

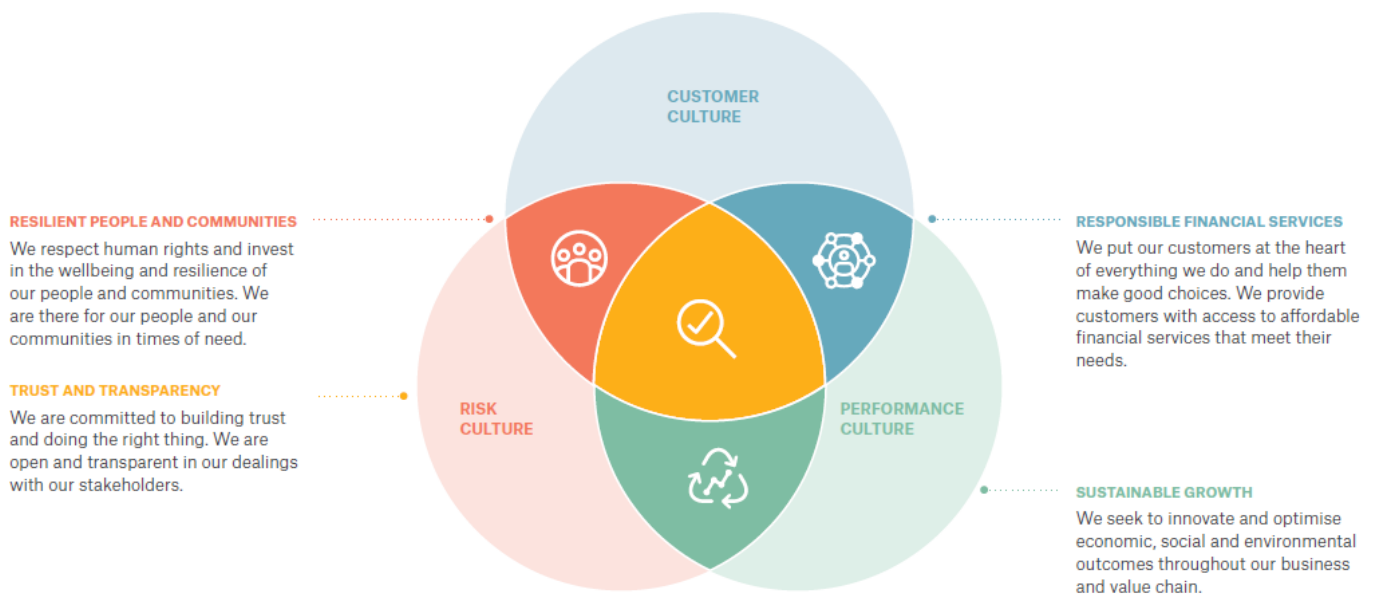
Objective

This Policy establishes Suncorp’s approach to the management of environmental, social and governance (ESG) risks and opportunities across Suncorp’s banking and wealth, and insurance businesses. It seeks to align Suncorp’s institutional conduct and business practices with positive customer, environmental and social outcomes now and into the future.

This Policy supports Suncorp’s Code of Conduct, Product & Platform Management Policy, and other Policies which govern how Suncorp engages with its customers and how relevant entities in the Group design and distribute their products and services. It aligns with Suncorp’s responsibilities to investors via Suncorp’s Responsible Investment Policy, and partners and suppliers via Suncorp’s Procurement Policy, Supplier Code of Practice and Partnering Policy.

Suncorp Corporate Responsibility Principles

This Policy is also in line with Suncorp’s Corporate Responsibility Principles: Trust and Transparency, Responsible Financial Services, Sustainable Growth, and Resilient People and Communities.



UN Principles for Responsible Banking and Principles for Sustainable Insurance

In line with Suncorp's commitment to the UN Principles for Responsible Banking¹ and the Principles for Sustainable Insurance², this Policy guides how Suncorp:

- aligns our business strategy to be consistent with and contribute to customers' needs and society's goals, as expressed in the United Nations Sustainable Development Goals, the Paris Agreement and relevant national and regional frameworks
- embeds in our decision-making environmental, social and governance issues relevant to our insurance and banking businesses
- works together with our clients and business partners to raise awareness and promote action on environmental, social and governance issues, manage risk and develop solutions
- focuses our efforts where we have the most significant impact
- demonstrates accountability and transparency in regularly disclosing our progress publicly.

Application

This Policy applies to Suncorp Group Limited, Suncorp Life Holdings Limited, AAI Limited, Suncorp Insurance Holdings Limited and Suncorp-Metway Limited. In New Zealand, this includes Asteron Life Limited, Vero Insurance New Zealand Limited and Vero Liability Insurance Limited. A reference to "Suncorp" includes both a reference to the Suncorp Group of companies and also individual entities within the Group where the context requires.

This Policy applies to all products and services provided by Suncorp direct to consumers, small-to-medium businesses, and commercial business customers. It also articulates Suncorp's expectations for distribution, sales and customer service agents, and other organisations Suncorp partners with to provide products and services on its behalf.

The Policy does not apply to:

- Procurement and supplier arrangements, which are covered by the Group Procurement Policy and Supplier Code of Practice
- Investments, which are covered by Suncorp's Responsible Investment Policy
- Statutory insurance products covered by State-based legislation and regulation (i.e. CTP and Workers' Compensation insurance)
- Business and joint venture subsidiaries of AAI Limited and Suncorp Insurance Services Limited, or joint ventures of Vero Insurance New Zealand Limited and Suncorp Group Holdings (NZ) Limited
- Business through Global Network Partners.

This Policy will begin to be integrated into Suncorp's business practices from 1 July 2019 and completed by 1 July 2021.

¹ <https://www.unepfi.org/banking/bankingprinciples/>

² <http://www.unepfi.org/psi/the-principles/>

Policy Statements

This Policy outlines Suncorp's approach to responsible business by providing clear governance for integrating ESG considerations into decision making. It requires portfolio-level assessment of ESG risks and opportunities, followed by research and engagement on identified issues drawing on industry-based ESG guidance. It then seeks to realise positive ESG impact opportunities and to address exposure to ESG risks.

1. Suncorp will integrate ESG considerations into decision making, including its banking, wealth and insurance businesses.

In managing its portfolios, products, partnerships, distribution channels, communications and customer service, Suncorp seeks to:

- build trust and be transparent with customers, regulators and other stakeholders on ESG considerations
- deliver products and services that are focused on improving customers' financial wellbeing, are fit for purpose and are delivered with reasonable care and skill
- remunerate and incentivise partners, distributors, and agents in a manner which minimises potential conflicts of interest and with the best interests of customers in mind; and will not pay conflicted remuneration or offer incentives based directly or solely on sales performance to employees
- communicate clearly and transparently with our customers when representing value and functionality
- provide access to affordable and suitable financial products and services, considering customer vulnerability, disability, language, indigeneity, gender, location and culture
- support customers in times of vulnerability or financial hardship
- respond and resolve customer issues in a timely and respectful way, and address systemic issues to prevent problems recurring, and
- build portfolios that address economic, social and environmental outcomes, and support the achievement of the United Nations Sustainable Development Goals and the Paris Agreement transition to a net-zero carbon emissions economy by 2050.

2. Suncorp will regularly assess product and portfolio ESG risks and opportunities.

Suncorp will:

- conduct a regular materiality assessment of current and emerging ESG risks and opportunities which impact customers, our community, other stakeholders and the environment
- conduct a regular assessment of portfolio-level ESG risks and opportunities, including modern slavery, vulnerable customers and communities, and climate change
- review internal practices to ensure products, partnerships, distribution channels, communications and customer service practices continue to provide value for customers, and align with customers' and stakeholders' reasonable expectations and interests and the requirements of relevant industry codes and standards, and
- set and publish targets that align business practices with and ensure our contribution to achieving the United Nations Sustainable Development Goals and the Paris Agreement.

3. Suncorp seeks to understand and address ESG risks and opportunities within portfolios through stakeholder engagement.

Suncorp will engage with:

- consumer advocacy organisations, customer representative bodies and customer-facing employees; and commercial and business customers identified in sensitive sectors where appropriate, to better understand and address customer and community expectations and any systemic ESG risks and opportunities
- industry representative bodies to influence industry policies on ESG-related topics, and
- global and local representative bodies to share knowledge, build capability and improve responsible underwriting and banking practices.

4. Suncorp seeks business opportunities that have a positive environmental or social impact.

Suncorp will seek product, service and customer opportunities that deliver business benefits and improve:

- the financial, social and natural hazard resilience of people and communities
- the economic participation of individuals, through education, employment and enterprise
- environmental sustainability and climate change mitigation, including renewable energy, and
- customers' own environmental and social impacts.

5. Suncorp may exclude doing business with organisations where the activities of that organisation are deemed to be inconsistent with Suncorp's Corporate Responsibility Principles.

Suncorp may exclude doing business with a sector or a specific organisation including when:

- doing business with the entity would lead to contravention of international treaties or conventions to which the Australian and New Zealand national governments are a signatory, including but not limited to: the United Nations Convention on Landmines; the United Nations Convention on Cluster Munitions; and the United Nations International Bill of Human Rights
- a product produced by the entity is detrimental to human health with no safe level of human use or consumption
- the entity's business is clearly inconsistent with the Paris Agreement and the transition to a global net-zero carbon economy by 2050
- the relevant Suncorp risk committee(s) and the Corporate Responsibility Council consider doing business with the entity is inconsistent with Suncorp's Corporate Responsibility Principles, Position Statements or Action Plans
- the Corporate Responsibility Council considers doing business with the entity is inappropriate to the extent it may have a negative impact on Suncorp's reputation
- exclusion is the only means to mitigate a systemic ESG risk in business portfolios, or
- engagement to mitigate or manage ESG risk has proven ineffective.

6. Suncorp will maintain robust governance and management of ESG risks and opportunities in its business practices.

- Suncorp will govern material ESG topics including its responsible business practices via senior executive committees, reporting into Suncorp's Group Chief Risk Officer and Executive Leadership Team.
- Suncorp will report on management of responsible business practices to the Suncorp Boards in Australia and New Zealand via the Board Risk Committee, the Board Customer Committee and relevant New Zealand Board Audit and Risk Committees.

7. Suncorp will be transparent through appropriate public disclosures to the extent that it is practical and commercially prudent.

Suncorp will provide appropriate transparency to stakeholders on material ESG topics including its responsible business practices. Suncorp will make a copy of this Policy publicly available, and report on responsible banking and insurance practices, including:

- governance and risk management processes
- relevant objectives, performance metrics and targets, and
- progress on initiatives associated with this Policy.

Raising concerns

Suncorp is committed to fostering a culture of honest and ethical behaviour. Suncorp recognises the importance of ensuring a safe, supportive and confidential environment where people feel confident about reporting wrongdoing and are supported and protected throughout the process. A copy of Suncorp's Whistleblower Policy including contact details for the Reporting Service are available on the [Suncorp Group website](#). Customers can raise complaints by visiting the [customer relations](#) section of Suncorp's website.