

Suncorp received nearly 40 questions from shareholders prior to and during the 2021 Suncorp Group Limited (Suncorp) Annual General Meeting (AGM).

Below is a summary of topics and responses. Please [click here](#) to view the full webcast replay of the meeting.

Financial and other reports – General Questions and Comments

Impact of COVID-19 on Suncorp's workforce and ways of working

Suncorp's flexible work culture was in place well before the pandemic and we have been so proud of the way our people have risen to the challenges brought about by COVID-19. Our teams have embraced innovative ways of working to continue supporting our customers. This includes virtual assessments and using technology to stay connected with our customers in new ways.

The pandemic has accelerated our transition to hybrid ways of working. We are seeing improvements in how we measure productivity and engagement through the combination of remote and office-based work.

We are mindful of the toll that current restrictions and remote working are taking on our people, and we are providing ongoing support to our teams to manage their wellbeing. This includes resilience webinars, coaching sessions and targeted workshops on ways to prioritise mental health and relationships with family members and teammates in lockdown. Although many of our teams are currently in lockdown, we have noticed that our leaders are making extra effort to lead and engage their teams respectfully when they work remotely.

Suncorp is moving into new Brisbane headquarters in early 2022. The new office is designed to be a workplace of the future, with smart technology embedded into the building and more collaboration spaces to allow teams to choose a workspace best suited to the project they are focused on. This building will set a new standard for post-pandemic workplaces and reduce our Brisbane CBD footprint, consolidating three offices into one.

Climate change

Accelerating our response to Climate Change

The Suncorp Board believes that climate change is one of the most material ESG issues facing Suncorp. Suncorp appreciates the need to understand and meet the increasing expectations of all of our stakeholders.

The Group has a robust response to climate change in place, integrating climate change considerations into governance, risk management and strategy processes in line with the Task Force on Climate-related Financial Disclosures framework. We are committed to reducing our greenhouse gas emissions, preparing for the physical impacts of climate change, and supporting the transition to an economy that achieves net-zero emissions by 2050.

The Board recently approved our second Climate Change Action Plan that provides a framework for us to respond to the risks and opportunities posed by the changing climate. The plan includes a commitment to accelerate our progress against our Scope 1 and Scope 2 emission reduction target of 51% by 2030. This is supported by our Renewable Energy Strategy and commitment to purchase 100% renewable electricity by 2025.

We have reduced our exposure to emissions intensive industries by strengthening our Sensitive Sector Standard that will see the Group phase out exposure to thermal coal sectors in underwriting and investments by 2025 and exposure to oil & gas in underwriting by 2025. We have also applied a shadow carbon price to manage the risk of stranded assets across our investment portfolios.

Education, lobbying and responding to climate change

At Suncorp, we believe the insurance and banking sectors are crucial to enable the global economic transition to net-zero. We are in a strong position to help educate and support our customers in the transition.

We continue to work with customers, employees and the broader community to move on this transition opportunity, while helping to strengthen customer and community resilience from the impacts of extreme weather.

Our One House project was designed to help educate our customers and other stakeholders about the need for better building codes to address the impacts of our changing climate. We experience firsthand the impact major weather events have on people. It is therefore very important to understand the extent to which we can improve the quality of homes as well as public infrastructure. This includes ensuring appropriate accessibility for all.

We will always explore innovative ways of conveying the growing cost of climate change and believe broad-based customer campaigns like One House are currently the best approach to engage our customers on these important issues.

Responsible insurance and investment

Our fossil fuel guidelines apply to businesses that are direct sources of greenhouse gas emissions. This includes thermal coal extraction and electricity generation and new or additional oil and gas exploration or production. We understand the need for an orderly transition, so we will phase out our existing exposures, which are very small, by 2025. Our insurance exposure to fossil fuels is minimal. At 30 June 2021, fossil fuel extraction and electricity generation activities were less than ~0.1% of our General Insurance GWP.

Suncorp Bank is not an institutional bank, so it does not lend to large-scale projects like new pipelines.

Managing cyber-security risk

At Suncorp, we understand the increasing need to be extremely vigilant to the risks surrounding cyber security.

We are investing in advanced data analytics and fraud detection technology. We also run education programs to support customers impacted by financial scams. Suncorp's dedicated Cyber Security team oversees security strategy and operations for the Group with regular reporting to the management team and Board.

We also partner with external organisations with specialist skills including threat intelligence and forensics, to respond effectively to changing external threat landscapes and identify the key considerations for Suncorp.

Suncorp's security strategy considers industry frameworks and regulatory requirements, and we are committed to ongoing investment in our cyber capabilities.

Investment in niche brands

As a multi-brand manager, we're focussed on ensuring there are clear value propositions for each brand and targeted investments in marketing and innovative new products. We will continue to invest strongly in niche brands, including Shannons, Apia, and Bingle.

We have seen strong growth in Shannons over the past year. We have had a very consistent, methodical approach to marketing execution, customer service and customer obsession which supports the Shannon's customer base.

We are also working to establish AAMI as our national mass market brand and continue to invest in our regional champion brand infrastructure - Suncorp in Queensland and GIO in New South Wales.

Shareholder discounts

With respect to shareholder discounts, our preference is to price our products competitively and reward our shareholders through improved profits and dividends at a company level. We believe this is in line with our track record of delivering high ordinary dividends, as well as special dividends and other forms of capital management.

We encourage customers to speak to our customer service team, or check our website to understand any product discounts which may be available.

Gender diversity

We are committed to a diverse and inclusive workforce, both in the boardroom and through our entire workforce. Our gender diversity for the Board is currently 33%, against a target, of 40%. The Board remains committed to achieving a 40% target for females on the Board.

The Board also sees it as critical to develop female talent through management ranks and to pursue our gender diversity targets at all levels of the organisation.

In 2021 Suncorp was recognised as an Employer of Choice for Gender Equality by the Workplace Gender Equality Agency for the eighth consecutive year.

Bank funding mix

The Bank has been successful in growing at-call deposits via digital channels and we expect this to continue. This has enabled Suncorp Bank to optimise its funding mix, including a managed reduction in term deposits which are a more expensive funding alternative. Our recently announced Buy Now Pay Later product is an exciting new customer proposition which we expect will improve retention and increase the stability of our at-call account balances.

We are comfortable that our approach to funding gives us the right optionality to support growth and manage risk. We have a very conservative stable funding ratio, amongst the best in the market and feel we are in a very strong and conservative position for today and into the future.

Accessibility of online AGMs

The health and safety of our shareholders and employees is our number one priority. As the year unfolded, it was necessary for us to hold our AGM virtually again this year.

This year we provided a phone line to enable shareholders to listen and ask live questions as an alternative to the internet platform which was also available. Details of how to participate by phone were included in our Notice of Meeting.

Our team has been on-hand to provide support and instructions on how shareholders can access electronic documents and best participate in this year's AGM. Paper copies of the Notice of Meeting were also provided when requested. Paper copies of other shareholder material were provided as usual when shareholders have chosen this as an option.

The role of the Bank

Suncorp Bank remains core to the Suncorp Group. The Board and management team are aligned on the objective of improving performance. The Board has endorsed a three-year plan to drive growth and to improve the cost-to-income ratio and the last 12 months is showing positive results.

The A+ rating the Bank holds whilst part of the Suncorp Group is a very valuable rating in the market for a regional bank. If the bank was demerged from the group, it would likely be rated BBB+. Funding markets do have periods of dislocation from time-to-time, and our A+ rating is an important risk consideration.

IFRS17 readiness

We are well placed to ensure compliance with IFRS 17. IFRS 17 does represent a significant development in the accounting standards for insurance. We're working through the quantitative impacts as part of the implementation.

Suncorp's ties to Queensland

Certain obligations exist for Suncorp under the Suncorp-Metway Act, including that we have our head office in Queensland and that our CEO resides in Queensland. We continue to meet these obligations.

Impact of NAB take-over of Citibank's Australian credit card business

We exited the manufacturing of our credit card business many years ago, and Citi have been our service provider of Suncorp credit cards on our behalf. Suncorp has a very strong long-term relationship with Citi and we expect to have with the acquirer of that business. Regulatory outcomes are unknown whilst this transaction is assessed.

Suncorp has no intention to move back into manufacturing credit cards. We acknowledge there's an ongoing role for them from our customers and others.

Under Clive van Horen's leadership, the Bank has launched a buy now pay later product, Pay Later. This will be enabled for Visa debit cards and will be live in the next couple of months.

Suncorp's participation in the Reserve Banks term funding facility

Participation in this scheme has been driven by encouragement from the government and regulators to ensure that we created a liquid credit environment for this very, particularly difficult period of time. We are conscious that as that facility rolls off, we need to replace that with organically generated funding sources. We also have a wide volume of access to funding, particularly from wholesale funding domestically and offshore.

Resolutions 1 and 2

Remuneration Report

Grant of performance rights to the CEO

Ratio of executive remuneration to member worker pay

Suncorp aims to provide fair and competitive pay levels to all our employees. Our People and Remuneration Committee considers a range of factors. Whilst the multiple of pay between our employees and executives is a consideration, our primary focus is to ensure that remuneration levels for each role are fair and competitive.

We consider the capability needed, the experience of executives, the accountability that executives in financial services carry and benchmarked market data. Independent benchmarking is used to decide on the appropriate level of pay to ensure that we have the most capable executives who can deliver value for our shareholders, can be attracted and retained in an incredibly competitive market.

Short-term incentives are only payable once challenging pre-agreed financial, customer, risk and people and culture measures are achieved. Long-term incentives only vest if challenging pre-agreed relative total shareholder returns and cash return on equity measures are achieved.

The multiples of pay for our executive leadership team compared to the median employee, based on FY21 pay, ranges between 10.5 times and 40 times for fixed pay plus short-term incentive.

Suncorp will consider whether there's value in disclosing these multiples in our Annual Report but given that such a decision has many complexities this will be taken to the Committee Chairman for deliberation.

Did Suncorp qualify for job keeper?

Suncorp did not receive or apply for JobKeeper

Resolutions 3A through 3A

3A Election of Mr Duncan West

3B Re-election of Ms Sylvia Falzon

3C Re-election of Ms Christine Mcloughlin

3D Re-election of Dr Douglas McTaggart

3E Re-election of Mr Lindsay Tanner

Mr Duncan West commitments and workload

Duncan is retiring from his board position with the Hollard Insurance Company today (23 September 2021), and will retire from the Lawcover board next week. Duncan assures the Board that he is committed to taking on this role has confirmed to the Board that he has sufficient time to undertake his responsibilities.

Ability to hear and debate each director re/election resolution

Because of COVID, border closures, social distancing restrictions and lockdowns, we have had to conduct our AGM in a virtual manner. We've aimed to minimise the risk of technology failure disrupting the meeting, and also to make this as efficient and as effective as we can for shareholders. I think it's obvious from the numbers of questions that have come through, pre-submitted and online, that shareholders are participating appropriately.

Board and individual members approach to ESG, leading by example (directed to Mr Tanner)

At Suncorp, we believe strongly in our purpose and living by our values.

Mr Tanner specifically commented: ESG issues are fundamental to the governance of any company, particularly a company such as Suncorp, and the often-overlooked G in the ESG of governance. That's why I'm proud to chair the Customer Committee, which is a very innovative attempt in financial services to really focus on doing the right thing by customers. I'd also note that the ESG questions that are often pursued with large companies, typically lead to some quite complex and challenging questions.

Disclosure of board election results

There is a requirement to disclose proxy votes when we disclose the outcomes of the AGM voting, and this is done after the AGM, once Link tabulates all the votes. We don't disclose the number of shareholders, consistent with requirements and prevailing practice.

Tenure limits for Board members

Suncorp does not have formal limits in place. The Board views independence, deep domain expertise, continuity of experience and corporate memory as valuable attributes to a Board in considering whether long tenure is a risk.

Questions relating to Director's other roles

Several questions were posed to Directors on their other non-Suncorp commitments. As these issues were beyond the scope of the Suncorp AGM, the Chairman chose not to answer them.