



Suncorp Proxy Voting Report 2019-20

Building futures and protecting what matters



Suncorp Group Limited
ABN 66 145 290 124



I am pleased to present the 2019–20 Proxy Voting Report for Suncorp Group Limited. Through our Responsible Investment Policy, we have committed to voting all eligible proxies and engaging with companies in a manner consistent with our Corporate Responsibility Principles. This report is a summary of Suncorp’s voting activity in Australia and overseas. The report is intended for investors and customers and reflects our commitment to being transparent with our stakeholders.

A handwritten signature in white ink, appearing to read "Johnston", is positioned above the name and title.

STEVE JOHNSTON
Group Chief Executive Officer and Managing Director

Our approach

This year, Suncorp voted all eligible proxy resolutions. We also undertook a continuous improvement-focused review of our Proxy Voting Principles (**the Principles**), which was approved by Suncorp's Corporate Responsibility (**CR**) Council in March 2020.

Changes to the Principles included: a stronger commitment to the importance of an independent chair; a requirement for substantive issues to be determined by a properly constituted poll and not a show of hands; an expanded definition of over-boarding to consider Chair positions held by the nominee; and support for executive remuneration to include a provision for sufficient clawback for malus and a less narrow measure of shareholder interest. A new section on Suncorp's approach to shareholder resolutions was also added.

Proxy voting principles

The Principles inform the standing orders that are provided to our appointed proxy advisor and are based on both Suncorp's corporate responsibility framework and our responsibilities to shareholders and customers:

- Vote in accordance with the long-term creation of shareholder value
- Vote to protect the rights of shareholders: one share—one vote—one dividend
- Vote to promote board structures that are independent, efficient and diverse
- Vote to promote transparency: accurate, adequate and timely disclosure
- Vote to promote good corporate citizenship, environmental and social responsibility.

Proxy voting advisor

In 2018, Suncorp appointed its proxy voting advisor and continues to retain these services. They provide Suncorp with proxy voting advice, research, market information and facilitate the voting of proxies through its voting platform. Proxies are voted according to proxy voting standing instructions tailored specifically for Suncorp and derived from the Principles and the Responsible Investment Policy. Suncorp and our appointed external investment managers review all proxies voted.

Summary

In 2019–20, Suncorp voted at 336 meetings (99.7 per cent) on 2,766 resolutions in 21 countries. The only time Suncorp did not vote (0.3 per cent) was at its own Annual General Meeting (**AGM**).

Suncorp voted on 99 per cent of resolutions, abstaining from 0.6 per cent and not voting on 0.4 per cent of resolutions. Details on Suncorp's approach to Australian and International share voting can be found on pages 4 and 5, respectively.

This was the second full year of implementation of new voting procedures following a review of our proxy voting practices in 2018.



Australian share voting - Suncorp's approach

In the past year, Suncorp voted at 207 Australian company meetings and on 1,156 individual proposals (not voting on the 11 proposals at the Suncorp AGM). Suncorp supported most management-sponsored proposals but voted against management on 89 separate resolutions – a slight decrease from 93 in 2018-19. We abstained where a Suncorp director stood for election on another board or in relation to the ratification of the placement of securities where we have participated in that placement.

Suncorp continued to vote against resolutions that seek to amend company constitutions and believes this issue is best addressed through market-wide regulatory changes that would allow non-binding shareholder resolutions while balancing the interests of all stakeholders.

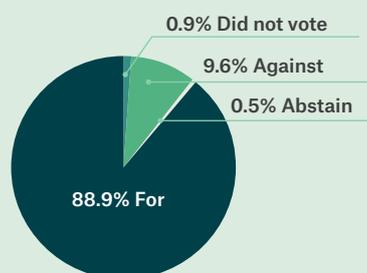
The most common reasons for voting against management were:

- election or re-election of directors
- remuneration report
- stock option grants

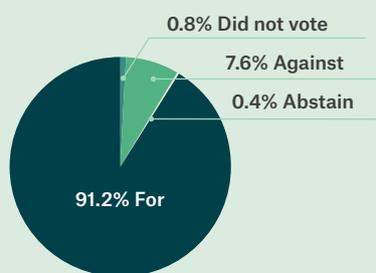
Sixty-nine women were appointed to ASX 200 boards in 2019, a decrease from 94 in 2018. Despite this, at 30 May 2020, women comprised 30.9 per cent of directorships on ASX 200 boards, up from 29.7 per cent a year ago. Suncorp votes to support gender diversity on boards. In virtually all instances, Suncorp voted against the appointment of a new male nominee director to boards without female representation. With reference to the 'two strikes' regime, Suncorp avoided protest votes on proposals ratifying remuneration reports, instead focusing on the merits of the remuneration arrangements and the degree to which they are aligned with the interests of shareholders.

2019-20 saw a general increase in shareholder activism and interest in social and environmental issues. The number of shareholder resolutions increased substantially, from 18 to 31, the highest number yet recorded. Of these, three received greater than 20 per cent support. Suncorp evaluates contingent non-binding shareholder resolutions on a case-by-case basis. Following the review of the Principles, the percentage of shareholder resolutions supported by Suncorp increased. Supported shareholder resolutions related to a range of issues including transparency in relation to climate change strategy and industry association memberships.

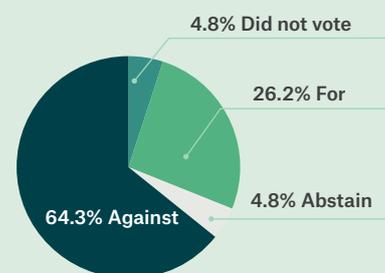
Australia - total votes



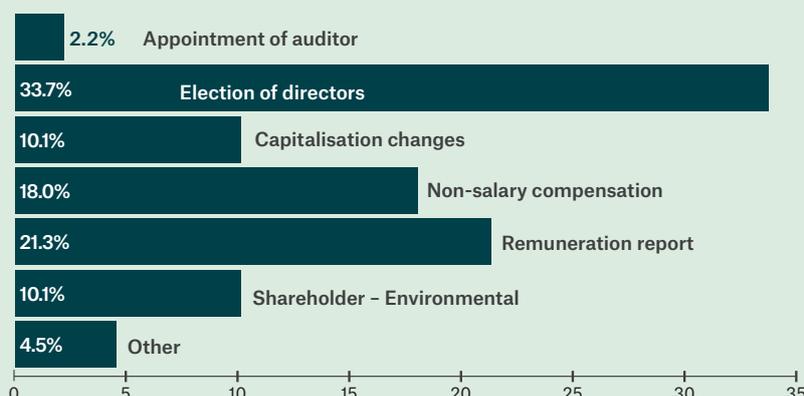
Australia - votes on management resolutions



Australian - votes on shareholder resolutions¹



Australia - votes against management²



1. Note due to rounding percentages may not add to 100% 2. Note due to rounding percentages may not add to 100%

International share voting – Suncorp’s approach

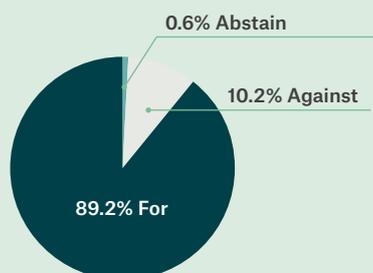
Internationally, Suncorp voted at all 129 meetings for which we had a proxy interest, voting on 1,610 individual resolutions.

Suncorp voted with management on most proposals, voting against management on 62 occasions. The most common reasons Suncorp voted against management were:

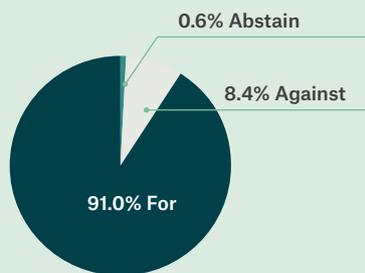
- election or re-election of directors
- remuneration report
- capitalisation changes.

As with Australian shareholder resolutions, international shareholder resolutions also covered a range of issues, with shareholder activism continuing to rise in most markets. Suncorp supported a number of shareholder resolutions across a range of issues including proposals relating to corporate governance and the principal of one share – one vote, the responsible use of data, and affirming the human rights of customers and employees.

International – total votes



International – votes on management resolutions



International – votes on shareholder resolution



International – votes against management²



1. Shareholder proposal 2. Note due to rounding percentages may not add to 100%

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