and cash-like investments due to a lack of suitable methodology. We also exclude Sovereign Bonds due to both a lack of standard methodology and the defensive role this asset class plays within the portfolio, balancing our equities exposure.

As the data and methodologies for measurement of additional asset classes improves, we will seek to include them within our portfolio carbon reduction goals. In previous years we had included a subset of credit and private equity, but we were unable to achieve that this year.[31]

Our 2030 goal is an interim goal on our path towards net zero portfolio emissions by 2050. As we track this interim goal, we face the issue of tracking emission reductions as our funds under management (FUM) increases. For this reason, we track our 2030 goal using 'carbon intensity' rather than 'absolute' carbon emissions. This allows us to account for growth in our portfolio over time.

The challenge with measuring carbon intensity is that it constantly changes as investment markets fluctuate. Given our commitment to transparency, and our aim to measure our contribution to real world emissions reduction, in prior years we have also reported an 'adjusted' carbon intensity which attempts to account for changes in asset enterprise values.

This more conservative approach aims to limit the potential overstating or magnifying effect that growth in asset valuations can have on our reported carbon intensity reduction, and also gives us a clearer view of where we are in the journey towards net zero.

We have not provided an adjusted carbon intensity figure this year and are currently investigating ways to enhance our approach to measuring carbon emissions. For more details on this, please refer to page 37.

Engage with our priority climate companies

We use a materiality assessment to determine the companies with which we will engage on climate change, either directly or through participation with others. The aims of our engagement are unique to each company but typically seek improved governance practices, enhanced responses to climate risk and appropriate disclosures.

Measure our allocation of capital to climate change investments

As we refresh our approach to climate change, we will continue to measure our exposure to climate change investments annually.

29 AASB S2 is the Australian Sustainability Reporting Standard, Climate-related Disclosures.

30 IPCC (2018) Special Report on Global Warming of 1.5°C. When setting our goals, we leveraged models from the IPCC and IEA that held temperatures to 1.5°C with limited to no overshoot and had limited use of carbon dioxide removal technology (at the time, CDR technology was deemed too early stage to rely on). The models were used to confirm that a 45% reduction by 2030 remained consistent with a 1.5°C ambition.

31 Operational constraints in FY25 meant that we were precluded from considering the subset of credit and private equity that had previously been included; we expect to be able to reinstate a subset of these asset classes in future periods.

Supporting our climate ambition

We have identified the following levers that we can use as an investor and as an asset owner:

As an investor

We can consider climate risk and opportunities within our investment processes.

As an active steward with a long-term focus

We can use targeted engagement and voting to support our management of financial risks and opportunities.

As a member of the finance sector

We can contribute to the development of finance sector standards and facilitate ongoing knowledge sharing within our organisation to support the social licence for the energy transition.

As an asset owner and a member-based organisation

We can advocate for strong climate ambition and supporting policies and regulation. We have a stable member base that is here for the long term, with our average member expected to retire in 2050 and beyond, and our investments and member industries will be exposed to systemic climate change risks.

As we work to refresh our climate ambition, we will review these levers and identify specific actions that sit within each one to support our ambition over the short, medium and long term. Where appropriate we will look to incorporate our existing climate principles into our refreshed climate approach.

Assumptions

As we've outlined previously, we operate within interconnected systems and can neither prevent climate change nor protect our portfolio from climate impacts through our actions alone. Our current climate ambition and the levers we use to support this ambition depend on the following assumptions:

- Governments around the world will set ambitious, net zero-aligned goals and implement credible policies that support these goals.
- Climate solutions and low carbon technologies, supported by enabling regulation, will scale and become cost effective and investable.
- The demand for fossil fuels will reduce, making investment in extraction and production less attractive.
- The social licence for the energy transition will continue to grow and the energy transition will be supported by consumer behaviour.
- Our members will support our climate ambition.

Trade-offs, synergies and co-benefits

The key trade-off within our current approach to climate change is the ongoing tension between short-term investment returns and the long-term nature of climate change. At an investment level, our duty to act in our members' best financial interest remains the determinative factor in our investment decisions, but there are times when this will not align with our climate ambition.

However, as previously outlined, we believe there are synergies within our response to climate change that could help to reduce this tension. If our advocacy for strong climate ambition and credible supporting policies, in partnership with others, is successful, this would support a more orderly transition. An orderly energy transition makes the path towards decarbonisation more certain, encouraging companies and assets to invest in their own transition. This should help to reduce the current tension between short and long term by increasing the alignment between our near-term best financial interest duty and our long-term climate ambition.

The potential co-benefit of our climate change approach and our advocacy for both strong climate ambition and supporting policies lies in the connection between our approach, member returns and our members themselves. A transition to net zero, shepherded by supporting policy and regulation, should not only support our objective to protect and enhance investment returns for our members, but improve the world they retire into and support workers and communities.

Climate governance

Our Board

The Board is responsible for approving the Investment Governance Framework (which includes the investment beliefs) and the Investment Objectives. In this role, the Board approves our Risk Appetite Statement and the Climate Change Position Statement, and also has final approval on the climate change work program, including the climate strategy and other initiatives.

Our Investment Committee

The Investment Committee is responsible for approving the Investment Strategy and monitoring our climate change work program, including actions within the climate strategy. The Investment Committee also endorses key climate initiatives to the Board for approval.

The Investment Committee receives an annual update on progress towards our climate goals and receives regular climate policy updates.

The Board and Investment Committee attend a climate strategy session every 12–24 months.

Our Risk Committee

The Risk Committee is responsible for ensuring our risk appetite remains appropriate. Our appetite for climate-related risks is captured within the investment ESG material risk. At least annually, responsible investment risks, including climate change, are formally reviewed by the Risk Committee.

Controls relating to progress towards carbon reduction goals are monitored by the Risk Committee and escalated to the Board if progress falls outside the agreed trajectory.

Chief Investment Officer (CIO) and Head of Responsible Investment

The CIO has delegation to commit to external advocacy that aligns with the Climate Change Position Statement and the Responsible Investment Policy. The CIO is ultimately accountable for climate change matters and the Head of Responsible Investment is responsible for implementing the strategy.

Climate and Nature Advisory Committee	Forum for Investment Risk Management	Responsible Investment Forum
The Climate and Nature Advisory Committee includes leaders from across the Investment teams and Fund to guide and shape the strategic direction of our response to climate change and nature. This committee reviews and provides input to key climate initiatives ahead of Investment Committee approval and is updated on the progress of the energy transition annually.	The Forum for Investment Risk Management (FIRM) includes the CIO and key risk and operations staff from the Investment teams. The FIRM monitors and reviews the development of ESG-related key risk indicators, including indicators related to our climate goals.	The Responsible Investment Forum includes the CIO, Head of Responsible Investment and other leaders within the Investment teams. The forum reviews and supports the development of ESG integration initiatives, including those related to climate.

Responsible Investment (RI) team	Investment teams
The RI team is responsible for working with management to develop and execute the climate strategy. The team is also responsible for monitoring and reporting progress across the strategy and managing climate-related key risk indicators and controls.	The Investment teams are responsible for implementing key aspects of the climate strategy.

Climate-related disclosure project

The Climate-related disclosure project is co-sponsored by the COO and CIO. The project includes members from Finance, Risk, Strategy and Investments. The aim of the project is to prepare Cbus for mandatory climate reporting.

As we implement our climate strategy, we will update our governance approach to meet AASB S2 requirements.

Climate change investments

In FY23 Cbus developed an internal framework for measuring climate change investments. The framework established a list of activities we believe contribute to climate change mitigation and adaptation, and defined a climate change investment as a company or asset where at least 50% of revenue is aligned to one of these activities. In addition, to qualify as a climate change investment, the company or asset must have no involvement in new (greenfield) coal, oil or gas exploration and/or extraction projects. Our framework continues to evolve as new frameworks and tools become available; this year we incorporated aspects from the Australian Sustainable Finance Taxonomy. The list of qualifying activities, relevant frameworks and our methodology for assessing investments can be found in our 2025 Responsible Investment Report Data Pack.

Using our internal framework we have measured climate change investments across our portfolio as at 30 June 2025, finding that $9.2 billion or 8.7% of FUM was invested in what we consider to be climate change investments.

As with previous years, the majority of these investments sit within our property portfolio, with investment managers in this sector actively transitioning their buildings towards net zero carbon emissions by 2030, leading the way in an asset class where technology exists to enable net zero emissions ahead of 2050.

We saw increased exposure within our infrastructure portfolio, with over $2 billion of investments aligning with our framework. This was largely due to increased data availability which enabled us to identify a broader set of investments.

While our dollar amount invested in climate change investments remained consistent with last year, the percentage of FUM invested in climate change investments was lower in FY25 as compared with FY24 (9.7% in FY24 compared to 8.7% in FY25). This was largely due to decreased exposure across our equity portfolio and the fact that one of our property managers no longer met our criteria in FY25.

Climate overlays

In addition to climate change investments across the portfolio, a number of our quantitative equity strategies implement one or more climate overlays aimed at constraining carbon emissions and/or limiting exposure to potential stranded assets.

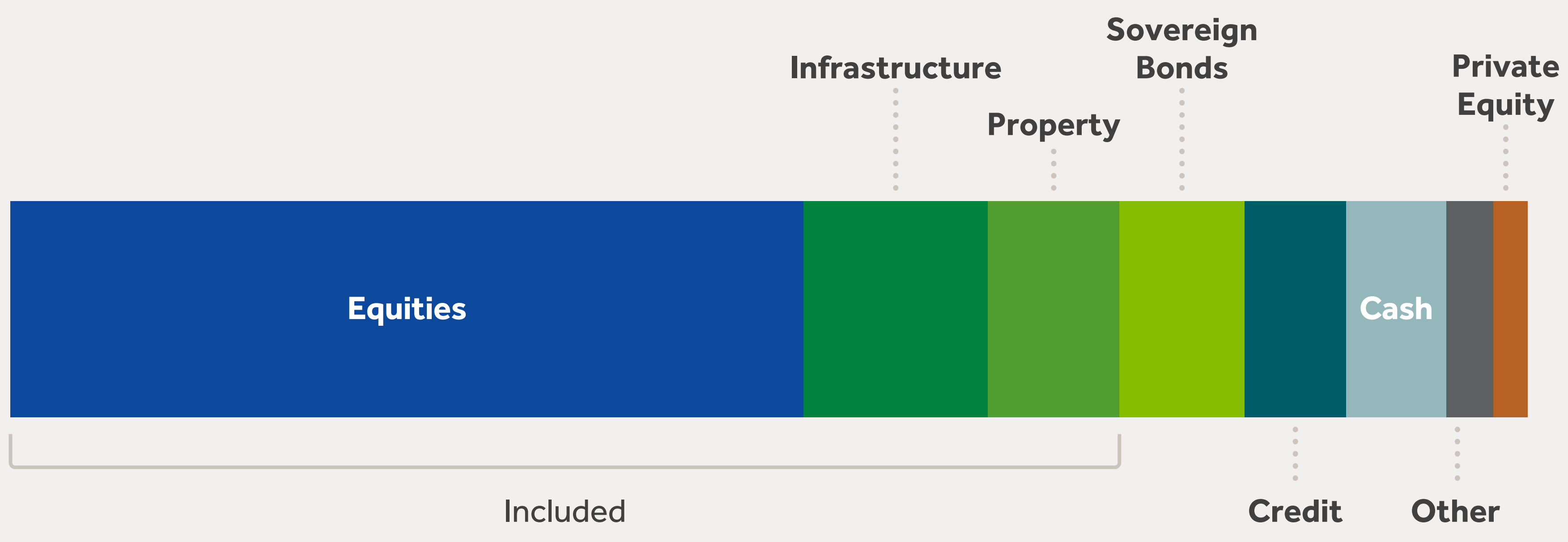
As at 30 June 2025, this included six quantitative strategies within our portfolio, representing 12% of our equities portfolio and 6.3% of the total portfolio. Where applied, stranded asset exclusions consist of either an exclusion utilising the MSCI Low Carbon Transition Methodology, or exclusion of companies generating 10% or more of revenue from thermal coal mining. Constraints or adjustments for carbon emissions or the MSCI Low Carbon Transition Score may also be applied as relevant to each strategy.

Carbon metrics and goals

Our 2030 and 2050 carbon reduction goals include asset classes where we can measure our carbon footprint: listed equities, infrastructure and property.

In previous years, we had included a subset of our credit and private equity portfolios as well. However, we were unable to do this again this year. We began onboarding an external climate emissions data provider to support expanded coverage for credit and private equity portfolios. The onboarding process, combined with resourcing constraints, has meant we have not been able to measure these asset classes for this year's analysis.

Asset classes included in our carbon reduction goals



Tracking progress towards our 2030 goal

Each year, we report our portfolio carbon intensity (tCO_2e/$M invested) to track progress towards our 2030 carbon reduction goal. As carbon emissions data lags by 12–18 months, the latest data available is for FY24.

We use carbon intensity to track our progress rather than absolute emissions as this approach accounts for portfolio growth over time. In FY24, our carbon intensity across listed equities, unlisted infrastructure and property was 38.3 tCO_2e/$M invested, representing a 34.5% reduction from our 2019 baseline.

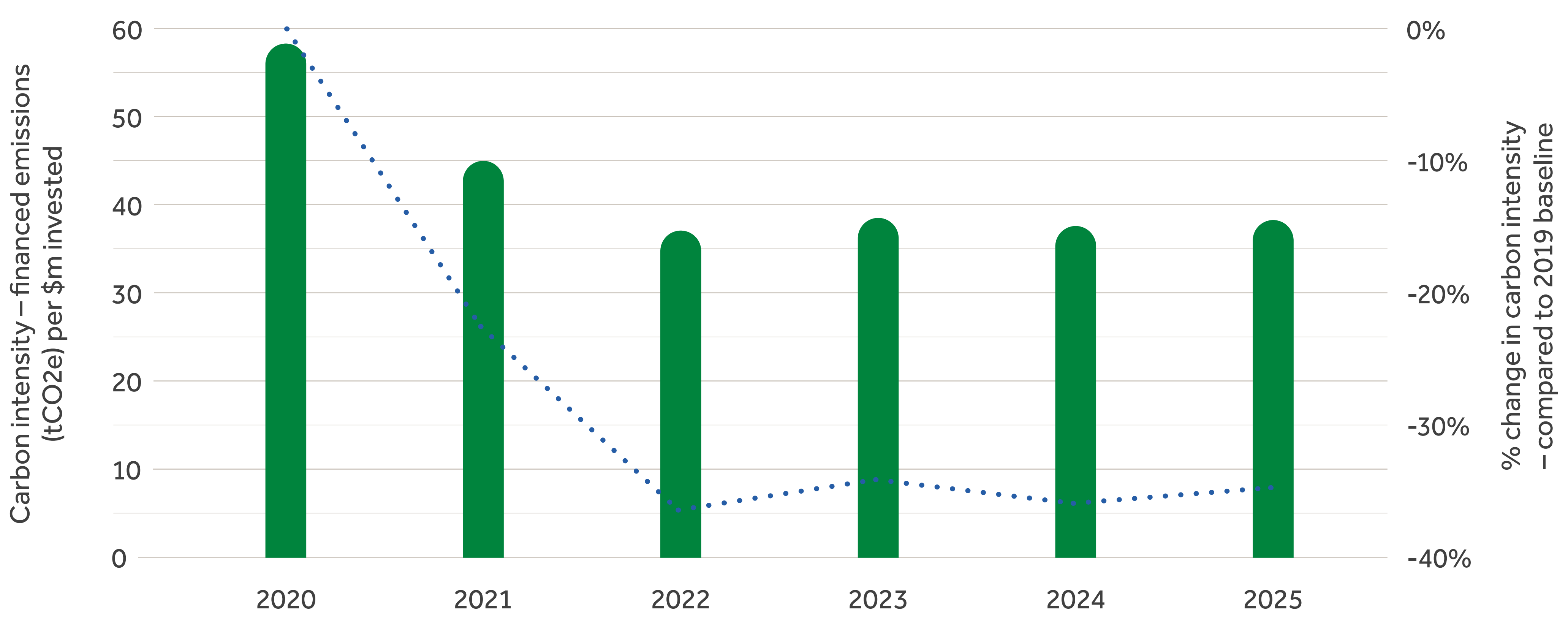
We have previously highlighted the issues with using carbon intensity and continue to believe that carbon intensity is an imperfect metric for measuring progress towards portfolio emission reduction goals. As recognised by the Partnership for Carbon Accounting Financials (PCAF), targeting a reduction in carbon intensity presents challenges, particularly due to fluctuations in investment markets and asset valuations.[33]

Due to this, and while recognising its inherent limitations, in prior years we have also reported an 'adjusted' carbon intensity which attempts to account for changes in asset enterprise values.

While initially appropriate, the methodology for determining an 'adjusted' carbon intensity has become increasingly skewed the further we move from our 2019 baseline. We are currently investigating ways to enhance our approach to measuring carbon emissions.

In addition to financed emissions intensity, we currently track a range of metrics across our portfolio relating to our carbon footprint. This data can be found in our 2025 Responsible Investment Report Data Pack.

Where possible, we aim to have regard to best practice principles and methodologies. We also note that this is an area of significant evolution, with global standards and guidelines rapidly changing. We are committed to evolving our approach over time in line with these developments, including Australia's recently approved mandatory climate-related financial disclosures.



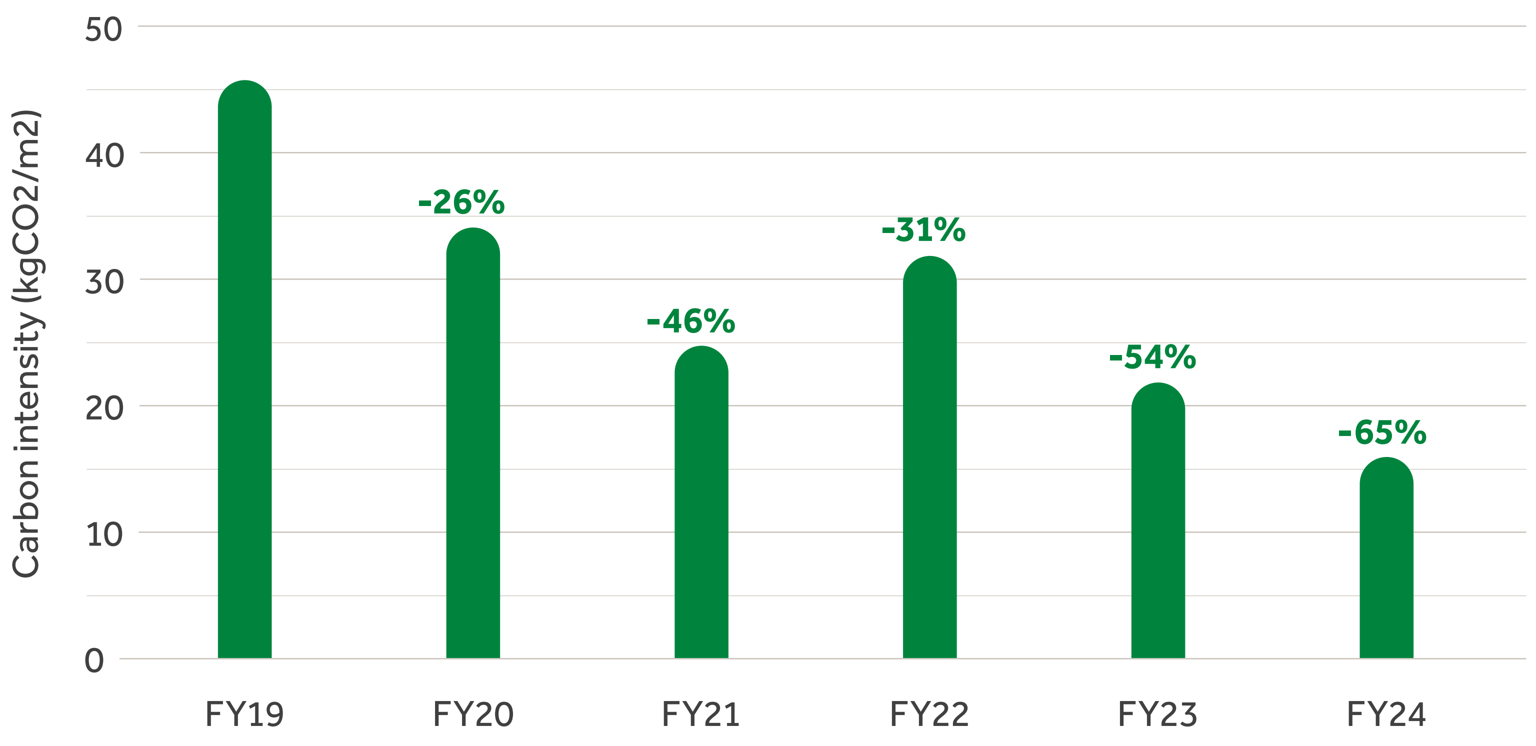
The chart shows the financed Scope 1 and 2 carbon emissions intensity across those asset classes we are able to measure in green. Data represents equities, property, infrastructure portfolios and, where available, a subset of credit and private equity instruments as at 30 June 2019, 2020, 2021, 2022, 2023 and 2024. The change in carbon intensity as compared to the 2019 baseline is shown in the dotted line. One of our methodology's limitations is the completeness of the available data, in FY24 only ~72% of our portfolio has the available data to inform this calculation. Data sourced from MSCI, investment managers and individual assets. Further information on our financed emissions can be found in our 2025 Methodology document. MSCI's analytics and data were used in the preparation of this report.

33 PCAF (2022). Financed Emissions 2nd Edition.

Property portfolio emissions

Buildings are a large contributor to global greenhouse gas emissions and given our connection to the building and construction industry, we track the emissions of our property portfolio annually. Many of the managers within our property portfolio have set their own net zero 2030 targets for Scope 1 and 2 operational emissions and we use this analysis to monitor their progress.

In FY24, Cbus Property, our wholly-owned entity and the largest exposure within the portfolio, reported minimal absolute Scope 1 emissions and a near-total reduction in Scope 2 market-based emissions, reflecting strong progress in decarbonisation efforts. Nearly all other property managers recorded declines in Fund-level carbon intensity, with one reporting a modest increase (less than 5%) and another for whom comparable prior-year data was unavailable.



Data sourced from our property investment managers reflects the Scope 1 and 2 carbon intensity where investment managers have operational control from FY19 to FY24. Where available, market-based Scope 2 emissions have been used to reflect the choice being made by managers to purchase renewable electricity. Further information on our methodology can be found in our 2025 Methodology document.

435 Bourke Street, Melbourne – Artist Impression. See page 24 for more.

Nature and biodiversity

Nature and biodiversity loss continued to be a focus area for us this year, following the development of our first Nature and Biodiversity Roadmap in 2024. We developed the roadmap to build our understanding of the risks that nature and biodiversity loss present to our members' investment returns, and to develop our capabilities to respond to these risks.

Roadmap actions in FY25

In FY25 we began implementing actions under the roadmap. We have identified a nature and biodiversity data solution, and we intend to use this solution to complete the following key actions under the roadmap:

- Analyse where we are most dependent on nature and biodiversity within our listed equities portfolio, and where we can have the most impact.
- Choose the natural asset(s) on which we will initially focus (e.g. freshwater availability, soil quality).
- Identify which investment managers and companies should be prioritised for engagement on nature-related issues.

Looking ahead

In 2025, the World Economic Forum ranked biodiversity loss and ecosystem collapse as the second most severe global risk over the next 10 years,[34] rising from the third-highest risk in 2024.

As with climate change, nature and biodiversity loss presents systemic risks beyond our portfolio, so we intend to continue exploring opportunities to engage in nature-related public policy advocacy. This may include engaging on key reforms that the Australian Government has announced, such as strengthening environmental laws under its Nature Positive Plan.[35]

We will also continue to look for opportunities to integrate our work on nature and biodiversity loss with climate change, recognising the close connection between these issues.

34 World Economic Forum (2025) The Global Risks Report.
35 Department of Climate Change, Energy, the Environment and Water (2022) Nature Positive Plan.

Reporting

Task Force on Climate-related Financial Disclosures (TCFD) Index

This is our seventh year of reporting and we recognise our disclosures will continue to evolve over time as we implement our climate strategy and prepare for mandatory climate disclosures.

This year we have reported against the 2021 TCFD guidance – both the supplemental guidance for asset owners and the cross-industry metrics.

The following table summarises our FY25 reporting against the TCFD recommendations.

TCFD Pillar[36]	Disclosure	Reference to activities
Governance	Describe the Board's oversight of climate-related risks and opportunities.	See **Climate Governance** on page 35.
	Describe management's role in assessing and managing climate-related risks and opportunities.	
Strategy	Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	Refer to **Climate change risks and opportunities** on pages 28–31 (comprising our scenario analysis and our assessment of risks and opportunities over the short, medium and long term). Refer to the case studies in **Investing in the real economy** on pages 24–25.
	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	Refer to **Climate change risks and opportunities** on pages 28–31 (scenario analysis showing impact to expected returns and our assessment of risks and opportunities over the short, medium and long term for potential impacts to our portfolio and how we operate as a Fund). Refer to **Climate change investments** and the use of climate overlays within investment strategies described on page 36. Refer to **Climate change goals** on page 33.
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. Asset owners that perform scenario analysis should consider providing a discussion of how climate-related scenarios are used.	Refer to **Climate change risks and opportunities** on pages 28–31.
Risk Management	Describe the organisation's processes for identifying and assessing climate-related risks. Asset owners should describe engagement activity with investee companies to encourage better disclosure and practices related to climate-related risks.	Refer to **Climate change risks and opportunities for Cbus** on page 30. Refer to how we **Engage with our priority climate companies** on page 33. Refer to **Advocacy** on page 8. Refer to **Climate ambition** on page 34.
	Describe the organisation's processes for managing climate-related risks. Asset owners should describe how they consider the positioning of their total portfolio with respect to the transition.	Refer to **Climate Strategy** on page 33. Refer to our **definition of a Material risk** on page 5. Refer to **Integration** on page 10. Refer to **Stewardship** for climate voting and engagement on page 13–20. Refer to **Climate change investments** on page 36.
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	See **Climate governance** on page 35. Refer to **Integration** on page 10.

36 TCFD, October 2021

TCFD Pillar[36]	Disclosure	Reference to activities
Metrics and Targets	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Refer to **Climate change investments** on page 36. Refer to **Climate change risks and opportunities** on pages 28–31. Refer to **Carbon data table** in our Data Pack document. Refer to **Tracking progress towards our 2030 goal** on page 37. Refer to how we **Engage with our priority climate companies** on page 33.
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Refer to **Carbon data table** in our Data Pack document. Please note, our operational Scope 1 and 2 emissions are not currently disclosed. Operational emissions are immaterial as compared with financed emissions. As we prepare for mandatory climate disclosures we aim to measure operational emissions.
	Describe the targets used by the organisation to manage climate-related risks and opportunities, and performance against targets.	Refer to **Climate change goals** on page 33. Refer to how we **Engage with our priority climate companies** on page 33. Refer to **Climate change investments** on page 36. Refer to **Carbon data table** in our Data Pack document. Refer to **Tracking progress towards our 2030 goal** on page 37. Refer to **Property portfolio emissions** on page 38.

TCFD 2021 Cross-industry metrics	
GHG emissions – absolute Scope 1, Scope 2, Scope 3; emissions intensity	Refer to **Carbon data table** in our Data Pack document. Please see previous note in relation to operational emissions. Also note that within our financed emissions we are unable to disaggregate Scope 1 and 2 emissions due to the format data being provided to us by external investment managers.
Amount and extent of assets vulnerable to transition risks	Refer to **Climate change risks and opportunities** on pages 28–31. Please note that our portfolio-specific analysis is currently internal.
Amount and extent of assets vulnerable to physical risks	Refer to **Climate change risks and opportunities** on pages 28–31. Please note that our portfolio-specific analysis is currently internal.
Proportion of assets aligned with climate-related opportunities	Refer to **Climate change investments** on page 36.
Amount of financing or investment deployed toward climate-related risks and opportunities	Refer to **Climate change investments** on page 36.
Internal carbon prices	We do not currently apply an internal carbon price.
Proportion of executive management remuneration linked to climate considerations	Refer to the **Remuneration** report regarding remuneration and ESG considerations in the Annual Financial Report on pages 6–13.

Independent Limited Assurance Report to the Directors of United Super Pty Ltd as trustee for Construction and Building Unions Superannuation Fund (Cbus)

Conclusion

Based on the evidence we obtained from the procedures performed, we are not aware of any material misstatements in the Cbus Responsible Investment Report 2025 for the year ended 30 June 2025 (the Responsible Investment Report), which has been prepared by Cbus in accordance with the relevant internal policies, procedures and methodologies developed by Cbus and with reference to the Recommendations of the Task Force on Climate-related Financial Disclosures 2021, as disclosed in the Responsible Investment Report.

Information Subject to Assurance

Cbus engaged KPMG to perform a limited assurance engagement in relation to the information subject to assurance as presented in the Cbus Responsible Investment Report 2025 for the year ended 30 June 2025.

Criteria Used as the Basis of Reporting

We assessed the Cbus Responsible Investment Report against the Criteria. The Cbus Responsible Investment Report needs to be read and understood together with the Criteria, being the relevant internal policies, procedures and methodologies developed by Cbus and selected specific Recommendations of the Task Force on Climate-related Financial Disclosures 2021 (TCFD Recommendations), as disclosed in the Responsible Investment Report ("the Criteria").

Basis for Conclusion

We conducted our work in accordance with Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (ASAE 3000). We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In accordance with ASAE 3000 we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that we are not aware of any material misstatements in the information subject to assurance, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness; and
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

Summary of Procedures Performed

Our limited assurance conclusion is based on the evidence obtained from performing the following procedures:

- Interviews with relevant Cbus personnel to understand the internal controls, governance structure and reporting process relevant to the preparation of the Responsible Investment Report;
- Analytical procedures over the key metrics in the Responsible Investment Report;
- Reviewing Board minutes to check consistency with the Responsible Investment Report disclosures;
- Agreeing the Responsible Investment Report to the relevant underlying documentation on a sample basis;
- Assessment of the suitability and application of the Criteria, the extent of disclosure of the relevant internal policies, procedures and methodologies developed by Cbus and the disclosure outlining the extent of alignment with the TCFD Recommendations with respect to the Responsible Investment Report; and
- Review of the Responsible Investment Report in its entirety to ensure it is consistent with our overall knowledge obtained during the assurance engagement.

Inherent Limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. It is therefore possible that fraud, error or material misstatement in the information subject to assurance may occur and not be detected. Non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating, and estimating such data. The precision of different measurement techniques may also vary. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance conclusion.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of Cbus.

Use of this Assurance Report

This report has been prepared solely for the Directors of Cbus to assist their members in assessing whether the Directors have discharged their responsibilities, by commissioning an independent report in connection with the information subject to assurance and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of Cbus, or for any other purpose than that for which it was prepared.

Management's Responsibility

Management are responsible for:

- determining appropriate reporting topics and selecting or establishing suitable criteria for measuring, evaluating and preparing the information subject to assurance to meet their needs and the needs of the Directors;
- preparing and presenting the information subject to assurance in accordance with the criteria; and
- ensuring that those criteria are relevant and appropriate to Cbus and the intended users; and
- establishing and maintaining systems, processes and internal controls that enable the preparation and presentation of the information subject to assurance that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to perform a limited assurance engagement in relation to the information subject to assurance for the year ended 30 June 2025, and to issue an assurance report that includes our conclusion based on the procedures we have performed and evidence we have obtained.

Our Independence and Quality Management

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional and Ethical Standards Board, and complied with the applicable requirements of Australian Standard on Quality Management 1 to design, implement and operate a system of quality management.

KPMG

KPMG

Julia Bilyanska

Julia Bilyanska
Partner Melbourne
12 November 2025

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