

# Suncorp Group - Climate Change 2018

## C0. Introduction

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### C0.1

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#### **(C0.1) Give a general description and introduction to your organization.**

Suncorp Group Limited is top 20 ASX listed company and a leading financial services provider with over nine million customers, employing close to 13,300 people, and \$99 billion in assets. The company delivers banking and wealth, and insurance products and services across Australia and New Zealand through brands including Suncorp, AAMI, GIO, Shannons, Vero and Apia.

The Customer Marketplace function combines our customer facing, marketing and insights teams to develop and deliver experiences and solutions that meet more of the Group's customers' needs. A new Program Excellence function has been designed and introduced to deliver Suncorp's strategy faster and more reliably by ensuring programs and investments across Suncorp focus on strategic objectives and support the sustainability of program change. Integral to meeting customer needs are three operational business units: Banking and Wealth, Insurance and Suncorp New Zealand. The Group is supported by corporate functions including Finance, Legal & Advice, Technology, Data & Labs, People Experience and Risk.

Suncorp is committed to improving business practice to optimise economic, social and environmental outcomes, as we strive to earn trust and maintain our social licence to operate.

Suncorp believes that assessing risks and opportunities, including those associated with climate change, is central to running a responsible and sustainable

company. Suncorp continues to advocate for and invest in strategies that promote natural disaster resilience. Suncorp also monitors potential regulatory and pricing responses to climate change that could impact the cost of its day-to-day operations.

Additionally, Suncorp continues to monitor and reduce carbon emissions with a view to achieving both financial and environmental benefits. Over the last five years, Suncorp has proudly achieved a reduction of approximately 50% in greenhouse gas emissions for its core operations in Australia.

## C0.2

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**(C0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Row 1	July 1 2016	June 30 2017	No	<Not Applicable>
Row 2	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Row 3	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Row 4	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

## C0.3

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**(C0.3) Select the countries/regions for which you will be supplying data.**

Australia

## C0.4

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**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

AUD

## C0.5

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**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.**

Operational control

## C1. Governance

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### C1.1

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**(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

### C1.1a

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**(C1.1a) Identify the position(s) of the individual(s) on the board with responsibility for climate-related issues.**

Position of individual(s)	Please explain
Board/Executive board	The Board is collectively responsible for approval of: • Objectives and strategies to address the environmental, social and governance (ESG) risks and opportunities for Suncorp. • New or updated policies that address ESG risks and opportunities in Suncorp’s business practices. • Measurable internal and external CR metrics, as part of a broader approach to non-financial reporting. • Items that the Corporate Responsibility (CR) Council (appointed by the Board) determine require Board approval. Suncorp’s Board oversees the management of climate change risks and opportunities through the Board Risk Committee in Australia and the Suncorp New Zealand Board Audit and Risk Committee. The Chair of the Board Risk Committee (BRC) oversees management of climate risk.
Chief Executive Officer (CEO)	Suncorp’s CEO and Managing Director, supported by Suncorp’s Chief Risk Officer and Senior Leadership Team, is accountable for Suncorp’s actions and commitments to embed climate change into risk management, business strategy, business planning, and budgeting processes and frameworks, as outlined in our Climate Change Action Plan (CCAP).
Chief Financial Officer (CFO)	Under the new CCAP, the CFO, supported by the CR Council, will oversee the development and implementation of the CCAP. The CFO provides updates to the Senior Leadership Team, Board and external stakeholders on progress achieved against actions in the Plan.
Other, please specify (Climate Change Leadership Group)	Suncorp’s Climate Change Leadership Group is responsible for delivering Suncorp’s commitments under our Climate Change Action Plan and Environmental Performance Plan and reports into Suncorp’s CR Council and Senior Leadership Team. Numerous other subject matter experts from across the organisation are engaged through specialist working groups which feed into the Climate Change Leadership Group.

**C1.1b**

**(C1.1b) Provide further details on the board’s oversight of climate-related issues.**

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Sporadic - as important matters arise	Reviewing and guiding strategy Reviewing and guiding risk management policies Reviewing and guiding annual budgets Monitoring and overseeing progress against goals and targets for addressing climate-related issues Other, please specify	Suncorp's Climate Change Action Plan includes a commitment to integrate climate change risks and opportunities into our risk management, strategy, and business planning. Supported by the Chief Risk Officer (CRO), the Board Risk Committee will oversee management of climate change risk. The BRC meets quarterly. The CEO and Managing Director, supported by the CRO, CFO, CEO Insurance, CEO Customer Marketplace, CEO Banking & Wealth, and the CEO Suncorp NZ, is responsible for embedding climate change into risk management, business strategy, business planning, and budgeting processes and frameworks. Climate change presents strategic and financial risks and opportunities for Suncorp and the community. Suncorp's Board is ultimately accountable for risk management, including climate-related risks, and promotes a risk-aware culture through the Enterprise Risk Management Framework (ERMF). The ERMF lays the foundation for all risk management and demonstrates Suncorp's commitment to effective risk management as a key element of business success.

## C1.2

**(C1.2) Below board-level, provide the highest-level management position(s) or committee(s) with responsibility for climate-related issues.**

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	Both assessing and managing climate-related risks and opportunities	Quarterly
Chief Risks Officer (CRO)	Both assessing and managing climate-related risks and opportunities	Quarterly
Risk committee	Both assessing and managing climate-related risks and opportunities	Quarterly
		More frequently than quarterly

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Corporate responsibility committee	Both assessing and managing climate-related risks and opportunities	
Business unit manager	Both assessing and managing climate-related risks and opportunities	Quarterly
Facility manager	Both assessing and managing climate-related risks and opportunities	Quarterly
Procurement manager	Both assessing and managing climate-related risks and opportunities	Quarterly
Public affairs manager	Both assessing and managing climate-related risks and opportunities	Quarterly
Risk manager	Both assessing and managing climate-related risks and opportunities	Quarterly
Chief Financial Officer (CFO)	Both assessing and managing climate-related risks and opportunities	Quarterly

## C1.2a

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**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored.**

Suncorp's Corporate Responsibility (CR) Council is a formal governance body that has responsibility for decision-making, priority-setting and driving performance in managing social and environmental risks and opportunities, including those related to climate change. The CR Council is representative of Suncorp's key functions, is comprised of Senior Executives and is chaired by the Suncorp Chief Financial Officer (CFO). The CR Council meets on a quarterly basis and is a sub-committee of Suncorp's Senior Leadership Team, which includes Suncorp's CEO and Managing Director. The CR Council oversees Suncorp's Climate Change Action Plan (CCAP) and Environmental Performance Plan (EPP) and monitors compliance with key commitments and actions.

Suncorp's CCAP forms the basis for maturing Suncorp's assessment, management and disclosure of climate change risks and opportunities using the framework published by the Task Force on Climate-related Financial Disclosures (TCFD). It demonstrates how Suncorp will work with its customers and communities to support a transition to a net-zero carbon emissions economy by 2050. The CCAP includes five commitments: 1. Strengthen our governance processes (including assessment of climate risk) 2. Reduce our environmental footprint 3. Increase community resilience 4. Accelerate emerging opportunities and climate-related innovation 5. Track and openly disclose our climate-related performance.

Implementation of the Suncorp Responsible Investment Policy is included in the CCAP. The Policy was launched in August 2017 and includes commitments to increase climate-related investment and apply a shadow carbon price in managing risk.

As outlined and publicly committed to in the CCAP, the CFO, supported by the CR Council, owns and oversees the development and implementation of the Climate Change Action Plan.

The EPP will help ensure that by creating a better today, we also create a better future by reducing our environmental footprint. Suncorp aims to track and openly disclose its environmental performance and has made the following four commitments in the EPP: 1. Reduce our environmental footprint 2. Foster innovation and partnerships 3. Engage, educate, and inspire our people 4. Track and openly disclose our performance.

The EPP outlines the intended actions for 2018-19 and complements the 2018-20 CCAP. This is a one-year plan which will be refreshed and published annually. Climate related issues are monitored quarterly through tracking and analysis of metrics related to carbon emissions, waste, electricity and water consumption, travel and other environmental impacts.

**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

No

## C2. Risks and opportunities

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### C2.1

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**(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.**

	From (years)	To (years)	Comment
Short-term	1	3	Our risk assessments have direct relevance to our business planning. These timeframes correspond to our business planning horizons. As climate change risks emerge over a longer timeframe, they are considered strategic risks as they are likely to cause structural shifts over a longer period of time.
Medium-term	3	10	
Long-term	10	30	

### C2.2

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**(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.**

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes



## C2.2a

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**(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.**

	Frequency of monitoring	How far into the future are risks considered?	Comment
Row 1	Six-monthly or more frequently	>6 years	Suncorp has a risk management framework that governs risk identification, management, control and monitoring. Suncorp policies (including supporting procedures and guidelines) are reviewed at least annually. Key risks are identified during the annual business planning process and assessed and considered at least on a quarterly basis. Suncorp's business plan includes an assessment of key risks. Suncorp works with experts including universities, reinsurance brokers and natural peril specialists to take a long-term view of pricing sufficiency. In April 2018, Suncorp's Board endorsed a CCAP. The CCAP supports the implementation of Suncorp's Responsible Investment Policy, published in August 2017, which includes commitments to increase climate-related investment and apply a shadow carbon price to manage risk. Suncorp's CCAP is available at: <a href="http://suncorpgroup.com.au/responsibility/reports">suncorpgroup.com.au/responsibility/reports</a>

## C2.2b

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**(C2.2b) Provide further details on your organization's process(es) for identifying and assessing climate-related risks.**

In line with the CCAP, over the coming two years Suncorp will increase the sophistication of its assessment, management and disclosure of climate change risks and opportunities, including the use of climate-related scenario analysis.

Through the CCAP, Suncorp has committed to the following in FY18 and FY19:

- Work with scientific experts and external partners to define and review Suncorp's technical capabilities and needs.

- Build Suncorp's technical capability to model climate change impacts, including financial impacts, under various climate change scenarios in the investment, insurance, and banking and wealth portfolios
- Establish a panel of experts to inform and advise key decision makers, including executives, employees, and teams managing climate change risks, opportunities, and disclosures.
- Identify priority areas and appropriate scenarios for the assessment of climate change transition risks and opportunities.
- Identify priority areas and appropriate scenarios for the assessment of climate change physical risks and opportunities.
- Assess the short, medium and long-term climate-related risks and opportunities in identified priority areas.
- Integrate assessment of climate change risks and opportunities into Suncorp's risk management, business strategy, and business planning processes.
- Determine modelling methodology, systems, data, and resourcing requirements.
- Work with suppliers, community organisations, industry bodies, and government to improve the environmental impact of procurement and the resilience of Suncorp's supply chain.
- Collaborate with internal and external stakeholders to factor climate change into the management of Suncorp's investment, insurance, and banking and wealth portfolios.

Through the CCAP, Suncorp has committed to the following in FY20:

- Commence modelling to assess the possible impacts of climate change risks and opportunities under different climate change scenarios (including a 2° Celsius scenario) and the resilience of Suncorp's business, strategy, and financial planning.
- Integrate outcomes of scenario analysis and assessment into Suncorp's risk management, business strategy, and business planning processes.

- Review Suncorp's technical capability to model climate change impacts, including financial impacts, under various climate change scenarios in the investment, insurance, and banking and wealth portfolios
- Review modelling methodology, systems, data, and resourcing requirements.
- Review and update scenario analysis methodology to expand applicability and increase sophistication.

## C2.2c

### (C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Suncorp has an established risk management framework that governs the identification, management, control and monitoring of risks, including risks presented by climate change. Suncorp Group policies (including supporting procedures and guidelines) are reviewed at least annually. Key risks are identified during the annual business planning process and assessed and considered at least on a quarterly basis. Suncorp's business plans include an assessment of key risks. In April 2018, Suncorp's Board endorsed a Climate Change Action Plan (CCAP). This forms the basis for the maturing of Suncorp's assessment, management, and disclosure of climate change risks and opportunities using the framework published by the Task Force on Climate-related Financial Disclosures (TCFD). In line with the CCAP, over the coming two years Suncorp will increase the sophistication of its assessment, management and disclosure of climate change risks and opportunities, including the use of climate-related scenario analysis.
Emerging regulation	Relevant, always included	Suncorp has an established risk management framework that governs the identification, management, control and monitoring of risks, including risks presented by climate change. Suncorp Group policies (including supporting procedures and guidelines) are reviewed at least annually. Key risks are identified during the annual business planning process and assessed and considered at least on a quarterly basis. Suncorp's business plans include an assessment of key risks. In April 2018, Suncorp's Board endorsed a Climate Change Action Plan (CCAP). This forms the basis for the maturing of Suncorp's assessment, management, and disclosure of climate change risks

	Relevance & inclusion	Please explain
		and opportunities using the framework published by the Task Force on Climate-related Financial Disclosures (TCFD). In line with the CCAP, over the coming two years Suncorp will increase the sophistication of its assessment, management and disclosure of climate change risks and opportunities, including the use of climate-related scenario analysis.
Technology	Relevant, always included	Suncorp has an established risk management framework that governs the identification, management, control and monitoring of risks, including risks presented by climate change. Suncorp Group policies (including supporting procedures and guidelines) are reviewed at least annually. Key risks are identified during the annual business planning process and assessed and considered at least on a quarterly basis. Suncorp's business plans include an assessment of key risks. In April 2018, Suncorp's Board endorsed a Climate Change Action Plan (CCAP). This forms the basis for the maturing of Suncorp's assessment, management, and disclosure of climate change risks and opportunities using the framework published by the Task Force on Climate-related Financial Disclosures (TCFD). In line with the CCAP, over the coming two years Suncorp will increase the sophistication of its assessment, management and disclosure of climate change risks and opportunities, including the use of climate-related scenario analysis.
Legal	Relevant, always included	Suncorp has an established risk management framework that governs the identification, management, control and monitoring of risks, including risks presented by climate change. Suncorp Group policies (including supporting procedures and guidelines) are reviewed at least annually. Key risks are identified during the annual business planning process and assessed and considered at least on a quarterly basis. Suncorp's business plans include an assessment of key risks. In April 2018, Suncorp's Board endorsed a Climate Change Action Plan (CCAP). This forms the basis for the maturing of Suncorp's assessment, management, and disclosure of climate change risks and opportunities using the framework published by the Task Force on Climate-related Financial Disclosures (TCFD). In line with the CCAP, over the coming two years Suncorp will increase the sophistication of its assessment, management and disclosure of climate change risks and opportunities, including the use of climate-related scenario analysis. Policy and legal risks associated with climate change transition are considered in Suncorp's annual risk assessment.
Market	Relevant, always included	Suncorp has an established risk management framework that governs the identification, management, control and monitoring of risks, including risks presented by climate change. Suncorp Group policies (including supporting procedures and guidelines) are reviewed at least annually. Key risks are identified during the annual business planning process and assessed and considered at least on a quarterly basis. Suncorp's business plans include an assessment of key risks. In April 2018, Suncorp's Board endorsed a Climate Change Action Plan (CCAP). This forms the basis for the maturing of Suncorp's assessment, management, and disclosure of climate change risks

	Relevance & inclusion	Please explain
		and opportunities using the framework published by the Task Force on Climate-related Financial Disclosures (TCFD). In line with the CCAP, over the coming two years Suncorp will increase the sophistication of its assessment, management and disclosure of climate change risks and opportunities, including the use of climate-related scenario analysis.
Reputation	Relevant, always included	Suncorp has an established risk management framework that governs the identification, management, control and monitoring of risks, including risks presented by climate change. Suncorp Group policies (including supporting procedures and guidelines) are reviewed at least annually. Key risks are identified during the annual business planning process and assessed and considered at least on a quarterly basis. Suncorp's business plans include an assessment of key risks. In April 2018, Suncorp's Board endorsed a Climate Change Action Plan (CCAP). This forms the basis for the maturing of Suncorp's assessment, management, and disclosure of climate change risks and opportunities using the framework published by the Task Force on Climate-related Financial Disclosures (TCFD). In line with the CCAP, over the coming two years Suncorp will increase the sophistication of its assessment, management and disclosure of climate change risks and opportunities, including the use of climate-related scenario analysis.
Acute physical	Relevant, always included	Acute physical risk (cyclone, bushfire, flooding) associated with climate change are considered in Suncorp risk assessments annually. Suncorp works with experts including universities, reinsurance providers and natural peril specialists to take a long-term view of pricing sufficiency. In line with the CCAP, over the coming two years Suncorp will increase the sophistication of its assessment, management and disclosure of climate change risks and opportunities, including the use of climate-related scenario analysis.
Chronic physical	Relevant, always included	Chronic physical risks (chronic heat waves, sea level rises) associated with climate change are considered in Suncorp risk assessments annually. Suncorp works with experts including universities, reinsurance providers and natural peril specialists to take a long-term view of pricing sufficiency. In line with the CCAP, over the coming two years Suncorp will increase the sophistication of its assessment, management and disclosure of climate change risks and opportunities, including the use of climate-related scenario analysis.
Upstream	Relevant, always included	Suncorp has an established risk management framework that governs the identification, management, control and monitoring of risks, including risks presented by climate change. Suncorp Group policies (including supporting procedures and guidelines) are reviewed at least annually. Key risks are identified during the annual business planning process and assessed and considered at least on a quarterly basis. Suncorp's business plans include an assessment of key risks. In April 2018, Suncorp's Board endorsed a Climate Change Action Plan (CCAP). This forms the basis for the maturing of Suncorp's assessment, management, and disclosure of climate change risks

	Relevance & inclusion	Please explain
		and opportunities using the framework published by the Task Force on Climate-related Financial Disclosures (TCFD). In line with the CCAP, over the coming two years Suncorp will increase the sophistication of its assessment, management and disclosure of climate change risks and opportunities, including the use of climate-related scenario analysis.
Downstream	Relevant, always included	Suncorp has an established risk management framework that governs the identification, management, control and monitoring of risks, including risks presented by climate change. Suncorp Group policies (including supporting procedures and guidelines) are reviewed at least annually. Key risks are identified during the annual business planning process and assessed and considered at least on a quarterly basis. Suncorp's business plans include an assessment of key risks. In April 2018, Suncorp's Board endorsed a Climate Change Action Plan (CCAP). This forms the basis for the maturing of Suncorp's assessment, management, and disclosure of climate change risks and opportunities using the framework published by the Task Force on Climate-related Financial Disclosures (TCFD). In line with the CCAP, over the coming two years Suncorp will increase the sophistication of its assessment, management and disclosure of climate change risks and opportunities, including the use of climate-related scenario analysis.

## C2.2d

### **(C2.2d) Describe your process(es) for managing climate-related risks and opportunities.**

Effective risk management at Suncorp is driven by: -- our Enterprise Risk Management Framework (ERMF) which ensures the business takes accountability for risk management and owns its risk decisions -- an independent risk management function that oversees and challenges the business in its risk-taking -- the monitoring of Suncorp's risk maturity and targeted actions to continually increase risk management capability, including risk management outcomes in the assessment of performance -- a clearly articulated risk appetite that is aligned to the Suncorp strategy and sets out the nature and degree of risk the Board is willing to accept in pursuit of Suncorp's business objectives. The Board is ultimately accountable for compliance management and promotes a risk-aware culture through the ERMF. The ERMF lays the foundation for our approach to risk

management and will continue to evolve with Suncorp's strategy and operating environment.

Key strategic and financial risks are identified during the annual business planning process. Where risks significantly threaten business objectives, they are identified and integrated into business plans that are reviewed at least annually by senior management and the Board.

Operational and compliance risk is tracked and monitored regularly through due diligence and risk profiling processes. The Group's Crisis Management Team assesses possible scenarios that may threaten day-to-day business operations and prepare and document crisis procedures. Risks are assessed by their level of potential impact (including financial, strategic and compliance) and likelihood. The higher the impact and the likelihood, the greater priority placed on the risk.

## C2.3

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**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

## C2.3a

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**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Risk 1

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type**

Transition risk

**Primary climate-related risk driver**

Policy and legal: Other

**Type of financial impact driver**

Other, please specify (Value of investment returns )

**Company- specific description**

The global economic and regulatory transition to a zero-carbon economy, following ratification of the 2015 UNFCCC Paris Agreement, presents both risks and opportunities.

**Time horizon**

Short-term

**Likelihood**

Virtually certain

**Magnitude of impact**

High

**Potential financial impact**

**Explanation of financial impact**

Currently being assessed. In line with the Climate Change Action Plan, over the coming two years Suncorp will increase the sophistication of its assessment, management and disclosure of climate change risks, including the use of climate-related scenario analysis.

**Management method**

Suncorp launched a Responsible Investment Policy in August 2017, and is currently examining its exposure to investments that are sensitive to climate change risk.

**Cost of management**

**Comment**

Costs are incorporated as part of commercially sensitive budgets.



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**Identifier**

Risk 2

**Where in the value chain does the risk driver occur?**

Supply chain

**Risk type**

Transition risk

**Primary climate-related risk driver**

Policy and legal: Mandates on and regulation of existing products and services

**Type of financial impact driver**

Policy and legal: Increased operating costs (e.g., higher compliance costs, increased insurance premiums)

*Increased operational cost.*

**Company- specific description**

The introduction or improvement of energy efficiency mandates for homes, commercial buildings or vehicles could increase operating costs and impact claims repair or replacement costs.

**Time horizon**

Unknown

**Likelihood**

About as likely as not

**Magnitude of impact**

Unknown

**Potential financial impact****Explanation of financial impact**

Unknown. Changes to energy efficiency regulations may have an initial cost, but could also result in longer-term savings. Improved efficiency standards for homes and vehicles may increase repair and replacement costs for assets insured by Suncorp.

### **Management method**

Suncorp factors the potential for repair and replacement changes into pricing and has dedicated teams that monitor regulatory change and engage in public policy debates on behalf of the business and customers.

### **Cost of management**

### **Comment**

Absorbing costs associated with new building or vehicle efficiency regulations is built into existing insurance claims operating budgets.

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### **Identifier**

Risk 3

### **Where in the value chain does the risk driver occur?**

Supply chain

### **Risk type**

Transition risk

### **Primary climate-related risk driver**

Policy and legal: Mandates on and regulation of existing products and services

### **Type of financial impact driver**

Policy and legal: Increased operating costs (e.g., higher compliance costs, increased insurance premiums)

### **Company- specific description**

Improvements to building standards (e.g. cyclone standards) may be escalated following severe weather events, which can impact repair costs and subsequently claims expenses.

### **Time horizon**

Short-term

### **Likelihood**

Virtually certain

### **Magnitude of impact**

Medium

## Potential financial impact

### Explanation of financial impact

Changes to regulatory instruments in response to climate change may include building codes and land-use planning processes. They are likely to have a short-term financial impact on claims expenses by increasing the cost of repair and replacement. In the long-term, these regulatory changes are likely to deliver net benefits to Suncorp as a result of more resilient housing that is less likely to be impacted by natural hazards.

### Management method

Suncorp factors the potential for building regulation changes into pricing. Suncorp has also lobbied for natural hazard disaster adaptation, including building more resilient homes in areas prone to natural hazards. It is expected that claims costs saved by having more resilient buildings will outweigh those incurred by repairing to higher standards. Suncorp's submission to the Productivity Commission Natural Disaster Funding Inquiry included economic modelling that demonstrates investing in natural disaster resilience saves the community money over the long-term.

### Cost of management

### Comment

Absorbing costs associated with new building or vehicle efficiency regulations are built into existing insurance claims operating budgets.

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### Identifier

Risk 4

### Where in the value chain does the risk driver occur?

Direct operations

### Risk type

Transition risk

### Primary climate-related risk driver

Policy and legal: Other

### Type of financial impact driver

Policy and legal: Increased operating costs (e.g., higher compliance costs, increased insurance premiums)

*Primary climate-related risk driver Policy and legal: Other Voluntary agreements*

### **Company- specific description**

The Financial Stability Board's Taskforce on Climate-related Financial Disclosures is driving increased investment in risk assessment and disclosure of the financial risks related to climate change. Voluntary environmental or climate change agreements require further reporting resources.

### **Time horizon**

Short-term

### **Likelihood**

Virtually certain

### **Magnitude of impact**

Medium-low

### **Potential financial impact**

### **Explanation of financial impact**

Unknown. Responding and reporting against additional voluntary agreements requires an increase in people and technology resources.

### **Management method**

Suncorp produces non-financial performance data annually through its Annual Review (including Corporate Responsibility information) and via the Suncorp Group website. In line with the Climate Change Action Plan, over the coming two years Suncorp will increase the sophistication of its assessment, management and disclosure of climate change risks, including the use of climate-related scenario analysis.

### **Cost of management**

### **Comment**

Non-financial reporting and website updates are resourced by Finance, Risk and Corporate Responsibility teams, and are built into existing operating budgets.

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**Identifier**

Risk 5

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type**

Transition risk

**Primary climate-related risk driver**

Policy and legal: Other

**Type of financial impact driver**

Policy and legal: Increased operating costs (e.g., higher compliance costs, increased insurance premiums)

*Primary climate-related risk driver: Policy and legal (Other): Renewable energy regulation*

**Company- specific description**

A mandated proportion of renewable energy for Suncorp to purchase may impact energy costs.

**Time horizon**

Unknown

**Likelihood**

Unlikely

**Magnitude of impact**

Low

**Potential financial impact****Explanation of financial impact**

If Suncorp were required to purchase a proportion of renewable energy, the Group's overall electricity costs may increase moderately.

**Management method**

Suncorp undertakes a number of energy efficiency initiatives and reviews its electricity pricing arrangements on an ongoing basis. In April 2018, Suncorp

published an Environmental Performance Plan which seeks to reduce carbon intensity of Suncorp's operations.

### **Cost of management**

#### **Comment**

Managing the Group's electricity arrangements is built into existing real estate budgets.

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#### **Identifier**

Risk 6

#### **Where in the value chain does the risk driver occur?**

Direct operations

#### **Risk type**

Transition risk

#### **Primary climate-related risk driver**

Policy and legal: Other

#### **Type of financial impact driver**

Policy and legal: Increased operating costs (e.g., higher compliance costs, increased insurance premiums)

*Primary climate-related risk driver: Policy and legal (Other) Changes to reinsurance market*

#### **Company- specific description**

Climate change concerns may lead reinsurers to make sudden adjustments to reinsurance premiums or apply an additional buffer. Any change to reinsurance premiums impacts Suncorp's operating costs and premium pricing.

#### **Time horizon**

Unknown

#### **Likelihood**

About as likely as not

#### **Magnitude of impact**

Medium-high

## Potential financial impact

### Explanation of financial impact

Reinsurance costs are variable and negotiable, which can put pressure on Suncorp's budgets and product pricing. Premiums are priced for a 12- month cycle, as is most reinsurance, providing the opportunity for Suncorp to adjust as appropriate.

### Management method

Suncorp has a team committed to reinsurance strategy and negotiations, which enables the Group to minimise impacts to the business and policyholders. Suncorp discloses the impacts of reinsurance costs to media, the market and the general public.

### Cost of management

### Comment

A dedicated team and current operating budgets are in place to manage reinsurance negotiations and pricing .

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## Identifier

Risk 7

## Where in the value chain does the risk driver occur?

Direct operations

## Risk type

Transition risk

## Primary climate-related risk driver

Market: Changing customer behavior

## Type of financial impact driver

Market: Reduced demand for goods and/or services due to shift in consumer preferences

## Company- specific description

Customers choose their insurance by price, features or brand affiliation. A significant change in the dynamic between these drivers and the entrance of

innovative insurance offerings may impact Suncorp's revenue and place upward pressure on premiums.

### **Time horizon**

Unknown

### **Likelihood**

About as likely as not

### **Magnitude of impact**

Medium-high

### **Potential financial impact**

### **Explanation of financial impact**

If insurance premiums trend upwards to become unaffordable, Suncorp may experience reduced revenue due to customers choosing lower levels of cover, or insuring with competitors offering cheaper policies.

### **Management method**

Suncorp has been actively promoting the link between insurance premiums and disaster resilience. The Group encourages the community to focus on risk reduction, to reduce the number of claims and stabilise insurance premium prices. Suncorp conducts regular consumer research and customer satisfaction surveys to understand how customers feel about insurance, pricing and service. This is factored into decisions about product improvements to meet present day challenges. In communications with customers, Suncorp provides a transparent view of insurance benefits and the risks associated with underinsurance or no insurance. For example, Suncorp provides a rebuilding cost calculator that is built into its quote processes. This provides customers with a simple estimate of how much it would cost to completely rebuild their property, reducing the instance of underinsurance.

### **Cost of management**

### **Comment**

Product innovation and customer communication and education is factored into existing marketing, corporate responsibility and public policy budgets.

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### **Identifier**



## Risk 8

### **Where in the value chain does the risk driver occur?**

Direct operations

### **Risk type**

Transition risk

### **Primary climate-related risk driver**

Reputation: Shifts in consumer preferences

### **Type of financial impact driver**

Reputation: Reduced revenue from decreased production capacity (e.g., delayed planning approvals, supply chain interruptions)

### **Company- specific description**

Financial service companies currently receive pressure to screen suppliers and restrict customer classes and investment opportunities to avoid any carbon intensive activity.

### **Time horizon**

Short-term

### **Likelihood**

Virtually certain

### **Magnitude of impact**

Medium

### **Potential financial impact**

### **Explanation of financial impact**

Heightened public concern regarding climate change may lead to a greater number of stakeholders placing explicit expectations on large companies to drive change, with potential customer boycotts or action.

### **Management method**

Suncorp's Climate Change Action Plan includes actions to develop and implement policies which factor climate change into the management of Suncorp's investment, insurance, and banking and wealth portfolios. Suncorp launched a Responsible Investment Policy in August 2017, and is currently

examining its exposure to investments that are sensitive to climate change risk. Suncorp launched its Supplier and Partner Code of Practice in 2018, which allows for environmental, social and governance risk assessment. Suncorp monitors and responds to stakeholder and community sentiment and is conscious of climate change concerns.

### **Cost of management**

#### **Comment**

Monitoring stakeholder and community sentiment for input into decision making is factored into operational budgets.

---

#### **Identifier**

Risk 9

#### **Where in the value chain does the risk driver occur?**

Direct operations

#### **Risk type**

Physical risk

#### **Primary climate-related risk driver**

Chronic: Other

#### **Type of financial impact driver**

Increased operating costs (e.g., inadequate water supply for hydroelectric plants or to cool nuclear and fossil fuel plants)

*Primary climate-related risk driver Chronic (Other): Uncertainty of physical risks*

#### **Company- specific description**

Suncorp provides insurance cover for a range of natural hazard risks that are influenced by climate conditions. This includes cyclones, storms, bushfire, floods and hail. Uncertainty around the frequency and intensity of extreme events as a result of climate change increases the difficulty of accurately pricing risk. It may have an impact on premium prices, claims expenses and capital requirements.

#### **Time horizon**

Unknown

**Likelihood**

About as likely as not

**Magnitude of impact**

Unknown

**Potential financial impact****Explanation of financial impact**

Pricing risk is a core capability for Suncorp with ongoing maintenance representing low budget expenditure. This expenditure may increase under a scenario of increasingly variable climate conditions.

**Management method**

Suncorp has an advanced pricing engine that incorporates risk data from multiple sources. This allows Suncorp to adapt to changing conditions quickly. Ongoing improvements to pricing capabilities ensures that risk levels are managed appropriately and changes in claim frequency or cost are quickly identified and factored into insurance premiums. Reinsurance programs are negotiated each year and reflect natural hazard experiences. In line with the Climate Change Action Plan, over the coming two years Suncorp will increase the sophistication of its assessment, management and disclosure of climate change risks, including the use of climate-related scenario analysis.

**Cost of management****Comment**

The costs associated with pricing and risk management practices are managed within commercially sensitive budgets.

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**Identifier**

Risk 10

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type**

Physical risk

**Primary climate-related risk driver**

Chronic: Changes in precipitation patterns and extreme variability in weather patterns

**Type of financial impact driver**

Increased operating costs (e.g., inadequate water supply for hydroelectric plants or to cool nuclear and fossil fuel plants)

*Change in precipitation extremes and droughts*

**Company- specific description**

Suncorp provides insurance cover against extreme weather events. Changes to the frequency or intensity of extreme weather could have financial implications for claims and reinsurance costs.

**Time horizon**

Unknown

**Likelihood**

About as likely as not

**Magnitude of impact**

Unknown

**Potential financial impact**

**Explanation of financial impact**

Suncorp's reinsurance arrangements moderate the immediate financial impacts of extreme precipitation. Long-term escalation of precipitation events would steadily increase claims and reinsurance costs.

**Management method**

Suncorp has an advanced pricing engine that incorporates risk data from multiple sources. This allows Suncorp to adapt to changing conditions quickly. Ongoing improvements to pricing capabilities ensures that risk levels are managed appropriately and changes in claim frequency or cost are quickly identified and factored into insurance premiums. Reinsurance programs are negotiated each year and reflect natural hazard experiences. To reduce the potential volatility of future natural hazards, In line with the Climate Change Action Plan, over the coming two years Suncorp will increase the sophistication of its assessment, management and disclosure of climate change risks, including the use of climate-related scenario analysis. In line with the Climate Change

Action Plan, over the coming two years Suncorp will increase the sophistication of its assessment, management and disclosure of climate change risks, including the use of climate-related scenario analysis.

### **Cost of management**

#### **Comment**

The costs associated with pricing and risk management practices are managed within commercially sensitive budgets.

---

#### **Identifier**

Risk 11

#### **Where in the value chain does the risk driver occur?**

Direct operations

#### **Risk type**

Physical risk

#### **Primary climate-related risk driver**

Chronic: Changes in precipitation patterns and extreme variability in weather patterns

#### **Type of financial impact driver**

Increased operating costs (e.g., inadequate water supply for hydroelectric plants or to cool nuclear and fossil fuel plants)

*Change in temperature extremes*

#### **Company- specific description**

Extreme heat threatens the health of people. Suncorp provides insurance cover against health and life events. This could have financial implications for claims and costs for life insurance and workers' compensation portfolios. Suncorp provides insurance cover against extreme weather events. Changes to the frequency or intensity of extreme weather could have financial implications for claims and reinsurance costs. Additionally, electricity costs associated with cooling for Suncorp offices could increase.

#### **Time horizon**

Unknown

**Likelihood**

About as likely as not

**Magnitude of impact**

Unknown

**Potential financial impact****Explanation of financial impact**

Financial implications could range from increased cooling expenses to extreme bushfire events.

**Management method**

An extreme or prolonged heat wave would be managed as other natural hazard events. Suncorp has an advanced pricing engine that incorporates risk data from multiple sources. This allows Suncorp to adapt to changing conditions quickly. Ongoing improvements to pricing capabilities ensures that risk levels are managed appropriately and changes in claim frequency or cost are quickly identified and factored into insurance premiums. Reinsurance programs are negotiated each year and reflect natural hazard experiences. In line with the Climate Change Action Plan, over the coming two years Suncorp will increase the sophistication of its assessment, management and disclosure of climate change risks, including the use of climate-related scenario analysis.

**Cost of management****Comment**

The costs associated with pricing and risk management practices are managed within commercially sensitive budgets.

---

**Identifier**

Risk 12

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type**

Physical risk

### **Primary climate-related risk driver**

Acute: Increased severity of extreme weather events such as cyclones and floods

### **Type of financial impact driver**

Increased operating costs (e.g., inadequate water supply for hydroelectric plants or to cool nuclear and fossil fuel plants)

### **Company- specific description**

Suncorp provides insurance cover against extreme weather events. Changes to the frequency or intensity of extreme weather could have financial implications for claims and reinsurance costs.

### **Time horizon**

Unknown

### **Likelihood**

About as likely as not

### **Magnitude of impact**

Unknown

### **Potential financial impact**

### **Explanation of financial impact**

Suncorp's reinsurance arrangements moderate the immediate financial impacts of tropical cyclones. Long-term escalation of cyclone events would steadily increase claims and reinsurance costs.

### **Management method**

Suncorp has an advanced pricing engine that incorporates risk data from multiple sources. This allows Suncorp to adapt to changing conditions quickly. Ongoing improvements to pricing capabilities ensures that risk levels are managed appropriately and changes in claim frequency or cost are quickly identified and factored into insurance premiums. Reinsurance programs are negotiated each year and reflect natural hazard experiences. In line with the Climate Change Action Plan, over the coming two years Suncorp will increase the sophistication of its assessment, management and disclosure of climate change risks, including the use of climate-related scenario analysis.

### **Cost of management**

### **Comment**

The costs associated with pricing and risk management practices are managed within commercially sensitive budgets.

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## **C2.4**

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**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

## **C2.4a**

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**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

### **Identifier**

Opp1

### **Where in the value chain does the opportunity occur?**

Direct operations

### **Opportunity type**

Markets

### **Primary climate-related opportunity driver**

Access to new markets

### **Type of financial impact driver**

Increased diversification of financial assets (e.g., green bonds and infrastructure)

### **Company- specific description**

The UNFCCC Paris Agreement will drive a zero-carbon economy that Suncorp has the opportunity to participate in.



**Time horizon**

Current

**Likelihood**

Virtually certain

**Magnitude of impact**

Medium-low

**Potential financial impact****Explanation of financial impact**

As the impacts associated with climate change are realised, new investment opportunities may emerge.

**Strategy to realize opportunity**

Suncorp launched a Responsible Investment Policy in August 2017, and is actively considering and investing in green bonds, listed and unlisted renewable energy infrastructure, and climate change adaptation and mitigation innovations. In line with the Climate Change Action Plan, over the coming two years Suncorp will increase the sophistication of its assessment, management and disclosure of climate change opportunities, including the use of climate-related scenario analysis.

**Cost to realize opportunity****Comment**

Costs associated with assessment of investment opportunities are factored into existing budgets.

---

**Identifier**

Opp2

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Development of climate adaptation and insurance risk solutions

### **Type of financial impact driver**

Increased revenue through new solutions to adaptation needs (e.g., insurance risk transfer products and services)

*Development of climate adaptation and insurance risk solutions Reduced operational costs*

### **Company- specific description**

Increased natural hazard activity may force improved risk management regulations including land-use planning and construction codes. Improving the resilience of buildings against natural hazard events will ultimately reduce claims costs.

### **Time horizon**

Current

### **Likelihood**

Virtually certain

### **Magnitude of impact**

Medium

### **Potential financial impact**

### **Explanation of financial impact**

Reducing construction in high-risk regions and improving building standard requirements can reduce Suncorp's claims costs and subsequently premium prices for consumers. For example, average claims costs following Cyclone Yasi in 2011 were 50% lower in Innisfail (built to modern cyclone construction standards), than nearby Tully.

### **Strategy to realize opportunity**

Suncorp assists in the design of improved building and land-use regulation wherever possible by submitting to government inquiries and responding to regulatory consultations. Through the Climate Change Action Plan, Suncorp will help increase community resilience to climate change by working with business, industry groups, communities and other stakeholders to support cross-industry collaboration. This will include engagement and advocacy for climate adaptation, resilience building and risk reduction. Suncorp launched a Responsible

Investment Policy in August 2017, and is actively considering and investing in climate change adaptation innovations. In line with the Climate Change Action Plan, over the coming two years Suncorp will increase the sophistication of its assessment, management and disclosure of climate change opportunities, including the use of climate-related scenario analysis.

### **Cost to realize opportunity**

#### **Comment**

Costs associated with advocacy and consultation with government, regulators and communities on adaptation activities are built into Suncorp's existing budgets. Costs associated with assessment of investment opportunities are factored into existing budgets.

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#### **Identifier**

Opp3

#### **Where in the value chain does the opportunity occur?**

Direct operations

#### **Opportunity type**

Products and services

#### **Primary climate-related opportunity driver**

Development and/or expansion of low emission goods and services

#### **Type of financial impact driver**

Increased revenue through demand for lower emissions products and services

#### **Company- specific description**

Future environmental regulation and/or planning presents a possibility for new products and services for consumers and commercial customers.

#### **Time horizon**

Short-term

#### **Likelihood**

Very likely

#### **Magnitude of impact**

Medium

### **Potential financial impact**

#### **Explanation of financial impact**

New products are likely to develop to meet the changing needs of consumers under climate change. This could open new markets, or grow existing financial service markets. Already, consumers are making some purchase decisions based on environmental impacts.

#### **Strategy to realize opportunity**

Suncorp's brands provide products to suit various customer needs. The Group regularly seeks customer feedback and conducts consumer research to assess gaps and opportunities in the market. Suncorp's Climate Change Action Plan includes actions to accelerate emerging opportunities and climate-related innovation – this includes exploration of opportunities to develop proposition, products and services which help customers reduce their carbon intensity, transition to a low-carbon future and/or adapt to climate change. For example, as a founding partner of Climate-KIC Australia, Suncorp is working with a range of stakeholders to bring climate change initiatives in technology, innovation and community engagement to fruition. In line with the Climate Change Action Plan, over the coming two years Suncorp will increase the sophistication of its assessment, management and disclosure of climate change opportunities, including the use of climate-related scenario analysis.

#### **Cost to realize opportunity**

#### **Comment**

Costs associated with environmental product innovation and expansion into new markets are included in existing product development budgets. All new product concepts are assessed against profitability and viability criteria.

---

#### **Identifier**

Opp4

#### **Where in the value chain does the opportunity occur?**

Direct operations

#### **Opportunity type**

Resource efficiency

**Primary climate-related opportunity driver**

Move to more efficient buildings

**Type of financial impact driver**

Reduced operating costs (e.g., through efficiency gains and cost reductions)

**Company- specific description**

The National Greenhouse and Energy Reporting (NGER) Act requires a consistent approach to the measurement of emissions and energy consumption. This enables Suncorp to accurately benchmark its emissions profile against other organisations and itself year-to-year.

**Time horizon**

Current

**Likelihood**

Virtually certain

**Magnitude of impact**

Low

**Potential financial impact**

**Explanation of financial impact**

NGER has become part of business as usual operations and provides assured emissions data that is comparable with other organisations. There is some investment in reporting and independent assurance services.

**Strategy to realize opportunity**

Data captured through the NGER process is used for other reporting, including the Annual Review. Suncorp also uses data to inform energy efficiency planning. In April 2018, Suncorp published an Environmental Performance Plan which seeks to reduce the environmental footprint of our operations, including energy efficiency.

**Cost to realize opportunity**

**Comment**

Associated costs are built into existing real estate budgets. Generally, the costs saved by being more energy efficient offset the investment in data capture and reporting capability.

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### **Identifier**

Opp5

### **Where in the value chain does the opportunity occur?**

Direct operations

### **Opportunity type**

Products and services

### **Primary climate-related opportunity driver**

Development of climate adaptation and insurance risk solutions

### **Type of financial impact driver**

Better competitive position to reflect shifting consumer preferences, resulting in increased revenues

*Premium price opportunities*

### **Company- specific description**

Changing precipitation and temperature patterns can cause difficulty in accurately forecasting flood and other events and therefore insurance premiums. Suncorp is confident in its ability to adapt to changing weather patterns through risk pricing and believe this presents a competitive advantage.

### **Time horizon**

Current

### **Likelihood**

Virtually certain

### **Magnitude of impact**

Medium-low

### **Potential financial impact**

### **Explanation of financial impact**

Suncorp aims to outpace competitor pricing and maintain market-leading pricing capability. This allows the Group to rapidly adapt to changing conditions and continue attracting low-risk customers, which increases business profitability.

### **Strategy to realize opportunity**

Suncorp has invested in a highly adaptable pricing engine that allows for rapid implementation of new pricing models. The pricing engine uses both internal and external actuarial models to calculate risk based premiums.

### **Cost to realize opportunity**

#### **Comment**

These activities are built into Suncorp's existing budgets for pricing.

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#### **Identifier**

Opp6

#### **Where in the value chain does the opportunity occur?**

Direct operations

#### **Opportunity type**

Resource efficiency

#### **Primary climate-related opportunity driver**

Other

#### **Type of financial impact driver**

Benefits to workforce management and planning (e.g., improved health and safety, employee satisfaction resulting in lower costs)

*Staff engagement, talent attraction/retention and productivity*

#### **Company- specific description**

Climate programs and initiatives can increase employee engagement which is linked to productivity improvements.

#### **Time horizon**

Short-term

#### **Likelihood**

Very likely

## **Magnitude of impact**

Low

## **Potential financial impact**

### **Explanation of financial impact**

Engaging in environmental programs can improve employee engagement which is linked to productivity and overall performance. Improved employee awareness of environmental concerns may assist in the reduction of use and waste, resulting in less spending on consumables.

### **Strategy to realize opportunity**

In April 2018, Suncorp published an Environmental Performance Plan which seeks to 'Inspire Our People' through environmental initiatives and partnerships with environmental organisations such as Green Cross and the Bushfire and Natural Hazards Cooperative Research Centre (CRC). Employees also receive one paid volunteer day each year which may be used to support environmental causes such as conservation or recycling. Suncorp's Climate Change Action Plan includes an action to explore opportunities to develop propositions, products and services which help Suncorp staff reduce their carbon intensity, transition to a low-carbon future and/or adapt to climate change.

### **Cost to realize opportunity**

### **Comment**

Employee engagement programs and product development are built into Suncorp's existing operational budgets. In 2017-18, Suncorp volunteers donated approximately \$700,000 of their time to environmental and social causes and charities.

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## **Identifier**

Opp7

## **Where in the value chain does the opportunity occur?**

Direct operations

## **Opportunity type**

Products and services



### **Primary climate-related opportunity driver**

Shift in consumer preferences

### **Type of financial impact driver**

Other, please specify (Better competitive position strong ESG)

*Better competitive position driven by strong ESG reputation among consumers to reflect shifting consumer preferences, resulting in increased revenues*

### **Company- specific description**

There is an opportunity to further build trust and transparency with stakeholders by assessing, managing and disclosing Suncorp's response to climate-related matters

### **Time horizon**

Short-term

### **Likelihood**

Likely

### **Magnitude of impact**

Medium

### **Potential financial impact**

### **Explanation of financial impact**

Improving transparency of Suncorp's corporate responsibility credentials will enhance assessment by ESG rating agencies, analysts and consumers more broadly.

### **Strategy to realize opportunity**

Suncorp conducts regular materiality assessments to help identify and prioritise the environmental, social and governance topics of most significance for Suncorp. Effectively responding to these risks and opportunities ensures the Group builds a more resilient organisation. Through the Climate Change Action Plan, Suncorp confirmed its support for the TCFD and will be reporting for the first time under the Framework in its Annual Review in August 2018.

### **Cost to realize opportunity**

### **Comment**

Monitoring stakeholder sentiment is factored into existing corporate responsibility budgets and work plans.

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## C2.5

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### (C2.5) Describe where and how the identified risks and opportunities have impacted your business.

	Impact	Description
Products and services	Not yet impacted	In line with Suncorp's Board-approved Climate Change Action Plan published in April 2018, over the coming two years Suncorp will increase the sophistication of its assessment, management and disclosure of climate change opportunities, including the use of climate-related scenario analysis. Suncorp is currently building technical capabilities to assess and manage climate risks and opportunities and increase the sophistication of Suncorp's tools and capabilities within established risk management frameworks. Suncorp will identify priority areas, appropriate physical and transition scenarios, and technical and capability needs to support future scenario analysis and modelling. This work will inform a roadmap of activity to assess short, medium and long-term climate related risks and opportunities, including the actual and potential impacts of those risks and opportunities on Suncorp's business, strategy, and financial planning.
Supply chain and/or value chain	Not yet impacted	In line with Suncorp's Board-approved Climate Change Action Plan published in April 2018, over the coming two years Suncorp will increase the sophistication of its assessment, management and disclosure of climate change opportunities, including the use of climate-related scenario analysis. Suncorp is currently building technical capabilities to assess and manage climate risks and opportunities and increase the sophistication of Suncorp's tools and capabilities within established risk management frameworks. Suncorp will identify priority areas, appropriate physical and transition scenarios, and technical and capability needs to support future scenario analysis and modelling. This work will inform a roadmap of activity to assess short, medium and long-term climate related risks and opportunities, including the actual and potential impacts of those risks and opportunities on Suncorp's business, strategy, and financial planning.
Adaptation and mitigation activities	Impacted	Mitigation: Suncorp has achieved cost savings by reduced carbon emissions, waste and travel. Adaptation: Suncorp is working to help reduce the damage cyclones can cause to houses through its Suncorp's Protecting the North program, as well as making insurance more accessible with new, innovative products and features. Suncorp is working with experts to better understand

	Impact	Description
		<p>cyclone vulnerabilities in homes to help develop a comprehensive retrofit program to strengthen older homes. Our research shows that simple, low-cost mitigation can pay for itself after just one cyclone. Nine in 10 cyclone claims involve damage that is largely preventable by proper planning. Every year in Townsville, a high-risk cyclone prone zone in north Queensland, Suncorp works closely with the Townsville City Council (TCC) and Ergon Energy to encourage residents to make their homes more cyclone resilient before cyclone season hits. To make it easier to get cyclone ready, Suncorp and its partners launched a 3x3 action plan – a simple step-by-step checklist of what to do 3 weeks, 3 days and 3 hours before a cyclone hits. And, in 2016, Suncorp and the TCC launched Cyclone Ready Streets (CRS). CRS encourages Townsville residents to get cyclone-ready in return they go into a draw to win prizes. In line with Suncorp’s Board-approved Climate Change Action Plan published in April 2018, over the coming two years Suncorp will increase the sophistication of its assessment, management and disclosure of climate change opportunities, including the use of climate-related scenario analysis. Suncorp is currently building technical capabilities to assess and manage climate risks and opportunities and increase the sophistication of Suncorp’s tools and capabilities within established risk management frameworks. Suncorp will identify priority areas, appropriate physical and transition scenarios, and technical and capability needs to support future scenario analysis and modelling. This work will inform a roadmap of activity to assess short, medium and long-term climate related risks and opportunities, including the actual and potential impacts of those risks and opportunities on Suncorp’s business, strategy, and financial planning.</p>
Investment in R&D	Impacted	<p>Suncorp has partnered with James Cook University, Urbis and Deloitte Access Economics and provided funding for further research options to retrofit buildings so they are more resilient to cyclone. Suncorp is a corporate sponsor of Risk Frontiers, a natural hazards research centre. Suncorp also sources data from Risk Frontiers, Deloitte, The Bureau of Meteorology, PSMA Australia, and other actuarial and analytical firms like Guy Carpenter and Willis to help Natural Perils pricing analysts better understand location data. Suncorp also invests time and resources into trying to better understand the physical phenomena behind natural disasters to ensure pricing models are sophisticated and accurate.</p>
Operations	Not yet impacted	<p>In line with Suncorp’s Board-approved Climate Change Action Plan published in April 2018, over the coming two years Suncorp will increase the sophistication of its assessment, management and disclosure of climate change opportunities, including the use of climate-related scenario analysis. Suncorp is currently building technical capabilities to assess and manage climate risks and opportunities and increase the sophistication of Suncorp’s tools and capabilities within established risk management frameworks. Suncorp will identify priority areas, appropriate physical and transition scenarios, and technical and capability needs to support future scenario analysis and modelling. This work will inform a roadmap of activity to assess short, medium and long-term climate related risks and opportunities, including the actual and potential impacts of</p>

	Impact	Description
		those risks and opportunities on Suncorp's business, strategy, and financial planning.
Other, please specify	Impacted	Investment: Suncorp has the potential to realise investment opportunities and investment risk reduction through application of its Responsible Investment (RI) Policy. The Policy sets out Suncorp's approach to ensuring the long-term sustainability of investment returns and the management of ESG risks and opportunities in our investment portfolios. The RI Policy gives Suncorp the mandate to begin investing in Green Bonds and other renewable energy infrastructure projects. In line with Suncorp's Board-approved Climate Change Action Plan published in April 2018, over the coming two years Suncorp will increase the sophistication of its assessment, management and disclosure of climate change opportunities, including the use of climate-related scenario analysis. Suncorp is currently building technical capabilities to assess and manage climate risks and opportunities and increase the sophistication of Suncorp's tools and capabilities within established risk management frameworks. Suncorp will identify priority areas, appropriate physical and transition scenarios, and technical and capability needs to support future scenario analysis and modelling. This work will inform a roadmap of activity to assess short, medium and long-term climate related risks and opportunities, including the actual and potential impacts of those risks and opportunities on Suncorp's business, strategy, and financial planning.

## C2.6

### (C2.6) Describe where and how the identified risks and opportunities have factored into your financial planning process.

	Relevance	Description
Revenues	Not evaluated	In line with Suncorp's Board-approved Climate Change Action Plan published in April 2018, over the coming two years Suncorp will increase the sophistication of its assessment, management and disclosure of climate change opportunities, including the use of climate-related scenario analysis. Suncorp is currently building technical capabilities to assess and manage climate risks and opportunities and increase the sophistication of Suncorp's established risk management framework. Suncorp will identify priority areas, appropriate physical and transition scenarios, and technical and capability needs to support future scenario analysis and modelling. This work will inform a roadmap of activity to assess short, medium and long-term climate related risks and opportunities, including the actual and potential impacts of those risks

	Relevance	Description
		and opportunities on Suncorp's business, strategy, and financial planning.
Operating costs	Impacted	Cost savings in real estate from real estate consolidations, less energy consumption and less air travel.
Capital expenditures / capital allocation	Impacted	ESG considerations including climate change impacts have been integrated into investment management processes including strategic asset allocation, manager selection and portfolio construction. To manage the risk of stranded assets a shadow carbon price has been factored into the analysis of investment opportunities. Under the Climate Change Action Plan we will embed climate change into Suncorp's governance processes including business strategy and business planning which is inclusive of capital allocation and expenditures (Refer CCAP Action #1.1).
Acquisitions and divestments	Impacted	As mentioned above – to manage the risk of stranded assets as we transition to a low (zero) emission economy we have incorporated a shadow carbon price into the analysis of investments. This has seen us divest from some emission intensive and exposed holdings. In terms of acquisitions we have made specific and material investment allocations to global green bonds and renewable energy infrastructure. Under the Climate Change Action Plan we will embed climate change into a strategic business planning processes including the support of climate entrepreneurship and innovation (Refer CCAP Action #4.2).
Access to capital	Not yet impacted	Like other insurance companies we note comments by the regulator APRA in relation to climate change risk and we anticipate possible changes in regulatory risk capital requirements as a result at some point in the future. We have not yet experienced changes to capital markets in terms of access or pricing as a result of climate change impacts although we note research that identifies impacts to other sectors and industries. Under the Climate Change Action Plan we will embed climate change into our governance processes including capital management (Refer CCAP Action #1.1).
Assets	Impacted	We have commenced the assessment of investment portfolios for climate change physical and transition risks. This includes participating for the first time in the 2 degrees-investing initiative™ enabling us to complete a climate change transition risk assessment of equity and credit exposures. We have commenced a project to upgrade our geospatial risk platform which enables us to assess physical risk to all assets including mortgage exposures. A requirement of this project will be the ability to augment existing risk models (cyclone, storm surge, riverine flooding etc.) with climate change scenario data.
Liabilities	Impacted for some suppliers,	Under the Climate Change Action Plan we have commenced the assessment of risk for various lines of business including our insurance underwriting exposures (refer CCAP action #1.3). As per above we have

	Relevance	Description
	facilities, or product lines	progressed an upgrade of our geospatial risk platform which enables us to assess physical risk to assets and liabilities including underwriting exposures. A requirement of this project will be the ability to augment existing risk models (cyclone, storm surge, riverine flooding etc.) with climate change scenario data. Under the Climate Change Action Plan we will improve our ability to assess and manage climate change risks (and opportunities) in all aspects of decision making including our insurance and re-insurance decisions.
Other	Please select	

### C3. Business Strategy

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#### C3.1

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**(C3.1) Are climate-related issues integrated into your business strategy?**

Yes

#### C3.1a

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**(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?**

No, but we anticipate doing so in the next two years

#### C3.1c

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**(C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.**

## 1. Risk assessment

In assessing the risks as part of the business planning process, consideration is given to those risks associated with delivering on the strategy (strategic execution risks) and those risks which are emerging (emerging strategic risks). Suncorp identifies themes of change that could disrupt or present opportunities for its businesses going forward. These themes form the basis of risk consideration at a Group and functional level and include the economic dynamics and community impacts of climate change. Climate change has been identified as an emerging strategic risk and has a compounding effect on financial risks. Potential implications and responses have been factored into current business plans where relevant across the Group. Climate change related risks are reported to the Board Risk Committee.

## 2. Increased frequency and severity of natural hazards

Natural hazard risk is a closely managed risk for the company. Insurance pricing, reinsurance and capital management are aligned to natural hazard profiles which are updated on an ongoing basis and factor in historical natural perils data. To achieve a forward-looking view, Suncorp takes mid and long-term weather forecasts into consideration. Suncorp also uses rigorous, independent, data-driven research from Asia Pacific's leading provider of risk management catastrophe modelling – Risk Frontiers – to better understand the physical phenomena behind natural hazards and natural hazard risk. Risk Frontiers is dedicated to world-class hazard and risk research. Their research draws on the expertise of their researchers which includes meteorology, seismology, volcanology, numerical hazard simulation, geo-spatial analysis and social science.

## 3. Greenhouse gas emissions

Each year, Suncorp reports greenhouse gas emissions and energy consumption in Australia, under the National Greenhouse Emissions Reporting (NGER) Act 2007. The Group has matured its reporting systems and continues to reduce emissions year-on-year. As a leading company in Australia and New Zealand, Suncorp believes

it needs to minimise the potential impacts it has on the natural environment to protect it for future generations.

#### 4. Environmental regulations, standards and reporting

Environmental regulation and compliance is monitored through the Group's internal due diligence process which is used for all laws, rules, regulations, standards and codes, internal policies and procedures. It requires management to report any breach or potential breach on a monthly basis.

#### 5. Climate Change Action Plan

In April 2018, Suncorp's Board endorsed our Climate Change Action Plan which forms the basis for Suncorp's assessment, management and disclosure of climate change risks and opportunities, and the Group's responses to them. The Plan includes an approach to understanding carbon intensity across the Suncorp value chain, and strategies to build resilience to the impacts of climate change.

Our Climate Change Action Plan commits Suncorp to embedding climate change into risk management, business strategy, business planning, and budgeting processes and frameworks.

### C3.1g

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#### **(C3.1g) Why does your organization not use climate-related scenario analysis to inform your business strategy?**

In April 2018, Suncorp's Board endorsed a Climate Change Action Plan (CCAP) which forms the basis for the maturing of Suncorp's assessment, management, and disclosure of climate change risks and opportunities using the framework published by the Financial Stability Board Task Force on Climate-related Financial



Disclosures (TCFD). The CCAP includes approaches to understanding and reducing carbon intensity across Suncorp's value chain, building community resilience to the impacts of climate change, and accelerating emerging opportunities for climate-related innovation.

In line with the CCAP, over the coming two years Suncorp will increase the sophistication of its assessment, management and disclosure of climate change risks and opportunities, including the use of climate-related scenario analysis.

Through the CCAP, Suncorp has committed to the following in FY18 and 19:

- Work with scientific experts and external partners to define and review Suncorp's technical capabilities and needs.
- Build Suncorp's technical capability to model climate change impacts, including financial impacts, under various climate change scenarios in the investment, insurance, and banking and wealth portfolios
- Establish a panel of experts to inform and advise key decision makers, including executives, employees, and teams managing climate change risks, opportunities, and disclosures.
- Identify priority areas and appropriate scenarios for the assessment of climate change transition risks and opportunities.
- Identify priority areas and appropriate scenarios for the assessment of climate change physical risks and opportunities.
- Assess the short, medium, and long term climate-related risks and opportunities in identified priority areas.
- Integrate assessment of climate change risks and opportunities into Suncorp's risk management, business strategy, and business planning processes.
- Determine modelling methodology, systems, data, and resourcing requirements.
- Integrate outcomes of scenario analysis and assessment into Suncorp's risk management, business strategy, and business planning processes.

- Work with suppliers, community organisations, industry bodies, and government to improve the environmental impact of procurement and the resilience of Suncorp's supply chain.
- Collaborate with internal and external stakeholders to factor climate change into the management of Suncorp's investment, insurance, and banking and wealth portfolios.

Through the CCAP, Suncorp has committed to the following in FY20:

- Commence modelling to assess the possible impacts of climate change risks and opportunities under different climate change scenarios (including a 2° Celsius scenario) and the resilience of Suncorp's business, strategy, and financial planning.
- Integrate outcomes of scenario analysis and assessment into Suncorp's risk management, business strategy, and business planning processes.
- Review Suncorp's technical capability to model climate change impacts, including financial impacts, under various climate change scenarios in the investment, insurance, and banking and wealth portfolios
- Review modelling methodology, systems, data, and resourcing requirements.
- Review and update scenario analysis methodology to expand applicability and increase sophistication.

## C4. Targets and performance

---

### C4.1

---

**(C4.1) Did you have an emissions target that was active in the reporting year?**

No target

## C4.1c

---

**(C4.1c) Explain why you do not have emissions target and forecast how your emissions will change over the next five years.**

	Primary reason	Five-year forecast	Please explain
Row 1	We are planning to introduce a target in the next two years	Suncorp has changed the boundaries of its reporting in 2016-17 to include emissions from Suncorp Insurance Ventures (SIV), which includes Capital SMART, ACM Parts and Home Repair and in 2017-18 to include emissions from New Zealand. This may lead to an increase in emissions and will reset the baseline for future targets to be set against. Over the next five years, Suncorp expects to continue to reduce Scope 2 emissions within the core Australian business through consolidation of the real estate footprint. The core Australian operations are expected to reduce Scope 1 emissions through a 'greening the fleet strategy' incorporating improved fuel efficiency of fleet vehicles, a reduction in the overall number of fleet vehicles and the introduction of telematics, which may reduce fuel consumption through improved driver behaviour. An Environmental Performance Plan (EPP) has been published outlining Suncorp's plan to further reduce environmental impacts resulting from operations. The EPP will be reviewed and updated annually.	(i) Suncorp has published our CCAP which includes a commitment to set and publish targets to reduce Scope 1 and Scope 2 GHG emissions by August 2019. (ii) Suncorp continues to mature its data management systems and processes, which enable the Group to accurately measure its environmental impacts and understand where emissions are generated. Suncorp has implemented initial improvements and has a pipeline of other initiatives that will further reduce its environmental impacts.

## C4.2

---

**(C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.**

## C4.3

---

**(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

### C4.3a

---

**(C4.3a) Identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	7	
To be implemented*	4	847.48
Implementation commenced*	4	1610.4
Implemented*	7	3866
Not to be implemented	2	0

### C4.3b

---

**(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.**

**Activity type**

Other, please specify (Real Estate Consolidation)

**Description of activity**

<Not Applicable>

**Estimated annual CO2e savings (metric tonnes CO2e)**

2596

**Scope**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in CC0.4)**

545000

**Investment required (unit currency – as specified in CC0.4)**

0

**Payback period**

<1 year

**Estimated lifetime of the initiative**

Ongoing

**Comment**

Site consolidation

---

**Activity type**

Energy efficiency: Processes

**Description of activity**

Cooling technology

**Estimated annual CO2e savings (metric tonnes CO2e)**

48

**Scope**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in CC0.4)**

10000

**Investment required (unit currency – as specified in CC0.4)**

20000

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

1-2 years

**Comment**

Layout changes to optimise cooling

---

**Activity type**

Energy efficiency: Processes

**Description of activity**

Cooling technology

**Estimated annual CO2e savings (metric tonnes CO2e)**

122

**Scope**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in CC0.4)**

27000

**Investment required (unit currency – as specified in CC0.4)**

50000

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

3-5 years

**Comment**

Layout changes to optimise cooling

---

**Activity type**

Energy efficiency: Building services

**Description of activity**

Building controls

**Estimated annual CO2e savings (metric tonnes CO2e)**

176

**Scope**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in CC0.4)**

38000

**Investment required (unit currency – as specified in CC0.4)**

120000

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

3-5 years

**Comment**

Lighting controls

---

**Activity type**

Energy efficiency: Building services

**Description of activity**

Other, please specify (Changes in Operations)

**Estimated annual CO2e savings (metric tonnes CO2e)**

173

**Scope**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in CC0.4)**

38000

**Investment required (unit currency – as specified in CC0.4)**

3000

**Payback period**

<1 year

**Estimated lifetime of the initiative**

<1 year

**Comment**

BMS optimisation to suit after hours work teams

---

**Activity type**

Energy efficiency: Building services

**Description of activity**

Lighting

**Estimated annual CO2e savings (metric tonnes CO2e)**

26

**Scope**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in CC0.4)**

20000

**Investment required (unit currency – as specified in CC0.4)**

52700

**Payback period**

1-3 years



**Estimated lifetime of the initiative**

6-10 years

**Comment**

LED lighting

---

**Activity type**

Process emissions reductions

**Description of activity**

Changes in operations

**Estimated annual CO2e savings (metric tonnes CO2e)**

725

**Scope**

Scope 1

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in CC0.4)**

150000

**Investment required (unit currency – as specified in CC0.4)**

0

**Payback period**

<1 year

**Estimated lifetime of the initiative**

1-2 years

**Comment**

Greening Fleet project

---

**(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

<b>Method</b>	<b>Comment</b>
Compliance with regulatory requirements/standards	Building Code Australia determines the minimum standards required to be updated in building fit-out designs
Employee engagement	Flexible working practices are being supported by leaders across the organisation to improve productivity and reduce Suncorp's environmental footprint. Learning tools are made available via building specific guides, online training and orientation and induction workshops.
Financial optimization calculations	Suncorp's environmental data management software tracks building energy usage patterns and captures inefficiencies. Analysis and recommendations for improved performance are presented through a business case model inclusive of ROI.

**C4.5**

---

**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?**

Yes

**C4.5a**

---

**(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.**

**Level of aggregation**

Product

**Description of product/Group of products**

Home insurance benefits

**Are these low-carbon product(s) or do they enable avoided emissions?**

Avoided emissions

## Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Please select

### % revenue from low carbon product(s) in the reporting year

#### Comment

1. Suncorp will provide cover for costs associated with the purchase and installation of environmental improvements at the insured address such as a rainwater tank, solar system or compost equipment when all of the following apply: (i) Suncorp has accepted a claim for an insured event that has caused loss or damage worth more than 80% of the sum insured; and (ii) the home does not already have the relevant environmental equipment; and (iii) Suncorp is authorising or arranging the repairs to the home; and (iv) the customer has sought Suncorp's agreement prior to purchasing or installing the relevant environmental equipment. 2. When Suncorp has accepted a claim for loss or damage to a home, if any alternative green energy generation equipment was lost or damaged by the same insured event and is unable to supply power, Suncorp will cover: (i) any additional electricity costs incurred as a result of green energy generation equipment being unable to supply power, where a customer is living in their home; or (ii) their electricity bill during the time they are in temporary accommodation. 3. Damaged refrigerators, freezers, dishwashers, air conditioners, washing machines and dryers are replaced with minimum three star energy rated goods.

---

## C5. Emissions methodology

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### C5.1

---

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

#### Scope 1

**Base year start**

July 1 2009

**Base year end**

June 30 2010

**Base year emissions (metric tons CO2e)**

7140

**Comment**

**Scope 2 (location-based)**

**Base year start**

July 1 2009

**Base year end**

June 30 2010

**Base year emissions (metric tons CO2e)**

71619

**Comment**

**Scope 2 (market-based)**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**C5.2**

---

**(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.**

Australia - National Greenhouse and Energy Reporting Act

## C6. Emissions data

---

### C6.1

---

**(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?**

**Row 1**

**Gross global Scope 1 emissions (metric tons CO2e)**

7073

**End-year of reporting period**

<Not Applicable>

**Comment**

Inclusion of Suncorp Insurance Ventures within operational control for the 2016-17 financial year. This includes Capital SMART, ACM Parts and HomeRepair. Scope 1 emissions (Australian core operations): 4,503 (metric tons CO2e) Scope 1 emissions (Suncorp Insurance Ventures): 2,570 (metric tons CO2e)

### C6.2

---

**(C6.2) Describe your organization's approach to reporting Scope 2 emissions.**

**Row 1**

**Scope 2, location-based**

We are reporting a Scope 2, location-based figure

**Scope 2, market-based**

**Comment**

## C6.3

---

**(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?**

### Row 1

**Scope 2, location-based**

34575

**Scope 2, market-based (if applicable)**

<Not Applicable>

**End-year of reporting period**

<Not Applicable>

**Comment**

Inclusion of Suncorp Insurance Ventures within operational control for 2016-17 financial year. This includes Capital SMART, ACM Parts and HomeRepair. Scope 2 emissions (Australian core operations): 25,533 (metric tons CO2e) Scope 2 emissions (Suncorp Insurance Ventures): 9,042 (metrics tons CO2e)

## C6.4

---

**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**

Yes

## C6.4a

---

**(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.**

**Source**

New Zealand

**Relevance of Scope 1 emissions from this source**

Emissions are not evaluated

**Relevance of location-based Scope 2 emissions from this source**

Emissions are not evaluated

**Relevance of market-based Scope 2 emissions from this source (if applicable)**

Emissions are not evaluated

**Explain why the source is excluded**

Suncorp is assessing the Scope 1 and 2 emissions of its Australian businesses as a starting point and will integrate New Zealand into the process in the next reporting year. New Zealand operations have recently been consolidated and have a limited building footprint and therefore a limited emissions profile.

---

**C6.5**

---

**(C6.5) Account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.**

**Purchased goods and services**

**Evaluation status**

Not evaluated

**Metric tonnes CO2e**

**Emissions calculation methodology**

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

## Explanation

### Capital goods

#### Evaluation status

Not evaluated

#### Metric tonnes CO2e

#### Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

## Explanation

### Fuel-and-energy-related activities (not included in Scope 1 or 2)

#### Evaluation status

Relevant, not yet calculated

#### Metric tonnes CO2e

#### Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

## Explanation

### Upstream transportation and distribution

#### Evaluation status

Not evaluated

#### Metric tonnes CO2e

#### Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

## Explanation



## Waste generated in operations

### Evaluation status

Relevant, not yet calculated

### Metric tonnes CO2e

### Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

### Explanation

## Business travel

### Evaluation status

Relevant, not yet calculated

### Metric tonnes CO2e

### Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

### Explanation

## Employee commuting

### Evaluation status

Not evaluated

### Metric tonnes CO2e

### Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

### Explanation

## Upstream leased assets

**Evaluation status**

Not evaluated

**Metric tonnes CO2e****Emissions calculation methodology**

Percentage of emissions calculated using data obtained from suppliers or value chain partners

**Explanation****Downstream transportation and distribution****Evaluation status**

Not evaluated

**Metric tonnes CO2e****Emissions calculation methodology**

Percentage of emissions calculated using data obtained from suppliers or value chain partners

**Explanation****Processing of sold products****Evaluation status**

Not evaluated

**Metric tonnes CO2e****Emissions calculation methodology**

Percentage of emissions calculated using data obtained from suppliers or value chain partners

**Explanation****Use of sold products****Evaluation status**

Not evaluated

**Metric tonnes CO2e**

**Emissions calculation methodology**

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

**Explanation**

**End of life treatment of sold products**

**Evaluation status**

Not evaluated

**Metric tonnes CO2e**

**Emissions calculation methodology**

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

**Explanation**

**Downstream leased assets**

**Evaluation status**

Not evaluated

**Metric tonnes CO2e**

**Emissions calculation methodology**

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

**Explanation**

**Franchises**

**Evaluation status**

Not evaluated

**Metric tonnes CO2e**

## Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

## Investments

### Evaluation status

Not evaluated

### Metric tonnes CO2e

## Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

## Other (upstream)

### Evaluation status

Not evaluated

### Metric tonnes CO2e

## Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

## Other (downstream)

### Evaluation status

Not evaluated

### Metric tonnes CO2e

## Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

C6.7

---

(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

C6.10

---

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO<sub>2</sub>e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

**Intensity figure**

0.000002834

**Metric numerator (Gross global combined Scope 1 and 2 emissions)**

41648

**Metric denominator**

unit total revenue

*Excludes revenue from Suncorp New Zealand.*

**Metric denominator: Unit total**

14698000000

**Scope 2 figure used**

Location-based

**% change from previous year**

### Direction of change

<Not Applicable>

### Reason for change

Suncorp Insurance Ventures (Capital SMART, ACM Parts, HomeRepair) included within operational control for the first time in 2016-17 financial year.

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## C7. Emissions breakdowns

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### C7.1

---

**(C7.1) Does your organization have greenhouse gas emissions other than carbon dioxide?**

Yes

### C7.1a

---

**(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).**

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	6996	Other, please specify (National Greenhouse and Energy Reporting)
CH4	5	Other, please specify (National Greenhouse and Energy Reporting)
N2O	25	Other, please specify (National Greenhouse and Energy Reporting)
HFCs	47	Other, please specify (National Greenhouse and Energy Reporting)

## C7.2

---

**(C7.2) Break down your total gross global Scope 1 emissions by country/region.**

Country/Region	Scope 1 emissions (metric tons CO2e)
Australia <i>Scope 1 emissions for Australian core operations.</i>	4503
Australia <i>Scope 1 emissions for Suncorp Insurance Ventures (Capital SMART, ACM Parts, HomeRepair).</i>	2570

## C7.3

---

**(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.**

By business division

By activity

### C7.3a

---

**(C7.3a) Break down your total gross global Scope 1 emissions by business division.**

Business division	Scope 1 emissions (metric ton CO2e)
Suncorp Corporate Services Pty Ltd	4502
Suncorp Metway Ltd	1
Suncorp Insurance Holdings Limited (includes Suncorp Insurance Ventures – SIV)	2570

## C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Suncorp Corporate Services - Banking	1542
Suncorp Corporate Services - Insurance	2960
Suncorp-Metway Ltd	1
ACM Parts	859
Capital S.M.A.R.T. Repairs Australia	1536
Home Repair.net.au	175

## C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
Australia <i>Scope 2 emissions for Australian core operations.</i>	25533	0		0
Australia <i>Scope 2 emissions for Suncorp Insurance Ventures (Capital SMART, ACM Parts, HomeRepair).</i>	9042	0		



## C7.6

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**(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.**

By business division

By activity

## C7.6a

---

**(C7.6a) Break down your total gross global Scope 2 emissions by business division.**

Business division	Scope 2, location-based emissions (metric tons CO2e)	Scope 2, market-based emissions (metric tons CO2e)
Suncorp Insurance Holdings Limited (includes Suncorp Insurance Ventures – SIV)	10110	
Suncorp Corporate Services Pty Ltd	16298	
Suncorp-Metway Ltd	8167	

## C7.6c

---

**(C7.6c) Break down your total gross global Scope 2 emissions by business activity.**

Activity	Scope 2, location-based emissions (metric tons CO2e)	Scope 2, market-based emissions (metric tons CO2e)
Suncorp Corporate Services - Banking	8256	
Suncorp Corporate Services - Insurance	8042	

Activity	Scope 2, location-based emissions (metric tons CO2e)	Scope 2, market-based emissions (metric tons CO2e)
AAI Limited (Australian Associated Motor Insurers Pty Limited)	1068	
Suncorp-Metway Limited	8167	
ACM Parts	764	
Capital S.M.A.R.T. Repairs Australia	8178	
Home Repair.net.au	100	

## C7.9

**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Increased

## C7.9a

**(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.**

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption		<Not Applicable>		
Other emissions reduction activities	1270	Decreased	3.8	Data centre energy efficiency improvements, vehicle fleet efficiency, LED lighting upgrades and BMS improvements
Divestment		<Not Applicable>		

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology		<Not Applicable>		
Change in boundary	11620	Increased	34.8	Inclusion of Suncorp Insurance Ventures for 2016-17 financial year.
Change in physical operating conditions	2596	Decreased	7.8	Real Estate site consolidations.
Unidentified	467	Increased	1.4	
Other		<Not Applicable>		

## C7.9b

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**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Location-based

## C8. Energy

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## C8.1

---

**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 0% but less than or equal to 5%

## C8.2

---

**(C8.2) Select which energy-related activities your organization has undertaken.**

	Indicate whether your organization undertakes this energy-related activity
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

## C8.2a

---

**(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	229.3	22031.46	22260.76
Consumption of purchased or acquired electricity	<Not Applicable>		41294.79	41294.79
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>			

## C8.2b

---

**(C8.2b) Select the applications of your organization's consumption of fuel.**

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

## C8.2c

---

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

**Fuels (excluding feedstocks)**

Acetylene

**Heating value**

Please select

**Total fuel MWh consumed by the organization**

1.31

**MWh fuel consumed for the self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

---

**Fuels (excluding feedstocks)**

Diesel

**Heating value**

Please select

**Total fuel MWh consumed by the organization**

5595.04

**MWh fuel consumed for the self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

---

**Fuels (excluding feedstocks)**

Motor Gasoline

**Heating value**

Please select

**Total fuel MWh consumed by the organization**

16436.42

**MWh fuel consumed for the self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

---

**Fuels (excluding feedstocks)**

Liquefied Petroleum Gas (LPG)

**Heating value**

Please select

**Total fuel MWh consumed by the organization**

182.58

**MWh fuel consumed for the self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

---

**Fuels (excluding feedstocks)**

Natural Gas

**Heating value**

Please select

**Total fuel MWh consumed by the organization**

2666.08

**MWh fuel consumed for the self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

---



**Fuels (excluding feedstocks)**

Ethane

**Heating value**

Please select

**Total fuel MWh consumed by the organization**

229.3

**MWh fuel consumed for the self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

---

**Fuels (excluding feedstocks)**

Distillate Oil

**Heating value**

Please select

**Total fuel MWh consumed by the organization**

1.25

**MWh fuel consumed for the self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

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**C8.2d**

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**(C8.2d) List the average emission factors of the fuels reported in C8.2c.**

**Acetylene**

**Emission factor**

51.5

**Unit**

kg CO2e per GJ

**Emission factor source**

National Greenhouse Accounts (NGA) Factor - August 2016

**Comment**

**Diesel**

**Emission factor**

70.5

**Unit**

kg CO2e per GJ

**Emission factor source**

National Greenhouse Accounts (NGA) Factors – August 2016

**Comment**

**Distillate Oil**

**Emission factor**

13.9

**Unit**

kg CO<sub>2</sub>e per GJ

**Emission factor source**

National Greenhouse Accounts (NGA) Factors – August 2016

**Comment****Ethane****Emission factor**

0.4

**Unit**

kg CO<sub>2</sub>e per GJ

**Emission factor source**

National Greenhouse Accounts (NGA) Factors – August 2016

**Comment****Liquefied Petroleum Gas (LPG)****Emission factor**

60.6

**Unit**

kg CO<sub>2</sub>e per GJ

**Emission factor source**

National Greenhouse Accounts (NGA) Factor - August 2016

**Comment****Motor Gasoline****Emission factor**

67.6

**Unit**

kg CO2e per GJ

**Emission factor source**

National Greenhouse Accounts (NGA) Factor - August 2016

**Comment**

**Natural Gas**

**Emission factor**

51.5

**Unit**

kg CO2e per GJ

**Emission factor source**

National Greenhouse Accounts (NGA) Factor - August 2016

**Comment**

**C8.2f**

---

**(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.**

**Basis for applying a low-carbon emission factor**

Please select

**Low-carbon technology type**

<Not Applicable>

**MWh consumed associated with low-carbon electricity, heat, steam or cooling**

<Not Applicable>

**Emission factor (in units of metric tons CO2e per MWh)**

<Not Applicable>

**Comment**

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## C9. Additional metrics

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### C9.1

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(C9.1) Provide any additional climate-related metrics relevant to your business.

**Description**

Energy use

**Metric value**

2542

**Metric numerator**

Electricity consumed (kWh)

**Metric denominator (intensity metric only)**

Headcount (full-time equivalent)

**% change from previous year**

8.7

**Direction of change**

Decreased

**Please explain**

Australian core operations.

---

**Description**

Energy use

**Metric value**

157

**Metric numerator**

Litres of fuel used in company vehicles

**Metric denominator (intensity metric only)**

Headcount (full-time equivalent)

**% change from previous year**

15.1

**Direction of change**

Decreased

**Please explain**

Australian core operations.

---

**Description**

Energy use

**Metric value**

2971

**Metric numerator**

Air travel distance (km)

**Metric denominator (intensity metric only)**

Headcount (full-time equivalent)

**% change from previous year**

22

**Direction of change**

Decreased

**Please explain**

Australian core operations.

---

**Description**

Waste

**Metric value**

659

**Metric numerator**

Paper weight (tonnes)

**Metric denominator (intensity metric only)**

n/a

**% change from previous year**

26.8

**Direction of change**

Decreased

**Please explain**

Paper used for print and offices. Australian core operations.

---

**Description**

Waste

**Metric value**

51

**Metric numerator**

% waste diverted from landfill

**Metric denominator (intensity metric only)**

n/a

**% change from previous year**

9

**Direction of change**

Decreased

**Please explain**

Proportion of office waste diverted from landfill. Australian core operations.

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## C10.1

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**(C10.1) Indicate the verification/assurance status that applies to your reported emissions.**

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	No emissions data provided

## C10.1a

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**(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 and/or Scope 2 emissions and attach the relevant statements.**

**Scope**

Scope 1

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

Y

[AU\\_NGER\\_s19\\_CER\\_Assurance\\_Report\\_Reasonable\\_Limited\\_Suncorp\\_Final\\_27\\_Oct.pdf](#)

**Page/ section reference**

1



**Relevant standard**

Australian National GHG emission regulation (NGER)

**Proportion of reported emissions verified (%)**

100

---

**Scope**

Scope 2 location-based

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

Y

[AU\\_NGER\\_s19\\_CER\\_Assurance\\_Report\\_Reasonable\\_Limited\\_Suncorp\\_Final\\_27\\_Oct.pdf](#)

**Page/ section reference**

1

**Relevant standard**

Australian National GHG emission regulation (NGER)

**Proportion of reported emissions verified (%)**

100

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**C10.2**

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**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

No, but we are actively considering verifying within the next two years

## C11. Carbon pricing

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### C11.1

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**(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

No, and we do not anticipate being regulated in the next three years

### C11.2

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**(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

No

### C11.3

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**(C11.3) Does your organization use an internal price on carbon?**

Yes

### C11.3a

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**(C11.3a) Provide details of how your organization uses an internal price on carbon.**

Objective for implementing an internal carbon price

Drive low-carbon investment  
Stress test investments  
Supplier engagement

### **GHG Scope**

Scope 1

Scope 2

### **Application**

Our Responsible Investment Policy includes provisions for a shadow price on carbon to be applied to our investment portfolio. The investment assessment of individual securities or assets as investment opportunities is the responsibility of external managers appointed by Suncorp. Hence the assessment of ESG risk factors at the individual security level is the responsibility of the external managers appointed. Suncorp incorporates the extent to which managers integrate ESG considerations into their investment and risk management processes in its manager selection and monitoring process.

### **Actual price(s) used (Currency /metric ton)**

#### **Variance of price(s) used**

The price is reviewed annually by the CR Council with a view to increasing the price in line with changes in Nationally Determined Contributions under the UNFCCC Paris Agreement, which aims to limit climate change to well below 2 degrees Celsius.

#### **Type of internal carbon price**

Shadow price

#### **Impact & implication**

Specifically regarding climate change, Suncorp works with its external managers to ensure an appropriate shadow carbon price is factored into the analysis of investment opportunities.

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## **C12. Engagement**

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## C12.1

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### **(C12.1) Do you engage with your value chain on climate-related issues?**

Yes, our suppliers

## C12.1a

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### **(C12.1a) Provide details of your climate-related supplier engagement strategy.**

#### **Type of engagement**

Compliance & onboarding

#### **Details of engagement**

Included climate change in supplier selection / management mechanism

Climate change is integrated into supplier evaluation processes

#### **% of suppliers by number**

100

#### **% total procurement spend (direct and indirect)**

#### **% Scope 3 emissions as reported in C6.5**

#### **Rationale for the coverage of your engagement**

#### **Impact of engagement, including measures of success**

#### **Comment**

We are continuing to implement improvements to our procurement services that will improve the Group's view of suppliers and standards. We capture waste data from most of our major commercial tenancies (>2000m<sup>2</sup>), with remaining data difficult to obtain due to landlord controlled sites. Disposal of technology equipment is recorded by items reused, recycled or sent to landfill. Suncorp is committed to assessing the environmental, social and governance risks and opportunities throughout its business and value chain. This includes introducing both a Responsible Investment Policy and an updated Supplier Code of Practice

in 2018. The updated Code, introduced in 2018, is available at:  
[suncorpgroup.com.au/about-us/what-we-do/procurement](http://suncorpgroup.com.au/about-us/what-we-do/procurement)

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## C12.3

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### (C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers

Trade associations

Funding research organizations

## C12.3a

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### (C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Adaptation or resilience	Support	<p>Suncorp has been a leading advocate of the need for natural disaster resilience since 2011. Suncorp continues to lobby governments at all levels to increase the level of funding allocated to adaptation activity. In recent years, the Group has commissioned research that proves the economic and social benefits associated with better protecting communities from natural disasters. Suncorp has developed partnerships with key stakeholders in vulnerable areas and conducts regular site visits to improve its understanding of local issues. Suncorp continues to contribute to the policy debate through government inquiries including its major submission to the ACCC Inquiry into Northern Australia Insurance</p> <p><a href="http://suncorpgroup.com.au/sites/default/files/pdf/news/Suncorp%20Submission.pdf">suncorpgroup.com.au/sites/default/files/pdf/news/Suncorp%20Submission.pdf</a> Suncorp is a member of the Queensland Climate Adaptation Strategy Partner group, which includes representatives of local government, business, industry and community, as well as environmental stewards. The group identifies climate change risks and collaborates to increase</p>	<p>Increasingly intense weather, sustained economic growth, urbanisation and population shifts towards coastal regions have combined to increase exposure to natural hazard risks throughout Australia. To</p>

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
		<p>Queensland's resilience and adaptation to the effects of climate change. A highlight of the last year was the release of the Queensland Climate Change Adaptation Strategy, which commits the Government and various sectors to a number of actions that enhance the state's resilience. Suncorp also participated in a Queensland Government-hosted Climate Change Hypothetical Scenario role play event. This event explored the myriad challenges and the potential solutions to long legacy issues regarding flood and other inundation hazards facing Queensland's large stock of residential buildings in vulnerable communities. Suncorp continues to fund research to fill knowledge gaps, including an Advance Queensland Research Fellowship (a digital platform decision support tool to stimulate cyclone adaptation), and industry research into the impact of cyclones on strata properties in North Queensland. At a national level, Suncorp participated in a three-day National Risk Reduction 'Policy Sprint' in Melbourne in June 2018. The event was hosted by the National Resilience Taskforce, within the Department of Home Affairs, and is a significant vehicle in the Government's national policy efforts to prepare Australia for growing disaster risk and climate change impacts.</p>	<p>date, the policy responses to these changes have been insufficient. Suncorp believes that improved natural disaster risk management is crucial to safeguarding the Australian community from the devastating emotional, social and economic impacts of extreme weather. Suncorp continues to advocate for increased funding towards natural disaster resilience infrastructure and development. This includes land-use planning, building code developments and adaptation infrastructure where appropriate.</p>

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
			<p>Suncorp believes all levels of Government have a role to play in protecting communities, however other sectors including the finance sector, need to continue to invest in responses that encourage and foster climate adaptation initiatives. Climate change impacts are perhaps the biggest threat to insurance affordability in vulnerable communities.</p>
Climate finance	Support	<p>As above, Suncorp participated in a three-day National Risk Reduction 'Policy Sprint' in Melbourne in June 2018. The event was hosted by the National Resilience Taskforce, within the Department of Home Affairs, and is a significant vehicle in the Government's national policy efforts to prepare Australia for growing disaster risk and climate change impacts. One of the areas identified for growth and opportunity, was climate finance, in order for smart adaptation solutions to be scaled and funded in a sustainable, attractive way. Suncorp, is founding member and core partner of ClimateKIC Australia along with the NSW, Victorian, South Australian and Queensland governments. Suncorp will work with ClimateKIC and other core partners to explore and pursue tangible climate change mitigation and adaptation initiatives together.</p>	<p>Suncorp would support policy responses from the Australian Government that encourage and facilitate greater opportunities for the finance sector to finance climate</p>

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
			adaptation initiatives.

## C12.3b

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**(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?**

Yes

## C12.3c

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**(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.**

**Trade association**

Insurance Council of Australia (ICA)

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

The Insurance Council of Australia's (ICA) position is to identify regulatory, community and insurance industry initiatives to prepare for a future where weather becomes more extreme. Using the industry's expertise in the pricing, transfer and management of risk, the following activities being undertaken by the industry are intended to assist policy-makers and communities to address the implications of climate change: • Maintain strong prudential foundations. • Manage the commercial, individual and community-level risks posed by climate change via innovative risk-transfer solutions. • Ensure that risk-transfer solutions deliver competitive price signals, through risk based pricing, that assist communities and decision makers to recognise and adapt to current and



emerging extreme weather risks. • Increase community resilience over time by sharing industry expertise that will help policy decision makers and the community to: (i) Reduce exposures by making development control decisions for exposed locations that are appropriate for both the location and the planned life cycle of the development, accounting for the increased risk posed by the changing climate. (ii) Reduce vulnerability to natural disasters by implementing localised defensive infrastructure where necessary to achieve an acceptable residual risk of damage to an exposed community. (iii) Reduce vulnerability to natural disasters by improving building codes to ensure that built structures remain viable following predictable events over their planned life cycle, accounting for the increased risk posed by the changing climate. • Assist policy-makers to understand the long term economic implications of climate change, as well as the benefits of any appropriate emission mitigation schemes.

### **How have you, or are you attempting to, influence the position?**

As one of the largest insurers in Australia, Suncorp continues to play an important and influential role on the ICA Board. In addition, senior Suncorp staff participate in a range of ICA working groups to contribute to the development of positions at an industry level. Suncorp was an active contributor to the ICA's Climate Change Policy, which was approved by the ICA Board in August 2016. Suncorp was also instrumental in setting up a dedicated ICA working group on climate change to advance the industry's collective positions around these issues.

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### **Trade association**

Carbon Market Institute (CMI)

### **Is your position on climate change consistent with theirs?**

Consistent

### **Please explain the trade association's position**

CMI believes that addressing climate change to better future proof our economy requires government to see the link between impacts like severe drought and take immediate, concerted and bipartisan action to better integrate climate and energy across a broader suite of policies. They believe it is critical that an enduring, effective, market-based framework is agreed upon for the electricity sector and that the Government, and the Opposition, need to put the same effort and political capital into confirming how emissions will be reduced across the

economy. They believe the National Energy Guarantee (NEG) does not go far enough and are lobbying for more clarity on what proportion of the abatement task is to be undertaken by the electricity sector out to 2030 and beyond. They say emissions reduction component of the NEG should be ambitious, as there are economically viable, low-emissions technologies such as wind and solar generation that are readily available.

### **How have you, or are you attempting to, influence the position?**

Suncorp is an active member of the CMI and participates in policy and market working groups hosted by the CMI with other corporate members, industry events, and has commercial interaction with other members.

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### **Trade association**

Australian Banking Association (ABA)

### **Is your position on climate change consistent with theirs?**

Consistent

### **Please explain the trade association's position**

The Australian Bankers' Association (ABA) accepts the broad scientific and economic consensus that global warming resulting from greenhouse gas (GHG) emissions from human activities is contributing to changes in our climate. Failure to reduce GHG emissions and stabilise the world's climate will have widespread implications for Australia – not just for our environment, but for our economy, national security and public policy. Climate change and the observable effects of global warming are widely recognised by the scientific community with expected impacts including: increases in global average air and ocean temperatures, widespread melting of snow and ice and rising global average sea levels<sup>1</sup>. Climate change is also predicted to have a devastating impact on the global economy, and more broadly society, with hundreds of millions of people suffering coastal flooding, hunger, water shortages, displacement and exposure to diseases<sup>2</sup>. The science and economics of climate change are converging. Governments, businesses and the community need to manage and adjust to the changes that are inevitable and mitigate the effects that are not yet a reality, with changes in behaviour, a reduction in GHG emissions and a stabilisation of climate.

### **How have you, or are you attempting to, influence the position?**

Suncorp is an influential member of the ABA and sits on multiple working groups including the newly formed Corporate Responsibility and Sustainability Working Group. Suncorp's Banking and Wealth CEO is the Deputy Chairman of the ABA's Council.

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### **Trade association**

Business Council of Australia (BCA)

### **Is your position on climate change consistent with theirs?**

Consistent

### **Please explain the trade association's position**

The Business Council supports the development of an integrated, national and bipartisan energy and climate change policy framework that can deliver the following four key goals: • Secure and reliable energy supply • Affordable energy supply • Strong, internationally competitive economy • Meet current and future absolute emission reduction targets. The Council believes that to achieve our emissions reduction goals, Australia will need a suite of durable climate change policies that are integrated with broader energy policy and are capable of delivering Australia's emission reduction targets, at lowest possible cost, while maintaining competitiveness and growing Australia's future economy.

### **How have you, or are you attempting to, influence the position?**

Suncorp is an active member of the BCA and regularly meets with representatives to discuss policy issues.

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## C12.3d

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**(C12.3d) Do you publicly disclose a list of all research organizations that you fund?**

No

## C12.3f

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**(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

In the next reporting period Suncorp's Climate Change Action Plan will come into effect. The CCAP includes a commitment to increasing community resilience by helping our communities reduce climate change risk, adapt and build resilience through our products, advocacy and collaboration with key industry, government and climate stakeholders. Our dedicated Government Relations team will provide expert advice and stakeholder mapping to help Suncorp:

- Work with government to improve the environmental impact of procurement and the resilience of Suncorp's supply chain.
- Explore opportunities with government to improve the sustainability and carbon intensity of Suncorp's supply chain.
- Continue to work with government and industry groups to support cross industry collaboration and action on climate change issues.

## C12.4

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**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

**Publication**

In voluntary communications

**Status**

Complete

### Attach the document

Y

[FY17-Annual-Review.pdf](#)

[Suncorp Supplier-Partner-Code-of-Practice.pdf](#)

[FY18-Annual-Review\\_1.pdf](#)

[SUNCORP\\_Environmental Performance Plan.pdf](#)

[Responsible Investment policy.pdf](#)

[Suncorp Climate Change Action Plan\\_2018.pdf](#)

### Content elements

Governance

Emissions figures

Other metrics

Other, please specify (ESG performance )

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## C14. Signoff

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### C-FI

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(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

### C14.1

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(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Executive Manager, Corporate Responsibility	Environment/Sustainability manager

