



# Responsible Business Report 2019-20

Building futures and protecting what matters



Suncorp Group Limited  
ABN 66 145 290 124



# Contents

## OUR BUSINESS

Suncorp at a glance	01
Highlights	02
2020 performance against targets	03
Message from our Chairman	04

## OUR STAKEHOLDERS

Stakeholder engagement	06
Materiality	07

## OUR RESPONSIBILITY

Corporate Responsibility Principles	12
Corporate responsibility governance	13
Commitments and frameworks	14
Trust and transparency	15
Responsible financial services	21
Sustainable growth	26
Resilient people and communities	30

## OUR PERFORMANCE

Five-year performance summary	36
Contact information	42

**COVER IMAGE:** Suncorp assessors at Batemans Bay, New South Wales, following the bushfires in January 2020.

## About this Report

The 2019–20 Suncorp Responsible Business Report (**Report**) details our approach, progress and future commitments to building a resilient and sustainable organisation that values customer, shareholder and stakeholder outcomes.

We publish this Report on 21 August 2020 as part of our Annual Report suite of documents. It covers the period 1 July 2019 to 30 June 2020, and where appropriate, references events that have occurred since the end of the financial reporting period, but before the publication of this Report.

This year we have built upon our comprehensive assessment of material environmental, social and governance topics conducted in 2019 to reflect topics that have emerged and increased in priority for Suncorp to address during the Reporting period.

Our approach to non-financial disclosures continues to evolve and for the first time we have reported our performance against targets published in our 2018–19 Responsible Business Report.

Significant organisational changes since last year's report include the divestment of Suncorp's Capital S.M.A.R.T and ACM Parts businesses. Suncorp also welcomed a new Chief Executive Officer for the Group. On 1 July 2020, Suncorp announced a new operating model and leadership structure. Details can be found at [suncorpgroup.com.au/news](https://suncorpgroup.com.au/news)

## Global Reporting Initiative

The material in this Report has been developed in accordance with the Global Reporting Initiative (**GRI**) Standards: Core option. For a full list of disclosures referenced in this Report, please refer to the GRI Content Index available at [suncorpgroup.com.au/corporate-responsibility/reports](https://suncorpgroup.com.au/corporate-responsibility/reports)

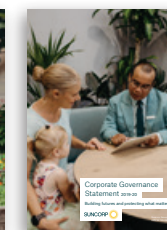
## Our other Reports

Find the 2019–20 Annual Report suite of documents online at [suncorpgroup.com.au/investors/reports](https://suncorpgroup.com.au/investors/reports)

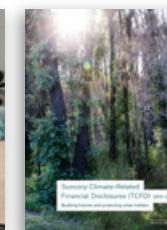
Find Suncorp's Tax Transparency Report, Reconciliation Action Plan, Financial Inclusion Action Plan, Climate Change Action Plan, and Environmental Performance Plan online at [suncorpgroup.com.au/corporate-responsibility/reports](https://suncorpgroup.com.au/corporate-responsibility/reports)



Annual Report 2019–20



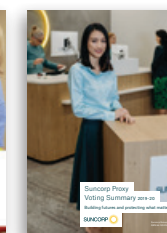
Corporate Governance Statement 2019–20



Suncorp Climate-Related Disclosures (TCFD) 2019–20



Suncorp Tax Transparency Report 2018–19



Proxy Voting Summary 2019–20



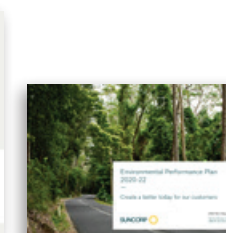
Financial Inclusion Action Plan 2018–20



Climate Change Action Plan 2018–20



Reflect Reconciliation Action Plan 2018–20




Environmental Performance Plan 2020–22


# Suncorp at a glance


Suncorp Group Limited offers insurance, banking and wealth products and services through some of Australia's and New Zealand's most recognised financial brands.


**Our Purpose: building futures and protecting what matters**

## GROUP SNAPSHOT

 Suncorp Group's heritage dates back to **1902**

 **\$96 billion** in group assets

 **3.8 million** active digital users

 More than **13,500** employees

SUNCORP 

AAMI

Apia 

bingle

 CIL  
CARAVAN AND RV INSURANCE

Essentials  
by AAI

 GIO



 terri scheer

vero 

AA Insurance

 Asteron Life

## How Suncorp contributes to the economy

**\$13.8bn<sup>1</sup>**

Revenue 2019-20

**\$8.7bn<sup>2</sup>** Claims paid to customers

**\$1.8bn** Employee salaries, superannuation and other benefits

**\$2.0bn<sup>3</sup>** Suppliers and other fees paid

**\$0.9bn** Dividends paid during 2019-20

**\$0.3bn** Income tax paid

**\$0.1bn<sup>4</sup>** Reinvested to fund growth

1. Net of interest expense 2. Insurance claims paid to customers 3. All operating expenses that are not salaries or other employee benefits 4. Change in retained profits not distributed as dividends

Photographed February 2019



# Highlights

  
Our financial performance

Total dividends to ordinary shareholders

36 cents per share

Net profit after tax

\$913m

Excess Common Equity Tier 1 capital

\$823m

  
Our customers, people and society

Claims paid to customers<sup>1</sup>

\$8.7bn

High performer retention

93%

Investment in local communities

\$10.3m

  
Our value chain and environment

Invoices paid within 30 days<sup>2</sup>

98%

Reduction in greenhouse gas emissions year-on-year<sup>3</sup>

7.2% ↓




Acceptance of Supplier Code of Practice<sup>4</sup>

100%

1. Insurance claims paid to customers 2. From receipt of a valid invoice. Excludes New Zealand and suppliers with payment terms beyond 30 days. 3. Based on Scope 1 and Scope 2 emissions 4. Material/strategic suppliers with spend >\$500K in the reporting period. Excludes New Zealand. Excludes Suncorp Insurance Ventures.



# 2020 performance against targets

SUNCORP'S CORPORATE RESPONSIBILITY PRINCIPLES	METRIC	2019-20 TARGET <sup>1</sup>	2019-20 PERFORMANCE	PROGRESS TO TARGET
 <b>TRUST AND TRANSPARENCY</b> We are committed to building trust and doing the right thing. We are open and transparent in our dealings with our stakeholders.	Code of Conduct training completion rate	98%	<b>99%</b>	●
	<b>RESPONSIBLE FINANCIAL SERVICES</b> We put our customers at the heart of everything we do and help them make good choices. We provide customers with access to affordable financial services that meet their needs.	Level 2 complaints resolved within 30 days (Australia) <sup>2</sup>	Increase proportion year-on-year	<b>71%</b>
 <b>SUSTAINABLE GROWTH</b> We seek to innovate and optimise economic, social and environmental outcomes throughout our business and value chain.	Consumer Net Promoter Score (Australia)	Improve from 2018-19 (Score of +5.0)	<b>+5.2</b>	●
	Scope 1 and Scope 2 greenhouse gas emissions	51% absolute reduction by 2030 <sup>3</sup>	<b>7.2%</b>	●
	Invoices paid within 30 days <sup>4</sup>	95%	<b>98%</b>	●
	Funds invested in social and low-carbon impact investments <sup>5</sup>	5% of total shareholders' funds	<b>6.7%</b>	●
 <b>RESILIENT PEOPLE AND COMMUNITIES</b> We respect human rights and invest in the wellbeing and resilience of our people and communities. We are there for our people and our communities in times of need.	Lost-time injury frequency rate	At or below Finance Industry Group Average <sup>6</sup>	<b>1.2</b>	●
	Women in leadership	50%	<b>51%</b>	●
	Women in senior leadership	45%	<b>44%</b>	○
	Women on the Board	40%	<b>40%</b>	●
	Community investment	0.7% pre-tax profit by 2022	<b>0.8%</b>	●

● Performance met or exceeded target ○ Performance below target

1. As per targets published in the 2018-19 Responsible Business Report 2. Complaints resolved within 30 days from first date received, managed by Internal Customer Relations team. Exceeds 45-day ASIC requirement 3. From 2017-18 baseline for Suncorp corporate operations in Australia and New Zealand 4. From receipt of a valid invoice. Excludes New Zealand and suppliers with terms beyond 30 days and Suncorp Insurance Ventures 5. Based on Global Investor Coalition definition 6. Based on combined average of industry peers published for 2018-19





## Message from our Chairman

**The past 12 months have brought extraordinary challenge and uncertainty for people and communities across the globe. As a relentless drought was impacting the lives of many regional families, we are now also dealing with the immediate impacts of the COVID-19 global pandemic and summer of disasters on our people, customers, and communities, and the long-term implications for our economies and environment.**

**These events further highlight the important role Suncorp plays in supporting both the immediate and long-term recovery of our customers, communities and the economy. Our purpose – to build futures and protect what matters – is at the heart of how we respond.**

### Improving our business practices

Our ability to respond to the challenges faced this year was due in large part to a culture that appropriately balances customer and community outcomes, financial performance and risk management.

In dealing with the significant impacts of the COVID-19 pandemic, the health and safety of our people was our immediate priority. We also moved quickly to support our customers with relief packages and other measures.

More broadly this year, we have strengthened support for customers facing hardship, and introduced greater transparency and enhanced protections for customers. This has underpinned our transition to the updated General Insurance Code of Practice and the commencement of our Responsible Banking & Insurance Policy implementation.

Suncorp continues to welcome regulatory change that creates improved outcomes for customers. We regularly advocate with government and regulators on matters impacting our business and key stakeholders, with a focus on ensuring that change does not have unintended consequences for consumers. This year, our advocacy included a submission to Treasury on the implementation of reforms flowing from the *Royal Commission into Banking and Financial Services (the Royal Commission)*, focusing on the anti-hawking provisions, breach reporting, and the enforceability of industry codes.

### Conduct and culture remain a priority

Strengthening trust by improving our conduct and culture remained a priority this year. We conducted an employee engagement and culture assessment, refreshed our Code of Conduct, strengthened our risk culture and risk and compliance capability, and increased transparency of our non-financial performance metrics.

During the year Suncorp initiated a review of pay and leave entitlements. Regrettably, early analysis of historical data indicated inconsistencies in relation to the Group's rostering and pay systems. The Board Risk Committee is overseeing the review and is committed to a timely and accurate remediation process, which will be communicated with employees and shareholders upon completion.

We take our responsibilities as a large business seriously and are always looking for ways to improve outcomes for all stakeholders.

### Building long-term resilience

This year we deepened our understanding of the strategic and financial risks and opportunities presented by the changing climate through comprehensive scenario analysis. The insights gained will help us manage risks posed by the increasing severity of natural hazards, act on new and emerging opportunities, and support an orderly transition to a net-zero emissions economy.

Suncorp has taken a careful and considered approach to building resilience to the physical risks of climate change, as well as reducing the impacts of economic and transition risks, to ensure our business is sustainable into the future.

We continue to advocate for greater investment by government in effective natural hazard resilience building, which will also provide much-needed economic stimulus in the current environment, particularly in our regional communities.

The actions our organisation takes to address our most material social and environmental issues, combined with our advocacy for change, are critical to ensuring Suncorp remains well positioned to be a more resilient company for the benefit of all its stakeholders.

**CHRISTINE MCLOUGHLIN**  
CHAIRMAN  
21 AUGUST 2020





# Our Stakeholders



# Stakeholder engagement

Suncorp collaborates with a broad range of stakeholders to identify and manage business risks and opportunities, to advocate for positive outcomes and to ultimately create long-term value.

## OUR APPROACH

Stakeholder engagement is highly valued by Suncorp as an important means of building trust and confidence; it helps us make informed and balanced decisions and determine our approach to addressing topics most material to us and our stakeholders.

We use a process of ongoing formal and informal engagement methods, which are based on a set of principles that ensure we are proactive, respectful, transparent and uphold the highest of ethical standards. They also ensure we are disciplined and considered in the way we manage the engagement, with clear relationship owners. Our approach evolves in line with our strategy and emerging trends and issues that may impact our business and the community.

We identify key stakeholders based on the level of interest and impact they have on our business, as well as the opportunity to collaborate for more positive outcomes.

This year we engaged with our key stakeholder groups on the following economic, environmental, social and governance topics.

STAKEHOLDER GROUP	HOW WE ENGAGE	SUMMARY OF TOPICS RAISED
<b>Customers</b>	Daily interactions via contact centres, branches and digital platforms, customer surveys, dispute resolution processes and dealings with the Suncorp Group Customer Advocate	Support for customers impacted by disasters and COVID-19, customers experiencing vulnerability, financial resilience, business continuity, customer experience, cyber and data security, scam and fraud awareness and support, elder financial abuse, digital capability and innovation.
<b>Employees</b>	Internal communication channels, annual executive town halls and regular employee engagement surveys and pulse-checks, business leader presentations and webcasts	Employee health, safety and wellbeing, business continuity, workforce planning, engagement and employee experience, remuneration practices, conduct and ethics, digital capability, resource use and efficiency, diversity and inclusion, reconciliation and cultural learning, cyber security.
<b>Shareholders, investors, analysts and credit rating agencies</b>	Meetings, executive and director roadshows, full and half year results presentations (including webcasts), analyst briefings and conferences, annual credit rating reviews and the Annual General Meeting	Impacts of natural disasters, COVID-19 and business continuity, remuneration practices, non-financial performance and targets, climate change business and customer impacts, modern slavery, responsible investment, responsible underwriting and lending, conduct and culture.
<b>Federal, state and local government</b>	Meetings and conferences, submissions to inquiries, background briefings and correspondence	The Royal Commission recommendations implementation, natural hazard resilience, disaster response, climate change, conduct and culture, fairness and value, affordability and accessibility, support for people and communities experiencing vulnerability.
<b>Regulators</b>	Regular liaison meetings, industry conferences, regular meetings with executives and directors, annual prudential consultations and ongoing site visits	Climate-related financial risk, transparency and disclosure, conduct and culture, fairness and value, responsible lending and underwriting, modern slavery, financial soundness, compliance requirements and technology risk.
<b>Industry associations</b>	Committee and working group participation, informal interactions, Australian Banking Association Council membership, Insurance Council of Australia, Insurance Council of New Zealand and Financial Services Council Board membership	Disaster response, response to COVID-19, support for people experiencing vulnerability, climate change business and customer impacts, responsible supply chains and modern slavery, cyber and data security.
<b>Suppliers and partners</b>	Formal and informal meetings, contract renewals and risk assessments	Impacts of COVID-19 and business continuity, digital capability, responsible supply chain and modern slavery, cyber and data security.
<b>Media</b>	Media releases, background briefings, direct engagement and one-on-one interviews, social media channels and informal interactions	Business continuity, conduct, culture, natural hazard resilience, disaster response, affordability and accessibility, cost of living, support for people experiencing vulnerability, community investment, workforce planning.
<b>Consumer advocacy groups</b>	Customer issues management and interactions via the Suncorp Group Customer Advocate, meetings and conferences, industry forums and the annual Consumer Advocate Day	Support for vulnerable people, affordability and accessibility, fairness and value, disaster response, financial resilience, natural hazard resilience, conduct and ethics, responsible banking and underwriting, customer experience.
<b>Community partners and NGOs</b>	Meetings and conferences, industry collaborations and community partnerships	Financial resilience, natural hazard resilience, digital capability, support for people experiencing vulnerability, disaster preparedness and response, talent attraction, diversity and inclusion, reconciliation, cultural heritage and environmental preservation, social inclusion and community investment.
<b>Universities, academics and climate specialists</b>	Joint research projects, meetings, conferences and presentations	Climate change business and customer impacts, responsible investment, responsible underwriting and lending, natural hazard resilience, cyber security and scams, responsible supply chain.



# Materiality

## OUR APPROACH

Suncorp proactively manages the material economic, social and environmental risks and opportunities identified by our key stakeholders and our business.

Regular materiality assessments help us identify and prioritise the topics of most significance for our business, ensuring they reflect the needs and expectations of our stakeholders, and society, both now and in the future. The results of our materiality assessment inform our corporate responsibility approach, strategic priorities and reporting. Suncorp's material topics are managed through the lens of our four key Corporate Responsibility Principles, which help guide our decision making and balance customer outcomes, financial performance and risk management.

This year we built upon the comprehensive materiality assessment conducted in 2019, to reflect changes to our operating environment and emerging priorities resulting from the unprecedented events of the COVID-19 global pandemic and the Australian bushfire crisis.

## RESPONDING TO OUR CHANGING OPERATING ENVIRONMENT

This year has seen unprecedented change in our region and globally, resulting in new material topics, as well as a shift in the importance and impact of several topics identified in our last materiality assessment.

Changes from our 2018-19 assessment include:

- the emergence of new material topics including business continuity and product innovation, and a heightened focus on employee health and wellbeing, support for people experiencing vulnerability, financial resilience, workforce planning and digital capability as a result of the COVID-19 pandemic
- the heightened importance to stakeholders of natural hazard resilience, support for people experiencing vulnerability, and climate change impacts on our business, customers and communities, since the summer of disasters
- human rights, including modern slavery as a new material topic for Suncorp to address, particularly in response to the introduction of the *Modern Slavery Act* in Australia.

The most material topics based on their importance to stakeholders and the potential impact on our business are outlined on the next page (see diagram).



## Our updated materiality assessment this year is based on:



### Identification

- a review of global megatrends, media and peer activities across Australia and New Zealand, including industry trends
- incorporation of stakeholder expectations and responses to COVID-19 and the Australian bushfire crisis including from investors, analysts, customers, government and community representatives, consumer advocates, NGOs, partners, suppliers and peers
- a review of our performance in key sustainability rating benchmarks
- feedback from formal and ongoing informal stakeholder engagement throughout the year (as outlined in table on page 6)
- employee engagement and culture assessment responses



### Prioritisation

- an internal materiality survey of business representatives and management to identify and prioritise environmental, social and governance topics



### Validation

- validation of the most significant topics via an internal management group and input from senior leaders

# Our most material environmental, social and governance topics



- ↑ Topic increased in importance
- ★ New topic for 2020



## Addressing our most material environmental, social and governance topics

The following table defines our ten most material topics and summarises our response to each.

TOPIC	OUR RESPONSE	WHERE THE IMPACT OCCURS					
		Customers	Investees <sup>1</sup>	Suppliers	Our people	Community	
<b>Trust and Transparency</b> CONDUCT AND ETHICS Ensuring ethical and appropriate behaviour and practices of directors, management and employees.	<ul style="list-style-type: none"> <li>Refreshed Code of Conduct</li> <li>Introduced Ethical Decision-Making course for leaders</li> <li>Established Data Ethics Principles and Data Ethics Advisory Committee</li> <li>Developed Risk Culture Principles</li> </ul>	●	●			●	
	<b>TRANSPARENCY AND DISCLOSURE</b> Committing to the disclosure of economic, social and environmental risks, opportunities and performance. Ensuring product and service information is easy to locate and understand.	<ul style="list-style-type: none"> <li>Published performance against non-financial targets and set 2020–21 targets</li> <li>Published performance of sustainability assessments and participated in the Dow Jones Sustainability Index, CDP, London Benchmarking Group (LBG) and Workforce Gender Equality Agency (WGEA) benchmarking exercises</li> <li>Updated materiality based on emerging priorities and changes to our operating environment</li> <li>Published 2019–20 Climate-related Financial Disclosure, Tax Transparency Report, and Proxy Voting Principles and Summary</li> <li>Improved transparency of premium changes through General Insurance Code of Practice implementation</li> <li>Became a signatory to the United Nations Environmental Programme Finance Initiative (UNEP FI) Principles for Responsible Banking</li> <li>Integrated the UNEP FI Principles for Sustainable Insurance</li> </ul>	●	●	●	●	●
<b>Responsible Financial Services</b> FAIRNESS AND VALUE Ensuring products and services provide fair value and balance the needs of different stakeholder groups.	<ul style="list-style-type: none"> <li>Transitioned to updated General Insurance Code of Practice</li> <li>Further implemented Banking Code of Practice</li> <li>Commenced implementation of Responsible Banking &amp; Insurance Policy</li> <li>Responded to COVID-19, including customer relief and retention packages</li> <li>Engaged with our stakeholders and advocated for better customer and consumer outcomes</li> </ul>	●			●	●	
	<b>SUPPORT FOR VULNERABLE PEOPLE</b> Providing support to people experiencing a period of or ongoing vulnerability in their life. This may include people impacted by financial hardship, domestic violence, financial abuse, illness or a disability, or faced with barriers due to ethnic/cultural or socio-economic characteristics.	<ul style="list-style-type: none"> <li>Extended a suite of hardship and relief measures in response to COVID-19 and the Australian bushfires, and donated to a range of community groups to support those most vulnerable</li> <li>Implemented Customers Experiencing Vulnerability Strategy, Standards and Guidelines, including Domestic and Family Violence statement</li> <li>Continued financial inclusion and customer vulnerability training for Australian employees and extended to New Zealand teams</li> <li>Expanded community sector partnerships to improve external referral pathways</li> </ul>	●			●	●
	<b>FINANCIAL RESILIENCE</b> Improving the capability, resources and access to suitable insurance, banking and wealth products and services for our customers and community to enhance their ability to withstand and adapt to financial shock or adversity.	<ul style="list-style-type: none"> <li>Launched AAMI-branded micro-enterprise business insurance</li> <li>Piloted Financial Literacy workshops with Multicultural Australia clients to build financial resilience and economic participation for culturally diverse communities</li> <li>Worked with Thriving Communities Partnership on a research report to better understand role of essential services in recovering from a natural disaster</li> <li>Worked in partnership on a Sorry Business financial hardship solution to address challenges faced by Indigenous Australians when paying for the funerals of loved ones</li> </ul>	●			●	●
	<b>DIGITAL CAPABILITY AND PRODUCT INNOVATION</b> Keeping pace with the increasing digitisation and demand for personalised financial products and services.	<ul style="list-style-type: none"> <li>Rapidly deployed new digital solutions for customer experience, claims handling and employee communication during COVID-19 response</li> </ul>	●	●	●	●	●
			●	●	●	●	●

1. Companies that Suncorp has invested in through its investment portfolios

## Addressing our most material environmental, social and governance topics

TOPIC	OUR RESPONSE	WHERE THE IMPACT OCCURS				
		Customers	Investees <sup>1</sup>	Suppliers	Our people	Community
 <b>NATURAL HAZARD RESILIENCE</b> Helping our customers and communities build resilience to natural hazards including floods, storms and bushfires, while also appropriately pricing risk and maintaining insurance affordability in high-risk communities.	<ul style="list-style-type: none"> <li>Continued advocacy through our Natural Hazard Resilience Strategy</li> <li>Expanded Storm Ready Streets community engagement across Queensland</li> <li>Completed first phase of climate change scenario analysis to understand community resilience to insurable and uninsurable risk</li> </ul>	●	●	●	●	●
	<b>CLIMATE CHANGE: BUSINESS IMPACTS</b> Addressing the impacts of climate change on Suncorp's operations and business activities.	<ul style="list-style-type: none"> <li>Continued to implement our Climate Change Action Plan</li> <li>Published Climate-Related Financial Disclosures</li> <li>Developed a Renewable Energy Strategy and joined RE100</li> <li>Refreshed our Environmental Performance Plan</li> </ul>	●	●		
 <b>EMPLOYEE HEALTH, SAFETY AND WELLBEING</b> Protecting and maximising the physical and mental health, safety and wellbeing of our workforce.	<ul style="list-style-type: none"> <li>Responded to COVID-19, including new social distancing and hygiene protocols</li> <li>Strengthened Safety and Wellbeing Policy</li> <li>Supported safety and wellbeing for expanded work-from-home arrangements</li> <li>Introduced unlimited paid Emergency Response Volunteer leave</li> <li>Conducted Gender Equality and Gender Equity Pay Review</li> <li>Introduced Employee Assistance Program specialists for Indigenous employees</li> <li>Established two new Employee Resource Groups</li> <li>Refreshed Employee Giving program</li> </ul>	●			●	●
	<b>BUSINESS CONTINUITY AND WORKFORCE PLANNING</b> Ability to respond to and ensure core business operations are not severely impacted by an unplanned incident, crisis or major disruption. It includes planning for and addressing impacts on our workforce as a result of changed conditions, technology and demographic trends.	<ul style="list-style-type: none"> <li>Responded to COVID-19, including crisis response, scenario planning and stress testing</li> <li>Deployed Business Continuity Plans (BCPs) for all business units</li> <li>Deployed BCPs with all overseas outsource partners</li> <li>Deployed work-from-home arrangements for the majority of our people, with increased technology infrastructure swiftly put in place to meet capacity needs</li> <li>Enabled business-critical work to continue at our workplaces through COVID-19 safety measures</li> <li>Reviewed long-term people and workplace plans</li> <li>Expanded Future Ready learning program</li> </ul>	●		●	●

OUR STAKEHOLDERS

1. Companies that Suncorp has invested in through its investment portfolios





# Our Responsibility

Photographed October 2019



# Corporate Responsibility Principles

Suncorp aims to optimise economic, social and environmental outcomes for stakeholders, which is core to strengthening trust and building a resilient, responsible and sustainable business.

For Suncorp, this approach helps us live our company's purpose to build futures and protect what matters. Our commitment to continuously improve our business practices and increase

transparency about our operations and performance underpins our ongoing ability to maintain our social licence to operate.

Our Board-approved Corporate Responsibility Principles (**the Principles**) guide our approach to governance and risk management, policy development, business decision making, and disclosure of non-financial performance.

## The Principles we aspire to:



### RESILIENT PEOPLE AND COMMUNITIES

We respect human rights and invest in the wellbeing and resilience of our people and communities. We are there for our people and our communities in times of need.



### TRUST AND TRANSPARENCY

We are committed to building trust and doing the right thing. We are open and transparent in our dealings with our stakeholders.



### SUSTAINABLE GROWTH

We seek to innovate and optimise economic, social and environmental outcomes throughout our business and value chain.



### RESPONSIBLE FINANCIAL SERVICES

We put our customers at the heart of everything we do and help them make good choices. We provide customers with access to affordable financial services that meet their needs.



## SUSTAINABLE DEVELOPMENT GOALS

Suncorp is committed to driving awareness and action in support of the United Nation's Sustainable Development Goals (SDGs), which are a set of 17 goals that define global sustainable development priorities and aspirations for 2030. The SDGs call for action to address significant economic, social and environmental challenges such as poverty, inequality, improving health and education and climate action. Suncorp's responsible business activity contributes to eight of the 17 SDGs as outlined here. Read more about our contribution to the SDGs at [suncorpgroup.com.au/corporate-responsibility/our-approach/sustainable-development-goals](https://suncorpgroup.com.au/corporate-responsibility/our-approach/sustainable-development-goals)





# Corporate responsibility governance

**The Suncorp Board stewards corporate governance, culture, strategy, and our social licence to operate. Our governance structure provides for effective and responsible decision-making within the organisation.**

## OUR APPROACH

Suncorp's Board believes high standards of governance and corporate responsibility are essential for achieving business objectives, sustaining long-term financial performance and creating value for our customers, shareholders and key stakeholders.

The Board and its five Committees regularly review the corporate governance framework and associated policies and practices to ensure they keep pace with regulatory change, industry best practice and community expectations.

Collectively, the Board is responsible for approval of objectives, strategies and policies to address economic, social and environmental risks and opportunities for Suncorp. This includes new policy development and the setting of metrics and targets for non-financial performance reporting.

In 2019–20, prominent environmental, economic, social and governance topics addressed by the Board included remuneration practices, conduct and culture, responsible investment, underwriting and lending, climate change and natural hazard resilience, financial inclusion and support for customers experiencing vulnerability, and inclusion and diversity. In response to the COVID-19 pandemic, the Board closely oversaw measures to protect the health, safety and wellbeing of our people and customers and ensured ongoing investment in the community.

## GOVERNANCE STRUCTURE

Throughout 2019–20 our governance arrangements have been consistent with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd edition). Detailed information on Suncorp's corporate governance framework and developments during the year is provided in the 2019–20 Corporate Governance Statement, available at [suncorpgroup.com.au/about/corporate-governance](http://suncorpgroup.com.au/about/corporate-governance)

Mr Lindsay Tanner, a Non-executive Director of the Suncorp Group Limited Board, chairs Suncorp's Customer Committee, which oversees and aligns initiatives that underpin our priority to deliver great customer outcomes and experiences. The Customer Committee met three times during 2019–20.

Ms Sally Herman, a Non-executive Director of the Suncorp Group Limited Board, chairs Suncorp's Risk Committee, which provides oversight of all categories of risk, including risk culture. It approves and oversees the processes used to identify, evaluate and manage risk. The Risk Committee met seven times during 2019–20.

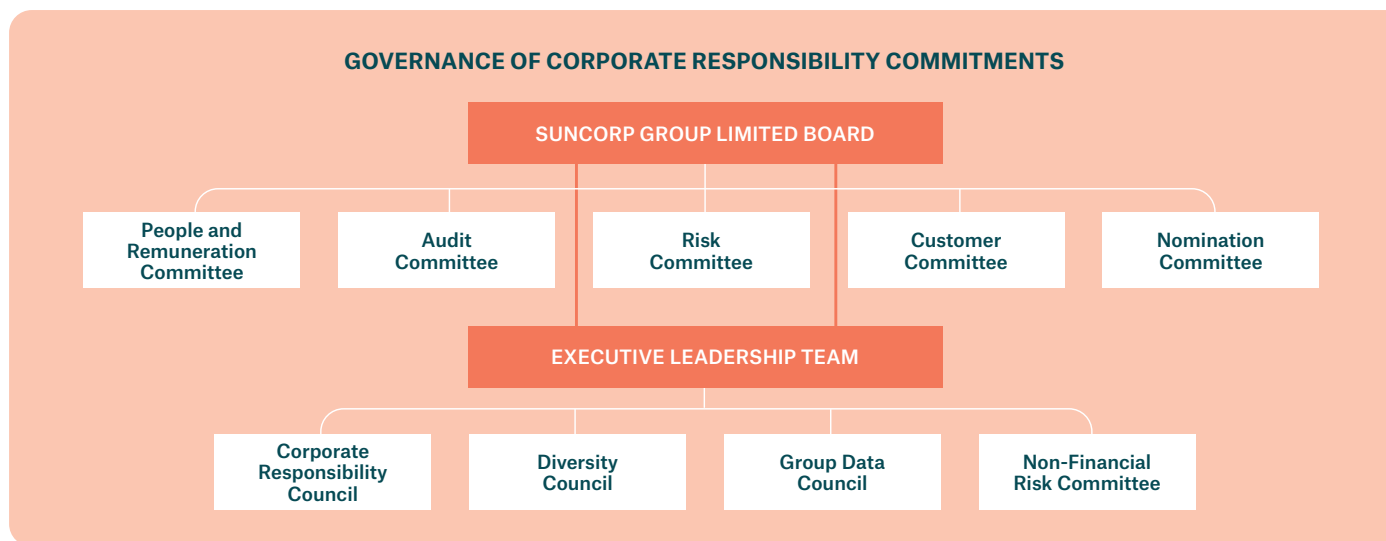
Several Executive Leadership Team sub-committees help govern Suncorp's corporate responsibility commitments.

Suncorp's Group CEO chairs the **Corporate Responsibility Council**, which formally oversees our corporate responsibility commitments and the development of strategies to address economic, social and environmental risks and opportunities. The Corporate Responsibility Council met three times during 2019–20.

Suncorp's Group CEO chairs the **Diversity Council**, which oversees how we foster diversity and inclusion initiatives and tracks our progress against the objectives and targets set out in our Diversity & Inclusion Plan and Diversity Policy. The Diversity Council met quarterly during 2019–20.

Suncorp's Group CEO chairs the **Non-Financial Risk Committee**, which oversees non-financial-related risks and mitigation strategies. This committee was formed in April 2019 and convenes monthly.

The **Group Data Council** governs data ownership and accountability across Suncorp, acting as a point of escalation for data-related decisions and maintaining a focus on data as a strategic asset. This year an advisory committee was established to oversee the implementation of our Data Ethics Principles.



# Commitments and frameworks

## IMPROVING OUR PRACTICES

We value being benchmarked on the progress of our work and our performance as we strive to deliver better economic, governance, social and environmental outcomes.

## EXTERNAL ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RATINGS AND BENCHMARKS

Sustainability ratings and industry benchmarks enable us to improve our performance and transparency. We take part in a wide range of external assessments and benchmarking initiatives including:

**Dow Jones Sustainability Index (DJSI):** In 2019, Suncorp actively participated in the Corporate Sustainability Assessment and improved its score by 25 points, scoring 57 out of 100 points. This year the threshold for inclusion in the Australian Index was 67.



**CDP:** Suncorp has participated since 2011 as both a responding company and as an asset owner and manager. In 2019, we received a B- rating, an improvement from a C the year prior.



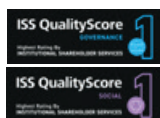
**FTSE4Good Index:** Suncorp has been included in the Index since 2013. FTSE4Good reviews publicly available information on listed companies and screens for performance against ESG standards.



**Sustainalytics:** Suncorp has participated since 2016. This year, Suncorp received an ESG risk rating score of 20.5/100 (where 0 equals low risk and 100 equals high risk).



**Morgan Stanley Capital International (MSCI):** During the year, Suncorp achieved an A rating from MSCI ESG Research, an uplift from our previous BBB rating.



**Institutional Shareholder Services (ISS):** Suncorp has participated in the ISS ESG QualityScore assessment since 2017 and currently scores a 2 for 'E' (environmental), 1 for 'S' (social) and 1 for 'G' (governance), where one equals lower governance risk and 10 equals higher governance risk.

## MEMBERSHIPS AND SIGNATORIES



### United Nations Global Compact (UNGC)

Suncorp has been a signatory to the UNGC since June 2019. We use the framework to help drive sustainable business practices in the areas of human rights, labour, environment and anti-corruption and align our activity to broader societal goals. Over the past year, Suncorp has actively participated in a range of capability building and networking programs hosted by the UNGC.



### United Nations Environmental Programme Finance Initiative (UNEP FI)

UNEP FI is a partnership between UNEP and the global financial sector to mobilise private sector finance for sustainable development. Suncorp is a signatory to all three UNEP FI frameworks, which are aimed at integrating sustainability into financial market practice.



### Principles for Responsible Investment (PRI)

Suncorp has been a signatory to the PRI since 2019, joining more than half the world's institutional investors who apply the Principles to their investment decisions.

During the year Suncorp completed its first PRI Transparency Report, available at [unpri.org/signatory-directory/suncorp-group/4682.article](http://unpri.org/signatory-directory/suncorp-group/4682.article)



### Principles for Sustainable Insurance (PSI)

Suncorp became a signatory to the PSI in 2019, with the aim of working with the industry and other stakeholders to reduce risk, develop innovative solutions, improve business performance, and contribute to environmental, social and economic sustainability.



### Principles for Responsible Banking (PRB)

Launched in September 2019, Suncorp became Australia's first non-major Bank to endorse and become a signatory to the PRB, which aim to accelerate the banking industry's contribution to achieving the UN Sustainable Development Goals and the Paris Agreement. Suncorp will complete its first self-assessment over the coming year.



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

In 2018, Suncorp became one of the first 250 companies globally to become a signatory to the Financial Stability Board's TCFD. The framework guides Suncorp's financial risk disclosures that are associated with climate change, including physical, liability and transition risks. Our Climate-related Financial Disclosure is available at [suncorpgroup.com.au/corporate-responsibility/reports](http://suncorpgroup.com.au/corporate-responsibility/reports)



### RE100

This year Suncorp became a member of the RE100 global corporate renewable energy initiative that brings together hundreds of businesses committed to 100 per cent renewable energy in an aim to accelerate a global shift to clean energy and zero carbon grids.



### London Benchmarking Group (LBG)

Suncorp has been a member of LBG Australia and New Zealand since 2009. LBG provides the global standard for measuring and benchmarking corporate community investment.



### Workforce Gender Equality Agency (WGEA)

This year, Suncorp was recognised as an Employer of Choice for Gender Equality by WGEA, an Australian Government statutory agency, for the seventh consecutive year, demonstrating our ongoing commitment to advancing gender equality and promoting inclusion at all levels of our organisation. Our annual WGEA reports are available at [suncorpgroup.com.au/corporate-responsibility/reports](http://suncorpgroup.com.au/corporate-responsibility/reports).



### Chartered Institute of Procurement and Supply (CIPS)

Suncorp has been recognised on the CIPS Global Corporate Ethical Register over the past year for our commitment to safeguarding against unethical conduct in procurement. We complete an annual capability assessment and formal submission to achieve ongoing recognition.



# Trust and transparency

We are committed to building trust and doing the right thing. We are open and transparent in our dealings with our stakeholders.



## OUR APPROACH

We take the trust our stakeholders place in us and our role in society seriously. We proactively engage with our stakeholders to understand the things that matter most, and advocate for change. We are increasing the transparency of our business operations and performance, and the decisions we make.

### MEETING CUSTOMER AND COMMUNITY EXPECTATIONS

Being responsive to changing community concerns and expectations is central to earning the trust required to maintain Suncorp's social licence to operate. The significant events during 2019-20 have only served to heighten our focus on meeting the immediate needs of our people, customers and community, while ensuring we build a resilient, sustainable organisation that creates long-term value for all.

We maintain a sharp focus on strengthening our conduct and culture to ensure good outcomes for customers and remain committed to working with regulators to implement changes following the recommendations outlined in the Royal Commission.

### INCREASING TRANSPARENCY

Increasing the transparency of Suncorp's business activity and non-financial performance is key to meeting stakeholder expectations. We communicate openly and comprehensively about our corporate responsibility commitments, approach and performance. This year, for the first time, we report on our performance against the customer, people, community, environment and value chain targets we published in 2018-19. See page 3 for our 2019-20 performance against targets.

## OUR FOUNDATIONS

### Corporate Governance Statement

Outlines Suncorp's approach to corporate governance and its principal governance practices. [suncorpgroup.com.au/about/corporate-governance](https://suncorpgroup.com.au/about/corporate-governance)

### Code of Conduct

Sets out the standards of behaviour we expect from our people, and guides how we work together, make decisions and meet our customers' needs. It is guided by our cultural principles of doing the right thing, being courageous, and caring for others. [suncorpgroup.com.au/about/corporate-governance](https://suncorpgroup.com.au/about/corporate-governance)

### Policies to support regulatory compliance

Ensures our people and systems comply with the requirements of a highly regulated industry. [suncorpgroup.com.au/about/corporate-governance](https://suncorpgroup.com.au/about/corporate-governance)

### Whistleblower Policy

Outlines the confidential service available to all our people and suppliers to raise concerns of suspected or actual misconduct. [suncorpgroup.com.au/uploads/Whistleblower-Policy\\_8.pdf](https://suncorpgroup.com.au/uploads/Whistleblower-Policy_8.pdf)

### Political Engagement Position Statement

Commits us to high ethical standards in our approach to political engagement. [suncorpgroup.com.au/about/corporate-governance](https://suncorpgroup.com.au/about/corporate-governance)

### Suncorp Group Privacy Policy

Details how we collect, use, disclose, store and secure personal information. Our people complete mandatory privacy training annually. [suncorpgroup.com.au/about/corporate-governance/privacy-policy](https://suncorpgroup.com.au/about/corporate-governance/privacy-policy)



Keith Howard, Suncorp Customer Support Specialist



### 2021 TARGET

98% of employees complete Code of Conduct training annually

## OUR PROGRESS

**Suncorp continued to strengthen our practices and culture and embrace regulatory change to deliver better outcomes for our customers and the community, and build a resilient, sustainable business.**

### STRENGTHENING CONDUCT AND CULTURE

During 2019–20 Suncorp sharpened its focus on managing conduct risk and developing a risk culture that embeds risk awareness, transparency and accountability at every level, and exemplifies responsible and ethical behaviour. Doing the right thing by our people, our customers, our shareholders and the community is our priority, and core to sustaining long-term financial performance.

#### Culture assessment

This year Suncorp undertook an independent Group-wide culture assessment to better understand our current culture and identify opportunities to shift the culture to more effectively deliver on our strategy. The survey highlighted the willingness of our people to do the right thing by our customers and build trust, and the care they have for each other. More than 89 per cent of people noted that compliance requirements were a priority, while the survey also identified areas for improvement such as delivering greater clarity and connection to our strategy, and driving a deeper understanding of how our risk practices support growth and innovation.

#### Conduct risk

Robust management of conduct risk is central to driving the right behaviours at both an individual and organisational level, ensuring we act in the interests of customers and the community and confidence in our organisation is maintained. This year we continued to improve our governance, systems, processes, reporting and people practices as key enablers to identifying and managing conduct risk.

We also embedded our online tool, which enables employees to raise issues by lodging risk incidents. Risk culture principles, which outline attributes and behaviours of the risk culture we expect from everyone at Suncorp, have been incorporated into key policies and governance, including Suncorp's Code of Conduct.

Suncorp New Zealand's Conduct Uplift Program continued to improve conduct capability across the business, with more than 70 measures implemented resulting in enhanced product and system training, improved readability of our policies and customer communications, and a deeper understanding of customer outcomes and experiences.

#### Code of Conduct

This year Suncorp refreshed its Code of Conduct to be easier to understand and more reflective of the current regulatory environment. Our refreshed Code of Conduct helps bring our purpose to life and is guided by our cultural principles. It is aligned to our Risk Culture Principles, the General Insurance Code of Practice and the Banking Code of Practice, with strengthened focus on supporting customers experiencing financial difficulty or vulnerability, transparent customer communications, and taking ownership of good customer and community outcomes.

Changes to elevate the importance and weighting of the risk category in the Group Scorecard structure were approved by the Board. Throughout the year, all executive and non-executive employees' performance assessments included confirmation of their adherence to the behavioural standards outlined in Suncorp's Code of Conduct.

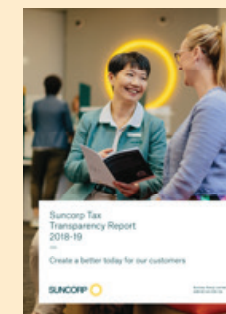
In 2019–2020, Suncorp's Consequence Management Framework was introduced to strengthen the link between conduct and individual performance and reward outcomes. During the year, there were 239 Code of Conduct breaches identified that resulted in formal consequences, including 66 employees leaving Suncorp, 28 employees receiving nil variable rewards; and the remaining 145 employees receiving a minimum 20 per cent reduction in variable rewards.

#### Ethical Decision-Making

During 2020 Suncorp partnered with the Ethics Centre to create an Ethical Decision-Making Masterclass for all leaders. The program complements Suncorp's Code of Conduct, and helps participants develop and apply ethical knowledge and skills to all decision making. It positions leadership as an ethical practice, enhances awareness of ethical blind spots and biases, and provides tools for navigating daily decisions. Using a scenario-based approach, leaders apply an ethical lens to navigate complex decisions and are encouraged to consider the impacts on a range of stakeholders.

### TAX TRANSPARENCY REPORT

Suncorp's Tax Transparency Report 2018–19 details our tax contributions and overall approach to tax strategy: [suncorpgroup.com.au/corporate-responsibility/reports](https://suncorpgroup.com.au/corporate-responsibility/reports)





**We advocate for:**

Competition and fair  
outcomes

Natural hazard resilience  
and disaster preparedness

Financial inclusion and  
economic opportunity

Social connection and  
support

Inclusion and diversity

**REMUNERATION PRACTICES**

Suncorp is committed to a fair, transparent and responsible remuneration framework. The Board ensures Suncorp's remuneration arrangements are strategically aligned and reinforce executive accountability, responsible business practices, effective risk management, as well as drive a company culture.

Suncorp's 2019-20 Remuneration Report is available at [suncorpgroup.com.au/investors/reports](https://suncorpgroup.com.au/investors/reports)

**Pay and leave entitlements review**

In late 2019, Suncorp initiated an internal review of pay and leave entitlements, with early analysis of historical data indicating inconsistencies in relation to the Group's rostering and pay systems. This may have led to errors in payments of overtime, shift penalties and public holiday loadings. The analysis to date identifies potential instances of underpayments and overpayments. The review is ongoing.

The Board Risk Committee is overseeing the review and is convening regular meetings to closely monitor progress; ensure remediation processes are timely and accurate and are communicated with employees and shareholders upon completion; and ensure new processes are sufficiently robust so that this does not reoccur.

**ADVOCATING FOR THE THINGS THAT MATTER**

In 2020, Suncorp integrated its approach to advocacy as a core pillar of our company strategy. We promote regular, two-way dialogue about our opportunities and challenges with our stakeholders, which helps inform the decisions we make and enables us to understand what matters most. We advocate for effective responses to the topics of most significance to our stakeholders and business with a focus on affecting positive change. Our advocacy and our actions as an organisation work together to build the resilience of our customers, communities, people and industry by focusing on financial, social and natural hazard resilience. Being transparent and actioning evidenced-based insights from customers, governments and community groups to create measurable impacts underpins our approach.

**EMBRACING REGULATORY CHANGE**

Suncorp continued to actively respond to the changing regulatory requirements faced by the financial services industry during 2019-20 and embraced the opportunity to improve customer value, enhance our risk management approach and better meet community expectations.

Under Suncorp's customer and regulatory engagement program, solid progress has been made in responding to the findings of the Royal Commission, and Risk Governance Self-Assessment outcomes. Scorecards and remuneration frameworks have been updated and the Non-Financial Risk Committee has invested in greater compliance resourcing and improved incident management and risk practices.

Suncorp is compliant with the Sedgwick Remuneration Review Recommendations<sup>1</sup> from 1 July 2020, excluding Recommendation 18 relating to Mortgage Broker remuneration given the Government's policy reform.

The COVID-19 pandemic has resulted in the deferral of several key regulatory reforms by the Australian government and regulators, including the implementation of commitments made following the Royal Commission, and Design and Distribution Obligations. Suncorp remains well positioned to meet the new proposed implementation timeframes, where clarity has been provided on the requirements.

**Banking Executive Accountability Regime**

Suncorp continues to support the principles of the Banking Executive Accountability Regime (**BEAR**), a regulatory initiative that helps drive greater clarity of accountability and good governance practices across the Australian banking sector. Accountability statements outlining the individual accountabilities for relevant Suncorp executives and Board members have been lodged with the Australian Prudential Regulatory Authority (**APRA**). All Accountable Persons have a BEAR-compliant remuneration structure. The Suncorp Executive Leadership Team have had this structure since 1 July 2018. Further detail is provided in the Remuneration Report in the 2019-20 Annual Report, available at [suncorpgroup.com.au/investors/reports](https://suncorpgroup.com.au/investors/reports)

1. This refers to Stephen Sedgwick's [retailbankingremreview.com.au](https://retailbankingremreview.com.au) Retail Banking Remuneration Review dated 19 April 2017.

### Breaches and remediation

Suncorp is committed to treating all customers fairly. We maintain, monitor and continuously improve our processes and practices to identify, assess and rectify any breaches that do occur, ensuring we learn from mistakes and remediate impacted customers in a timely manner. We continue to focus on our product design and distribution strategies to enhance customer value and experience.

This year, Suncorp New Zealand established a customer remediation programme and is currently assessing and remediating a limited number of situations affecting customers.

With oversight from the Australian Securities & Investments Commission (**ASIC**), Suncorp finalised the remediation of customer outcomes on the quality of advice provided by our former financial planning business, Guardian Advice. We also completed a review and remediation program related to the sale of consumer credit insurance to home and personal lending customers.

In line with statutory requirements and regulator expectations, in 2019–20 Suncorp reviewed its approach to grandfathered commissions. Effective 1 October 2019, Suncorp Financial Services elected to cease receipt of grandfathered commissions, with appropriate benefits passed on to its members.

Suncorp Portfolio Services Limited (**SPSL**), our wholly owned superannuation company with an independent Board, ceased all payments of grandfathered commissions to independent financial advisers on 30 June 2020.

In July 2020, the APRA announced the outcome of its review and licence conditions on the superannuation licence held by SPSL arising from a review of the period 2013–2017. The condition requires SPSL to document how it considers and prioritises members interests when making decisions that materially affect their interests. APRA's investigation did not conclude that SPSL breached the *Superannuation Industry (Supervision) Act 1993*.

### MANAGING AND PROTECTING DATA

Managing and protecting data is critical to maintaining the trust and confidence of our stakeholders. In response to growing customer expectations, increasing use of digital channels by our customers and the changing regulatory environment, Suncorp continues to strengthen its approach to managing data and invest in leading technologies to protect customers.

### Data Ethics Principles

In 2019–20, Suncorp developed a set of Data Ethics Principles which reflect the Australian Government's AI Ethics Principles. The Principles support Suncorp's Enterprise Risk Management Framework, Privacy Policy and Code of Conduct to protect the rights of our stakeholders when we collect, use and retain their data. A Data Ethics Advisory Committee has been formed to integrate the Principles into our business practices.

### Cyber security and financial crime

As the digital environment evolves, Suncorp continues to evolve its capabilities in protecting our customers from the threat of cyber and financial crime. Our dedicated Financial Crime and Anti-Money Laundering / Counter-Terrorism Financing systems leverage world-class detection and prevention technologies.

This year, we invested in advanced data analytics and fraud-detection technology to ensure we can intervene early and disrupt criminal activity, before it impacts our customers. We also enhanced our policies and practices, including the development of an Anti-Bribery & Corruption Policy for employees and further alignment of our investigation practices with updated industry Codes of Practice.

Suncorp supports law enforcement and intelligence agencies to help address cyber crimes. We run ongoing employee and customer education programs on cyber security risks and work with community groups to support customers impacted by financial crimes and scams. This year we collaborated with Queensland University of Technology in industry-leading scam research, which we've extended to industry working groups. We also invested in scam-intervention techniques to reduce the impact on our customers, including enhanced support for victims of identity theft.

More information on Suncorp's approach to data governance and cyber security is available in our 2019–20 Corporate Governance Statement at [suncorpgroup.com.au/about/corporate-governance](https://suncorpgroup.com.au/about/corporate-governance)



#### Data Ethics Principles:

Generate net benefits

Protect human rights

Fairness

Transparency and explainability

Contestability

Accountability

### ENGAGING WITH GOVERNMENT AND INDUSTRY

Suncorp proactively participates in government inquiries and public policy advocacy on key reforms affecting our business as well as our customers. Through our engagement with government we seek to deliver enhanced outcomes and positive changes for our customers and other stakeholders.

We are committed to conducting these activities transparently, ethically and honestly. In accordance with our Political Donations Policy Statement, Suncorp does not make any cash donations to political stakeholders or organisations.

During the year, Suncorp made 20 submissions to government inquiries, consultation processes or draft legislation in Australia and New Zealand. All of our publicly available government submissions can be found at [suncorpgroup.com.au/news/public-submissions](https://suncorpgroup.com.au/news/public-submissions)

We continue to work through our industry associations including the Australian Banking Association (**ABA**), the Insurance Council of Australia (**ICA**), the Insurance Council of New Zealand, and the Financial Services Council in Australia and New Zealand, to address systemic issues, improve standards and ensure better outcomes for our customers and stakeholders.



## Our engagement with government and industry this year focused on the following issues

**COVID-19 pandemic:** Suncorp worked through our industry associations – the ABA and ICA – to develop and implement support packages for our small business banking and insurance customers impacted by COVID-19. We also worked with the relevant authorities to allow our impacted wealth customers access to their superannuation under the Australian Government's early release of superannuation initiative.

**Royal Commission into Banking, Superannuation and Financial Services Industry:** Suncorp is well progressed in implementing the Royal Commission reforms relevant to our business and customers. During the year, Suncorp provided input into the Australian Government's consultation on Royal Commission recommendations – including those relating to the hawking of financial products, claims handling as a financial service, deferred sales models and the enforceability of industry codes.

During 2019–20, Suncorp executives appeared before the House of Representatives Standing Committee on Economics as part of its Review of the Four Major Banks and other Financial Institutions. Our former CEO Banking & Wealth appeared in November 2019 and former CEO Insurance in April 2020.

**Insurance affordability:** Suncorp continues to advocate for measures that will improve the affordability and accessibility of insurance, especially for those who live in areas of high natural disaster risk. During the year we continued to participate in the Australian Competition and Consumer Commission's Northern Australia Insurance Inquiry process. We also made submissions to the Royal Commission into National Natural Disaster Arrangements, the NSW Government's Independent Bushfire Inquiry, the Victorian Inspector-General for Emergency Management's Inquiry into the 2019–20 Victorian Fire Season, and the Senate Finance and Public Administration References Committee's Inquiry into Lessons to be learned in relation to the 2019–20 bushfire season.

**Increasing competition in the banking sector:** Suncorp, along with other regional banks, continues to advocate for greater competition in the Australian banking sector. We believe addressing the structural inequalities faced by smaller banks in the banking system will help to improve competition and provide better access to banking products for all consumers.

**Compulsory third-party (CTP) scheme reform:** We continue to advocate for better insurance cover for consumers and fairer competition in CTP schemes across the country. Scheme reform allowed competitive underwriting with a limited number of insurers in South Australia from 1 July 2019, with AAMI quickly establishing a market-leading position. In the Australian Capital Territory, a new scheme that offers insurance cover for all people injured in motor accidents was approved for implementation from 1 February 2020, providing treatment, care and income benefits for up to five years. We continue to push for reform that will provide coverage for all Queenslanders injured in motor accidents through engagement with the government and other stakeholders. In New South Wales we work with the government to ensure the stability of the scheme and improve customer outcomes.

**New industry codes:** Suncorp was actively involved in updating the Banking and General Insurance Codes of Practice in Australia. We implemented the updated ABA Banking Code of Practice on 1 July 2019 and have continued to enhance processes, products and services to provide greater rights and protections to our customers. The transition to the 2020 General Insurance Code of Practice commenced on 1 January 2020. Implementation of new requirements regarding vulnerable customers and financial hardship was brought forward to 1 July 2020, to assist customers impacted by COVID-19. Suncorp is on track to implement the new requirements in accordance with the required timeframes.

### Case Study

Read more about Suncorp's response to COVID-19 at [suncorpgroup.com.au/news/suncorp-coronavirus-updates](https://suncorpgroup.com.au/news/suncorp-coronavirus-updates)



## OUR PERFORMANCE

OBJECTIVE	PERFORMANCE HIGHLIGHTS	2019-20 PERFORMANCE METRICS	FUTURE ACTIVITY	2020-21 TARGETS
<b>Engage meaningfully with our stakeholders</b>	<ul style="list-style-type: none"> <li>★ Co-developed and implemented extensive range of COVID-19 customer response and relief packages with the ABA and ICA</li> <li>★ Reviewed our assessment of the material economic, governance, social and environmental topics considering major events in 2020</li> </ul>		<ul style="list-style-type: none"> <li>➔ Continue work with industry and government in response to COVID-19 pandemic</li> <li>➔ Explore measurement and insights into social licence to operate and trust with customers and stakeholders</li> </ul>	
<b>CONDUCT AND ETHICS</b>				
<b>Respond strategically to material economic, social and environmental topics</b>	<ul style="list-style-type: none"> <li>★ Commenced transition to the revised General Insurance Code of Practice in Australia, with the provisions relating to support for customers experiencing vulnerability and family violence already delivered</li> <li>★ Further implemented Banking Code of Practice and supported the ABA Banking Reform Program</li> <li>★ Refreshed our Code of Conduct</li> <li>★ Commenced implementation of our Responsible Banking &amp; Insurance Policy</li> <li>★ Signed the UNEP FI Principles for Responsible Banking</li> <li>★ Established Risk Culture Principles</li> <li>★ Established Data Ethics Principles and Data Ethics Advisory Committee</li> <li>★ Launched Ethical Decision-Making course for leaders</li> </ul>	<p><b>99%</b></p> <p><b>of employees completed Code of Conduct training</b></p>	<ul style="list-style-type: none"> <li>➔ Fully implement the revised General Insurance Code of Practice</li> <li>➔ Further align business activity to the United Nations Global Compact and Sustainable Development Goals, as well as the UNEP FI Principles for Responsible Investment, Responsible Banking and Sustainable Insurance</li> </ul>	<p><b>98%</b></p> <p><b>of employees complete Code of Conduct training annually</b></p>
<b>TRANSPARENCY AND DISCLOSURE</b>				
<b>Communicate transparently on our performance</b>	<ul style="list-style-type: none"> <li>★ Published performance against targets for key non-financial metrics</li> <li>★ Published the Suncorp 2018-19 Tax Transparency Report</li> <li>★ Participated in the Dow Jones Sustainability Index assessment</li> <li>★ Disclosed ESG ratings agency scores</li> </ul>	<p><b>28.5%</b></p> <p><b>effective global tax rate 2019-20</b></p>	<ul style="list-style-type: none"> <li>➔ Continue to evolve non-financial performance metrics and targets and disclose performance</li> <li>➔ Develop roadmap for move to integrated reporting and external assurance of non-financial performance</li> </ul>	



# Responsible financial services

We put our customers at the heart of everything we do and help them make good choices. We provide customers with access to affordable financial services that meet their needs.



## OUR APPROACH

Suncorp takes its responsibility as an essential services provider seriously. We are committed to being responsive and providing suitable, fair and affordable products and services that meet the needs of our customers and help build their financial resilience. We grow our business inclusively and serve the whole community.

### UNDERSTANDING WHAT OUR CUSTOMERS VALUE

Delivering value and meeting the needs of our customers consistently through quality, personalised services is core to Suncorp's strategy. Each day we play an important role in our customers' lives, helping them build - and sometimes rebuild - their futures, and protect what matters. We are focused on gaining a better understanding of what our customers need and expect from us as at every interaction and conduct more than one million surveys each year to gather feedback on their experiences with us. We also track how likely it is for them to recommend our brands via the Net Promoter Score (NPS) survey. The insights we receive help us to improve our products and services to better meet our customers' needs and determine where controls need to be in place to ensure mistakes are not repeated.

### INVESTING IN DIGITAL AND DATA CAPABILITY

Suncorp is adapting to the changing landscape and consumer expectations by investing in technology such as artificial intelligence (AI), robotics and telematics to improve access, quality, simplicity, personalisation, design and delivery of products and services for our customers. We are prioritising digital initiatives for our customers, and designing simpler, more efficient processes for our business. We leverage comprehensive security capabilities to protect customers from cybercrime, and use data to proactively support our customers, including those at risk of hardship. Our Data Ethics Principles guide our use of data.

## OUR FOUNDATIONS

### Suncorp's Office of the Customer Advocate

Champions the voice of the customer across the organisation and reviews complex and sensitive complaints to ensure a quick resolution for our customers. [suncorp.com.au/contact-us/customer-relations](https://suncorp.com.au/contact-us/customer-relations)

### Responsible Banking and Insurance Policy

Outlines our organisational-wide commitment to improving our business practices and decision-making, ensuring environmental, social and governance considerations are made and commits us to delivering products and services that are fit-for-purpose, accessible and affordable, as well as remunerating and incentivising with customers' best interests in mind [suncorpgroup.com.au/uploads/Responsible-Banking-Insurance-Policy-Public.pdf](https://suncorpgroup.com.au/uploads/Responsible-Banking-Insurance-Policy-Public.pdf)

### Financial Inclusion Action Plan

Outlines our actions to build the financial resilience and wellbeing of our customers and the broader community. [suncorpgroup.com.au/corporate-responsibility/responsible-financial-services/financial-resilience](https://suncorpgroup.com.au/corporate-responsibility/responsible-financial-services/financial-resilience)

### Access to affordable services

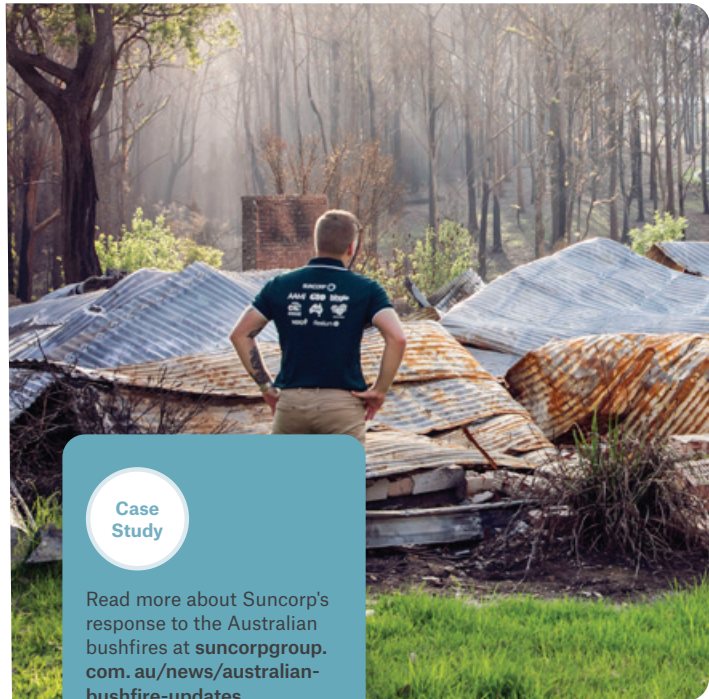
A suite of products designed to meet the needs of low-income earners. Our promotion, distribution and communication channels ensure customers can easily access the right products. [suncorpgroup.com.au/corporate-responsibility/responsible-financial-services/access-to-affordable-services](https://suncorpgroup.com.au/corporate-responsibility/responsible-financial-services/access-to-affordable-services)

### Natural Disaster Customer Response Plan

Details our approach to supporting our customers in the event of major natural disasters and weather events. [suncorpgroup.com.au/cr/natural-disaster-response](https://suncorpgroup.com.au/cr/natural-disaster-response)



OUR RESPONSIBILITY



**Case Study**

Read more about Suncorp's response to the Australian bushfires at [suncorpgroup.com.au/news/australian-bushfire-updates](https://www.suncorpgroup.com.au/news/australian-bushfire-updates)

## OUR PROGRESS

### RESPONDING IN TIMES OF NEED

This year Suncorp responded to large-scale natural disasters including the Australian bushfires, floods and storms, and the COVID-19 pandemic, which together have seen many of our customers and communities impacted throughout the year. Suncorp remains committed to supporting both their immediate needs and long-term recovery.

### COVID-19 PANDEMIC

As the COVID-19 pandemic emerged, Suncorp quickly evolved its ways of working, activating its business continuity plan to protect its people, customers and business. New solutions and a suite of support packages were offered to ensure customers remain protected and their financial needs are met during these challenging circumstances. As at 30 June 2020, we provided discounts and premium waivers to 11,000 home insurance customers and 20,000 motor insurance customers, and supported 14,400 home and business loan customers under temporary deferral arrangements. In early June, the Bank commenced three-month check-ins with impacted home loan customers and by 31 July 2020, approximately 51 per cent of accounts receiving temporary deferral arrangements were returning to normal repayments. As at 30 June 2020, the Wealth business had facilitated approximately \$99 million of early superannuation payments to around 13,000 members. As at 31 July, a further \$66 million of early superannuation payments had been facilitated to 8,300 members. More than 38,000 online applications for hardship and support were received from customers. We work closely with consumer advocates to assist customers whom have suddenly found themselves in a vulnerable position, many for the first time in their lives.

### AUSTRALIAN BUSHFIRE CRISIS

The bushfire crisis over the Australian summer saw widespread destruction across the country, impacting Suncorp customers, employees and communities. Suncorp's national resources, including support teams, assessors and builders, were deployed to affected communities as soon as it was safe to do so, with measures put in place to assist our banking and insurance customers, including financial relief and on-the-ground claims support. We provided wellbeing support for our people and

introduced paid emergency volunteer leave for those assisting as part of the volunteer group relief efforts.

While the COVID-19 pandemic added to the challenges faced by bushfire-affected customers, we have maintained our focus in getting them back on their feet as quickly as possible. We implemented WebChat capabilities, extended online claims functionality, used drones to complete roof inspections and offered virtual claims assessments for commercial and consumer property customers to keep the process moving while protecting the health and safety of all involved.

As at 30 June 2020, Suncorp Group had completed 88 per cent of home and 86 per cent of motor insurance claims for customers impacted by the summer bushfires.

### IMPROVING OUR BUSINESS PRACTICES

In 2019–20, we transitioned to the improved General Insurance Code of Practice and made further enhancements in the Bank to support customers and commenced implementation of our Responsible Banking & Insurance Policy.

#### Insurance

Suncorp worked closely with the Insurance Council of Australia to shape the updated General Insurance Code of Practice and led the industry in implementing improvements ahead of the 1 July deadline. Key improvements include:

- transparency of premium changes for retail and small business customers and simpler communications that help consumers understand any changes in their policies and premiums
- enhanced support for customers experiencing vulnerability and hardship through process improvements, system updates and specialist training for our teams, suppliers and distributors
- launch of a **Domestic and Family Violence** statement that includes greater protections for survivors with measures to protect the contact details and addresses for joint policy holders and the garaged address of any mobile assets held by the survivor
- specialist support services for customers who are subject to domestic and family violence, including fairer claims outcomes for those impacted by violence, addictions or mental illness.



## Bank

Following implementation of the Australian Banking Association's Banking Code of Practice (**Code**) on 1 July 2019, Suncorp has continued to enhance its processes, products and services to provide greater financial protections to our customers. During 2019–20 Suncorp:

- ceased charging default interest on agricultural loans while farmers are affected by drought or natural disaster
- extended protections to small business loan guarantors and clarified the restrictions on non-monetary defaults on small business loans
- removed fees relating to informal overdrafts and dishonoured transactions on basic, low fee or no fee accounts for concession card holders, with basic accounts unable to become overdrawn in most situations
- removed account-keeping fees associated with personal and business deposit accounts.

## Supporting Customers Experiencing Vulnerability

This year, Suncorp made solid progress in improving support for customers experiencing vulnerability, a core element of our Financial Inclusion Action Plan and a focus for recent industry code of practice updates following the Royal Commission.

To support the implementation of Suncorp's Responsible Banking & Insurance Policy, a Customer Vulnerability Standard and supporting guidelines were developed to help our teams navigate complex issues facing customers including financial hardship, domestic and family violence, scams and fraud, and financial elder abuse. Our guidelines and information on financial hardship, domestic and family violence and general support services for customers in need is available on our brand websites.

We continued to build awareness and capability across our workforce through our dedicated vulnerability training, with more than 11,000 employees, suppliers and distributors trained to date. This year, all New Zealand employees completed the vulnerability awareness training, with advanced training undertaken by customer facing teams and key leaders. A centralised Community of Practice was established to share learnings and build knowledge and skills about specific areas of vulnerability, with expert coaching sessions delivered to provide deeper insights into complex issues.

Our dedicated customer vulnerability specialist teams assisted more than 2,000 insurance and banking customers, providing flexible, tailored, end-to-end case management for customers requiring additional support, including referral to qualified social workers and specialist services. This year Suncorp's Office of the Customer Advocate reviewed 68 complex customer cases that were escalated to them.

## Complaints management

Despite increased numbers of insurance claims as a result of the Australian bushfires, floods and storms, and the ongoing financial pressures of drought and impacts of the COVID-19 pandemic, Suncorp maintained its focus on delivering better customer experience and complaint service levels, resolving 95 per cent of our complaints received by our customer-facing teams within five business days. The New Zealand business used analysis of external dispute resolution outcomes and industry themes to strengthen its complaints reporting.

Suncorp is investing in an enterprise-wide approach to complaints management, including improved systems and capability building across the Group to enhance the quality of our controls and data and the delivery of timely and meaningful outcomes for our customers.

## INVESTING IN DIGITAL AND DATA

This year, Suncorp advanced its digital capability and experience for customers, with the COVID-19 pandemic prompting fast-tracking of digital solutions. We introduced a dedicated digital hub for those impacted by the pandemic, delivered an automated online application process for customers to make hardship applications, and extended the capabilities of WebChat and our intelligent virtual assistants to respond to customer queries.

Our ongoing investment in automation boosted our ability to deliver in a consistent and timely manner for our customers and meet their increased demand for digital solutions. These measures also enhanced our support for customers impacted by bushfires and storms across Australia. At the height of the bushfire and storm season, almost 34 per cent of claims were made online. This year, digital self-service transactions increased by 25 per cent year on year, and claims lodged online increased by 19 per cent.

This year, a retirement simulator digital tool was introduced for current and future superannuation customers to assess their retirement outcomes and develop appropriate superannuation strategies. We also introduced an online tool to help members better understand the impacts of any early release of superannuation on their balance.

Suncorp continued to invest in AI and machine learning to help inform accurate pricing for its insurance products, including advanced modelling for bushfires, storms and cyclones.



## Engagement and advocacy: building financial resilience and advocating for things that matter

Suncorp participates in a wide range of industry roundtables and community forums to share best practice and discuss solutions. This year we hosted events to hear important insights from consumer advocates and our customers. We also advocated for greater awareness and measures to protect customers against scams and worked to build the financial resilience of our community.

### Consumer Advocate Day 2020

In March 2020, Suncorp hosted its annual Consumer Advocate Day in Melbourne with more than 35 consumer advocates representing a wide range of community groups in attendance. The event provided an opportunity for two-way dialogue between Suncorp leaders and consumer advocates, who share important insights into the issues impacting people in the communities we serve. Hosted by Suncorp's Group Customer Advocate and attended by Suncorp's senior executives, this year the discussions centred on protection for customers experiencing vulnerability, regulatory reform and the impacts of climate change.

### Driving industry change to address scams

To better protect our customers against the rise of scams in Australia, this year Suncorp took the lead in the banking sector to work with Queensland University of Technology's (QUT) School of Justice and Dr Cassandra Cross, an expert in the field of fraud and scams. Suncorp and QUT hosted a Scam Prevention Workshop that brought together more than 50 experts from across the justice, finance and government sectors to explore the impact scams have on Australians and how we can work together to better protect customers from the threat of this criminal activity. Learn more at [suncorpgroup.com.au/news/community/suncorp-qut-scam-prevention-workshop](https://suncorpgroup.com.au/news/community/suncorp-qut-scam-prevention-workshop)

### Collaborating for Financial Inclusion

Suncorp is an active member of the Financial Inclusion Action Plan initiative and Thriving Communities Partnership (TCP), both aimed at bringing together government, community and businesses to help drive greater inclusion, support and financial wellbeing for all Australians.

### Strengthening access to essential services

Suncorp's AAMI brand has partnered on the development of a new initiative with Global Sisters, a not-for-profit organisation that supports women who are often financially excluded to become financially independent. Together we have tailored the AAMI products to be suitable for micro enterprises requiring a simple, low cost insurance solution. The product enables 'Sisters' within the community to access public and product liability, and property cover for business equipment and stock, as they build their enterprises. It includes lower priced premiums, one excess-free claim per period of insurance, and a dedicated support team to help eligible customers through the process. The offering will help remove some of the barriers that have prevented this community from accessing business insurance and achieving financial independence in the past.

Suncorp also joined forces with Thriving Communities Partnership to release the research report: Disaster Planning and Recovery Collaborative Research Project. The report focuses on the experiences of people and local businesses in Townsville immediately following the devastating North Queensland Monsoon Disaster in 2019. The community's experiences post event will assist in forming a valuable understanding of how different interactions with essential services and other organisations can vitally affect people's recovery following a crisis. Read the report at [thriving.org.au/what-we-do/disaster-planning-and-recovery](https://thriving.org.au/what-we-do/disaster-planning-and-recovery)

### Financial education for our newest Queenslanders

This year Suncorp continued to work in partnership with Multicultural Australia to build the financial resilience of refugees and new migrants living in Queensland. We piloted a financial literacy program with 39 clients in Toowoomba and Brisbane, which was adapted for their needs and designed to help them navigate financial services in Australia.

### Building financial fitness in New Zealand

This year Suncorp New Zealand worked with ANZ to host more than 110 of our people at a series of Financial Fitness workshops, designed to help them better understand and manage their financial future. In addition, Suncorp New Zealand participated in the Insurance Council of New Zealand's annual Insurance Day event during Money Week, spending the day with 40 Pasifika school students to help them learn about risk and how insurance can help protect people.

Suncorp Group Customer Advocate, Matt Leslie



### FINANCIAL INCLUSION ACTION PLAN

Suncorp's Financial Inclusion Action Plan underpins our commitment to grow inclusively and build the financial resilience and wellbeing of our customers and broader community. Find at: [suncorpgroup.com.au/corporate-responsibility/responsible-financial-services/financial-resilience](https://suncorpgroup.com.au/corporate-responsibility/responsible-financial-services/financial-resilience)




Thriving  
Communities  
Partnership

Connect. Collaborate. Impact



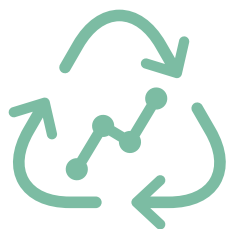
## OUR PERFORMANCE

OBJECTIVE	PERFORMANCE HIGHLIGHTS	2019-20 PERFORMANCE METRICS	FUTURE ACTIVITY	2020-21 TARGETS
<b>CUSTOMER EXPERIENCE, FAIRNESS AND VALUE</b>				
<b>Improve the satisfaction and advocacy of our customers</b>	<ul style="list-style-type: none"> <li>★ Commenced implementation of Responsible Banking &amp; Insurance Policy to strengthen our approach to responsible financial services practices</li> <li>★ Scoped design of portfolio ESG<sup>3</sup> risk assessments</li> <li>★ Integrated systems and processes to further improve complaints processes</li> </ul>	<p>95%</p> <p><b>Level 1 complaints resolved in 5 days<sup>1</sup></b></p> <p>71%</p> <p><b>Level 2 complaints resolved in 30 days<sup>2</sup></b></p>	<ul style="list-style-type: none"> <li>➔ Continue to implement Responsible Banking &amp; Insurance Policy and review and develop Sensitive Sector Guidelines</li> <li>➔ Conduct portfolio ESG<sup>3</sup> risk assessments</li> </ul>	 <p><b>Maintain proportion year-on-year of Level 2 complaints resolved in 30 days</b></p>
<b>FINANCIAL RESILIENCE AND SUPPORT FOR VULNERABLE PEOPLE</b>				
<b>Improve the financial inclusion and financial resilience of our customers</b>	<ul style="list-style-type: none"> <li>★ Implemented Customers Experiencing Vulnerability Strategy, Standards and Guidelines</li> <li>★ Continued financial inclusion and customer vulnerability training for Australian employees and extended to New Zealand teams</li> <li>★ Expanded community sector partnerships to improve external referral pathways for customers experiencing vulnerability</li> <li>★ Piloted Financial Literacy workshops with Multicultural Australia clients to build financial resilience and economic participation for culturally diverse communities</li> <li>★ Launched AAMI Micro Enterprise Insurance in partnership with Global Sisters</li> </ul>	<p>117,329</p> <p><b>customers assisted during financial hardship<sup>4</sup></b></p> <p>5,389</p> <p><b>customers with Essentials by AAI Insurance</b></p> <p>12,294</p> <p><b>customers with Everyday Essentials bank account</b></p> <p>25,079</p> <p><b>members with Everyday Super balance</b></p>	<ul style="list-style-type: none"> <li>➔ Continue to evolve Customers Experiencing Vulnerability Strategy and Roadmap</li> <li>➔ Continue to implement Standards and Guidelines to support customers experiencing vulnerability including domestic and family violence, financial vulnerability and hardship, wellbeing and accessibility issues</li> <li>➔ Continue product development of Sorry Business Savings and Insurance for Aboriginal and Torres Strait Islander consumers</li> </ul>	

1. Handled by customer-facing teams. Excludes New Zealand 2. Managed by Customer Relations Team. Excludes New Zealand 3. ESG – environmental, social and governance 4. Excludes New Zealand and Australian Life Business. General Insurance ‘Peace of Mind’ support calculated at a policy level

# Sustainable growth

We seek to innovate and optimise economic, social and environmental outcomes throughout our business and value chain.



## OUR APPROACH

To create sustainable value, Suncorp adapts to evolving market conditions. We take a long-term view and actively respond to changes in the economy, society and the environment. We manage our impacts to ensure the sustainable growth of both our business and the communities in which we operate.

## RESPONDING TO CLIMATE CHANGE AND MANAGING OUR ENVIRONMENTAL FOOTPRINT

Suncorp conducts business in a way that protects and sustains the environment. We continue to reduce our environmental impact and be transparent about our environmental performance. Climate change presents strategic and financial risks and opportunities for our organisation and our community. Suncorp is committed to playing our part in reducing carbon emissions, preparing for the physical impacts of climate change and supporting the transition to an economy that achieves net-zero emissions by 2050.

## COLLABORATING FOR ACTION

Suncorp works with and participates in industry initiatives to address climate change including the Climate Measurement Standards Initiative, Climate-KIC, Insurance Council of Australia Climate Change Action Committee, Business Council of Australia Adaptation and Resilience Working Group, ABA Sustainability Working Group and the Actuaries Institute Climate Change and Affordability Working Group. Suncorp is also collaborating with the newly established Minderoo Foundation Wildfire and Disaster Resilience Program. Suncorp New Zealand is a member of the Sustainable Business Council and Climate Leaders Coalition. We are a signatory to the Principles for Responsible Investment, Principles for Sustainable Insurance and Principles for Responsible Banking, international frameworks committed to driving collective action and sustainable practices across the finance sector.

## OUR FOUNDATIONS

### Climate Change Action Plan

Details our actions for managing climate-related risks and opportunities, including our Environmental Performance Plan to proactively reduce our environmental footprint. [suncorpgroup.com.au/corporate-responsibility/sustainable-growth/reducing-environmental-impacts](https://suncorpgroup.com.au/corporate-responsibility/sustainable-growth/reducing-environmental-impacts)

### Responsible Investment Policy

Describes our approach to the long-term sustainability of investment returns and management of environmental, social and governance risks and opportunities in our investment portfolios, our approach to impact investing and the governance of proxy voting activity. [suncorpgroup.com.au/corporate-responsibility/sustainable-growth/responsible-banking-insurance-investing](https://suncorpgroup.com.au/corporate-responsibility/sustainable-growth/responsible-banking-insurance-investing)

### Responsible Banking and Insurance Policy

Outlines how we integrate environmental, social and governance considerations into business practices and decision making. [suncorpgroup.com.au/uploads/Responsible-Banking-Insurance-Policy-Public.pdf](https://suncorpgroup.com.au/uploads/Responsible-Banking-Insurance-Policy-Public.pdf)

### Sensitive Sector Guidelines

Ensure consistent decision making across our investment, banking and insurance portfolio on issues including fossil fuels, tobacco and controversial weapons. [suncorpgroup.com.au/corporate-responsibility/sustainable-growth/responsible-banking-insurance-investing](https://suncorpgroup.com.au/corporate-responsibility/sustainable-growth/responsible-banking-insurance-investing)

### Supplier Code of Practice

Outlines the standards expected of our suppliers in Australia and New Zealand, ensuring our supply chain is cost effective, innovative, responsible, fair and manages ethical business practices, human rights risks and workplace conditions, product safety and impacts on the environment appropriately. [suncorpgroup.com.au/about/procurement](https://suncorpgroup.com.au/about/procurement)



OUR RESPONSIBILITY





## 2030 TARGET

51% absolute reduction in Scope 1 and Scope 2 GHG emissions<sup>1</sup>



### Case Study

Read more about Suncorp's Storm Ready Streets program at [suncorpgroup.com.au/news/community/suncorp-storm-ready-streets-community-program](https://suncorpgroup.com.au/news/community/suncorp-storm-ready-streets-community-program)

## Our progress

**Suncorp continues to proactively address climate-related risks and opportunities and embed environmental, social and governance considerations across our value chain.**

### CLIMATE-RELATED FINANCIAL DISCLOSURES

Suncorp continues to integrate climate change considerations into governance, risk management and strategy processes in line with the Financial Stability Board's Task Force on Climate-related Financial Disclosures framework (TCFD), to which Suncorp became a signatory in 2018.

This year Suncorp further investigated the emergence of climate-related risks and opportunities through scenario analysis of different emission concentration pathways and at fixed points in time. A copy of our full TCFD report is available at [suncorpgroup.com.au/corporate-responsibility/reports](https://suncorpgroup.com.au/corporate-responsibility/reports).

### REDUCING ENVIRONMENTAL IMPACTS

This year Suncorp continued to reduce operational emissions and waste, set renewable energy targets and refreshed our Environmental Performance Plan (EPP) for our Australian and New Zealand operations. This three-year plan set our priorities in becoming a low-emissions and resource-efficient organisation focusing on:

- **Reducing emissions:** We are accelerating efforts to reduce Suncorp's emissions and overall costs, aligned with global action on climate change
- **Reducing waste:** We are developing a group-wide approach to resource efficiency and measurement which minimises waste and maximises opportunities for reuse and recycling

### CLIMATE CHANGE ACTION PLAN

Suncorp's Climate Change Action Plan matures our assessment, management and disclosure of climate change risks and opportunities. Find at [suncorpgroup.com.au/corporate-responsibility/reports](https://suncorpgroup.com.au/corporate-responsibility/reports)



- **Creating a sustainable workplace:** We are developing programs and inspiring spaces that engage and enable our people to have a positive environmental impact.

This year we partnered with our suppliers on sustainability innovation: with our fleet vehicle provider to switch to fuel-efficient hybrid cars and use telematics to encourage good driving behaviours; our building managers to install rooftop solar in two locations; and our event venues to reduce waste. We worked with Qantas Future Planet to make our annual Business Leaders' Summit carbon neutral and Simply Cups to introduce coffee cup recycling at all major commercial offices.

To fulfil our target to reduce emissions by 51 per cent by 2030, we developed a Renewable Energy Strategy which saw Suncorp join RE100 and commit to purchasing 100 per cent renewable electricity by 2025.

### BUILDING NATURAL HAZARD RESILIENCE

Suncorp continues to help our customers and communities be aware, protected, and prepared for natural disasters, and to better adapt to our changing climate. We do this through our advocacy and collaboration with key industry, government and community stakeholders and through products that recognise and reward customers' own resilience building. Suncorp's Natural Hazard Resilience Program focuses on:

- Deepening climate change and natural hazard risk insights and risk intelligence
- Engaging with stakeholders and contributing to the development of community-level risk reduction
- Extending our capability and product solutions.

During the year, Suncorp partnered with researchers to deepen climate change and natural hazard risk insights to enable stronger risk selection and pricing. We were a leading voice in advocating for greater government investment in infrastructure to protect communities from natural hazards. Through our Storm Ready Streets program we worked with community partners to raise awareness of natural disaster risk and rewarded Queensland households, residents and businesses that actively prepared for extreme weather. We continued to offer our Cyclone Resilience Benefit to homeowners, with 45,749 customers receiving insurance premium reductions.

1. From 2017-18 baseline for Suncorp corporate operations in Australia and New Zealand. Calculated using science-based target methodologies.

## RESPONSIBLE UNDERWRITING, LENDING AND INVESTMENT

### Sensitive Sector Guidelines

In 2020, we strengthened our Fossil Fuels Sensitive Sector Guideline to cease underwriting, financing or directly investing in new oil and gas projects, phase out underwriting and financing oil and gas by 2025, and directly investing by 2040. This builds on our commitment to phase out of existing thermal coal by 2025.

Under Suncorp's Responsible Investment Policy, our external investment managers are required to apply a shadow carbon price to their analysis of investment opportunities to manage the risk of stranded assets as we transition to a net-zero emissions economy.

As at 30 June 2020, fossil fuel extraction and electricity generation activities made up less than 0.1 per cent of general insurance gross written premium. Fossil fuel exposure is less than 0.5 per cent of our insurance and shareholder investment assets, and less than 1.5 per cent of total investment assets under management (i.e. inclusive of wealth and investment assets managed on behalf of third parties).

Suncorp's commercial lending portfolio has no exposure to fossil fuels via either extraction or power generation. Suncorp will continue to underwrite, lend to and invest in companies whose business is clearly consistent with the transition to a net-zero emissions economy by 2050.

Under our Tobacco and Controversial Weapons Guidelines, we continued to exclude tobacco, recreational cannabis, land mines, cluster munitions, biological and chemical weapons from our investment portfolios.

Our Responsible Investment Policy commitments to uphold the United Nations Universal Declaration of Human Rights also saw several companies excluded from our investment portfolios. As a result of improvements in eliminating human rights abuses in supply chains and through the Responsible Cobalt Initiative in particular, the exclusion of some companies was lifted this year, although much work remains in eliminating child labour and forced labour from value chains.

### Impact investing

In support of our Responsible Investment Policy, Suncorp proactively seeks opportunities to engage in social impact investing that meets both our investment and social impact assessment criteria. In 2019–20, Suncorp expanded its social impact investments by becoming one of the first investors in the Synergis Disability Housing Fund, which aims to address the substantial undersupply of housing for people living with a disability. It's estimated that 12,000 National Disability Insurance Scheme (NDIS) participants currently have no access to much-needed specialist disability housing.

We remain committed to investments in renewable energy infrastructure and low-carbon solutions that deliver both financial and environmental outcomes. During the year, Suncorp's \$15 million commitment to the Palisade Renewable Energy Fund became fully drawn down. Palisade completed the development of a large-scale solar energy project in Townsville and progressed the Granville Harbour wind project in Tasmania. As at 30 June 2020, Suncorp's investment in low-carbon solutions was \$236 million.

The transition to a net-zero emissions economy offers increased opportunity for low-carbon investment. Suncorp actively participates in a global working group with the Science Based Targets to develop standards for the measurement of Scope 3 carbon emissions in the financial sector.

### Proxy Voting Governance

Suncorp is committed to ensuring all proxies are voted in a manner consistent with Suncorp's Responsible Investment Policy and Corporate Responsibility Principles.

In 2019–20, Suncorp undertook a continuous improvement-focused review of our Proxy Voting Principles, with a strengthened commitment to the independence of the Chair, properly constituted polling on substantial matters, and communication about the Principles that will guide how we vote on shareholder sponsored resolutions. We also finalised and published our Proxy Voting Summary, which includes our Principles. This year, Suncorp voted all eligible proxy resolutions, voting at 336 meetings on 2,766 resolutions in 21 countries.

Since becoming a signatory to the Principles for Responsible Investment (PRI) in 2019, Suncorp completed its first PRI Transparency Report this year, available at [unpri.org/signatory-directory/suncorp-group/4682.article](https://www.unpri.org/signatory-directory/suncorp-group/4682.article).

### Case Study

Learn more about the Synergis Disability Housing Fund at [suncorpgroup.com.au/news/news/suncorp-invests-in-Synergis-NDIS-disability-housing](https://www.suncorpgroup.com.au/news/news/suncorp-invests-in-Synergis-NDIS-disability-housing)



## RESPONSIBLE SUPPLY CHAIN

### Addressing modern slavery

Suncorp continues to proactively respond to the *Modern Slavery Act 2018 (Cth)*, by identifying and managing the direct and indirect risk of human rights abuses, such as modern slavery and child labour, throughout our value chain. This includes our people, our customers, suppliers and their workforces, as well as monitoring financial transactions and reporting any suspicions of criminal activity associated with them.

In 2019–20, Suncorp commenced the inclusion of modern slavery risks and controls into existing systems and processes with initial focus on procurement, outsourcing and investments. We engaged human rights specialists to lead modern slavery training for key teams across our business to drive awareness about the issue and legislation, and build capability in identifying, managing, mitigating and reporting risks of modern slavery. We also participated in the development of the ABA's Modern Slavery guidance for member banks. Suncorp has developed processes to identify and improve how we operate and partner to reduce instances of modern slavery. Suncorp is establishing modern slavery contract clauses in all new supplier agreements, including a requirement for key suppliers to complete annual statements of exposure and risk management.

Suncorp will publish a Modern Slavery Statement in 2020–21 and report on how we are identifying and addressing the risks of modern slavery in our operations and supply chain, across Australia and New Zealand.



## OUR PERFORMANCE

OBJECTIVE	PERFORMANCE HIGHLIGHTS	2019-20 PERFORMANCE METRICS	FUTURE ACTIVITY	2020-21 TARGETS
<b>RESOURCE USE AND EFFICIENCY</b>				
<b>Reduce Suncorp's environmental footprint</b>	<ul style="list-style-type: none"> <li>★ Developed a Renewable Energy Strategy and joined RE100</li> <li>★ Refreshed our Environmental Performance Plan</li> <li>★ Launched Guidelines for Real Estate Resource Efficiency and Sustainable Events</li> <li>★ Reduced land transport emissions through fuel-efficient hybrid cars and telematics</li> <li>★ Continued Sustainable Suncorp and Here for Good staff engagement programs</li> </ul>	<p><b>4.6%</b> reduction in electricity consumption</p> <p><b>23.5%</b> reduction in land transport emissions from fuel-efficient hybrid cars and telematics</p>	<ul style="list-style-type: none"> <li>➔ Implement Renewable Energy Strategy</li> <li>➔ Implement refreshed Environmental Performance Plan</li> </ul>	
<b>ADDRESSING CLIMATE CHANGE</b>				
<b>Reduce Suncorp greenhouse gas (GHG) emissions</b>	<ul style="list-style-type: none"> <li>★ Met targets to reduce Scope 1 and Scope 2 GHG emissions through carbon reduction initiatives</li> </ul>	<p><b>14.4<sup>1</sup>%</b> cumulative reduction in Scope 1 and Scope 2 GHG emissions</p> <p><b>45,749</b> customer policies received premium reduction from Cyclone Resilience Benefit</p>	<ul style="list-style-type: none"> <li>➔ Continue carbon reduction initiatives in real estate including consolidation, energy efficiency, and vehicle fleet</li> </ul>	<p><b>51%</b> absolute reduction in Scope 1 and Scope 2 GHG emissions by 2030<sup>1</sup></p> <p><b>Net-zero</b> Scope 1 and Scope 2 GHG emissions by 2050</p>
<b>Build customer and community resilience to natural disasters</b>	<ul style="list-style-type: none"> <li>★ Continued to implement our Climate Change Action Plan</li> <li>★ Continued advocacy and community engagement through our Natural Hazard Resilience Strategy</li> </ul>		<ul style="list-style-type: none"> <li>➔ Refresh our Climate Change Action Plan</li> <li>➔ Continue climate change scenario analysis</li> </ul>	
<b>Prepare for a net-zero emissions economy</b>	<ul style="list-style-type: none"> <li>★ Completed first phase of climate change scenario analysis</li> <li>★ Integrated the UNEP FI Principles for Sustainable Insurance</li> </ul>		<ul style="list-style-type: none"> <li>➔ Finalise discovery phase of Natural Hazard Resilience Program to expand product, customer and community solutions to reduce risk</li> </ul>	
<b>RESPONSIBILITY IN OUR VALUE CHAIN</b>				
<b>Optimise our social and environmental impact across our value chain</b>	<ul style="list-style-type: none"> <li>★ Published our Proxy Voting Principles</li> <li>★ Finalised and published our Proxy Voting Summary</li> <li>★ Embedded Supplier Code of Practice in all new supplier agreements and engaged existing material suppliers in Australia</li> <li>★ Committed \$2 million to Synergis Fund for social impact through specialist disability housing</li> </ul>	<p><b>98% of new and 100% of material and strategic suppliers in Australia accepted Supplier Code of Practice</b></p> <p><b>91% of total assets under management (AUM) covered by Responsible Investment Policy</b></p> <p><b>99.4% proxies voted</b></p> <p><b>\$238m in social and low carbon investments</b></p>	<ul style="list-style-type: none"> <li>➔ Conduct portfolio ESG risk assessments</li> <li>➔ Publish a Modern Slavery Statement that addresses modern slavery risk in our operations and supply chain</li> </ul>	<p><b>95%</b> of invoices paid within 30 days<sup>2</sup></p> <p><b>5%</b> of total shareholders' funds in social and low carbon impact investments<sup>3</sup></p>

1. From 2017-18 baseline for Suncorp corporate operations in Australia and New Zealand. Suncorp previously published a target to reduce emissions intensity for our industrial operations (Suncorp Insurance Ventures). As Capital S.M.A.R.T. and ACM Parts were sold on 31 October 2019 this intensity-based target for Suncorp Insurance Ventures is no longer relevant and will no longer be tracked. 2. From receipt of a valid invoice. Excludes Suncorp Insurance Ventures. Excludes New Zealand and suppliers with payment terms beyond 30 days. 3. Based on Global Investor Coalition definition.

# Resilient people and communities

We respect human rights and invest in the wellbeing and resilience of our people and communities. We are there for our people and our communities in times of need.



## Our approach

Suncorp is committed to building the financial, social and natural hazard resilience of our people and communities. We aspire to have an inclusive culture and diverse workforce. We support our people in the causes they care about and actively promote their involvement in the community.

### INVESTING IN THE COMMUNITY

We work in partnership with a range of community organisations and encourage our employees to be active in the community through our Brighter Futures employee giving program which promotes relationship-building, giving and volunteering opportunities, with matched-giving by Suncorp.

### RESPECTING HUMAN RIGHTS

Suncorp remains committed to human rights and is a signatory to the United Nations Global Compact which commits to supporting and protecting human rights, eliminating all forms of forced and compulsory labour and the effective abolition of child labour. Suncorp's Responsible Banking and Insurance Policy, Responsible Investment Policy, Code of Conduct and Supplier Code of Practice help us operationalise our human rights commitments.

### FOSTERING FLEXIBILITY, INCLUSION AND DIVERSITY

At Suncorp, we build inclusion by providing an environment where everyone can be themselves and feel valued, involved and respected for their perspectives and contribution. Flexibility is an important part of Suncorp's culture and even before COVID-19 more than 80 per cent of our workforce took advantage of flexible working practices on a regular basis. As a result, Suncorp has a more engaged workforce, reduced absenteeism and workplace stress, and a greater ability to respond to the changing environment.

## OUR FOUNDATIONS

### Safety and Wellbeing Policy

Promotes a culture of integrated, systematic management of safety and wellbeing. [suncorpgroup.com.au/corporate-responsibility/resilient-people-and-communities/employee-safety-and-wellbeing](https://suncorpgroup.com.au/corporate-responsibility/resilient-people-and-communities/employee-safety-and-wellbeing)

### Equal Employment Opportunity and Diversity Policy

Fosters inclusion by providing an environment where everyone can be themselves and feel valued, involved and respected for their perspectives and contribution. [suncorpgroup.com.au/corporate-responsibility/resilient-people-and-communities/diversity-and-inclusion](https://suncorpgroup.com.au/corporate-responsibility/resilient-people-and-communities/diversity-and-inclusion)

### Suncorp Group Enterprise Agreement

Provides minimum terms and conditions of employment in Australia that support a culture that makes Suncorp a great place to work. [suncorpgroup.com.au/corporate-responsibility/resilient-people-and-communities/enterprise-bargaining](https://suncorpgroup.com.au/corporate-responsibility/resilient-people-and-communities/enterprise-bargaining)

### Community Investment Strategy

Aims to make a positive impact on the financial, social and natural hazard resilience of the communities in which we operate. [suncorpgroup.com.au/corporate-responsibility/resilient-people-and-communities/community-investment](https://suncorpgroup.com.au/corporate-responsibility/resilient-people-and-communities/community-investment)



OUR RESPONSIBILITY



**2022 TARGET**

0.7% pre-tax profit  
invested in the  
community

**Our progress**

**Suncorp is building resilience for the major changes our people and communities face. This includes preparing for the workforce of the future, driving an inclusive and diverse workplace, and investing in the financial, social and natural hazard resilience of our customers and the community.**

**BUILDING A PURPOSE-DRIVEN CULTURE**

During 2019–20, we refreshed our purpose to clearly articulate why we exist: building futures and protecting what matters. Suncorp's culture reflects the commitment of our people and is centred on three key principles:



**Doing the right thing:** We are a high-performing team that prioritises honest and fair conduct. We manage risks while delivering results.



**Caring for others:** We are collaborative, inclusive and we care about our customers, our people and the communities in which we operate. We are supportive of each other to safely achieve our goals.



**Being courageous:** We are purpose-led and embrace accountability. We are customer-driven and adapt to evolving stakeholder needs, speaking up when it's needed.

This year 81 per cent of Suncorp's employees participated in our engagement and culture survey with our engagement score lifting to 67 per cent. Our people highlighted strengths such as our flexible and inclusive work environment, our customer-centric culture and genuine care displayed by our leaders for their teams, while greater focus is needed on supporting our people through change and innovation and ensuring the right resources are available to achieve the best outcomes.

**LEADING OUR PEOPLE THROUGH CHANGE**

As a large employer, Suncorp supports our workforce to build the skills needed to succeed in the future, ensuring they have the right capabilities to thrive in the economy of the future. Our learnings in responding to the COVID-19 pandemic are informing our workforce planning and new ways of working, so we are in the best possible shape as we emerge from the crisis.

**Staying connected through COVID-19**

The health and safety of our people and our customers is our priority. We moved the majority of Suncorp's workforce to work from home as the COVID-19 pandemic emerged, using our digital capabilities and well-established flexible working arrangements. We rapidly deployed computer equipment, remote access and digital licences to ensure our people were properly equipped, could continue to work and serve our customers, and felt connected and supported. We implemented new social distancing protocols and hygiene practices, especially for our store teams who continued to serve our customers in our retail locations. We deployed a wide range of leadership and resilience tools and training, regular pulse-checks on the wellbeing and safety of our people, and new digital communication channels to keep our people informed.

**Workforce of the future**

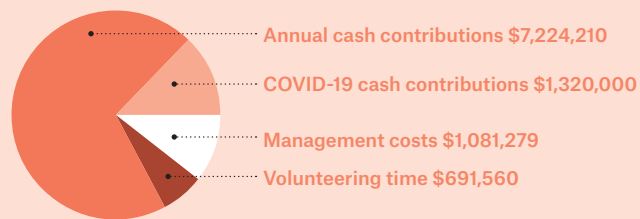
Suncorp's Future Ready learning program supports our people to manage their career and build skills for the future working environment. In 2019–20, more than 1,100 employees participated in Introductory Pathways and Accelerated Pathways for eight key capabilities. Future Ready has also hosted 50 Thrive personal resilience workshops and 30 My Future Career workshops.



### COMMUNITY INVESTMENT

In 2019–20 Suncorp invested \$10.3 million in our communities. This includes \$4.4million in strategic community partnerships, \$1.3 million in support for communities impacted by COVID-19, \$1 million in matching for employee giving and \$1.8 million in other vital cash contributions.

#### TOTAL COMMUNITY INVESTMENT \$10, 317, 049



#### Bushfire relief and recovery

Suncorp donated \$560,000 to support the immediate and long-term needs of communities affected by the 2019–20 bushfires across Australia. More than 2,000 Suncorp employees donated \$80,000 of their own money which was double matched by Suncorp. Teams also volunteered to pack food hampers which provided relief to firefighters on the frontline. Suncorp introduced unlimited paid emergency response leave for employees who are members of volunteer organisations, to ease the financial challenges for those who volunteer during an emergency or natural disaster. Suncorp also offers several other flexible leave options and counselling for employees who live in bushfire-affected areas.

#### BUSHFIRE DONATIONS

- \$200k to the Foundation for Rural and Regional Renewal
- \$100k to the Australian Red Cross
- \$100k to volunteer firefighting organisations in New South Wales, Victoria, South Australia, Queensland and Western Australia
- \$160k to double match our Employee donations

### Supporting our communities through COVID-19

As a result of COVID-19, Suncorp donated \$1 million to The Smith Family in Australia to help combat the growing digital divide being faced by vulnerable school students and families. The donation saw 650 digital inclusion packs delivered to kids in need across the country, giving them access to a device, the internet and support they need to remain connected to their teachers and classmates. Suncorp New Zealand donated NZ\$100,000 to Shine to help children affected by domestic violence stay connected with their schools and online learning.

We adapted the way we engage our customers through our partnership with Netball Australia providing virtual netball clinics for young Australians, and through our partnership with Financial Basics Foundation to provide free access to the financial literacy program Suncorp ESSI Money Challenge.

#### Local charity partnerships

This year, Suncorp employees selected 14 local charities to partner with across Australia and New Zealand to address issues they care most about in the communities where they live and work. These charities provide support for those experiencing mental health issues, homelessness, family violence, cancer, childhood illness, and drought.

#### Measuring social impact

This year Suncorp commissioned a review of current research on the most effective interventions for building the social, financial and natural hazard resilience of individuals and communities. This will inform the development of Suncorp’s theory of change and impact measurement framework and provide Suncorp and its community partners a consistent approach to enhance the measurement of outcomes achieved for individuals and communities.



#### Case Study

This year Suncorp employees raised more than \$1 million for important causes – and Suncorp matched it, bringing the total to more than \$2 million. Read more at [suncorpgroup.com.au/news/news/suncorp-matches-1-million-in-employee-giving](https://suncorpgroup.com.au/news/news/suncorp-matches-1-million-in-employee-giving)





Our employees marched proudly with the Broken Heel Festival float at Mardi Gras



Davor Strbac has won Veteran Employee of the Year at the Prime Minister's Veterans Employment Award



Clontarf Foundation

## INCLUSION AND DIVERSITY

### Advancing Reconciliation

This year, Suncorp strengthened its partnership with Clontarf Foundation, hosting career exposure days and work experience opportunities to improve education and employment outcomes for young Indigenous men. Suncorp attended Clontarf's employment forums where students broaden their horizons, learn new skills and discover a range of career options. Suncorp leaders also participated in immersive cultural experiences with the Clontarf Academies, deepening their understanding of the work Clontarf does to prepare students for transition from school to employment. Suncorp employed a Clontarf Foundation graduate into its store network this year.

### Cultural diversity

Through Suncorp's partnership with Multicultural Australia, more than 56 employees participated cultural awareness training, cultural immersion, career mentoring and volunteering opportunities, which all help our people to better serve our diverse customers and work within diverse teams. We also supported employment pathways for Multicultural Australia's clients through job readiness and career mentoring sessions delivered to more than 400 people this year.

### Awards

This year, Suncorp's partnership with Multicultural Australia received the Minister's Choice Award for Outstanding Engagement at the Multicultural Queensland Awards for its contributions to promoting diversity and inclusion. Suncorp New Zealand was awarded the Excellence in Workplace Diversity and Inclusion from the Australia and New Zealand Institute of Insurance and Finance.

### Employee Resource Groups

Suncorp's Employee Resource Groups (ERGs) are networks created by our people, for our people. They foster a diverse and inclusive workplace and bring employees together around a common purpose, interest or background. This year Suncorp formed two new ERGs:

**enAble** was formed to support people with disability and accessibility requirements. It empowers members to achieve their best, showcase their abilities, helping to improve the experience for people with disabilities at Suncorp.

**ARISE** was formed to advocate for ethnic diversity within Suncorp and to ensure our teams at all levels reflect the communities in which we operate.

Suncorp's existing ERGs span *Veterans, Reserves and Defence Families; Women Connect; Evolve; Life-X for mature-age workers and Amplify*; Suncorp's LGBTIQ+ community and their allies.

### Gender equality

Suncorp continues to take great pride in being an industry leader for workplace gender equality, with a focus not just on leadership roles but all levels across our organisation. In 2019-20, Suncorp was recognised as an Employer of Choice for Gender Equality by the Workplace Gender Equality Agency for the seventh consecutive year.




### Gender pay equity review

Following ongoing role pay equity and gender pay equity gap analysis conducted across the organisation, this year Suncorp introduced a target to reduce the gender pay gap by five percentage points over five years. Suncorp actively reviews role pay equity throughout the year and actions any issues identified through our remuneration review process.



International Women's Day

## OUR PERFORMANCE

OBJECTIVE	PERFORMANCE HIGHLIGHTS	2019-20 PERFORMANCE METRICS	FUTURE ACTIVITY	2020-21 TARGETS
<b>EMPLOYEE HEALTH, SAFETY AND WELLBEING</b>				
<b>Minimise the risk of illness and injury and maximise the safety and wellness of our people</b>	<ul style="list-style-type: none"> <li>★ Refreshed our purpose statement and launched cultural principles</li> <li>★ Conducted employee engagement and pulse surveys</li> <li>★ Supported safety and wellbeing for rapidly expanded work from home arrangements, instituted health protocols and workplace safety measures, and launched new resilience tools and training in response to COVID-19</li> </ul>	<p>1.2 Lost-time Injury Frequency Rate</p> <p>67% employee engagement</p> <p>\$1,616 invested in learning and development per full time equivalent</p>	<ul style="list-style-type: none"> <li>➔ Embed our purpose and cultural principles</li> <li>➔ Continue proactive and adaptive safety and wellbeing programs that are responsive to risk, including continued COVID-19 impacts</li> </ul>	 <p>Lost-time Injury Frequency Rate at or below Finance Industry Group average</p>
	<b>Build the skills our people need for today and the jobs of the future</b>			
<b>DIVERSITY, INCLUSION AND EMPLOYEE EXPERIENCE</b>				
<b>Ensure our workplace is inclusive and our workforce reflects the diversity of our community</b>	<ul style="list-style-type: none"> <li>★ Refreshed our Reconciliation Action Plan</li> <li>★ Delivered Leading Inclusively training</li> <li>★ Formed new Employee Resource Groups for people with disability and accessibility requirements, and those from culturally diverse backgrounds</li> </ul>	<p>51% Women in leadership</p> <p>1.2% of our people identify as Aboriginal and Torres Strait Islander</p>	<ul style="list-style-type: none"> <li>➔ Launch and implement our refreshed Reconciliation Action Plan</li> <li>➔ Progress Indigenous Employment Pathways</li> <li>➔ Continue education and awareness campaign on gender pay equity and the gender pay gap</li> </ul>	 <p>50% women in leadership</p> <p>48% by FY23 women in senior leadership</p> <p>40% women on the Board</p>
<b>COMMUNITY INVESTMENT</b>				
<b>Build the financial, social and natural hazard resilience of our people and communities</b>	<ul style="list-style-type: none"> <li>★ Refreshed local community partnerships as part of Brighter Futures employee giving program</li> <li>★ Introduced unlimited paid emergency response leave for members of volunteer organisations</li> <li>★ Developed an evidence base for a theory of change and impact measurement framework</li> </ul>	<p>\$10.3m invested in the community</p> <p>11,526 hours volunteered by our people<sup>1</sup></p>	<ul style="list-style-type: none"> <li>➔ Test and deploy a theory of change and impact measurement framework to enhance social impact measurement in our community partnerships</li> </ul>	 <p>0.7% pre-tax profit invested in the community by 2022</p>

1. Based on paid employee volunteer time





# Our Performance





# Performance summary

Note: some performance has been impacted by COVID-19

## Shareholder

PERFORMANCE		2020	2019	2018	2017	2016
Cash return on average shareholders' equity	(%)	5.9	8.4	8.0	8.4	8.2
Return on average shareholders' equity	(%)	7.2	1.3	7.7	7.9	7.8
Return on average total assets	(%)	0.95	0.18	1.08	1.11	1.08
Basic cash earnings per share	(cents)	59.01	86.24	85.20	89.30	85.18
Basic earnings per share	(cents)	71.93	13.54	82.17	83.84	81.19
Net profit after tax attributable to shareholders	(\$m)	913 <sup>1</sup>	175 <sup>1</sup>	1,059	1,075	1,038
General insurance gross written premium	(\$m)	9,952	9,811	9,559	9,456	9,031
Reported insurance trading result	(%)	8.9	11.6	12.1	11.8	9.9
Underlying insurance trading result	(%)	11.1	12.3	10.6	11.5	10.6
Bank total lending	(\$m)	58,005	59,293	58,716	55,324	54,280
Bank net interest margin	(%)	1.94	1.90	1.94	1.93	1.96
Bank cost to income ratio	(%)	57.3	56.2	54.7	52.7	52.5
Effective income tax rate	(%)	32.1	29.8	32.0	32.5	30.7
FINANCIAL STRENGTH		2020	2019	2018	2017	2016
Total assets	(\$m)	95,744	96,235	99,333	97,109	95,748
Net assets	(\$m)	12,784	13,133	13,973	13,790	13,570
Net tangible assets backing per share	(\$)	5.89	5.93	6.39	6.20	6.02
Group excess to common equity tier 1 capital target	(\$m)	823	989	448	377	346
General insurance group total capital ratio	(times PCA <sup>2</sup> )	1.68	1.85	1.84	1.77	1.67
Bank common equity tier 1 capital ratio	(% RWA <sup>3</sup> )	9.34	9.27	9.07	9.23	9.21
SHAREHOLDER SUMMARY		2020	2019	2018	2017	2016
Ordinary share price at end of year	(\$)	9.23	13.47	14.59	14.82	12.18
Number of ordinary shares at end of period	(million)	1,276	1,293	1,292	1,285	1,279
Ordinary dividend per ordinary share, fully franked	(cents)	36	70	73	73	68
Special dividend per ordinary share, fully franked	(cents)	-	8	8	-	-
Dividend payout ratio (excluding special dividend)	(%)	60.7	81.2	85.8	81.9	79.8
Dividend payout ratio (including special dividend)	(%)	60.7	90.5	95.2	81.9	79.8
Market capitalisation	(\$m)	11,776	17,491	18,945	19,158	15,671

1. 2020 impacted by the sale of Capital S.M.A.R.T and ACM Parts, which resulted in a \$285 million gain. 2019 Impacted by the sale of the Australian Life Business, which resulted in a \$910 million loss 2. Prescribed Capital Amount 3. Risk-weighted assets



## Customer

CUSTOMER SATISFACTION AND ADVOCACY		2020	2019	2018	2017	2016
Customer satisfaction						
- Consumer Australia <sup>4</sup>	(%)	78	77	77	77	79
- Business Australia <sup>4</sup>	(%)	76	81	83	80	77
- New Zealand <sup>5</sup>	(%)	-	78	76	74	75
Net Promoter Score						
- Consumer Australia <sup>4</sup>		+5.2	+5.0	+7.3	+5.9	+6.2
- Business Australia <sup>4</sup>		+9.1	+2.1	+2.7	-0.6	-1.3
- New Zealand <sup>5</sup>		-	-6	-1	-2	-
COMPLAINTS AND DISPUTE RESOLUTION		2020	2019	2018	2017	2016
Customer complaints						
- Banking & Wealth Australia		15,435	13,028	14,324	-	-
- Insurance Australia		175,475	142,399	113,210	-	-
- New Zealand <sup>6</sup>		6,492	6,059	4,322	-	-
- Number per 100,000 accounts <sup>7</sup>		677	565	-	-	-
- Number per 100,000 policies <sup>7,8</sup>		2,340	1,952	-	-	-
Level 1 complaints resolved in 5 days <sup>7,9</sup>	(%)	95	95	92	-	-
Level 2 complaints resolved in 30 days <sup>7,10</sup>	(%)	71	73	-	-	-
Level 2 complaints resolved in 21 days <sup>7,10</sup>	(%)	-	77	80	-	-
Complaints referred by customers to external dispute resolution bodies <sup>11</sup>						
- Banking & Wealth Australia		531	416	349	-	-
- Insurance Australia		4,483	3,657	3,011	-	-
- New Zealand <sup>6</sup>		14	21	20	-	-
- Number per 100,000 accounts <sup>7</sup>		23	18	-	-	-
- Number per 100,000 policies <sup>7,8</sup>		48	45	-	-	-
- Proportion resolved by agreement with the customer						
- Bank early resolution rate <sup>12</sup>	(%)	48	58	-	-	-
- Insurance early resolution rate <sup>12</sup>	(%)	39	41	-	-	-
- New Zealand <sup>6</sup>	(%)	30	10	-	-	-
- Proportion determined in the customer's favour						
- Australia <sup>13</sup>	(%)	22	13	-	-	-
- New Zealand <sup>6</sup>	(%)	0	14	-	-	-
AFCA Sent on time results <sup>14</sup>						
- Banking & Wealth Australia	(%)	96	Commenced disclosure in the current reporting period			
- Insurance Australia	(%)	97				
Complaints referred by customers to the Privacy Commissioner <sup>7</sup>		7	15	12	-	-

4. Source: DBM Consumer Atlas, 12-month rolling as at June 2020 5. Historical data relates to Asteron Life brand. NPS and Customer Satisfaction are now measured across Vero and Asteron and are under revision for future reporting 6. Excludes AA Insurance 7. Excludes New Zealand 8. Includes consumer insurance policies, excluding travel 9. Handled by customer-facing teams 10. Metric updated from 21 days from receipt by Internal Customer Relations team (ICR), to 30 days from first date received. Exceeds 45-day ASIC requirement. Managed by ICR 11. Includes complaints received by multiple external dispute schemes (e.g. AFCA, SIRA, OAIC, IFSO) 12. From Complaints received in AFCA Benchmarking (Jun-19 to May-20). 2019 numbers reflect both Financial Ombudsman Service and AFCA reporting 13. From Complaints closed at decision with decision outcome in AFCA Benchmarking (Jun-19 to May-20). 2019 numbers reflect both Financial Ombudsman Service and AFCA reporting 14. From Complaints progressed to case management in AFCA Benchmarking (Jun-19 to May-20)





## FINANCIAL INCLUSION AND RESILIENCE

	2020	2019	2018	2017	2016
Customers assisted during times of financial hardship <sup>7,15</sup>	117,329	4,257	3,812	-	-
Reviews completed by the Customer Advocate Office	68	43	15	-	-
Essentials Insurance customers	5,389	3,464	1,855	1,055	-
Everyday Super members with a balance	25,079	26,233	23,904	-	-
Everyday Essentials bank account customers	12,294	10,769	9,606	-	-

## ACCESSIBILITY

	2020	2019	2018	2017	2016
Digital users <sup>16</sup> (million)	3.83	3.35	-	-	-

## People<sup>17</sup>

### EMPLOYEES

	2020	2019	2018	2017	2016
Full-time equivalent (FTE) employees	13,562	13,040	13,309	13,374	13,441
Total employee headcount	14,069	13,440	13,815	-	-
Full-time headcount	10,518	10,375	10,663	-	-
Part-time headcount	2,522	2,440	2,524	-	-
Casual headcount	43	29	41	-	-
Maximum-term contractor headcount	986	596	587	-	-
Employees covered by collective bargaining agreements <sup>7</sup> (%)	99.6	99.6	99.6	-	-

### SAFETY AND WELLBEING

	2020	2019	2018	2017	2016
Employee engagement <sup>18</sup> (%)	67	60	56	62	-
Employee-initiated turnover (%)	12.6	14.2	14.4	12.1	13.0
Absenteeism rate <sup>19</sup>	7.2	7.5	7.6	-	-
Lost-time injury frequency rate	1.2	1.3	0.9	1.6	1.8
Fatalities <sup>20</sup>	0	0	0	-	-

### DIVERSITY AND INCLUSION

	2020	2019	2018	2017	2016
Women on the Board (%)	40	50	38	-	-
Women in senior leadership roles (%)	44	47	44	43	38
Women in leadership roles (%)	51	51	51	49	47
Role pay equity <sup>21</sup>					
- Women paid below the role median	334	386	-	-	-
- Men paid below the role median	309	304	-	-	-
- Employees who did not disclose their gender paid below the role median	1	-	-	-	-

7. Excludes New Zealand 15. Excludes the Australian Life Business from 2019. General Insurance 'Peace of Mind' support calculated at a policy level 16. Visitors that have logged into Suncorp's authenticated assets like internet banking, mobile banking app, insurance policy self-service web and mobile applications 17. Excludes Suncorp Insurance Ventures 18. 2016 results using previous methodology can be viewed in previous reports 19. Unplanned absence days for permanent employees/average headcount 20. Work-related fatalities excluding external contractors 21. Variances in fixed pay of >5%, excluding superannuation. Based on like-for-like roles



<b>DIVERSITY AND INCLUSION</b>		2020	2019	2018	2017	2016
Return to work from parental leave	(%)	98	96	96	95 <sup>3</sup>	91
- Women	(%)	97	94	-	-	-
- Men	(%)	99	100	-	-	-
Employees that identify as having a disability	(%)	2.8	2.7	-	2.3	-
Employees aged 55 years or over	(%)	11.9	11.4	11.1	10.6	10.7
Employees that identify as Aboriginal and Torres Strait Islander	(%)	1.2	1.1	-	-	-
Employees accessing flexible work arrangements	(%)	84	84	-	-	-
<b>LEARNING AND DEVELOPMENT</b>		2020	2019	2018	2017	2016
Code of Conduct training completion rate	(%)	99	99	99	-	-
Formal learning and development	(\$/FTE)	1,616	1,663	1,947	-	-
<b>TALENT ATTRACTION AND RETENTION</b>		2020	2019	2018	2017	2016
High performer retention	(%)	93	92	-	-	-

## Community

<b>COMMUNITY INVESTMENT</b>		2020	2019	2018	2017	2016
Total community investment	(\$000)	10,317	9,160	10,109	9,835	8,866
Total matched giving <sup>22</sup>	(\$000)	1,018	703	-	-	-
Volunteering <sup>23</sup>	(\$000)	692	838	701	625	1,385
	(hours)	11,526	16,536	13,840	-	-

22. Includes matching for donations, fundraising, crowdfunding and personal volunteering 23. Based on paid employee volunteer time





## Environment

<b>ENVIRONMENTAL SUSTAINABILITY<sup>24</sup></b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Electricity consumption (kWh/FTE)					
- Australia	2,091	2,247	2,329	2,542	2,785
- New Zealand <sup>25</sup>	951	1,314	2,190	-	-
- Suncorp Insurance Ventures <sup>26,27</sup>	3,231	7,089	8,197	-	-
Total fuel usage (GJ/FTE)	26	43	47	-	-
Fuel used in company vehicles (litres/FTE)					
- Australia	95	133	145	157	185
- New Zealand <sup>25</sup>	132	183	295	-	-
Air travel (km/FTE)					
- Australia	1,600	1,953	2,228	2,971	3,810
- New Zealand	1,332	2,027	3,038	-	-
Paper used for print and offices (tonnes)					
- Australia	373	446	618	659	900
- New Zealand	37	54	72	-	-
Proportion of office waste diverted from landfill (%)					
- Australia <sup>25</sup>	45	49	51	51	60
<b>GREENHOUSE GAS EMISSIONS<sup>24</sup></b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Scope 1 greenhouse gas emissions (CO <sub>2</sub> -e tonnes)					
- Australia	2,796	3,741	4,211	4,519	5,306
- New Zealand <sup>25</sup>	363	467	566	-	-
- Suncorp Insurance Ventures <sup>27</sup>	1,305	3,836	3,870	-	-
Scope 2 greenhouse gas emissions (CO <sub>2</sub> -e tonnes)					
- Australia	21,323	22,160	23,741	25,480	28,378
- New Zealand <sup>25</sup>	103	133	214	-	-
- Suncorp Insurance Ventures <sup>27</sup>	3,067	8,747	9,181	-	-
Scope 3 greenhouse gas emissions <sup>28</sup> (CO <sub>2</sub> -e tonnes)					
- Australia	8,733	10,767	12,358	-	-
- New Zealand <sup>25</sup>	337	551	602	-	-
Total greenhouse gas emissions (CO <sub>2</sub> -e tonnes)					
- Australia	32,852	36,668	40,310	-	-
- New Zealand <sup>25</sup>	803	1,151	1,382	-	-
- Suncorp Insurance Ventures <sup>27</sup>	4,372	12,583	13,051	-	-

24. Environmental metrics are prepared on an 11+1 basis 25. 2019 numbers restated to reflect transition to improved methodology or updated data 26. To accommodate large variations in 2020 FTE due to divestment these metrics are presented as an average of annualised quarterly metrics 27. Reflects the performance of Suncorp Insurance Ventures including Capital S.M.A.R.T and ACM Parts up until the date of sale on 31 October 2019 28. Based on emissions from paper consumption, waste generated in operations, business air travel, and fuel and energy related activities



## Our Value Chain

<b>SUPPLIERS<sup>7,17</sup></b>		<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Total spend with suppliers (includes claims) <sup>29</sup>	(\$m)	3,690	3,537	3,681	-	-
Spend with material suppliers (includes claims) <sup>29,30</sup>	(\$m)	3,149	2,975	3,062	-	-
Number of material suppliers		734	745	760	-	-
Number of contracted suppliers <sup>31</sup>		1,387	1,348	1,530	-	-
Invoices paid within 30 days <sup>32</sup>	(%)	98	98	93	-	-
Acceptance of Supplier Code of Practice						
- New suppliers onboarded	(%)	98	100	-	-	-
- Material suppliers	(%)	100	100	-	-	-
<b>RESPONSIBLE INVESTMENT</b>		<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Responsible Investment Policy coverage <sup>33</sup>	(% total AUM)	91	90	87	-	-
	(# excluded positions held)	0	0	2	-	-
Compliance with Responsible Investment Policy exclusions	(\$m excluded positions held)	0	0	1	-	-
Assets managed by UNPRI signatories	(% total AUM)	99	97	89	-	-
Social impact investment	(\$m)	2	1	1	-	-
Low carbon investment <sup>34</sup>	(\$m)	236	310	36	-	-
Social and low carbon impact investments	% of total shareholders' funds	6.7	-	-	-	-
Proxies voted	(%)	99.4	99	-	-	-

7. Excludes New Zealand 17. Excludes Suncorp Insurance Ventures 29. Excludes taxes, fees, levies, reinsurance, debt recovery and government regulated services 30. Strategic suppliers with spend >\$500K in the reporting period 31. Where Suncorp holds a current, duly executed contract 32. From receipt of a valid invoice. Excludes suppliers with payment terms beyond 30 days 33. RI Policy does not apply to passive mandates and pooled vehicles where Suncorp is not the Responsible Entity 34. Based on Global Investor Coalition definition



To see more, go online  
**[suncorpgroup.com.au](https://www.suncorpgroup.com.au)**

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