



Suncorp Consumer Deposits Product and Operations Graduate Aniwa-Niwa Walker

# Corporate Governance Statement

Suncorp's Corporate Governance Statement (Statement) outlines our approach to corporate governance and our principal governance practices.

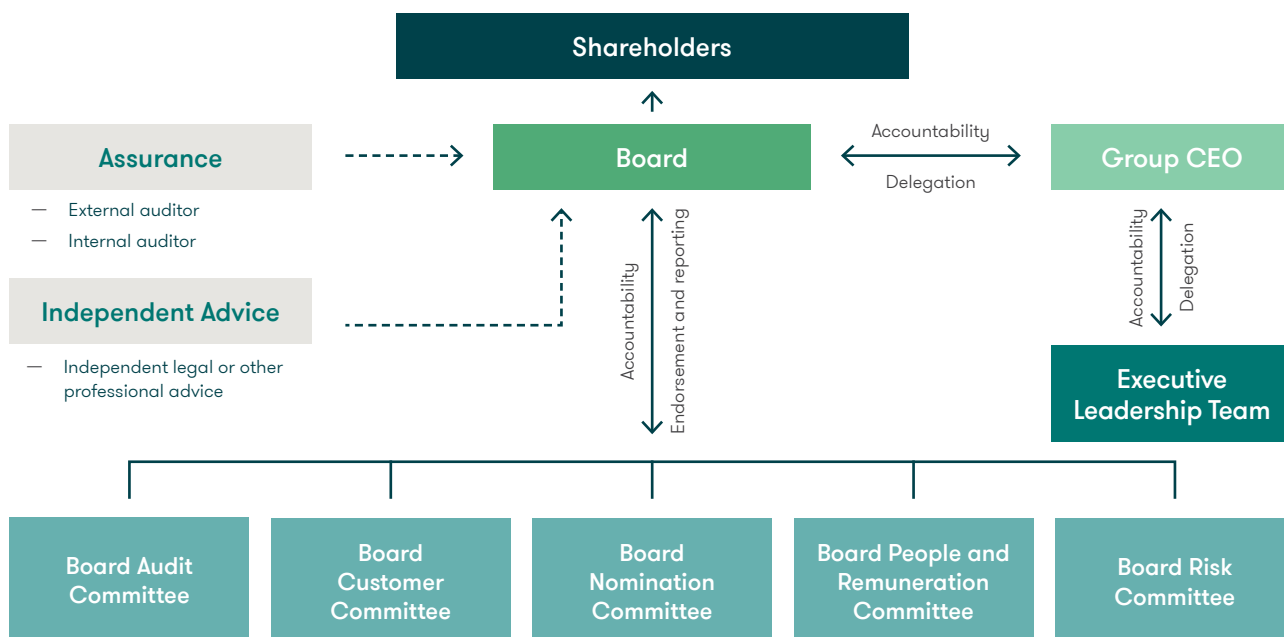
The Board:

- believes high standards of corporate governance are essential to achieving Suncorp's business objectives, which are aimed at creating value and sustainable outcomes for Suncorp shareholders, customers and the communities in which Suncorp operates
- is committed to maintaining a strong governance framework and culture through which the Board and management set the 'tone from the top'
- adopts a continuous improvement approach to ensure that Suncorp's governance practices continue to reflect changes in law, regulations, corporate governance principles and community expectations.

This Statement:

- has been approved by the Board
- reports Suncorp's compliance with the 4th edition of the ASX Corporate Governance Council's Principles and Recommendations
- is current as at 8 August 2022.

## Corporate Governance Framework



## The Board's areas of focus during FY22

Over the past year, the Board has continued to focus its activities in response to emerging matters of importance, while continuing to ensure that Suncorp is effectively governed more broadly. The Board's FY22 governance activities included:

- continued focus on Board succession and renewal, including the appointment of Duncan West as a non-executive director, with effect from 23 September 2021. Duncan brings to the Board almost 40 years of experience in the general insurance and financial services sectors
- continued oversight of Suncorp's response to:
  - COVID-19, including monitoring and approving as necessary, management's implementation of suitable responses to the changing operating environment
  - the rising incidence of natural disasters, including contributing to and advocating for increased disaster mitigation and community resilience measures
- close consideration, and ultimate approval of, Suncorp's entry into a share sale and purchase agreement with ANZ to sell our banking business (subject to regulatory approvals). The Board and its Committees devoted considerable time during scheduled and unscheduled meetings, to diligently assess the proposal through the lens of creating value for shareholders, while achieving positive outcomes for our people and customers
- robust discussion and approval of management's strategic plan, through two dedicated annual sessions, supplemented by additional checkpoint discussions during scheduled Board meetings
- continued oversight of management's specific initiatives to attract and retain a talented workforce to deliver Suncorp's strategic ambitions, now and into the future
- continued oversight of management's successful implementation of a significant volume of regulatory change initiatives
- continued focus on Board education, development and performance, including through:
  - site visits and immersion sessions, to gain valuable first-hand insights in relation to Suncorp's businesses, people and key trends impacting Suncorp
  - participation in key stakeholder engagement forums including our Customer Advocate Day
  - Suncorp's bi-annual materiality assessment, to support the Board's understanding of the most material environmental, social and governance issues affecting Suncorp
  - the annual Board and Committee appraisal process
  - discussions with external advisers where relevant and necessary
- ongoing engagement with:
  - institutional investors and proxy advisors, including in relation to ESG and remuneration matters
  - retail shareholders including through Suncorp's 2021 Annual General Meeting (AGM), which was held entirely online in light of the prevailing COVID-19 environment
- continued two-way dialogue with our key regulators.

# The Board

## Members of the Board

Suncorp's Board currently consists of nine non-executive, independent directors (including Chairman Christine McLoughlin, AM) and one executive managing director (Group CEO Steve Johnston).

Biographical details for each director, including their tenure, are disclosed in the Directors' Report on page 73 and on our website.

## The roles and responsibilities of the Board and management

Suncorp's Constitution states that its business and affairs are to be managed under the Board's direction. The Board Charter:

- states that the Board's role is one of stewardship on behalf of stakeholders, ensuring the Suncorp Group remains sustainable and effective in the present and for the future
- clearly sets out the Board's role, responsibilities, powers and duties and describes those matters expressly reserved for the Board's determination and those matters delegated to management.

Other than the responsibilities specifically reserved for the Board and its Committees in their respective Charters, responsibility for management of the day-to-day business activities is delegated to the Group CEO who is accountable to the Board.

The Board regularly reviews the Board Charter and the delegation of Board authority to the Group CEO.

The Suncorp Constitution, and Board and Committee Charters are available on the governance and policies section of our website.

## Director independence

The Board Charter requires that the Chairman, and a majority of directors, are independent, non-executive directors.

However, all Suncorp non-executive directors are expected to bring independent judgement to the Board's deliberations, and to constructively challenge management where required. In addition, the non-executive directors hold regular discussions during scheduled Board and Committee meetings without the Group CEO or other management in attendance.

The Board formally assesses the independence of its directors on appointment, and when reviewing each non-executive director's annual attestation. A register

of directors' interests is kept current, to facilitate an ongoing assessment throughout the year.

A director's interests, positions, associations or relationships will be considered relevant when assessing independence if the individual circumstances materially interfere with (or could reasonably be perceived to materially interfere with) the director's ability to exercise independent judgement in relation to any matter before the Board, or to act in the best interests of Suncorp.

The Board also gives consideration to a non-executive director's tenure on the Board in assessing independence, but the mere fact that a director has served on the Board for a substantial period does not mean that the director can no longer be considered independent.

## Director independence – FY22 assessment

Based on its latest annual assessment, the Board considers that throughout FY22, the Board Chairman and all Suncorp non-executive directors have remained independent and have satisfied the Board's independence criteria (which align with the guidance provided by the ASX and other regulators). The Board's position on certain specific director interests follows.

Ian Hammond:

- is a non-executive director of Perpetual Limited (Perpetual). As an investment manager, Perpetual group companies may hold Suncorp Group Limited securities from time to time. Perpetual's current shareholding is not considered a substantial shareholding under the Corporations Act. Perpetual group companies also provide trustee services to Suncorp, and Perpetual also operates a wealth management business (as did Suncorp, until 31 March 2022). Ian has confirmed that as a director of Perpetual he has no involvement in, or influence over, any decisions made by Perpetual in relation to any of the above activities.
- receives a fixed post-termination benefit from his former partnership, PricewaterhouseCoopers (PwC). From time to time, Suncorp engages PwC to provide consulting services, which are not considered material in nature or quantum. Ian does not participate in any decision to engage PwC.

Duncan West:

- is a non-executive director of Challenger Limited (Challenger). As an investment manager, Challenger group companies may hold Suncorp Group Limited securities from time to time, however Challenger's current shareholding is not considered a substantial shareholding under the Corporations Act. Challenger also provides fund management services to Suncorp and operates in the wealth management sector (as did Suncorp, until 31 March 2022). Duncan has confirmed that as a director of Challenger he has no involvement in, or influence over, any decisions made by Challenger in relation to any of these activities.

<sup>1</sup> [suncorpgroup.com.au/about/committees](https://suncorpgroup.com.au/about/committees)

<sup>2</sup> [suncorpgroup.com.au/about/corporate-governance](https://suncorpgroup.com.au/about/corporate-governance)

Lindsay Tanner:

- was previously a special advisor to Lazard Australia (Lazard), until December 2021. From time to time, Suncorp engages Lazard to provide consulting services, which are not considered material in nature or quantum. Lindsay did not participate in any decision to engage Lazard, nor did he contribute toward the provision of any consulting services by Lazard to Suncorp.
- was also previously chairman and a director of Certane Group Pty Ltd (Certane), until December 2021. A wholly owned subsidiary of Certane provides trustee services to Suncorp. Lindsay has confirmed that as chairman and a director of Certane he had no involvement in, or influence over, any decisions made by Certane in relation to these trustee services.

Accordingly, the Board does not believe that the work performed by Perpetual, PwC, Challenger, Lazard or Certane affects or affected the independence of Ian, Duncan or Lindsay (as relevant).

### Managing director conflicts of interest

The Constitution, Board Charter and Suncorp Code of Conduct provide clear procedures regarding the management of actual, potential or perceived conflicts of interest.

Each director has a continuing obligation to keep the Board advised of any interest that has arisen that could potentially conflict with those of the Suncorp Group. Where a director has an actual, potential or perceived conflict in a matter being considered by the Board, the director will:

- declare that conflict of interest
- not receive the relevant Board papers
- not be present when the matter is considered during a Board or Committee meeting
- not participate in any decision on the matter,

unless the Board Chairman (or if the relevant director is the Board Chairman, either of the Board Audit or Risk Committee Chairmen) determines otherwise. However, in the case of a material personal interest, the level of involvement of the relevant director will be determined by the Board (excluding the relevant director).

The Suncorp Code of Conduct is available on the governance and policies section of our website.

### Board composition

Suncorp's Constitution and Board Charter require that the Board is comprised of a minimum of five and a maximum of 13 directors.

The composition of the Board at any time will, within the above prescribed range, also reflect the Board's:

- commitment to ensuring its directors collectively have a sufficient mix of skills, expertise and diversity required for the effective governance of Suncorp
- objective of maintaining a balance between longer-serving directors with established experience and knowledge of Suncorp's business activities, and new directors who bring fresh perspectives.

### Board skills matrix

The Board skills matrix sets out the key skills, expertise and qualities that the Board believes are necessary now and into the future, taking into account the nature of Suncorp's strategic priorities and the environment in which it operates.

The Board Nomination Committee:

- reviews the matrix categories at least annually, to ensure that they remain appropriate
- refers to the matrix when recommending new non-executive directors for appointment to the Board
- considers the matrix when identifying opportunities for directors' continuing education.

Each director undertakes an annual self-assessment against the skills matrix categories, which are then aggregated and peer-reviewed by the Board. Where a director has been rated as having a developed level of capability in a given category (being a level that can confidently be drawn upon to add to the Board's deliberations), it is reflected in the Board skills matrix.

Suncorp's 2022 Board skills matrix (as shown on the following page) demonstrates the current alignment between the Board's desired and actual range of skills and expertise.

The Board considers that:

- together, the current directors have an appropriate mix of financial services and significant other relevant experience and expertise, that enables the Board to collectively approve and oversee management's implementation of Suncorp's strategic plan
- each director demonstrates:
  - an understanding of and commitment to the highest standards of corporate governance
  - competence, diligence, integrity and sound judgement
  - that they have sufficient time available to undertake their responsibilities to Suncorp.

# The Board (continued)

## 2022 Board Skills Matrix

Category	Description	No. of directors
 <b>Risk management</b>	Risk management frameworks, setting risk appetite, building and adapting organisational risk culture, regulatory relationships, assessing the effectiveness of senior leadership.	10
 <b>Governance and compliance</b>	Implementing organisation-wide governance and compliance frameworks and sustainable practices, regulatory compliance, assessing the relevance and accuracy of measurement systems.	10
 <b>Corporate strategy</b>	Reviewing and setting organisational strategy and organic and inorganic growth opportunities.	10
 <b>Financial acumen</b>	Implementing of financial and capital management strategies, corporate finance restructuring, capital raisings within risk appetite, taxation and actuarial experience.	10
 <b>Customer outcomes</b>	Experience in developing and delivering customer strategies, meeting customer expectations and delivering the right customer outcomes.	10
 <b>Stakeholder engagement</b>	Managing relationships with key stakeholders, including shareholders, government, regulators and leading industry bodies. Influencing public policy decisions and outcomes.	10
 <b>Organisational culture</b>	Developing and sustaining the right corporate culture. Protecting and enhancing our reputation. Building stakeholder trust and confidence in an organisation. Promotion of ethical 'tone from the top'.	10
 <b>Banking</b>	Domestic and/or international experience in Banking, including the regulatory landscape for Authorised Deposit-taking Institutions.	9
 <b>General insurance</b>	Personal and commercial insurance experience, including the competitive pressures associated with non-traditional market entrants and other sources of disruption.	10
 <b>Experience across related industries</b>	Broad experience across industries related to the banking and general insurance sectors, for example insurance more generally, reinsurance, funds management, wealth, health insurance, retail stores, technology and/or industries across Suncorp's supply chain.	10
 <b>Technology, data and digital innovation</b>	Experience in leveraging the use of digital channels and technology innovation. Experience in driving strategic insights from the collection and analysis of customer data and industry statistics. Knowledge of data privacy and information security practices.	10
 <b>Leadership</b>	Experience gained while performing at a senior executive level. Driving engagement and enablement, evaluating employee and executive performance, strategic workforce planning (including change management), leading organisation change in a multi-channel business. Experience with performance assessment and feedback including driving a culture of accountability.	10
 <b>Health and safety</b>	Driving health, safety and well-being strategies, proactive identification and prevention of health and safety risks. Aware of best practice/benchmarks.	10
 <b>Remuneration</b>	Detailed executive remuneration matters (including scorecard target setting), remuneration frameworks and incentive arrangements. Understanding of the relevant legislative/contractual framework for remuneration. Experience in disciplined and fair performance assessment and associated awards.	10
 <b>Corporate emotional intelligence</b>	Personal attributes relevant to the Board environment including, communication skills, the ability to constructively challenge, championing an environment that effectively deals with complex issues and continually seeking to 'lift the bar'. Respected and liked by Board colleagues and credible with executive management.	10



## Board renewal

Where the Board has identified the need for a new director, whether as part of its skills matrix review or its ongoing succession planning, the Board Nomination Committee will assist with a candidate search and make a recommendation to the Board. An external consultant may be engaged to support the search process.

A new director is only appointed after the completion of appropriate checks, in accordance with Suncorp's Fit and Proper Policy (which in turn meets the requirements set out in APRA's Prudential Standard CPS 520 Fit and Proper, and also applies to Executive Leadership Team (ELT) appointments). Directors are formally assessed against this policy on appointment, and annually thereafter, to confirm they are of good standing, and that they possess/have maintained the necessary competence, character, diligence, experience and judgement required to fulfil their role.

Suncorp has formal letters of appointment in place with each non-executive director, which set out their appointment terms. The Group CEO has an employment contract.

Any new non-executive director that is appointed by the Board seeks election by shareholders at the AGM following their appointment (consistent with the Corporations Act and the ASX Listing Rules).

Suncorp discloses all information relevant to the election of a new non-executive director in the AGM Notice of Meeting.

Once elected, each continuing non-executive director seeks re-election by shareholders every three years at an AGM, subject to the recommendation of the Nomination Committee and support of the Board. The Board's recommendation in relation to each director seeking re-election is disclosed in the AGM Notice of Meeting.

The Board Renewal Policy is set out in the Board Charter, which is available on the governance and policies section of our website.

## Director induction and education

New non-executive directors meet with the Board Chairman, the Group CEO, members of the ELT, other relevant senior managers (including the Suncorp Group Customer Advocate) and the external auditor, to gain knowledge about Suncorp's structure, business activities, strategic priorities and key risks.

Ongoing director education is provided through regular management presentations on key business activities and issues that are topical for Suncorp, including areas that are subject to regulatory or operational change. Directors also engage with, and receive presentations from:

- employees below ELT level, to deepen their understanding of Suncorp's operations and culture
- external experts, where relevant and required.

This engagement forms part of an annual Board meeting plan and takes place during scheduled Board and Committee meetings and workshops, and site visits to Suncorp operations. The meeting plan is revised as required throughout the year, to ensure it remains adequate and relevant.

Directors are also offered access to external education and professional development training at Suncorp's expense, where it is of benefit to Suncorp and the particular director.

Directors are expected to supplement their understanding, beyond that facilitated by Suncorp, on topical issues of broader significance.

## Directors' access to information and independent advice

Directors have unrestricted access to Suncorp's internal records, to the ELT and to any other relevant senior management.

The Board collectively and each director individually, are entitled to obtain independent professional advice, if considered necessary to fulfil their duties and responsibilities. Where the advice is sought by an individual director, the Chairman's prior approval is required, and a copy of any professional advice received by the director is made available to all other Board members, except where the circumstances would make that inappropriate.

## Board performance evaluation

The Board undertakes an annual evaluation of its performance, as well as the performance of its committees and each director individually, including the Chairman. The Board and Committee Chairmen facilitate group discussions, which are generally supported by a questionnaire process, and the Chairman meets individually with each director. The Board then discusses and considers the outcomes of the evaluation and agrees any necessary recommendations. The most recent performance evaluation was undertaken in July-August 2022.

In addition, the Board periodically engages the assistance of an external consultant to facilitate the evaluation process. This most recently occurred in late 2019.

## The Board (continued)

### Board Committee composition and responsibilities

The Board has established five Board Committees to assist it in discharging its responsibilities:

- Audit Committee
- Customer Committee
- Nomination Committee
- People and Remuneration Committee
- Risk Committee.

The Board Committees are comprised of:

- non-executive directors only
- at least three members, a majority of whom must be independent
- a chairman, who must be independent. For all standing Committees other than the Nomination Committee, the Board Chairman does not serve as Committee chairman.

The Board, at the Nomination Committee's recommendation, reviews and confirms Board Committee composition annually, to ensure that each Committee has the requisite skills and expertise to remain effective in carrying out its role.

The Board may also establish other ad-hoc Board Committees as required, to deal with specific matters.

To ensure directors remain informed as to all material matters that are discussed at Board Committee meetings:

- copies of Board Committee meeting papers and minutes are provided to all directors, regardless of whether they currently serve as a member of the relevant Committee
- a written report from the Chairman of each Board Committee is submitted to the Board following the relevant Committee meeting.

A summary of each Board Committee's role, as set out in the relevant Committee Charter, follows. Each Committee regularly reviews its Charter, and any proposed enhancements are subsequently approved by the Board.

The number of Board and Board Committee meetings held during FY22 (and director attendance at those meetings) is disclosed in the Directors' Report on page 78. Committee membership details for each director are included in their biographies, which are disclosed in the Directors' Report on page 73 and on our website.

The Board Committee Charters are available on the governance and policies section of our website.

### Audit Committee

The Audit Committee supports the Board in its oversight of Suncorp's financial and operational control environment. Specific matters addressed through the year, in accordance with its Charter, include:

- overseeing the integrity of the half-year and annual financial statements prior to consideration by the Board
- overseeing compliance with all disclosure requirements associated with Suncorp's statutory and regulatory financial and taxation reporting, including Australian Accounting Standards, and APRA and the Australian Securities and Investments Commission's requirements
- reviewing related reports from management, the Appointed Actuary, and the external auditor in relation to matters impacting Suncorp's statutory and regulatory financial reporting
- reviewing the appointment, compensation, performance, effectiveness, and independence of the external and internal auditors, including:
  - oversight of annual work plans
  - reviewing the provision of non-audit services by the external auditor to ensure there is no actual or perceived impact on the external auditor's independence
  - discussions with the auditors in the absence of management
- assessing the adequacy of any actions taken by management where the internal or external auditors have identified weaknesses in controls or procedures.

### Customer Committee

The Customer Committee supports the Board in promoting its collective vision of Suncorp's customer aspirations and culture. Specific matters addressed through the year, in accordance with its Charter, include:

- monitoring Suncorp's approach to our customer aspirations, including oversight of management's customer strategy and outcomes
- monitoring and guiding management's:
  - initiatives and programs to deliver value and good outcomes for customers in the short term, and to fulfil Suncorp's customer aspirations in the longer term
  - efforts to balance the expectations of shareholders, customers, regulators, employees, and the community

<sup>1</sup> [suncorpgroup.com.au/about/committees](https://suncorpgroup.com.au/about/committees)

<sup>2</sup> [suncorpgroup.com.au/about/corporate-governance](https://suncorpgroup.com.au/about/corporate-governance)

- receiving regular reports from the Suncorp Group Customer Advocate, including in relation to the effectiveness of Suncorp's engagement with customers and their representatives.

### Nomination Committee

The Nomination Committee supports the Board in achieving the optimal composition of the Board and Board Committees, by:

- making recommendations to the Board in relation to:
  - succession planning for non-executive directors, including the consideration of potential new candidates and confirming support for the re-election of non-executive directors
  - the composition of Board Committees
- reviewing the Board skills matrix categories at least annually, to ensure that they remain appropriate
- ensuring that appropriate processes are in place to support:
  - director induction and continuing education
  - an annual review of the performance and effectiveness of the Board, its committees and individual directors.

### People and Remuneration Committee

The People and Remuneration Committee supports the Board in overseeing that Suncorp's people and remuneration frameworks support the achievement of Suncorp's strategic and cultural objectives and are fair, transparent and responsible. Specific matters addressed through the year, in accordance with its Charter, include:

- reviewing and making recommendations to the Board in relation to:
  - the remuneration arrangements and outcomes for the Group CEO, Group Executives and other Responsible Persons, with reference to their annual performance outcomes
  - the size of the annual short-term incentive and fixed pay increase pools for employees
  - consideration of the applicability of deferral, malus or clawback in relation to variable remuneration for the Group CEO, Group Executives and other Accountable Persons
  - the recruitment, retention and succession planning for senior executives, including the Group CEO and Group Executives
  - the remuneration of non-executive directors
  - measurable objectives for achieving diversity in the composition of the Board, Group Executives and employees generally
- reviewing management's implementation of organisational culture, diversity and inclusion initiatives
- reviewing management's employee engagement and talent management strategies.

### Risk Committee

The Risk Committee assists the Board with oversight across all categories of risk and risk culture. Specific matters addressed throughout the year, in accordance with its Charter, include:

- ensuring that Suncorp's risk and compliance frameworks and management policies remain appropriate to the size, business mix and complexity of Suncorp, and are consistent with Suncorp's business plan
- overseeing management's processes for the identification, assessment and management of financial and non-financial risk and compliance, in accordance with Suncorp's related policies and frameworks
- reviewing, approving and making recommendations to the Board (as appropriate) in relation to Suncorp's risk management strategies, Risk Appetite Statements (RAS), the Enterprise Risk Management Framework (ERMF) and other policies in relation to specific categories of risk
- overseeing management's implementation of the Enterprise Risk Management Framework (ERMF) and adherence to Risk Appetite Statements (RAS) and other internal risk and compliance management policies
- reviewing and considering Suncorp's risk profile, including emerging risks, and risk culture, through regular reports from management
- undertaking all risk-related activities required by APRA and other regulators.



## The Board (continued)

### Subsidiary entity governance

Suncorp is the ultimate holding company of a number of subsidiary entities, many of which hold licences issued by regulatory authorities.

The corporate governance responsibilities at the subsidiary entity level support and complement the Board's governance activities, as set out in this Statement.

The activities of each significant subsidiary company are overseen by that company's own board of directors. Board members and several of Suncorp's senior management are also directors of significant subsidiary companies.

Until 31 March 2022, the Suncorp operated a wealth business in Australia. The relevant operating entity, Suncorp Portfolio Services Limited (SPSL), was a superannuation trustee company with an independent board. For governance reasons, the Suncorp Board had a monitoring role only in relation to SPSL.

### Company Secretary

The Company Secretary provides advice and support to, and is directly accountable to, the Board through the Chairman, for all corporate governance matters relating to the Board's efficient functioning. The Company Secretary is appointed and removed by the Board, and each director can communicate directly with the Company Secretary.

Darren Solomon was appointed by the Board as Company Secretary in 2010. Darren's biographical details are disclosed in the Directors' Report on page 76.

## Suncorp's purpose, values and culture

The Board and management believe that how we achieve our purpose of 'building futures and protecting what matters' is equally as important as the results we deliver.

Suncorp has developed a set of Being @ Suncorp behaviours that provide everyone at Suncorp with clear and consistent behavioural expectations that will support the achievement of our desired culture.

Further detail about Suncorp's purpose and values, which work together with our Code of Conduct, are disclosed in our How we create value section on pages 10-11.

Suncorp's alignment of remuneration outcomes with consequence management is disclosed in the Remuneration Report on page 92. Material breaches of the Code are also reported to the Board.

### Code of Conduct

Suncorp's Code of Conduct is available on the governance and policies section of our website.

### Whistleblower protection

Suncorp supports and promotes a culture where our people feel able to report instances of wrongdoing. Suncorp's Whistleblower Policy describes additional protections and support that are provided to people in circumstances where the nature of the reportable conduct requires it.

Reportable conduct may be raised, on an anonymous basis if desired, to the:

- Suncorp Whistleblower Service (which is independently managed)
- Whistleblower Protection Officer or another nominated eligible recipient (as set out in the Policy), or
- a regulator, or in the case of reportable conduct in New Zealand, to an appropriate authority, Minister of the Crown or an Ombudsman (provided specific requirements as outlined in the *Protected Disclosures (Protection of Whistleblowers) Act 2022* are met).

A summary of incidents that are reported under the Whistleblower Policy are disclosed to the Board.

### Anti-bribery and corruption policy

Suncorp has zero tolerance for illegal activity and requires compliance with all anti-bribery and corruption laws in all markets and jurisdictions in which we operate or conduct transactions.

Suncorp's Code of Conduct and Anti-Bribery and Corruption Policy prohibits our people from:

- offering, accepting, soliciting or paying any bribe in any form (including facilitating payments)
- engaging in any form of corruption, regardless of the intended beneficiary of the activity.

Any material breaches of the Anti-Bribery and Corruption Policy would be reported to the Board. If evidence of illegality were to be identified, the matter would also be referred to the relevant law enforcement agency.

### Political engagement

Suncorp works proactively and constructively with elected representatives and officials in local, state and federal governments, to ensure reforms deliver better outcomes for our customers, shareholders and the community.

In managing our approach, Suncorp is committed to a high standard of ethics and transparency and complies with all legal obligations and disclosures. Suncorp's policy continues to prohibit direct cash donations to political parties or candidates.

<sup>1</sup> [suncorpgroup.com.au/about/corporate-governance](https://suncorpgroup.com.au/about/corporate-governance)

In Australia, Suncorp's political expenditure for FY22 was approximately \$100,000. Suncorp complies with all Federal and State disclosures and our political expenditure reflects a non-partisan approach to political engagement.

### Trading in Suncorp securities

The Corporations Act and Suncorp's Securities Trading Policy prohibit directors, executives and all employees from trading in Suncorp securities at any time while in possession of price sensitive information. In addition:

- directors and prescribed persons are prohibited from trading in Suncorp securities at certain times surrounding the release of Suncorp's half-year and full-year financial results to the ASX, and the date of the AGM
- directors and employees must not enter into a hedging transaction that is designed to limit the economic risk of a holding in Suncorp securities.

### Continuous disclosure

Suncorp's Disclosure Policy and associated procedures set out Suncorp's approach to ensure awareness and compliance with our legal continuous disclosure obligations. This includes the disclosure of required material information about Suncorp's activities in a timely and balanced manner to all market participants equally, through lodgement with the ASX.

The Group Chief Financial Officer (Group CFO) is Suncorp's Corporate Disclosure Officer. Suncorp's Disclosure Committee assists the Corporate Disclosure Officer with ensuring compliance with Suncorp's continuous disclosure obligations. The Disclosure Committee meets regularly, and is engaged between scheduled meetings as required, to consider matters that may require disclosure, and to review and approve the content of proposed material for lodgement with the ASX.

In the case of significant ASX announcements, Board engagement, or where required Board approval, is facilitated (and the Board receives copies of all such announcements).

ASX announcements that are procedural in nature are authorised for lodgement with the ASX by the Company Secretary.

The Whistleblower, Anti-Bribery and Corruption, Political Engagement, Securities Trading and Disclosure policies are available on the governance & policies section of our website.

1 [suncorpgroup.com.au/uploads/Political-Engagement-Policy-.pdf](https://suncorpgroup.com.au/uploads/Political-Engagement-Policy-.pdf)

2 [suncorpgroup.com.au/about/corporate-governance](https://suncorpgroup.com.au/about/corporate-governance)

3 [suncorpgroup.com.au/investors](https://suncorpgroup.com.au/investors)

## Shareholders

### Shareholder communication

Copies of all Suncorp ASX announcements are available to all shareholders, and other market participants and interested stakeholders, via the ASX and on our website.

In addition to the specific corporate governance-focused materials that are outlined in this Statement, Suncorp also publishes other relevant information about the Suncorp Group on our website.

We encourage Suncorp shareholders to register to receive shareholder communications electronically, by contacting our share registry, Link Market Services (Link). Link is also available to assist with other shareholder-related matters.

Further, shareholders can subscribe to receive email news updates from Suncorp. Suncorp's Investor Relations team also:

- maintains a list of Frequently Asked Questions
- provides an email address for the receipt of other questions from shareholders, on our website.

### Investor relations program

Suncorp's investor relations program enables ongoing two-way communication with institutional investors, retail shareholders, market analysts and proxy advisors.

Consistent with Suncorp's broader approach to continuous disclosure, when investor presentations are held (including those that accompany the announcement of our half-year and full-year results) the presentation materials are lodged with the ASX prior.

These materials, and access to webcast recordings, are also made available on our website.

Suncorp's practice is to implement blackout periods prior to the announcement of our half-year and full-year results, during which time Suncorp does not discuss any non-public financial performance or forecast information with market participants or other external parties.

## Engaging with our shareholders (continued)

### Annual General Meeting

The AGM is a key two-way engagement opportunity for the Suncorp Board, ELT and our shareholders, particularly our retail shareholders.

An accompanying Notice of Meeting is made available to shareholders at least 28 days prior to each AGM and clearly sets out:

- the ways in which shareholders can participate in the AGM
- the business to be considered and voted on during the AGM
- that voting on each proposed resolution is conducted by poll, rather than by a show of hands.

Suncorp provides a range of means through which shareholders can vote and ask questions, both ahead of and during the AGM, and observe the meeting proceedings. This remained the case during 2020 and 2021, when our AGMs were held entirely online, in light of the prevailing COVID-19 environment. For 2022, the Board plans to hold a hybrid AGM, subject to prevailing government advice and restrictions in relation to gatherings. For those shareholders and other interested stakeholders who are unable to participate during the live AGM, a webcast recording is made available on our website.

## Integrity of corporate reporting

### Board oversight of Suncorp's financial reporting

As set out in the Board Committee composition and responsibilities section of this Statement, the Audit Committee's role includes:

- assisting the Board in overseeing the integrity of Suncorp's financial statements and financial reporting, together with the related systems and controls that have been implemented by management
- reviewing the performance, effectiveness and independence of the external auditor.

The Board has approved an Auditor Independence Policy, which outlines the processes that are in place to ensure that Suncorp's external auditor is independent and is perceived to be independent.

The Auditor Independence Policy is appended to the Audit Committee Charter, which is available on the governance and policies section page of our website.

### External audit

KPMG is Suncorp's external auditor and acted in that role throughout FY22.

KPMG's role is to provide an independent opinion that Suncorp's financial reports are true, fair and comply with applicable accounting standards and regulations. KPMG also provides an independent opinion that Suncorp's Remuneration Report complies with the Corporations Act.

The Audit Committee meets regularly with KPMG without management being present.

KPMG's lead audit partner attends each AGM to answer questions from shareholders regarding the conduct of its audit, its audit report and independence, and the accounting policies adopted by Suncorp in preparing its financial statements.

In support of KPMG's independence for FY22, its declaration, together with details of non-audit services provided by KPMG during FY22, are included in the Directors' Report, on page 85 and page 84 respectively.

### Supporting declarations from management

In addition, and before the Board approves Suncorp's half-year or full-year financial statements, it receives a declaration from the Group CEO, Group CFO and the Group Chief Risk Officer, that states:

- in their opinion:
  - the financial records of Suncorp have been properly maintained in accordance with the Corporations Act
  - the financial statements comply with applicable accounting standards and give a true and fair view of the financial position and performance of Suncorp
- the above statements are founded on sound systems of risk management and internal control and that the systems are operating effectively in all material respects in relation to financial reporting risks.

The above declaration is supported by a broader management certification process, where other senior executives provide attestations for their respective areas of responsibility.

### Other periodic corporate reports

All Suncorp periodic corporate reports that are lodged with the ASX (including those that are not audited or reviewed by KPMG) are subject to a thorough review, verification and approval process by management.

Suncorp's Disclosure Committee reviews the content of all material documents for lodgement with the ASX. The Disclosure Committee in turn relies on a supporting verification process that involves the relevant senior management confirming that the disclosure is accurate, not misleading and is supported by appropriate source documents or personal knowledge and expertise. The verification process for this report (including this Statement) is overseen by a specific management steering committee.

<sup>1</sup> [suncorpgroup.com.au/investors/AGM](https://suncorpgroup.com.au/investors/AGM)

<sup>2</sup> [suncorpgroup.com.au/about/corporate-governance](https://suncorpgroup.com.au/about/corporate-governance)

## Risk management

### Board oversight of Suncorp's risk management framework

As set out in the Board Committee composition and responsibilities section of this Statement, the Risk Committee's role includes assisting the Board in approving and overseeing the processes used by management to identify, assess and manage risk throughout Suncorp.

The Risk Committee:

- reviews an independent report on the appropriateness, effectiveness and adequacy of Suncorp's ERMF at least every three years
- undertakes an internal review of Suncorp's ERMF regularly, including updates during FY22
- endorses for Board approval an annual declaration to APRA in relation to risk management, as required by APRA's Prudential Standard CPS 220 Risk Management.

Further information about Suncorp's approach to risk management, including the structure and objectives of the Internal Audit function, is provided in the risk management section on page 50.

### Management of environmental and social risks

Suncorp:

- is committed to building a resilient and sustainable organisation that values customer, shareholder and stakeholder outcomes
- proactively manages the material environmental and social risks and opportunities identified by Suncorp in consultation with our key stakeholders.

Further information is provided in the How we create value section on pages 10 to 50

## Remunerating fairly and responsibly

### Board oversight of Suncorp's remuneration framework

As set out in the Board Committee composition and responsibilities section of this Statement, the People and Remuneration Committee's role includes assisting the Board in ensuring that Suncorp's remuneration framework:

- is fair, transparent and responsible
- reinforces executive accountability, as expected by our shareholders, customers, employees and the wider community

- maintains an ongoing focus on the attraction, motivation and retention of key talent to deliver for our shareholders, customers and our people, taking into account the competition for skills and expertise, and talent shortages, across the financial services industry and more broadly.

Further information about Suncorp's remuneration framework, including our policies and practices for remunerating directors and senior executives, and evaluating the performance of executives, is provided in the Remuneration Report on page 94.

## Fostering diversity and inclusion

Suncorp aspires to be one of the most inclusive places to work in Australia and New Zealand by providing an open, inclusive and accessible work environment for all its people regardless of age, gender, sexuality, ability or cultural background.

The Suncorp Diversity and Inclusion Policy is available on the governance & policies section of our website.

### Gender diversity

Suncorp's commitment to gender equality is reflected in Suncorp's progress towards our gender equality goals.

Suncorp has complied with our 2022 reporting obligations under the Workplace Gender Equality Act.

### Sustainability & Diversity Committee

This year Suncorp brought together our Corporate Responsibility and Diversity Councils to form a new Sustainability & Diversity Committee. This management committee oversees the development and implementation of Suncorp's sustainability and diversity and inclusion programs of work, and is accountable for prioritising initiatives, setting targets and managing performance in line with Suncorp's strategic objectives. The combined committee streamlines governance and reporting activities and creates strong alignment of diversity as a key part of Suncorp's approach to environmental, social and governance risks and opportunities.

Further information about Suncorp's inclusion and diversity initiatives, including performance against our targets, is provided in the How we create value section on pages 26-28.

1 [suncorpgroup.com.au/about/corporate-governance](https://suncorpgroup.com.au/about/corporate-governance)

2 [suncorpgroup.com.au/uploads/2022-SGL-WGEA-Compliance-Report.pdf](https://suncorpgroup.com.au/uploads/2022-SGL-WGEA-Compliance-Report.pdf)