

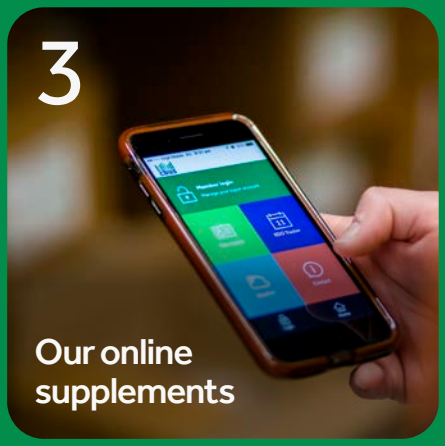
cbus super

Growing the future

Engagement and Materiality Supplement 2022

Contents

Engagement and Materiality Supplement 2022













Online supplements

We have provided more detailed information about Cbus and our investments in our online supplements. This report and the supplements meet the core requirements of the Global Reporting Initiative's Sustainability Reporting Standards (GRI Standards). Our Responsible Investment Supplement reports in accordance with the Task Force on Climate-Related Financial Dislosure (TCFD) recommendations.

Responsible Investment

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

cbussuper.com.au/cs/responsible-investment-2022

Cbus Property Sustainability Report

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

cbusproperty.com.au/sustainability-strategy

Annual Financial Statements

Sets out the financial statements for our regulators and other stakeholders. Prepared in line with the **Australian Accounting Standards; Superannuation Industry (Supervision) Act 1993 and Superannuation Industry (Supervision) Regulations 1994, the Corporations Act 2011 and Corporations Regulations 2011.**

cbussuper.com.au/cs/annual-financial-statements-2022

Stakeholder Engagement and Materiality

Provides detail on our approach to engagement and how we determine what matters most to Cbus stakeholders. The result of this engagement informs our value creation and assists in identifying Cbus' material issues. Prepared using the **GRI Standards** and in line with the **International Integrated Reporting <IR> Framework**.

cbussuper.com.au/cs/engagement-materiality-2022

Governance

Provides additional information about the governance framework at Cbus and Cbus Property. Prepared using the **GRI Standards**.

cbussuper.com.au/cs/governance-framework-2022

GRI Standards Content Index

Provides the location of information linked to the **GRI Standards** within the Annual Integrated Report, Cbus Property Sustainability Report, supplements and the Cbus website.

cbussuper.com.au/cs/gri-standards-2022

Online Supplements

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

cbussuper.com.au/aboutus/annualreport

KPMG

KPMG were engaged to provide limited assurance over the Cbus Annual Integrated Report pages 3 to 70 in accordance with the **International Integrated Reporting <IR> Framework**. The assurance report is presented on pages 76 to 77.

Engaging with our stakeholders

Through our ongoing stakeholder engagement, each year we identify material topics and report on these in our Annual Integrated Report and its supporting supplements. When we undertake this engagement, we also consider the Global Reporting Initiative Sustainability Reporting Standards 2016 (GRI Standards 2016) and the International Integrated Reporting <IR> Framework. The material topics and themes identified impact the value Cbus creates for its members and has broader external sustainability impacts.

Each year Cbus undertakes an extensive process whereby we engage with a range of stakeholders. This engagement process includes obtaining direct and indirect feedback on Cbus, conducting internal and external interviews, surveying members and analysing both internal and external industry and market impacts.

We have identified our major stakeholders for 2022 as the following:

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

Table 1 lists Cbus' stakeholders and engagement activity.



Our members



Employers and their associations



Trade Unions and Sponsors



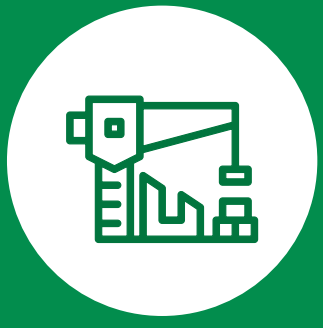
Our employees



Our community



Regulators



The industries we serve and operate in

Materiality – the issues that matter to our stakeholders

Through our stakeholder engagement, seven stakeholder groups were engaged, 153 pieces of feedback were collected, and 18 topics identified. We then categorised this feedback and confirmed five material themes. The five material themes identified are unchanged from the previous financial year and these themes bring together issues we consider relevant to Cbus' short, medium and long-term value creation for our members. These themes may impact our Fund's strategy, governance, performance or prospects over time. They are also significant for Cbus' sustainability impacts and influence the assessments and decisions of our stakeholders. Both the Cbus Executive team and the Board review these themes.

The themes are:

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



Having enough income in retirement



Meeting member and employer products and service needs



A strong, reliable and trusted fund contributing to an effective superannuation system



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



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

Table 2 shows the stakeholder issues grouped for each theme. Alignment to GRI Standards and boundaries applied.

We reviewed the five key themes for alignment with the GRI Standards 2016 and have included the GRI G4 Financial Services Sector Disclosures where relevant. The boundaries describe where the impacts occur for a material theme or topic, and Cbus' involvement with those impacts. The boundaries also consider our supply chain including fund managers, the companies in which we invest, our custodian, insurer and administrator.

Table 3 shows the stakeholder issues we associated with each theme, matched to GRI reporting standards, together with the boundaries we applied.

Cbus stakeholders and engagement activity

Table 1:



Members

- Member feedback through Cbus' annual member briefing

Internal interviews:

- Cbus Advice Services
- Member experience – the 'Voice of Cbus'
- Cbus onsite coordinators
- National front counter
- Cbus operations support
- Member complaints
- Research analytics

External research:

- Kantar Brand Tracker
- CoreData Super Brand, Retirement Research
- KPMG Super Insights
- Trust Research



Employers and their associations

Internal interviews:

- Employer Team

External research:

- Small Business Insights
- Employer Engagement Survey
- Trust Research



Trade Unions and Sponsors

Internal interviews:

- Unions
- Sponsors
- Industry Partnerships



Our employees

Internal interviews:

- Employees
- Cbus Property



Our community

Internal research:

- Responsible Investment



Regulators

Media releases:

- APRA
- ASIC
- ATO
- RBA



The industries we serve and operate in

- Master Builders Association media releases and news
- The NMG Super Funds Review

Media releases:

- ACSI
- AIST
- ASFA
- ISA

Stakeholder issues grouped by theme

Table 2:

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

Stakeholders:



	Issues					
	Ease of use	**Education on investments**	**Face to Face service**	**Regulatory Change**	**Relevant Communications**	**Understanding our Members**
Example of issues raised*	Many members want a super fund that offers simple processes and accessibility to information which is in plain language. While broadly meeting expectations, Cbus has an opportunity to improve the accessibility of the app and website.	Members are happy when they see good returns but many panic when markets turn volatile. There is an opportunity to improve communication, education and access to information about investments and market conditions.	Many of our members are grateful for the unique experience of face-to-face service from coordinators and the front counter to help them make decisions.	Constant changes to the super system can lead to confusion for some members. Members value education and information from Cbus in relation to these changes.	Accessibility to proactive communication, information and education at the right time for their needs has been flagged. When assistance is required, members and employers value timely responses and resolutions.	An understanding of our members' unique needs and experiences are key to the success of the Fund. Cbus must retain this deep understanding of its membership base as the fund grows.

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

Stakeholder issues grouped by theme continued

Table 2:

Theme: Having enough income in retirement						
Stakeholders:						
Our members	Employers and their associations	Trade Unions and Sponsors	Our employees	Our community	Regulators	The industries we serve and operate in

	Issues			
	Planning for Retirement	**Retirement Products**	**Different Working Patterns**	**Unpaid Super**
Example of issues raised*	Many employers want greater interactions with Cbus to look at ways to work together to maximise super by salary sacrifice, consolidate accounts, plan for retirement, and increase general financial literacy.	There has been an increase in demand for retirement products from existing members who want to make the right decisions about their super to ensure an optimal retirement.	Many of our members work as freelancers or contractors so may not be entitled to superannuation. Insecure work can negatively affect balances and Cbus has an opportunity to educate these members on the importance of making contributions.	Unpaid super continues to be a problem. Many stakeholders want to see us working with Fair Work so that when people are not paid, it can be chased up more easily.

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

Stakeholder issues grouped by theme continued

Table 2:

Theme: Meeting member and employer products and service needs

Stakeholders:



Issues

	Advice Team	Appropriate Insurance	Contact Centre	Employer Communications	Employer Servicing	Insurance Services	Merger Communication
Example of issues raised*	We have received a great deal of positive feedback on the quality-of-service members have received from the Advice Team, however Cbus has an opportunity to improve wait times which can be lengthy.	Coordinators are assisting prospective members to transition to Cbus when they realise their existing insurance cover is not adequate. Cbus calculators have also aided members in understanding if they are underinsured. Members want insurance cover that is fit for purpose and many believe that the insurance carve out exemption that Cbus received is very beneficial to members under the age of 25.	Our contact centre must continuously review the suitability and quality of information provided to members to maintain its relevance.	Employers want tailored information to assist them in helping their employees - there are competitor funds who have developed more targeted and bespoke communications which are fit for purpose.	Although some employers have issues with the Employer Portal and payment systems, they appreciate the service from Employer Servicing teams.	The claims assist process is working well and the Insurance team is easy to deal with. The support from workplace coordinators and increased help and assistance in explaining the process is very well received by members.	Past experience shows that there is benefit in funds providing members with clarity on what impact(s) and benefits they can expect following a merger - this requires attention by the Fund in its communications and engagement activities.

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

Stakeholder issues grouped by theme continued

Table 2:

Theme: A strong, reliable and trusted fund contributing to a sustainable global financial system

Stakeholders:



	Issues						
	Fund Growth	**Brand and Reputation**	**Fees**	**Strong Returns**	**Regulatory Change**	**Superannuation Guarantee**	**Support from Cbus**
Example of issues raised*	It is important to grow in order to remain sustainable and operate at scale to benefit our members via improved pricing and strong returns.	Mergers are important but many stakeholders don't want to lose the unique identity and characteristics of the Fund. Cbus must avoid becoming a generic mega-fund, being all things for all people.	Some members think we could be more competitive in how we price our fees.	Members care about Cbus' performance and investment returns. Members want their money to be safe with Cbus and many compare the performance of Cbus to other super funds.	Removal of the $450 monthly salary threshold for superannuation contributions was a positive step toward achieving better retirement savings outcomes for low paid workers.	Many of our members support maintaining the legislated increase of the Superannuation Guarantee to 12 per cent and support the compulsory nature of the system.	Employers care about Cbus' continued support of their professional development events and their apprentice/ training programs.

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

Stakeholder issues grouped by theme continued

Table 2:

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

Stakeholders:

Our members | Employers and their associations | Trade Unions and Sponsors | Our employees | Our community | Regulators | The industries we serve and operate in

Issues

	Cbus Property	Investment Options	Industry Impact	Responsible Investment	Investing in Media Industry
Example of issues raised*	Cbus' commitment to investments which creates jobs via Cbus Property is a great initiative and members and employers want to see this continued investment in industries that build Australia.	Some Cbus and Media Super members would like to see an ethical investment option.	Unions and organisations want Cbus to continue to act in the best interest of the industries our members work in, particularly the building and construction industry.	Many members and employers have raised the important issue of climate change and care about ESG investing. This issue is a particular priority for many young members who believe that Cbus should invest in more industry leading and carbon neutral projects which create jobs in renewable projects.	Many Media Super members want us to continue to invest in the theatre, TV and film production industries to support members and create jobs.

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

Boundaries - what we disclose for GRI reporting

Table 3:

Stakeholder topics from engagement	Material aspects (GRI Standards and GRI G4 Financial Services Sector Disclosures)	Boundary
Getting the right help at the right time to make sound decisions	**GRI G4 FS16:** Financial literacy initiatives	Cbus' impact on members and prospective members financial retirement outcomes for the Australian building, construction and allied industries workers
Having enough income in retirement	**GRI 201:** Economic performance	Cbus members (return on their investment), all working and retired Australians (policy impacts)
Meeting member and employer products and service needs	**GRI G4 FS14:** Local communities initiatives **GRI G4 FS16:** Financial literacy initiatives	Cbus' impact on members and prospective members and their communities for the Australian building, construction and allied industries workers (health and financial education initiatives)
A strong, reliable and trusted fund contributing to an effective superannuation system	**GRI 401:** Employment **GRI 404:** Training and education **GRI 405:** Diversity and equal opportunity **GRI 406:** Non-discrimination	Cbus' and Cbus Property's impact on Cbus employees and prospective employees
Long-term, responsible and innovative investment strategy	**GRI 203:** Indirect economic impacts **GRI G4 FSSD:** Active ownership	Cbus' impact on external companies and investments, indirectly on the economy
	GRI G4 FSSD: Product portfolio	Cbus' impact on members' retirement
	GRI 302: Energy **GRI 303:** Water	Cbus Property (core portfolio only)
	GRI 305: Emissions **GRI 306:** Effluents and waste	Environmental impact on local and wider community; Cbus' scope 1 and 2 emissions for equity, property and infrastructure portfolios
	GRI 403: OHandS	Cbus Property's impact on workers (not employees and not directly engaged by Cbus Property); Cbus Property's and Cbus' impact on employees