

C0. Introduction

C0.1

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

SUNCORP GROUP STRUCTURE AND BACKGROUND

Suncorp Group offers insurance and banking products and services through some of Australia’s and New Zealand’s most recognisable brands. With a heritage dating back to 1902, we have grown to become an ASX-listed company with more than 13,000 people and approximately \$96 billion in assets.

Suncorp Group comprises three core businesses, each empowered to deliver for their customers:

Insurance (Australia): Delivers home and contents, motor, caravan, compulsory third party, workers'-compensation, commercial and health insurance through our suite of leading insurance brands including AAMI, Suncorp Insurance, GIO and Apia. Our insurance products help millions of people to protect what is special to them.

Banking & Wealth: Provides home and business loans, everyday deposit and savings accounts, credit cards and merchant facilities. We support families, individuals, businesses, and farmers in realising their dreams, big or small, helping them plan for the future by providing them with solutions to help them grow their personal wealth.

Suncorp New Zealand: Delivers consumer, commercial and life insurance products in New Zealand through its general (Vero) and life insurance (Asteron Life) brands and partnerships. In addition, AA Insurance is a joint venture between Vero Insurance and the New Zealand Automobile Association (AA) delivering general and life insurance products.

To read Suncorp's most recent Annual Report, please visit: suncorpgroup.com.au/investors

SUSTAINABILITY

To create sustainable value, Suncorp adapts to evolving market conditions. We take a long-term view and actively respond to changes in the economy, society and the environment. We manage our impacts to ensure the sustainable growth of both our business and the communities in which we operate.

Suncorp conducts business in a way that protects and sustains the environment. We continue to reduce our environmental impact and be transparent about our environmental performance. Climate change presents strategic and financial risks and opportunities for our organisation and our community.

Suncorp is committed to playing our part in reducing carbon emissions, preparing for the physical impacts of climate change and supporting the transition to an economy that achieves net-zero emissions by 2050.

We are responding to climate-related risks and opportunities, including natural hazard resilience building, through the implementation of our Climate Change Action Plan which encompasses our Environmental Performance Plan.

To learn more about our approach to Corporate Responsibility, please visit suncorpgroup.com.au/corporate-responsibility/reports

C0.2

(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
Reporting year	July 1 2019	June 30 2020	No	<Not Applicable>

C0.3

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

- Australia
- New Zealand

C0.4

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

AUD

C0.5

(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 chosen approach for consolidating your GHG inventory.

Operational control

C-FS0.7

(C-FS0.7) Which organizational activities does your organization undertake?

- Bank lending (Bank)
- Investing (Asset manager)
- Investing (Asset owner)
- Insurance underwriting (Insurance company)

C1. Governance

C1.1

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

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	Governance of climate change at Suncorp is the responsibility of the Suncorp Group Limited and Suncorp New Zealand Boards, which oversee the response to climate change risks and opportunities through their Board Risk Committees. Key strategic and financial risks, including climate change, are identified during the annual business planning process and mitigation activity is considered at least on a quarterly basis through reporting to Board Committees. An example of a decision made regarding climate-related risk by the Board Risk Committee is the approval of Suncorp's future reinsurance contracts, which include consideration of changing physical climate risks over the short term. Our Insurance business has flexibility through an annual customer pricing and reinsurance (insurance taken out by insurance companies), which provides protection for material earnings volatility and capital protection during recent bushfire, hail, and flood events.
Chief Executive Officer (CEO)	The Group Chief Executive Officer (Group CEO) and Group Executive Leadership Team are 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 the CCAP. Emerging risks, including those related to climate change are monitored regularly by management committees, with material changes escalated to the Board as required. The Corporate Responsibility Council is a subcommittee of the Group Executive Leadership Team and is chaired by Suncorp's Group CEO. For example, in order to reduce Suncorp's exposure to future regulatory costs resulting from carbon pricing, the CEO approved Suncorp's target to achieve 100% renewable energy by 2025.
Other, please specify (Executive committees)	Suncorp's Responsible Investment Committee governs the application of the Responsible Investment Policy, which includes the application of a shadow carbon price to the analysis of investment opportunities to manage risk as we transition to a net-zero emissions economy. Our Insurance, Banking & Wealth and New Zealand Risk Committees govern the implementation of Suncorp's Responsible Banking & Insurance Policy in Australia and New Zealand, which establishes an organisation-wide approach for managing environmental and social outcomes from our products and portfolios. An example of a decision made by the Responsible Investment Committee was the increase to Suncorp's Shadow Carbon Price.
Board Chair	Governance of climate change at Suncorp is the responsibility of the Suncorp Group Limited and Suncorp New Zealand Boards, which oversee the response to climate change risks and opportunities through their Board Risk Committees. An example of a decision made by the Board Chair is the approval of Suncorp's expanded Fossil Fuel Sensitive Sector Standard to include oil and gas extraction and electricity generation.

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	Scope of board-level oversight	Please explain
Scheduled – some meetings	<ul style="list-style-type: none"> Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues 	<ul style="list-style-type: none"> Climate-related risks and opportunities to our own operations Climate-related risks and opportunities to our bank lending activities Climate-related risks and opportunities to our investment activities Climate-related risks and opportunities to our insurance underwriting activities Climate-related risks and opportunities to our other products and services we provide to our clients The impact of our own operations on the climate The impact of our bank lending activities on the climate The impact of our investing activities on the climate The impact of our insurance underwriting activities on the climate 	<p>Governance of climate change at Suncorp is the responsibility of the Suncorp Group Limited and Suncorp New Zealand Boards, which oversee the response to climate change risks and opportunities through their Board Risk Committees. Key strategic and financial risks, including climate change, are identified during the annual business planning process and mitigation activity is considered at least on a quarterly basis through reporting to Board Committees. Suncorp's Boards have oversight of key climate-related risk, investment, underwriting and lending metrics and targets. In addition to specific climate-related matters discussed in the regular course of business, the Board is provided with a specific paper on climate risks and opportunities each year, which gives them the opportunity to understand and discuss the emergence of specific climate change related issues.</p>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	<ul style="list-style-type: none"> Risks and opportunities related to our bank lending activities Risks and opportunities related to our investing activities Risks and opportunities related to our insurance underwriting activities Risks and opportunities related to our other products and services Risks and opportunities related to our own operations 	Quarterly

C1.2a

(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 (do not include the names of individuals).

The Group Chief Executive Officer and Managing Director (**Group CEO**) is the most senior executive accountable for Suncorp's actions and commitments to embed climate change into Suncorp's business.

Associated responsibilities of the Group CEO are to ensure climate change is integrated into risk management (for example, aggregate physical risk concentration in portfolios), business strategy (for example, group reinsurance and capital management), business planning and budgeting processes and frameworks (for example, Group Strategy development and presentation to the Board), as outlined in the Climate Change Action Plan (CCAP). Emerging risks, including those related to climate change are monitored regularly by management committees, with material changes escalated to the Group CEO and Board as required.

C1.3

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

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	Suncorp's executive remuneration structure consists of fixed remuneration as well as short-term incentives (STI) and long-term incentives (LTI). Climate change is one of Suncorp's core strategic risks which must be appropriately managed to achieve STI and LTI. Furthermore, management of acute extreme weather risk and appropriate reinsurance is a material contributor to the Group delivering targeted profit after tax. Given the CDP is seeking to understand the degree to which companies incentivise employees to address climate-related issues and impacts, Suncorp has considered in this answer 'climate-related issues' to include the management of weather-related impacts as a core insurance and banking capability, with climate change an element factored into overall risk management. More detail regarding executive remuneration can be found in the Remuneration Report of our annual report at suncorpgroup.com.au/investors

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Corporate executive team	Monetary reward	Emissions reduction target Portfolio/fund alignment to climate-related objectives	In determining STI and LTI, the Board ensures risk management is considered through, amongst other things, separately weighted risk measures in the Group Scorecard. The Group Scorecard is categorised into Financials, Customer, Risk and People, with risk management considered as a key component of the overall performance outcome. Climate change is one of Suncorp's core strategic risks. Metrics assessing successful management of climate-related risks and STI and LTI include: Financial (Adjusted NPAT, Cash ROE); Customer (Net promoter score); Risk (Group Risk Maturity Measure, Risk Management Practice Measures); and People (Employee engagement). Within each of these headline metrics assessed by the Board, other performance metrics are used in BAU to manage climate-related risk within investment, lending and underwriting risk appetites. For example, management of acute extreme weather risk and appropriate reinsurance is a material contributor to the Group delivering targeted profit after tax. Other examples of climate-related performance metrics include emissions reduction and achievement against Suncorp's science-based emissions reduction target and RE100 commitments; and aligning our portfolio with climate objectives through reduction in exposure to fossil fuels, including no longer underwriting, financing or investing in fossil fuels by 2025 (2040 for investments in oil and gas). Given the CDP is seeking to understand the degree to which companies incentivise employees to address climate-related issues and impacts, Suncorp has considered in this answer 'climate-related issues' to include the management of weather-related impacts as a core insurance and banking capability, with climate change an element factored into overall risk management. More detail regarding executive remuneration can be found in the Remuneration Report of our annual report at suncorpgroup.com.au/investors

C-FS1.4

(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG principles, including climate change?

	We offer an employment-based retirement scheme that incorporates ESG principles, including climate change.	Comment
Row 1	Yes, as the default investment option for all plans offered	Suncorp offers superannuation, including default and member selection options to its employees through Suncorp Portfolio Services Limited (SPSL). Suncorp branded investment options invest in Suncorp Funds Pty Ltd (SFPL) unit trusts, which are covered by the Suncorp Responsible Investment (RI) Policy. The RI Policy requires ESG issues to be integrated into all investment practices including consideration of climate change risks and opportunities. SPSL as an investor in the Suncorp Group Trusts participates in underlying stock exclusions and shadow carbon pricing (as integrated into the underlying investment manager mandates with SFPL). Further, Suncorp Group Trusts apply a Fossil Fuel Guideline including stock exclusions and shadow carbon pricing. Suncorp's diversified multi-manager superannuation offerings are accredited by the Responsible Investment Association of Australasia (RIAA).

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	3	Covered by our 3-year business plan
Medium-term	3	10	For impacts evident up to ten years, and covered by business planning and risk management.
Long-term	10	40	For impacts evident beyond ten years. In a climate change context, scenario analysis has been conducted up to 2060

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Strategic impacts are assessed using the Suncorp Enterprise IMPACT RATING and VELOCITY RATING scales. These assessments are based on scenarios that are assumed will eventually occur in the future.

IMPACT RATINGS define strategic and operational risks, including climate change - Low, Medium, High, Serious and Extreme. Overall impact is classified using several quantitative and qualitative criteria aligned to the level of impact (e.g. business outcomes, customer, reputation/market, regulatory/contractual, people and financial impact). Overall impact can include one or many impact types.

Quantitative impacts due to climate change may include direct impact to Suncorp's revenue or expenditure, customer renewal rates, share price decline (due to reputation or market impact). Suncorp also considers qualitative impact such as business sustainability or viability, litigation or regulatory changes, and staff satisfaction. **The financial or strategic impact is considered substantive when the impact rating is serious (potential operational loss within one year of \$30-90m enterprise-wide) or extreme (potential operational loss within one year of greater than \$90m enterprise-wide).**

To determine VELOCITY RATINGS, Suncorp uses a rating scale reflecting the speed of risk onset in years (i.e. how quickly the risk is likely to eventuate and impact Suncorp). This includes very fast (impact evident within 1-2 years), fast (impact evident within 2-5 years), moderate (impact evident within 5-20 years), slow (impact not evident within 20 years), and very slow (no foreseeable impact).

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

IDENTIFYING AND ASSESSING Operational and Risk committees set the direction for climate change activities, and oversight of climate-related risks. As explained in C2.1b, strategic impacts are assessed annually using the Suncorp Enterprise impact rating and velocity rating scales. These assessments are based on scenarios that may eventually occur in the future. They are used to assess risk controls and appropriateness of management action. IMPACT RATINGS define strategic and operational risks, including climate change - Low, Medium, High, Serious and Extreme. Overall impact is classified using one or more quantitative and qualitative criteria aligned to the level of impact (e.g. business outcomes, customer, reputation/market, regulatory/contractual, people and financial impact). The financial or strategic impact is considered substantive when the impact rating is serious (potential operational loss within one year of \$30-90m enterprise-wide) or extreme (potential operational loss within one year of greater than \$90m enterprise-wide). To determine VELOCITY RATINGS, Suncorp uses a rating scale reflecting the speed of risk onset in years (i.e. how quickly the risk is likely to eventuate and impact Suncorp). This includes very fast (impact evident within 1-2 years), fast (impact evident within 2-5 years), moderate (impact evident within 5-20 years), slow (impact not evident within 20 years), and very slow (no foreseeable impact). Suncorp's approach to governing and managing climate change risk is twofold. Climate change scenario analysis is oversighted by Suncorp's committees that deal with management of financial risks and stress testing. Oversight of broader programs of work that seek to address climate change related operational matters are dealt with through non-financial risk committees. PHYSICAL RISKS The physical risk analysis quantified the impact of physical risks for subsequent property damage of each separate weather hazard, expressed both in change to the present-day Average Annual Loss (AAL) and change to the hazard rate (a percentage multiplier value applied to the total insured value that generates the AAL). Suncorp selected AAL as a risk measure in order to understand any pricing impacts. Suncorp has adopted the United Nations' Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathways (RCP) scenarios used in global climate modelling. The scenarios we used for the assessment are RCP 4.5, reflecting a moderate emissions pathway with emissions peaking mid-century and an increase in average global temperature of approximately 2°C, and RCP 8.5 where emissions continue to increase rapidly through the early and mid-parts of the century with an increase in average global temperature in excess of 4°C. Owing to the increasing nature of physical risks over time, Suncorp selected the time periods 2030 and 2060 for the physical risk assessments. 2060 was selected as it aligns with previous internal research, enabling more relevant comparisons for strategic and pricing purposes. It also provides greater divergence for comparison between the concentration pathways, allowing for a better understanding of the consequences of inaction. In FY21, Suncorp built on prior year assessments of residential physical risk climate change scenario analysis to assess impacts on SME and Commercial Property, and motor insurance portfolios (including commercial property collateral for business banking). Physical risk analysis was also conducted on the climate change impacts for water related perils on the New Zealand business's residential property portfolio. Case study - Impact of cyclone risks on Suncorp's portfolios Suncorp identified change to cyclone behaviour and subsequent built environment vulnerability as a potential risk. To identify and assess the risk, Suncorp used scientific literature, research and hazard modelling to identify potential changes in cyclone severity and intensity, and modelled the resulting impacts based on the vulnerability of the built environment. The risk and financial impact was assessed based on the Suncorp Enterprise Impact Rating and Velocity Rating Scales. Impact was rated as Moderate based on financial impact criteria in the Suncorp Enterprise impact rating scale. Based on scientific literature and modelling, the velocity rating was determined to be within 20 years, so therefore 'Moderate' using the Suncorp Enterprise Velocity Rating Scale. In response, Suncorp invested in further research into vulnerability of homes to cyclone damage, and increased advocacy focus on cyclone vulnerability in northern Australia. Suncorp also approved the continuation of the Cyclone Resilience Benefit, which provides premium reduction to Suncorp residential insurance customers should they take action to improve the resilience of their home. TRANSITION RISKS We conducted an analysis of the impact of transitioning to a net-zero emissions economy under 1.5°C and 2°C scenarios from the Decarbonisation Futures scenario data for our Insurance Australia commercial and liability insurance portfolios, Insurance Australia investment assets and Bank business lending portfolios. These focus on changes to different industries and sectors that are anticipated to be impacted by the economy transitioning towards net-zero emissions. To support the transition risk assessment, ClimateWorks Australia was selected as a partner owing to their experience in modelling technical and economic pathways to reach net-zero emissions by 2050. The timeframe applied to consider these changes was 2030 to 2040 to reflect the timeframe in which a transition must occur to limit warming to 1.5–2.0°C. Case study – Fossil fuel transition risk Suncorp identified fossil fuel exposure as a potential risk, including a strategic exposure in portfolios, and reputational risk. To identify and assess the risk, Suncorp used an analysis of the impact of transitioning to a net-zero emissions economy under 1.5°C and 2°C scenarios from the Decarbonisation Futures scenario data for our Insurance Australia commercial and liability insurance portfolios. Exposure to fossil fuel industries was determined using ANZSIC industry coding and ESG keyword analysis. The risk and financial impact was assessed based on the Suncorp Enterprise Impact Rating and Velocity Rating Scales. Impact was rated as Moderate based on reputational impact criteria in the Suncorp Enterprise impact rating scale. Based on ClimateWorks modelled transition projections, the velocity rating was determined to be within 1-2 years, so therefore rated as 'very fast' using the Suncorp Enterprise Velocity Rating Scale. In response, Suncorp in 2020 expanded coverage of its Fossil Fuel Standard to include Oil & Gas extraction and electricity generation (in addition to Thermal Coal), and set targets to withdraw banking, investment and underwriting exposure by 2025 (2040 for investment exposure to Oil and gas).

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Risks relating to THE FAILURE TO MEET CURRENT GOVERNMENT OR REGULATORY EXPECTATIONS are managed via Suncorp's risk management policies and frameworks, as well as risk, compliance and portfolio teams. For example, Suncorp has included the Australian Competition and Consumer Commission's Northern Australia Insurance Inquiry in its risk register, and has managed this risk by directly engaging with the inquiry and providing submissions. The inquiry may impact Suncorp through increased regulation of insurance markets in northern Australia, in the form of increased disclosure requirements, market intervention, and price monitoring, adding to regulatory and reporting burdens. This can lead to higher transaction and compliance costs or lower revenue for Suncorp. Climate change risk was also included in these submissions.
Emerging regulation	Relevant, always included	Risks relating to POTENTIAL AND CHANGING GOVERNMENT OR REGULATORY EXPECTATIONS are managed via Suncorp's risk management policies and frameworks. Suncorp prioritises appropriate investment to address material emerging regulatory change. For example, amendments to the Financial Markets Conduct Act (2013) in New Zealand included requirements of companies like Suncorp to disclose annually against the TCFD, which would result in Suncorp allocating additional resources to its regulatory and sustainability reporting process. This proposed legislation was included in regulatory risk assessments, and through Suncorp's risk framework and practices, the proposed legislation was analysed, and Suncorp engaged with the Ministry of Finance through the Insurance Council of New Zealand.
Technology	Relevant, always included	Suncorp monitors risks related to customers changed behaviour and new expectations, risks that competitors introduce new business models that better meet customer needs, risks that participants in the new 'data economy' use data more effectively than Suncorp and that changes in car ownership and manufacture impact Suncorp's revenue from traditional product lines. For example, in FY21 Suncorp assessed the impact of technology change in the automotive sector on collision rates and resulting claims costs. The impact of technology change was also considered alongside physical climate variables, specifically 'static' impacts to cars (hail, storm, flood, fire) and 'active' impacts (collision risk due to rain). The analysis found there is no material financial impact to Suncorp over the short term, however over the medium term increased penetration of complex vehicle technologies and fuel systems may place pressure on Suncorp's supply chain costs without increased government support for the motor repair industry.
Legal	Relevant, always included	Risks relating to THE FAILURE TO MEET LEGAL AND REGULATORY REQUIREMENTS are managed via Suncorp's risk management policies and frameworks, as well as legal, risk and compliance teams. Suncorp prioritises appropriate investment to address legal requirements and directors' duties. In FY19 Suncorp identified legal and regulatory change relating to climate-related assessment and reporting as a potential risk in Australia and New Zealand. We have since observed an increase in litigation relating to failure to adequately disclose the identification, assessment and management of climate-related risks and opportunities to investors and other stakeholders. We have developed policies which clearly support the transition to net zero greenhouse gas emissions, and engage investee companies to encourage and support them to develop transition plans and disclosures that are TCFD aligned. We provide regular updates on our progress in our external reporting, including disclosing Suncorp's exposure to physical and transition risks, including exposure to fossil fuels. Suncorp has increased investment in developing capability to assess, manage and disclose climate change risks and opportunities to shareholders in line with the TCFD. This has significantly minimised the risk of potential investor legal action. For example, Suncorp has reduced legal risks in Australia and New Zealand (as well as current and future compliance costs), by increasing investment in the assessment and disclosure of climate related risks to shareholders who may take legal action against Suncorp and its directors should current and future disclosure not be meaningful and aligned with industry best practice. Suncorp is in a good position to disclose in line with new TCFD reporting requirements in Australia (e.g. ASX Corporate Governance Guidelines) and under the New Zealand Financial Markets Conduct Act (2013). Suncorp manages ongoing legal risk through continued meaningful climate change scenario analysis and disclosure.
Market	Relevant, always included	Shifts in customer expectations, technology, mobility, data and competitors are managed as part of our risk framework. Suncorp monitors risks related to customers changed behaviour and new expectations, risks that competitors introduce new business models that better meet customer needs, risks that participants in the new 'data economy' use data more effectively than Suncorp and that changes in car ownership and manufacture impact Suncorp's revenue from traditional product lines. For example, in FY21 Suncorp conducted an analysis of market penetration of hybrid and electric vehicles, and what impacts that penetration may have on vehicle repair and insurance claims. Newer technologies such as hybrid and electric batteries, as well as lighter panels and other materials to offset heavy batteries, make vehicle repairs more complex, resulting in higher repair costs and longer turnaround times as these technologies are introduced to the market. At scale, this may mean higher claims costs for Suncorp as well as increased resourcing for claims administration. While these technologies and materials are in their infancy, repair efficiencies are expected to increase over time and impacts to claims costs minimised. The expected overall impact of this risk is low over the short and medium term as penetration of hybrid and electric vehicles overall is forecast to be low to 2030. Suncorp did not assess the impacts of newer vehicle technologies beyond 2030 due to high levels of uncertainty of vehicle technology.
Reputation	Relevant, always included	Reputation risk is managed by Group Corporate Affairs, including government, media, public policy, digital assets and internal communications. Acute reputational risks are managed with Reputation Impact Briefs. Chronic reputation issues are managed through integration in business and corporate affairs strategies. Suncorp's reputation on Climate Change is managed through the Climate Change Action Plan and stakeholder engagement program of work. This includes engagement with the scientific community, insurance and banking industry, activists, communities and government stakeholders. Suncorp understands that failing to take climate action represents a reputation risk as stakeholders are increasingly expecting financial industry to evaluate and act on their climate impacts. Suncorp's public leadership in committing to 100% renewable energy and eliminating exposure to fossil fuels in insurance, bank and investment portfolios has helped improve Suncorp's reputation among shareholders, staff and customers. Another example of reputation risk is the impact of changes to insurance risk due to climate change, and resulting insurance price increases. Over the medium term this may negatively impact Suncorp's reputation if the community and other stakeholders don't understand the nature of risks and how to mitigate these risks. Through its Resilience Strategy (as part of the Climate Change Action Plan), Suncorp is actively seeking to increase resilience to physical risks in the Australian community, including changing risk due to climate change.
Acute physical	Relevant, always included	Acute physical risks are explicitly considered in Suncorp's physical risk scenario analysis. Suncorp's Enterprise Risk Management Framework which governs the identification, management, control and monitoring of risks, including risks presented by climate change. This is addressed in more detail in Suncorp's Insurance Risk Standard, which focuses on insurance product design, pricing, underwriting, claims management and reinsurance within the Insurance business. Suncorp's Bank Credit Risk Management Policy focuses on governing, assessing and approving credit risk exposures. Bank credit risks are managed within the parameters of the Risk Appetite Statement and monitored by the Banking and Wealth Risk Committees on an ongoing basis. Suncorp Bank does not specifically integrate climate change considerations into residential lending risk assessments; however, a property valuation is required for a new loan application and this valuation identifies exposure to potential risks such as flooding. Suncorp Bank relies on property owners maintaining appropriate insurance cover to protect the underlying collateral value from risk, include those stemming from climate change. An example of acute physical risk managed by Suncorp Insurance is flood through insurance policies offered to residential and business customers. This includes the use of several flood models which input into the Suncorp's General Insurance Pricing Engine and affects the way we price our insurance products.
Chronic physical	Relevant, always included	Chronic physical risks are explicitly considered in Suncorp's physical risk scenario analysis. Suncorp's Enterprise Risk Management Framework governs the identification, management, control and monitoring of risks, including risks presented by climate change. This is addressed in more detail in Suncorp's Insurance Risk Standard, which focuses on insurance product design, pricing, underwriting, claims management and reinsurance within the Insurance business. Suncorp's Bank Credit Risk Management Policy focuses on governing, assessing and approving credit risk exposures. Bank credit risks are managed within the parameters of the Risk Appetite Statement and monitored by the Banking and Wealth Risk Committees on an ongoing basis. Suncorp Bank does not specifically integrate climate change considerations into residential lending risk assessments; however, a property valuation is required for a new loan application and this valuation identifies exposure to potential risks such as flooding. Suncorp Bank relies on property owners maintaining appropriate insurance cover to protect the underlying collateral value from risk, include those stemming from climate change. An example of chronic physical risk managed by Suncorp is the use of long-term average rainfall patterns and volatility by Suncorp Bank as key risk characteristics used in the assessment of agribusiness lending and the offers we are able to provide.

C-FS2.2b

(C-FS2.2b) Do you assess your portfolio's exposure to climate-related risks and opportunities?

	We assess the portfolio's exposure	Please explain
Bank lending (Bank)	Yes	In 2020, we began a process of assessing our lending portfolio exposure to climate-related risks and opportunities. We have conducted scenario analysis aimed at understanding our exposure to physical risk and transition risk. For example, our physical risk assessment was aimed at exploring the impact of climate change on the fixed property collateral supporting our residential mortgage portfolio. For example, our transition risk analysis explored the impact of possible transition pathways on business lending portfolio through changing levels of activity by industry sub-sector.
Investing (Asset manager)	Yes	The Suncorp Master Trust (of which SPSP is the Trustee) offers Suncorp branded investment options which benefit indirectly from the ESG Principles implemented by Suncorp Funds Proprietary Limited & Suncorp Corporate Services Proprietary Limited. This includes the assessment of portfolio exposures to fossil fuels. For example, to assess and manage exposure to fossil fuel-related transition risk, SPSP invests via Suncorp Group Trusts which apply a Fossil Fuel Guideline including stock exclusions and shadow carbon pricing.
Investing (Asset owner)	Yes	Suncorp commenced analysis of investment portfolio climate change risks and opportunities in 2018 and has built on its approach each year. For example, this included an assessment of the portfolio against a 2-degree and a 1.5-degree transition pathway and an assessment of risk to physical assets (property and infrastructure) under a 4-degree global warming scenario. For details see response to (C-FS2.2c).
Insurance underwriting (Insurance company)	Yes	The assessment and management of climate-related risks are embedded in our business through: • Strategic plans including our Group Strategic and Business Plans, Enterprise Risk Management Framework, Climate Change Action Plan and our Environmental Performance Plan • Financial planning including integration of climate change into risk modelling and pricing, reinsurance and Natural Hazard Aggregate Protection • Policy and Guidelines including our Insurance Risk Standard, Responsible Banking & Insurance Policy, Responsible Investment Policy, Sensitive Sector Guidelines and Insurance Risk Appetite Statement This includes climate change scenario analysis conducted on commercial and personal insurance portfolios, and investment portfolios. For example, we have conducted scenario analysis on the physical risks of climate change may impact business operations, pricing and income over the medium to long term on our residential and commercial property insurance; how an economic transition to a net-zero emissions economy of financial markets, consumer markets and the economy may impact our commercial and liability insurance portfolios as well as investment assets for Insurance Australia, in the short to medium term; and an assessment of physical and transition/technology change on our motor insurance portfolios. Another example is through our Insurance Natural Perils Pricing teams conducting ongoing research into the consequences of a changing climate on the frequency and intensity of natural hazards. This research includes understanding the effects of a future warming climate on future natural hazard risk. Any change to the risk that occurs due to climate change or other factors can be addressed dynamically through a range of mechanisms including risk selection and underwriting practices, premiums that adjust for risk and associated capital and reinsurance costs, and geographical and product diversification. In addition to the Natural Perils Pricing team, Suncorp's Actuarial Modelling team use Suncorp's historical dataset of natural hazard events, as well as external vendor models, to estimate the cost of natural hazards in the year ahead given the planned portfolio and pricing.
Other products and services, please specify	Not applicable	

C-FS2.2c

(C-FS2.2c) Describe how you assess your portfolio's exposure to climate-related risks and opportunities.

	Portfolio coverage	Assessment type	Description
Bank lending (Bank)	Majority of the portfolio	Qualitative and quantitative	<p>PORTFOLIO COVERAGE DEFINITION Physical risk – Majority of the portfolio (i.e. applied to residential mortgage and SME portfolio which comprises ~80% of our total loan book). Transition risk – All of the portfolio (i.e. we assume transition risk is relevant to business lending portfolio only and tested all that portfolio). DESCRIPTION OF TOOLS USED TO ASSESS PORTFOLIO EXPOSURE Physical risk analysis focused on Australian properties in our portfolios at a postcode level. The physical risk analysis quantified the potential implications for subsequent property damage of each separate weather hazard, expressed both in change to the present-day Average Annual Loss (AAL) and change to the hazard rate (a percentage multiplier value applied to the total insured value that generates the AAL). Suncorp has adopted the United Nations' Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathways (RCP) scenarios used in global climate modelling. The scenarios we used for the assessment are RCP 4.5, reflecting a moderate emissions pathway with emissions peaking mid-century and an increase in average global temperature of approximately 2°C, and RCP 8.5 where emissions continue to increase rapidly through the early and mid-parts of the century with an increase in average global temperature in excess of 4°C. Owing to the increasing nature of physical risks over time, Suncorp selected the time periods 2030 and 2060 for the physical risk assessments. 2060 was selected as it aligns with previous internal research, enabling more relevant comparisons for strategic and pricing purposes. It also provides greater divergence for comparison between the concentration pathways, allowing for a better understanding of the consequences of inaction. Using postcodes, we mapped our residential mortgage collateral to those areas predicted to have a significant increase in aggregate natural peril rates. In addition, we mapped our residential mortgage collateral to postcodes known to be at risk of expansive soil or coastal erosion neither of which is covered by standard insurance policies. For transition risk, over the short to medium term, Suncorp has identified climate change transition risks and opportunities by using modelled changes in economic activity against a business as usual scenario (reflecting no policy changes from today) for 70 industries in Australia. We have conducted an analysis of the impact of transitioning to a net-zero emissions economy under 1.5°C and 2°C scenarios from the Decarbonisation Futures scenario data for our Insurance Australia commercial and liability insurance portfolios, Insurance Australia investment assets and Bank business lending portfolios. Consumer insurance and compulsory third-party portfolios for Insurance Australia, and residential lending portfolios have not been included in the analysis. To read about the Decarbonisation Futures, please visit: climateworksaustralia.org/wp-content/uploads/2020/04/Decarbonisation-Futures-March-2020-briefing-slide-pack.pdf The timeframe applied to consider these changes was 2030 to 2040 to reflect the timeframe in which a transition must occur to limit warming to 1.5–2°C.</p>
Investing (Asset manager)	All of the portfolio	Qualitative and quantitative	<p>PORTFOLIO COVERAGE DEFINITION This applies to all assets that asset managers, appointed by Suncorp, invests in on our behalf. DESCRIPTION OF TOOLS USED TO ASSESS PORTFOLIO EXPOSURE Suncorp Portfolio Services Limited "SPSL" as Trustee of the Suncorp Master Trust invest in both Suncorp managed and third-party managed investment vehicles. The process for assessment of climate related risks and opportunities in Suncorp Trusts (SFPL) is detailed below (see Investing - Asset Owner) and applies to the significant majority of monies managed on behalf of clients. SPSL has engaged Morningstar to provide a range of investment services including in relation to the asset allocation and targeted investment management services for the Suncorp branded investment options. Morningstar undertakes responsible investment stock exclusions on the request of SPSL on an ongoing basis, which are also aligned with climate change related provisions in the Suncorp Responsible Investment Policy.</p>
Investing (Asset owner)	All of the portfolio	Qualitative and quantitative	<p>PORTFOLIO COVERAGE DEFINITION This applies to all assets that Suncorp directly invests in. DESCRIPTION OF TOOLS USED TO ASSESS PORTFOLIO EXPOSURE In terms of transition risk and opportunities, Suncorp uses Sustainability data to assess the exposure to a variety of climate change transition risk and opportunity metrics. These include: • Carbon risk rating • Carbon intensity (tCO2/US\$ million revenue) • Fossil Fuels Exposure (percentage) • Stranded Assets Risk Score (weighted average percentage) • Carbon Solutions (percentage) In partnership with ClimateWorks Australia, Suncorp has stress tested its equity and credit investment exposures against tailored 1.5- and 2-degree Celsius warming scenarios. Suncorp calculates its exposure to low carbon assets using the Investor Coalition taxonomy. These include green bonds, renewable energy infrastructure and energy efficient real estate. In terms of physical risk, using geospatial software Suncorp has mapped the physical location of large property and infrastructure assets. In partnership with AON, Suncorp has stress tested those assets against weather related perils using RCP 4.5 and RCP 8.5 scenarios. Suncorp requires appointed investment managers to incorporate a shadow carbon price (SCP) in their analysis of investee companies. As at 1 July 2021 the SCP is set at US\$38 and is reset annually in line with a less than 2-degree Celsius glidepath as calculated by ClimateWorks Australia.</p>
Insurance underwriting (Insurance company)	Majority of the portfolio	Qualitative and quantitative	<p>PORTFOLIO COVERAGE DEFINITION Physical risk – Majority of the portfolio (i.e. applied to home, SME/corporate and motor insurance portfolios which comprises approximately 82% of Gross Written Premium. Transition risk – Commercial, Statutory and motor insurance portfolios comprising 58% of Gross Written Premium. DESCRIPTION OF TOOLS USED TO ASSESS PORTFOLIO EXPOSURE The assessment and management of climate-related risks are embedded in our business through: • Strategic plans including our Group Strategic and Business Plans, Enterprise Risk Management Framework, Climate Change Action Plan and our Environmental Performance Plan • Financial planning including integration of climate change into risk modelling and pricing, reinsurance and Natural Hazard Aggregate Protection • Policy and Guidelines including our Insurance Risk Standard, Responsible Banking & Insurance Policy, Responsible Investment Policy, Sensitive Sector Guidelines and Insurance Risk Appetite Statement This includes climate change scenario analysis conducted on commercial and personal insurance portfolios, and investment portfolios. For example, we have conducted scenario analysis on the physical risks of climate change may impact business operations, pricing and income over the medium to long term on our residential and commercial property insurance; how an economic transition to a net-zero emissions economy of financial markets, consumer markets and the economy may impact our commercial and liability insurance portfolios as well as investment assets for Insurance Australia, in the short to medium term; and an assessment of physical and transition/technology change on our motor insurance portfolios. Another example is through our Insurance Natural Perils Pricing teams conducting ongoing research into the consequences of a changing climate on the frequency and intensity of natural hazards. This research includes understanding the effects of a future warming climate on future natural hazard risk. Any change to the risk that occurs due to climate change or other factors can be addressed dynamically through a range of mechanisms including risk selection and underwriting practices, premiums that adjust for risk and associated capital and reinsurance costs, and geographical and product diversification. In addition to the Natural Perils Pricing team, Suncorp's Actuarial Modelling team use Suncorp's historical dataset of natural hazard events, as well as external vendor models, to estimate the cost of natural hazards in the year ahead given the planned portfolio and pricing.</p>
Other products and services, please specify	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-FS2.2d

(C-FS2.2d) Do you assess your portfolio's exposure to water-related risks and opportunities?

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	Yes	All of the portfolio	For our SME and Residential Mortgage portfolios, adequate insurance coverage for physical risks such as flood and storm are a requirement of customers in the acceptance of mortgage contracts. For our Agribusiness portfolio, we consider whether our cropping exposures have access to irrigation. For those without irrigation, we consider the projected rainfall over the medium term (3-5 years). Our business risk settings are such that we have a clear bias towards growth in high rainfall belts. In addition, in the aftermath of a natural disaster, such as a flood or cyclone, we conduct portfolio analysis to assess properties affected by the event.
Investing (Asset manager)	Yes	Majority of the portfolio	SPSL invest in both Suncorp managed and third-party managed investment vehicles. The process for assessment of water-related risks and opportunities in Suncorp Trusts (SFPL) is detailed below (see Investing - Asset Owner) and applies to the significant majority of monies managed on behalf of clients.
Investing (Asset owner)	Yes	All of the portfolio	Using Sustainalytics data, Suncorp assesses its exposure to ESG risk in all share and credit portfolios. The Sustainalytics ESG risk assessment evaluates investee companies on a broad range of Environmental, Social and Governance risk factors. Environmental factors include several water-related metrics: • Emissions, Effluents and Waste • Land Use and Biodiversity • Land Use and Biodiversity – Supply Chain • Resource Use • Resource Use – Supply Chain. In property portfolios, Suncorp monitors the aggregate and individual asset NABERS Water rating as well as requiring managers to report on environmental issues in standard periodic reports. In infrastructure portfolios Suncorp monitors the environmental strategy and reporting of underlying assets inclusive of surface water and groundwater protection, water efficiency, and disclosure of spills and contamination. All assets have a sustainability plan in place or under development. Suncorp requires managers to report on environmental issues in standard periodic reports. Property and Infrastructure managers assess individual assets and aggregate portfolios using the Global ESG Benchmark for Real Assets (GRESB) benchmarking tool and Suncorp includes assessment of GRESB outcomes in its monitoring process.
Insurance underwriting (Insurance company)	Yes	All of the portfolio	Water-related risks include cyclones, storms (low pressure systems and east coast lows), severe thunderstorms (hail), flooding (river and surface water) and storm surge (coastal flooding). The assessment and management of climate-related risks are embedded in our business' financial planning including integration of climate change into risk modelling and pricing, reinsurance and Natural Hazard Aggregate Protection. For New Zealand consumer insurance operations the response is the same as outlined in question C-FS2.2b. Suncorp New Zealand are aware of the potential for depleted supplies of stored drinking/firefighting water within urban and rural areas throughout New Zealand, that may result directly from climate change (e.g. wetter winters/ drier summers and possibly vice-versa) but we are not currently adopting pricing or underwriting controls around this potential exposure. For New Zealand corporate / marine insurance activities the risks of floods / storm surges are known to underwriters and Suncorp New Zealand are aware of an increasing incidence of occurrences leading to claims. No opportunities are apparent at this stage. For New Zealand commercial insurance all rivers/ seas/ lakes are assessed as part of standard activities.
Other products and services, please specify	Not applicable	<Not Applicable>	

C-FS2.2e

(C-FS2.2e) Do you assess your portfolio's exposure to forests-related risks and opportunities?

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	Yes	All of the portfolio	For our SME and Residential Mortgage portfolios, adequate insurance coverage for physical risks such as bushfire are a requirement of customers in the acceptance of mortgage contracts. This risk is assessed at the time of lending origination. For our Agribusiness portfolio, our business risk settings are such that we have a clear bias towards growth in high rainfall belts and agribusiness with access to water primarily for irrigation purposes, but also in the event of a bushfire. For those without irrigation, we consider the projected rainfall over the medium term (3-5 years). In addition, in the aftermath of a natural disaster, such as a bushfire, we conduct portfolio analysis to assess properties and businesses affected by the event.
Investing (Asset manager)	Yes	Majority of the portfolio	SPSL invests in both Suncorp managed and third-party managed investment vehicles. The process for assessment of water-related risks and opportunities in Suncorp Trusts (SFPL) is detailed below (see Investing - Asset Owner) and applies to the significant majority of monies managed on behalf of clients.
Investing (Asset owner)	Yes	All of the portfolio	As per C-FS2.2d, using Sustainalytics data, Suncorp assesses its exposure to ESG risk in all share and credit portfolios. The Sustainalytics ESG risk assessment evaluates investee companies on a broad range of Environmental, Social and Governance risk factors. Environmental factors include several forest related metrics: • Emissions, Effluents and Waste • Land Use and Biodiversity • Land Use and Biodiversity – Supply Chain • Resource Use • Resource Use – Supply Chain. Specifically, in relation to the Palm Oil Industry, Suncorp has conducted both proprietary research, and engaged with investment managers and Sustainalytics in relation to rainforest destruction and human rights abuses in the palm oil industry. Consequent to this research, Suncorp has excluded a number of non-Roundtable on Sustainable Palm Oil (RSPO) members from portfolios.
Insurance underwriting (Insurance company)	Yes	All of the portfolio	Forest related risk includes bushfire. The assessment and management of climate-related risks are embedded in our business' financial planning including integration of climate change into risk modelling and pricing, reinsurance and Natural Hazard Aggregate Protection. New Zealand consumer insurance does not assess bushfire risk specifically (due to very low incidence in NZ for consumers) but does price domestic risks based on water supply (or tank water) and distance from firefighting services. New Zealand commercial insurance assesses bushfire risk, including the distance from fire brigades and the availability of water to fight fires.
Other products and services, please specify	Not applicable	<Not Applicable>	

C-FS2.2f

(C-FS2.2f) Do you request climate-related information from your clients/investees as part of your due diligence and/or risk assessment practices?

	We request climate-related information	Please explain
Bank lending (Bank)	Yes	For our SME and Residential Mortgage portfolios, adequate insurance coverage for physical climate risks such as flood and storm are a requirement of customers in the acceptance of mortgage contracts. This risk is assessed at the time of lending origination. For our Agribusiness portfolio, we request information from clients as part of the credit assessment process to understand their business (e.g. access to irrigation). We also assess rainfall over the medium term (3-5 years), and valuers are required to independently consider climate elements and incorporate into valuations. In line with the Responsible Banking & Insurance Policy, we do not lend to new fossil fuel mining or power generation. We also incorporate climate change considerations in our Enterprise Risk Management Framework.
Investing (Asset manager)	Yes	SPSL invests in both Suncorp managed and third-party managed investment vehicles. The information requested from appointed managers of the Suncorp Trusts (SFPL) is detailed below (see Investing - Asset Owner) and applies to the significant majority of monies managed on behalf of clients. SPSL has engaged Morningstar to provide a range of investment services including in relation to the asset allocation and targeted investment management services for the Suncorp branded investment options. Morningstar undertakes responsible investment stock exclusions on the request of SPSL on an ongoing basis, which are also aligned with climate change related provisions in the Suncorp Responsible Investment Policy.
Investing (Asset owner)	Yes	Suncorp obtains holdings data from incumbent managers via our appointed custodian National Asset Services (NAS) or directly from candidate managers as part of our due diligence process. We obtain GHG emission related data of investee companies via our partnership with Sustainalytics as our data provider and use that data to assess portfolio climate-related risks. We collect additional data from our appointed external investment managers, who are required to incorporate assessment of environmental risks and opportunities in their assessment of investment opportunities. Our manager due diligence process includes an evaluation of the ability of a manager to identify and assess climate change risks and opportunities and to factor that assessment into security selection and portfolio construction decisions. Our Manager Due Diligence questionnaire incorporates several questions in relation to climate risk assessment. In addition, we consider the manager's PRI Transparency Report in our manager selection process. Since 2019 Suncorp has participated in a Sustainalytics led engagement program focused on carbon transition preparedness. Specifically focused on steel and cement companies, this program has collected information from investee companies on their strategy for transitioning to a zero-emissions economy.
Insurance underwriting (Insurance company)	Yes	Insurance premiums charged today are a function of the probability that a customer is affected by a natural hazard, the features of their property and the estimated damage done by the hazard – resilience to extreme weather is therefore an important consideration and is factored into the calculation of insurance premiums when engaging with customers. Insurance prices set by Suncorp are for a short period into the future. Any change to the risk that occurs due to climate change or other factors can be addressed dynamically through a range of mechanisms including underwriting practices and premiums that adjust for risk. New Zealand consumer insurance includes standard question sets for Home and Contents insurance risks with the requirement for potential customers to disclose known Flood and/or Landslip issues affecting the property. New Zealand corporate/marine insurance activities request client information with respect to specific identified risks regarding potential property damage e.g. location in a flood plain New Zealand commercial insurance obtains the location of risks and determines the exposure to floods/ storms/ bush fires etc. We request sectoral information from customers and brokers as part of business acceptance processes. In line with the Responsible Banking & Insurance Policy, we do not underwrite new fossil fuel mining or power generation. We also incorporate climate change considerations in our Enterprise Risk Management Framework.
Other products and services, please specify	Please select	

C2.3

(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

(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 & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods
----------------	--

Primary potential financial impact

Increased insurance claims liability

Climate risk type mapped to traditional financial services industry risk classification

Strategic risk

Company-specific description

Average Annual Loss (AAL) change due to climate change physical risk in Insurance Australia residential and commercial portfolios. Average Annual Loss is a metric used by Suncorp to provide the mean value of the loss exceedance probability distribution – i.e. the expected loss per year, averaged over many years. This gives us an indication of losses that we may incur as a result of natural perils.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

35000000

Potential financial impact figure – maximum (currency)

79000000

Explanation of financial impact figure

APPROACH AND CALCULATION OF POTENTIAL FINANCIAL IMPACT FIGURE The approach employed to calculate potential financial impact was to aggregate modelled changes in AAL across all natural hazards for Insurance Australia's portfolios at 2030. The financial impact figure includes climate change scenario analyses conducted in FY20 (residential property insurance portfolio) and FY21 (corporate/commercial property insurance portfolio). We conducted in-depth analysis of climate model projections based on the latest science. Sources included Australia's peak scientific agencies (CSIRO and Bureau of Meteorology). The analysis used projections relating to a 'mid-range' pathway (RCP4.5) and 'high-range' pathway (RCP8.5). The minimum potential impact (\$35m) is based on the bottom of the lower range of additional impact on AAL under the RCP4.5 scenario. The maximum potential impact (\$79m) is based on the top of the upper range of additional impact on AAL under the RCP8.5 emissions scenario. After understanding projected change in weather peril behaviour (for example, cyclones moving further south in the State of QLD), we then quantified potential implications for property damage for each weather peril and impacts on hazard rates (for example – hazard rates for southern QLD increased in both scenarios as the majority homes in the region are not built to be resilient to cyclonic wind speeds of >232km/hr). Hazard rates are a percentage multiplier value applied to the total insured value that generates AAL. In both RCP4.5 and RCP8.5 scenarios, changes to frequency and severity of weather events drive change in AAL for the residential portfolio at 2030 by less than 10% overall. For the SME and Commercial portfolio, flood and cyclone continue to be the most impactful perils in terms of AAL. Specifically, the increases in AAL are due to more extreme cyclones (including poleward migration), rainfall, thunderstorms (all regions), hail (temperate climates), sea level rise and bushfire. **ASSUMPTIONS** The change AAL is based on current portfolio composition, built environment resilience, underwriting risk appetite, and the RCP4.5 and RCP8.5 scenarios chosen to represent medium and high impact. Changes to population, the built environment and Suncorp's potential responses (such as reinsurance recoveries) are not factored.

Cost of response to risk

100000

Description of response and explanation of cost calculation

Climate change scenario analyses conducted in FY20 and FY21 project medium to low impacts to average annual loss due to climate change based on today's population and built environment. A change in AAL of less than 10% is considered to lie within normal variability of current hazard assumptions and able to be managed via existing controls and pricing instruments. Cost of response to risk is based on annual consulting fees to support analysis and oversight, so that Suncorp can appropriately account for the climate-related hazards into our pricing and controls. Other costs of response (e.g. staff salaries, office costs, consumables etc) are captured within existing BAU operational budgets. Suncorp is also responding by increasing advocacy for a resilient built environment. Suncorp's climate change scenario analysis found that improving the resilience of buildings would likely have a material impact on reducing annual average loss (AAL). Targeted advocacy for a more resilient built environment, as well as products and pricing that reward resilience action will continue to be key strategic priorities. At a community level, we found lower socioeconomic communities are over-represented in locations at high-risk from natural hazards. While Suncorp's exposure to these locations is low, these communities will face rising insurance costs and insurance affordability pressure. Without product, stakeholder or government intervention to build resilience, this could lead to under-insurance and an increasing protection gap in the community. While resilience improvements can moderate the impacts of climate change, resilience will be insufficient to completely negate these impacts. A more resilient built environment, lower global warming pathway, and positive economic conditions are key drivers to achieve reduced claims costs, affordable premiums, acceptable earnings volatility and reinsurance costs, and to reduce the risk of regulatory intervention.

Comment

Separate climate change analyses were conducted for Suncorp's Australian and New Zealand insurance entities (hence different impact figures and scope from those provided in Risk 2 which is focused on the New Zealand business). The analysis was separated as the risk profile, inputs and assumptions used for two geographies differs materially, including global and local climate models and scientific assumptions. Natural perils modelling and pricing is also conducted separately by each business. For example, cyclone risk is a material factor in determining Average Annual Loss in Australia, whereas it is not considered material for the New Zealand business due to the country's longitudinal proximity. In spatial terms, the distance from Auckland in New Zealand to Perth on Australia's West Coast is more than 5,300km.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods
----------------	--

Primary potential financial impact

Increased insurance claims liability

Climate risk type mapped to traditional financial services industry risk classification

Strategic risk

Company-specific description

Average Annual Loss change due to climate change physical risk in Suncorp New Zealand residential insurance portfolios. Average Annual Loss (AAL) is a metric used by Suncorp to provide the mean value of a loss exceedance probability distribution – i.e. the expected loss per year, averaged over many years. This gives us an indication of losses that we may incur as a result of natural perils.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

5000000

Potential financial impact figure – maximum (currency)

16000000

Explanation of financial impact figure

APPROACH AND CALCULATION OF POTENTIAL FINANCIAL IMPACT The approach employed to calculate the potential financial impact figure was to aggregate modelled changes in AAL across all natural hazards for Suncorp New Zealand's residential property insurance portfolios at 2030. We conducted in-depth analysis of climate model projections based on latest science from a range of sources including New Zealand's peak scientific agency (National Institute of Water and Atmospheric Research). The analysis used projections relating to a 'mid-range' pathway (RCP4.5) and 'high-range' pathway (RCP8.5). Impacts are based on the upper and lower range of projected impacts across emissions scenarios. The minimum potential impact figure (\$5m) is based on the bottom of the lower range of additional impact on AAL under RCP4.5. The maximum potential impact figure (\$16m) is based on the top of the upper range of additional impact on AAL under RCP8.5. After understanding the projected change in the behaviour of each weather peril (for example – properties within 1km of the NZ coastline and less than 5m above sea level likely to be impacted by storm surge), we then quantified the potential implications for subsequent property damage for each separate weather peril and impact on hazard rates (for example – impact on hazard rates should the mean sea level rise by 0.1m). Hazard rates are a percentage multiplier value applied to the total insured value that generates the AAL. To arrive at the potential impact on Average Annual Loss we applied a percentage change to present-day 'hazard rates' at postcode level. The change in AAL was calculated for the median, as well as statistically upper and lower ranges for the RCP4.5 and RCP 8.5 emissions scenarios. In both RCP4.5 and RCP8.5, changes to synoptic storm and riverine flood incidence and severity drives change in Average Annual Loss for the residential portfolio at 2030 by less than 10% overall. Specifically, the increases in AAL reflect greater extreme rainfall, flash flooding due to storm events, surface water flooding and sea level rise. **ASSUMPTIONS** The change AAL is based on current customer portfolio mix, resilience of the built environment, underwriting risk appetite, and the RCP4.5 and RCP8.5 scenarios chosen to represent the medium and high impact. Changes to population, the built environment and Suncorp's potential responses (such as reinsurance recoveries) are not factored into this metric.

Cost of response to risk

100000

Description of response and explanation of cost calculation

Climate change scenario analyses conducted in FY20 and FY21 project medium to low impacts to average annual loss due to climate change based on today's population and built environment. A change in AAL of less than 10% is considered to lie within normal variability of current hazard assumptions and able to be managed via existing controls and pricing instruments. Cost of response to risk is based on annual consulting fees to support analysis and oversight, so that Suncorp can appropriately account for the climate-related hazards into our pricing and controls. Other costs of response (e.g. staff salaries, office costs, consumables etc) are captured within existing operational budgets. Suncorp is also responding by increasing advocacy for a resilient built environment. Suncorp's climate change scenario The analysis also found that improving the resilience of buildings would likely have a material impact on reducing annual average loss (AAL). Targeted advocacy for a more resilient built environment, as well as products and pricing that reward resilience action will continue to be key strategic priorities. While Suncorp's exposure to these locations is low, these communities will face rising insurance costs and insurance affordability pressure. Without product, stakeholder or government intervention to build resilience, this could lead to under-insurance and an increasing protection gap in the community. While resilience improvements can moderate the impacts of climate change, resilience will be insufficient to completely negate these impacts. A more resilient built environment, lower global warming pathway, and positive economic conditions are key drivers to achieve reduced claims costs, affordable premiums, acceptable earnings volatility and reinsurance costs, and to reduce the risk of regulatory intervention.

Comment

Separate climate change analyses were conducted for Suncorp's Australian and New Zealand insurance entities (hence different impact figures and scope from those provided in Risk 1 which is focused on the New Zealand business). The analysis was separated for the two countries because the risk profile, inputs and assumptions used for two geographies differs materially, including global and local climate models and scientific assumptions. Natural perils modelling and pricing is also conducted separately by each business. For example, cyclone risk is a material factor in determining Average Annual Loss in Australia, whereas it is not considered material for the New Zealand business due to the country's longitudinal proximity. In spatial terms, the distance from Auckland in New Zealand to Perth on Australia's West Coast is more than 5,300km.

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Market	Changing customer behavior
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Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification

Strategic risk

Company-specific description

This risk focuses on decreased in Suncorp's commercial insurance revenue due to reduced demand for our products and services driven by the climate change transition. This is measured through the changes to our commercial insurance portfolio composition and Gross Written Premium (GWP). GWP is a measure used to assess changes in insurance premium revenue. Quantifying transition impacts on GWP is important to Suncorp as it enables Suncorp to consider strategic adjustments in overall exposure to industries across multiple products and portfolios, recognising that industries may grow or decline under changing economic conditions. For example, ClimateWorks project demand for fossil fuels and emissions intensive industries such as steel blast furnace production to contract by more than 15% under a 1.5 degree scenario. While Suncorp's exposure to fossil fuels is low, current GWP (revenue) from these industries will need to be offset by growth in other industries such as renewable electricity generation and rare metal mining where demand for goods and services from those industries is projected to grow by more than 50% under the same scenario.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

31000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

APPROACH, ASSUMPTIONS AND CALCULATION OF FINANCIAL IMPACT FIGURE The approach employed to calculate the approximate potential financial impact figure was to aggregate GWP in Suncorp’s Australian commercial insurance portfolio by industry sector and apply percentage change in demand for goods and services in a 1.5C transition scenario. This is conducted in partnership with ClimateWorks Australia. Different economic activity-based scenarios were utilised: A BAU (no policy change) baseline scenario; a 2C scenario focused on an orderly transition; and a 1.5C scenario incorporating a more rapid transition to a net-zero economy. The potential financial impact figure is based on the 1.5C scenario at 2030. Risk appetite and other factors are assumed constant. To determine aggregate change in activity, ClimateWorks modelled changes for 70 sub-industries. Activity modelled varied depending on the sub-industry, e.g. tons of grain produced, kilowatts of electricity, kilometre tons of road transport, etc. In many instances, activity was measured by expected revenues. Change in government policy was proxied by a price on carbon emissions with more aggressive policies implying higher prices on carbon emissions. Actions by individuals and businesses were incorporated into scenarios through various measures such as an increase in behind-the-meter renewable energy, changes in diet, tons of plastic recycled and an increased uptake in electric vehicles. Relative to a business as usual scenario, less than 4% of Suncorp’s commercial insurance portfolio is exposed to industries where economic activity would increase under a 1.5°C scenario by 2030. Most of the portfolio is exposed to industries that would be neutral under this scenario (expected change in activity -5% to 0%). Approximately 3.5% of the current portfolio is exposed to industries expected to experience a moderate decline in activity (-5%to -15%), while under 4% is exposed to industries expected to experience a large decline (-15% to-100%) in activity relative to business as usual. For example, the textiles, clothing and footwear sector activity is projected to contract by 3%. Suncorp’s total GWP in this sector is approximately \$5.6M. The expected impact of decline in this sector is therefore -3%*\$5.6M = -\$168,000. We repeated this for all 70 sub-industries and sum all the impacts to arrive at the final revenue impact figure. The net change was a contraction in revenue by 2030 of \$31 million under 1.5C scenario.

Cost of response to risk

100000

Description of response and explanation of cost calculation

To manage the risk of exposure to industries exposed to decline in demand for products and services due to a rapid transition, Suncorp has updated underwriting guidelines and published commitments to no longer underwrite new fossil fuel extraction and electricity generation projects, and has committed to have no exposure by 2025. This included the updated of Suncorp’s Fossil Fuel Standard, which is now reflected in underwriting guidelines and business approvals. Suncorp also assessed the level of diversification in commercial insurance portfolios – it was determined that portfolio exposures overall are well diversified and broadly unaffected by a transition to a net-zero economy – approximately 88% of the commercial insurance portfolio is exposed to industry largely unaffected by the transition under a 1.5 degree scenario. The composition of Suncorp’s exposure reflects Suncorp’s risk appetite and risk selection processes. Suncorp is able to manage changes in the economy and growth and decline of industries through portfolio management and risk appetite review. Changes in policy and market conditions will be analysed over coming years to assess any potential material changes in impacts to Suncorp commercial insurance portfolios due to the transition to a net zero emissions economy. Cost of response to risk is based on annual consulting fees to support analysis and oversight. Other costs of response (e.g. staff salaries, office costs, consumables etc) are captured within existing operational budgets.

Comment

In line with other similar economic modelling exercises involving sub-industries, the potential financial impact figures are considered low confidence due to the high degree of policy uncertainty and global and local economic factors.

C2.4

(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

(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

Resource efficiency

Primary climate-related opportunity driver

Move to more efficient buildings

Primary potential financial impact

Reduced direct costs

Company-specific description

Resource efficiency and resilience through continued real estate and operational efficiency actions represent an opportunity to reduce overall energy and operational costs. Reduction in our footprint due to consolidating into a more efficient building (moving three sites into one that is Gold WELL certified).

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

13500000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Resource efficiency and resilience through continued real estate, supply chain and operational efficiency actions represent an opportunity to reduce overall operational costs. By consolidating 3 of our sites into a major commercial site, which is Gold WELL rated, we expect that the electricity costs per annum would reduce from \$1.6 million to \$700,000, which is a savings of \$900,000 per year. Based on our initial 10-year+5-year lease term for a total of 15 years, we estimate electricity savings of \$13.5 million. In addition, renewable energy and power purchasing agreements are becoming more accessible. Suncorp has joined RE100 and has committed to 100% renewable electricity by 2025. Electricity at this new site will be 100% renewable.

Cost to realize opportunity

10000000

Strategy to realize opportunity and explanation of cost calculation

Suncorp's Real Estate Strategy, Environmental Performance Plan, Carbon Budget, and science-based target provide a framework for reducing current and future operational costs. Suncorp is always looking to identify opportunities to reduce our real estate footprint. This upcoming move to our new Brisbane head office reflects the commitment outlined in our Real Estate Strategy; Suncorp has decided to move into a Gold WELL rated building in order to reduce our environmental impact and electricity costs in the long run. The cost to realise this opportunity is calculated as the additional cost for Suncorp to move into a Gold WELL rated building as opposed to moving into a standard building with minimum energy performance standards. The majority of the cost of the energy efficiency and environmental upgrades are being delivered by the landlord as part of our negotiation and lease requirements. Costs incurred by Suncorp include installation of the energy-efficient end user computing solutions (\$9.5 million) and the installation of proximity and occupancy sensors (\$500k). Estimated total investment of the project = \$9,500,000 + \$500,000 = \$10 million.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Resilience

Primary climate-related opportunity driver

New products and services related to ensuring resiliency

Primary potential financial impact

Reduced direct costs

Company-specific description

Community resilience building (e.g. community-level risk reduction) represents an opportunity to manage risks. A more resilient built environment and lower global warming pathway are key drivers to achieve reduced claims costs, affordable premiums, acceptable earnings volatility and reinsurance costs, and to reduce the risk of regulatory intervention. Expansion of Suncorp's cyclone resilience benefit, which rewards homeowners with lower premiums for strengthening their homes to cyclone, is being considered, including to other natural hazards and other geographies beyond Queensland. Average Annual Loss (AAL) is a metric used by Suncorp and other insurers which provides the mean value of a loss exceedance probability distribution – i.e. the expected loss per year, averaged over many years. AAL for all perils was modelled at the postcode level for all postcodes in Australia. To better understand the resilience of communities and Suncorp's business to climate change, climate change projections have been considered in the context of other changes in the future built environment - population, density, the resilience of buildings, development planning, and building codes. By quantifying the impact of a more resilient environment (by calculating the reduction in AAL), Suncorp can pursue opportunities to reduce underlying risk in its portfolios and maintain portfolio sustainability over the long term. Maintaining affordable premiums requires investment over time to improve the resilience of the built environment.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

26000000

Potential financial impact figure – maximum (currency)

242000000

Explanation of financial impact figure

The approach to calculate the financial impact figure was to aggregate modelled changes in AAL across all natural hazards for Insurance Australia's residential property insurance portfolio at 2030 and 2060, and apply a 'building code adjustment factor' and 'density adjustment factor'. Building code adjustment factor: Suncorp expects to see gradual improvements made to the resilience of the built environment to weather perils over the coming decades due to improvements made to existing standards and the creation of new standards. The building code adjustment factor considers these improvements and reduces the projected insured loss for the assumed future-built environment. Our assessment concluded that major changes are unlikely by 2030. By 2060, we do expect to see widespread improvements from improved standards and practices related to weather perils. Therefore, the adjustment factor for 2060 accounts for these changes, and quantifies the benefit of increasing resilience. Density adjustment factor: Densely populated housing typically results in lower vulnerability to storm. Future projections from the Australian Bureau of Statistics are for an 18% increase in population by 2030 and a 61% increase by 2060. Both Sydney and Melbourne have the potential to go beyond 10 million people by 2060. Roughly doubling the population of these urban centres will increase the local aggregation of property exposed to extreme weather events. Therefore, the density adjustment factor should be applied to estimate AAL changes accordingly. CALCULATION/ASSUMPTIONS OF POTENTIAL FINANCIAL IMPACT FIGURE Suncorp's research found that the building

code adjustment factors should be 5% at 2030 and 25% at 2060. These percentages are then applied to the modelled loss that is expected from new builds at 2030 and 2060 (i.e. density adjustment factor). Accounting for these factors, our analysis found that there would be lower vulnerability to extreme weather and lowering of AAL - approximately \$26m lower at 2030 and \$242m lower at 2060. The minimum figure represents the impact of resilience improvements against the median AAL under an RCP4.5 scenario. The maximum figure represents the resilience improvements against median AAL under an RCP8.5 scenario.

Cost to realize opportunity

100000

Strategy to realize opportunity and explanation of cost calculation

Targeted advocacy for a more resilient built environment, as well as products and pricing that reward resilience action continue to be key strategic priorities and have been integrated into group, divisional and product/portfolio strategy. CASE STUDY – QUANTIFYING THE IMPACTS OF BUILDING CODES ON BUILDING RESILIENCE In FY21 Suncorp partnered with the Insurance Council of Australia, Risk Frontiers, and James Cook University to aggregate claims and loss data to provide empirical evidence for the vulnerability of modern homes to cyclones and floods (built post 2000). Damage investigations following tropical cyclones have shown that there is positive change in performance for life safety robustness of housing, built after the code changes (post-1980) across the tropical cyclone regions of Australia. However, achieving life safety does not necessarily result in protection of property or reduced economic loss from natural disasters. Investigations of damage to buildings following severe weather events shows continuing problems with the performance of contemporary engineered buildings, particularly with respect to water ingress. For example, adjustment to building standards such as AS-1170 (Wind) and AS-2050 (Roof Tiles) contribute to reducing the vulnerability of new building stock to property damage from extreme weather. The intent of the report is to provide evidence and advocate for a change to the Australian building code in 2025 which reduces underlying risk. Cost of response to realise opportunity is based on annual consulting fees to support analysis and oversight. Other costs of response (e.g. staff salaries, office costs, consumables etc) are captured within existing operational budgets.

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Shift in consumer preferences

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Exploration of low-emission products and services in line with Suncorp's banking consumer preferences offers an opportunity to differentiate customer and employee propositions and strengthen relationships with customers and employees and provide potential new sources of revenue. Research in 2021 tested seven socially & environmentally driven proof points against more traditional efficiency and financially driven offerings. The research revealed high customer desirability for consumer banking solutions which deliver incentives and reward for customers who are doing the right thing for the environment. Suncorp is exploring products across consumer deposit and lending portfolios that drive customer retention, reduce negative impacts and enhance positive impacts. For example, this includes discounted loans for energy efficient homes, emissions measurement and a 'no controversial lending' promise including fossil fuels. Targeted discounted home lending which rewards customers who have installed solar PV systems to their homes to promote energy efficiency is being explored.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

66000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

METRIC AND APPROACH Suncorp assessed the potential revenue saved per annum through retention initiatives targeting energy efficient borrowers with schemes such as a reduction in interest rate based on energy efficiency. CALCULATION OF POTENTIAL FINANCIAL IMPACT FIGURE AND ASSUMPTIONS A base case for potential lost revenue was calculated whereby Suncorp Bank took the total current number of loans and size of the current mortgage book and applied a 'natural' attrition rate assumption of 20% within two years. Age-based borrower segmentation identified approximately 44% of total current borrowers with higher potential to own energy efficient collateral. As an incentive to drive customer loyalty and lower attrition, a discounted interest rate would be made available to reward these borrowers. Modelling a 50% take-up rate by this target cohort resulted in approximately \$66m p.a. retained revenue over the base case. Whilst the resulting impact to net interest income margin (NIM) is still being explored, this initiative has clear alignment to support growth and market share objectives of the Bank. Further exploration and investment will be undertaken to support development of the proposition, including product, marketing, and consumer data and tracking (e.g. related to insights and consumer satisfaction (NPS).

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

Product innovation is factored into both operational budgets as well as strategic investments, where opportunities arise, so there are no additional costs to realise this opportunity. Targeted product development which quantifies scope 3 impacts and other customer environmental benefits is a focus for product and strategy teams over the next three years. More broadly, Suncorp's Climate Change Action Plan includes a commitment to explore the development of new products and services which help customers and staff reduce their carbon intensity, including the opportunity outlined above in targeting energy efficient borrowers. This is aligned to Suncorp's Responsible Banking & Insurance Policy and its commitments under the UN Principles for Responsible Banking.

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Is your organization's low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?

	Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment
Row 1	Yes	Resolutions relating to performance and remuneration, including performance against climate-related risks and opportunities are a scheduled item at AGMs. To further demonstrate transparency on how Suncorp is managing climate change physical and transition risk, Suncorp publishes ahead of the AGM a series of disclosures tracking progress against net-zero emissions targets and other climate-related commitments. The Chairman provides shareholders with a reasonable opportunity to ask questions concerning the Company's Financial Report, Directors' Report and Auditor's Report (which are contained in the Annual Report), and the Company's performance generally, including Suncorp's performance managing climate related risk, performance regarding low carbon transition, and performance against science-based greenhouse gas emissions reduction targets. The Chairman also provides shareholders with an opportunity to ask the Company's auditor (KPMG) questions relevant to: — the conduct of the audit — the preparation and content of the Auditor's Report — the accounting policies adopted by the Company in relation to the preparation of the financial statements, and — the independence of the auditor. For example, at the FY20 AGM held in September 2020, shareholders asked questions about Suncorp's approach to decarbonising insurance, banking and investment portfolios, as well as performance against other climate-related issues. The Chairman and CEO also addressed climate change in their opening remarks. Suncorp has considered in this answer 'climate-related issues' to include the management of weather-related impacts as a core insurance and banking capability, with climate change an element factored into overall risk management. Summary response to prominent Shareholder questions (climate change on p.2): suncorpgroup.com.au/uploads/Summary-of-Shareholder-Questions-FINAL.pdf Chairman and CEO addresses (climate change referenced throughout): suncorpgroup.com.au/announcements-pdf/1411108

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative and quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
RCP 4.5 RCP 8.5 Other, please specify (1.5°C and 2°C scenarios from the Decarbonisation Futures scenario data)	APPROACH Scenario analysis evolves year-on-year. Analysis conducted to date in Australia and New Zealand includes: —physical: impacts on our business operations, pricing and income over the medium (next 10 years) to long term (mid-century) in property and motor insurance, bank lending, and investment portfolios; and — transition: Impacts of a net-zero emissions transition on our commercial and liability insurance portfolios, investments, and business lending portfolios, in the short (next three years) to medium term (next 10 years). Together, these risks cover the banking portfolio and investment assets in Australia, and insurance portfolios in Australia and New Zealand. SCENARIOS – PHYSICAL Suncorp adopted the UN IPCC climate modelling scenarios: RCP4.5 and RCP 8.5. The time periods 2030 and 2060 were selected - 2030 to align with business planning and strategy; and 2060 to align with previous internal research, enabling more relevant comparisons for strategic and pricing purposes. 2060 also provides greater divergence for comparison between RCPs, allowing better understanding of consequences. SCENARIOS – TRANSITION Changes in economic activity were modelled against a business as usual scenario (reflecting no policy changes from today) for 70 industries in Australia, mapping commercial insurance, investment and business lending portfolio exposures to those industries. 1.5C and 2C transition scenarios were selected from the Decarbonisation Futures scenario data. The timeframe to consider these changes was 2030 to 2040 to reflect the time in which a transition must occur to limit warming to 1.5–2.0C, and align with business and financial planning, and portfolio management over the short and medium term. RESULTS Physical: Insurance Average Annual Loss (AAL - the measure of impact due to natural perils) is projected to increase between \$35-79m at 2030 based on the upper and lower range of projected impacts across RCP4.5 and RCP8.5 emissions scenarios. In both RCP4.5 and RCP8.5 scenarios, changes to synoptic storm, riverine flood and thunderstorm incidence and severity drives change in AAL for the residential portfolio at 2030 by less than 10% overall. For the SME and Commercial portfolio, flood and cyclone continue to be the most impactful perils in terms of AAL. Further detail on this analysis is provided in 2.3a. Transition: Gross Written Premium is projected to contract \$31m by 2030. Further detail on this analysis is provided in 2.3a. RESULTS INFORM BUSINESS OBJECTIVES AND STRATEGY Climate-related risk management is embedded in our business. Our strategy in response covers short, medium, and long term time horizons. Suncorp's 2022–24 Group Business Plan identifies climate change and resilience as one of the core strategic risks faced by Suncorp, and climate change is incorporated into our Enterprise Risk Management Framework and function Business Plans. Results have informed: - Development of home insurance product building resilience features - Integration of analysis outcomes into peril risk modelling - risk selection, underwriting and reinsurance - Further research with climate experts and universities CASE STUDY In FY21 Suncorp partnered with industry and scientific stakeholders to analyse claims and loss data to quantify the vulnerability of modern homes to cyclones and floods (built post 2000). Research showed building damage following severe weather events continues despite current building codes. Flood and cyclone risk are material physical risks under RCP4.5 and RCP8.5 in Australia. Climate change scenario analysis indicated hazard rates for southern QLD increases under both scenarios as most homes in the region are not built to be resilient to cyclonic wind speeds of >232km/hr. Suncorp's business objective is to reduce underlying risk and pricing in our portfolios and communities, and use research to provide evidence and advocate for changes to the Australian building code in 2025.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Our strategy to respond to climate-related risks and opportunities covers short, medium, and long term horizons. Climate-related risks and opportunities influence our development, modification and distribution of products and services through: - Identification of climate change and resilience as one of the core strategic risks in Suncorp's 2022–24 Group Business Plan. - Incorporation of climate change into our Enterprise Risk Management Framework. - Incorporation of climate change impacts on natural hazards in the 2022–24 Insurance Australia Business Plan and the Insurance Risk Appetite Statement, which are a fundamental part of pricing our portfolios. This includes integration of scenario analysis outcomes into peril risk modelling to capture the outlook of climate risk and how the impacts affect regional areas differently. - Product innovations, such as the Cyclone Resilience (insurance premium) Benefit offered to home insurance customers who increase the resilience of their homes. - risk selection and underwriting practices; - consideration of physical risks in property valuation in new loan applications. - Integration of long-term rainfall patterns and volatility in assessment of agribusiness lending. - Further engagement with climate experts and universities to isolate drivers of vulnerability. An example of a decision to address physical risk in Suncorp's products and services was the integration of building resilience features in home insurance product coverage, where customers can access additional funds to improve the resilience of their home after a major event. If a customer's home is damaged by an insured event and the repair or rebuild costs more than \$50,000 or 10% of the sum insured, customers are offered a bonus resilience benefit to help protect their home in the future from severe weather – for example, to install wooden shutters and reinforced glass, or to upgrade a roof beyond the standard it was built and insured at the time of loss. Depending on the level of cover this could be up to \$5,000 - \$10,000 for customers. This feature is now available on all Suncorp Home & Contents and Building Insurance policies and seeks to, over time, increase the resilience of customers to extreme weather.
Supply chain and/or value chain	Yes	Our strategy to respond to climate-related risks and opportunities influencing our value chain, covers the short, medium, and long-term time horizons. Climate-related risks and opportunities influence our value chain through: - Recognition of climate change as a financial risk for Suncorp's investment portfolios. Early qualitative climate change analysis for our investment portfolios found the transition to a net-zero emissions economy was likely, with the impact on Suncorp's investment portfolios varying with the level of global policy action. - Development and implementation of internal policies and practices to manage the potential impact of a transition to a net zero emissions economy. This includes the reduction of Suncorp's exposure to the fossil fuel industry through the application of fossil fuel exclusions in our investment, banking and insurance portfolios, as well as the application of our shadow carbon price in investment portfolios which is reducing investments in emissions intensive industries. These strategic actions were approved at Board level and have resulted in changes to Suncorp's portfolios and companies invested in, underwritten and financed. For example, Suncorp's Shadow Carbon Price is applied to manage the risk of stranded assets in the transition to a net-zero emissions economy. The shadow carbon price is set and reviewed annually according to a path that is consistent with the objective of the Paris Agreement on Climate Change of limiting global warming this century to well below 2.0°C. The Shadow Carbon Price is aligned to Suncorp's Fossil Fuels Standard, which targets to eliminate direct exposure to fossil fuel extraction and electricity generation in insurance and banking portfolios. Other examples of how climate-related risks and opportunities have influenced strategy include: - Development and application of the Responsible Investment Policy to manage climate physical and transition risk. The Policy ensures ESG considerations are factored into investment manager selection and the evaluation of investment risks and opportunities and provides criteria for screening potential and existing investments. - integration of environmental considerations into supplier selection criteria.
Investment in R&D	Yes	Our strategy to respond to climate-related risks and opportunities influencing our R&D investment covers short, medium, and long-term horizons. Climate-related risks and opportunities influence our investment in R&D through: - Updating insurance pricing models by incorporating climate models to manage the increasing uncertainty and variability of weather-related natural hazards, as well as account for natural hazards experience. - Review of underwriting processes to improve risk selection. These include acute weather events which impact the short term and within usual 1-year insurance contracts. - Integration of long-term chronic physical risk into modelling and planning. While insurance pricing is calibrated annually, the impact of chronic physical risks is factored into medium-term and long-term average annual loss modelling. A recent strategic decision aiming to address climate related physical risk investment in R&D is our decision to invest in further in-depth research into the drivers of residential building vulnerability. In FY21 Suncorp together with research partners aggregated claims and loss data to provide empirical evidence for the vulnerability of modern homes to cyclones and floods. This is an important piece of research as flood and cyclone risk are among the most material physical risks to change under RCP4.5 and RCP8.5 in Australia. We also learned from our climate change scenario analysis that hazard rates for southern Queensland areas increased in both scenarios as the majority homes in the region are not built to be resilient to cyclonic wind speeds of more than 232km/hr. Damage investigations following tropical cyclones have shown that there is positive change in performance for life safety robustness of housing, built after the code changes (post-1980) across the tropical cyclone regions of Australia. However, achieving life safety does not necessarily result in protection of property or reduced economic loss from natural disasters. Investigations of damage to buildings following severe weather events shows continuing problems with the performance of contemporary engineered buildings, particularly with respect to water ingress. The intent of the report is to provide evidence and advocate for a change to the Australian building code in 2025 which reduces underlying risk and pricing in our portfolios.
Operations	Yes	Our strategy to respond to climate-related risks and opportunities influencing our operations covers the short and medium-term time horizons. Climate-related risks and opportunities influence our operational strategy through: - Inclusion of climate change as a potential financial and strategic risk for Suncorp's operations, including potential operational disruption. - The development and implementation of key frameworks, plans and policies to ensure climate change is factored into strategy and operational processes. - The development and tracking of medium-term and long-term environmental targets. For example, we are managing and reducing our environmental footprint through public commitments and targets in Suncorp's Climate Change Action Plan and Environmental Performance Plan. These plans are approved at the Board level. An example of a recent strategic decision aiming to realise an opportunity to reduce Suncorp's GHG emissions footprint and operational costs, in 2019 Suncorp set a science-based target for scope 1 and scope 2 greenhouse gas (GHG) emissions reduction of 51 per cent reduction in absolute emissions by 2030 and achieving net-zero by 2050 based on a 2017–18 baseline. Our current emissions reduction initiatives and real estate consolidation are projected to deliver a financial benefit of approximately \$650,000 per year. We have accelerated efforts to reduce emissions and, in line with our commitments to support the transition to a low carbon economy, have begun implementation of a Renewable Energy Strategy. Suncorp has joined RE100 with a commitment to source 100 per cent renewable electricity across our operations by 2025. With reducing carbon footprint and its associated cost savings as one of the goals, Suncorp's operations strategy also now includes actions such as installing rooftop solar and relocation/consolidation into energy-efficient buildings.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Direct costs Capital expenditures Acquisitions and divestments Claims reserves	Examples of how climate related risks and opportunities have influenced financial planning elements: Direct costs: Failure to reduce our impact on climate change is a potential reputational risk for Suncorp. In addition, we also realise that there are opportunities to reduce our costs by investing in operational efficiency improvements. Therefore, in our financial planning, we allocate funding every year for the implementation of Suncorp's emissions reduction initiatives in the Environmental Performance Plan. Suncorp plans our financial allocation for the Environmental Performance Plan not only in the short-term (annually) but also looks to implement large infrastructure upgrades and capital-intensive projects in the long-term as well. As an example, Suncorp has driven cost reductions of approximately \$90,000/year from lighting, HVAC and efficiency upgrades and the associated reduction in maintenance costs at 51 sites. Capital expenditures: Suncorp purchases reinsurance to optimise capital costs and protect against earnings volatility caused by extreme weather over the short term. Suncorp retains some exposure to natural hazard risk and reviews our reinsurance annually. This review considers loss experience, reinsurance market conditions and risk appetite. Elements of the reinsurance program ensure sufficient capital following natural hazards events that are low in probability but high in severity. The time horizon covered by financial planning is short term. Acquisitions and divestments: Exposure to emissions intensive industries expected to decline in a climate change economic transition is a financial risk to Suncorp over the short, medium and long term. In addition, we recognise that exposure to industries likely to prosper in a climate change transition offers an opportunity for Suncorp to improve capital investment returns. Therefore, in our financial planning, Suncorp use two methods of measuring and reducing exposure to emissions intensive industries: The Shadow Carbon Price, and Fossil Fuel Standard (including exposure targets). The Shadow Carbon Price is applied to investment portfolios to manage the risk of stranded assets in the transition to a net-zero emissions economy. The shadow carbon price is set and reviewed annually according to a path that is consistent with the objective of the Paris Agreement on Climate Change of limiting global warming this century to well below 2.0°C. The price is presented in USD. Commencing at US\$10/ton in 2018 the price was increased to US\$25/ton in 2019, US\$32/ton in 2020 and US\$38/ton from 1 July 2021. The Fossil Fuel Standard and targets have committed Suncorp to no longer invest in new thermal coal mining and electricity generation (and divest all exposures by 2025), and a commitment to no longer invest in gas extraction and electricity generation by 2040. The SCP and Fossil Fuel Standard have resulted in divestment from thermal coal and tar sands, and improved the overall carbon intensity of investment portfolios. Claims reserves: Natural hazard allocations (i.e. claims reserves) for the insurance business are reviewed quarterly or after a major event, reflecting underlying portfolio exposures and Suncorp's view of risk and claims for the period. Suncorp's Natural Perils Pricing and Actuarial Modelling teams use Suncorp's natural hazard data and external vendor models to estimate the cost of natural hazards in the year ahead given the planned portfolio and pricing. Climate change scenario analysis offers additional data points to validate and plan. The time horizon covered by financial planning is short to medium term.

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

Our 2022–24 Group Business Plan identifies climate change and resilience as one of the core strategic risks faced by Suncorp and incorporates it into our Enterprise Risk Management Framework. Suncorp management reports to the Group Board Risk Committee each quarter on the risk of climate change and every six months on the ongoing implementation of Suncorp's CCAP as the overarching framework for the monitoring and mitigation of climate change as a strategic risk.

Insurance risks associated with climate change impacts on natural hazards are also considered in the 2022–24 Insurance Australia and New Zealand Business Plans and the Insurance Risk Appetite Statement, as a fundamental part of pricing our portfolios. Suncorp addresses insurance risk dynamically and monitors it through day-to-day management and the Insurance Risk Committees on an ongoing basis.

Similarly, Bank credit risks are addressed in the 2022–24 Suncorp Bank Business Plan, managed within the parameters of the Risk Appetite Statement and monitored by the Banking and Wealth Risk Committee on an ongoing basis.

Suncorp's Climate Change Leadership Group implements our CCAP which includes five key programs of work to assess and manage climate-related risks. Suncorp is on track to fulfil its CCAP and Environmental Performance Plan commitments to: strengthen our governance processes; reduce our environmental footprint; increase community resilience; accelerate emerging opportunities and climate-related innovation; and track and openly disclose our climate-related performance.

Suncorp has refreshed and republished our Environmental Performance Plan with our Renewable Energy Strategy being implemented to reduce our operational greenhouse gas emissions. Through our Natural Hazard Resilience Program, we continue to advocate for investment in resilience building and influence government policy.

Integration of climate change research into insurance modelling and pricing

Insurance premiums charged today are a function of the probability that a customer is affected by a natural hazard, the features of their property and the estimated damage done by the hazard—resilience to extreme weather is therefore an important consideration and is factored into the calculation of insurance premiums. The effect of non-climate factors, such as population changes and building resilience, are also considered when assessing natural hazard risk. Suncorp incorporates climate change research into insurance model reviews as standard practice. Our Insurance Natural Perils Pricing team conducts ongoing research into the consequences of a changing climate on the frequency and intensity of natural hazards. This research includes understanding the effects of a future warming climate on future natural hazard risk.

Insurance prices set by Suncorp are for a short period into the future. Any change to the risk that occurs due to climate change or other factors can be addressed dynamically through a range of mechanisms including risk selection and underwriting practices, premiums that adjust for risk and associated capital and reinsurance costs, and geographical and product diversification. Suncorp works with experts including universities, reinsurers and natural hazard specialists on an ongoing basis to take a long-term view of pricing sufficiency.

Reinsurance and Natural Hazard Aggregate Protection

Suncorp structures our reinsurance to optimise capital and cost and protect against earnings volatility. In addition to the Natural Perils Pricing team, Suncorp's Actuarial Modelling team use Suncorp's historical dataset of natural hazard events, as well as external vendor models, to estimate the cost of natural hazards in the year ahead given the planned portfolio and pricing. Our scenario analysis on the physical risks of climate change will help inform how to gradually adjust this modelling to capture the outlook of climate risk and how the impacts affect regional areas differently.

Suncorp retains some exposure to natural hazard risk and reviews our reinsurance annually. This review considers loss experience, reinsurance market conditions and risk appetite. Elements of the reinsurance program ensure sufficient capital following natural hazards events that are low in probability but high in severity. Other elements of the reinsurance program reduce the impact of medium-sized events impacting earnings volatility.

Insurance Risk Standard

Suncorp's Enterprise Risk Management Framework governs the identification, management, control and monitoring of risks, including risks presented by climate change. This is addressed in more detail in Suncorp's Insurance Risk Standard, which focuses on insurance product design, pricing, underwriting, claims management and reinsurance within the Insurance business.

Retail and Business Lending Credit Policy and Assessments

Suncorp's Bank Credit Risk Management Policy focuses on governing, assessing and approving credit risk exposures. Bank credit risks are managed within the parameters of the Risk Appetite Statement and monitored by the Risk Committees on an ongoing basis.

Suncorp Bank does not specifically integrate climate change considerations into residential lending risk assessments; however, a property valuation is required for a new loan application and this valuation identifies exposure to potential risks such as flooding. Suncorp Bank relies on property owners maintaining appropriate insurance cover to

protect the underlying collateral value from risk, include those stemming from climate change.

Long-term average rainfall patterns and volatility are key risk characteristics used in the assessment of agribusiness lending.

Responsible Banking and Insurance Policy

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

C-FS3.6

(C-FS3.6) Are climate-related issues considered in the policy framework of your organization?

Yes, both of the above

C-FS3.6a

(C-FS3.6a) In which policies are climate-related issues integrated?

	Type of policy	Portfolio coverage of policy	Description
Bank lending (Bank)	Credit policy Risk policy Policy related to other products and services	All of the portfolio	'All of the portfolio' is selected as these policies cover Suncorp's entire lending portfolios. Credit policy, risk policy and product management policies include consideration of physical and transition risks. Climate-related issues are integrated into several policies by Suncorp Bank, including: • Enterprise Risk Management Framework • Responsible Banking & Insurance Policy • Fossil Fuels Sensitive Sector Guideline The Responsible Banking & Insurance Policy requires a regular assessment of ESG Risks to be prepared, inclusive of climate change risk. Suncorp's Bank Credit Risk Management Policy focuses on governing, assessing and approving credit risk exposures. Bank credit risks are managed within the parameters of the Risk Appetite Statement and monitored by the Banking and Wealth Risk Committees on an ongoing basis. Suncorp Bank does not explicitly integrate climate change considerations into residential lending risk assessments; however, a property valuation is required for a new loan application and this valuation identifies exposure to potential risks such as flooding.
Investing (Asset manager)	Risk policy Sustainable/Responsible Investment Policy Investment policy/strategy Other, please specify (Manager selection)	Majority of the portfolio	SPSL invests in both Suncorp managed and third-party managed investment vehicles. The SPSL SPSLESG Risk Management Policy details the ESG risk management process covering a range of investment products including the staff super default offering and a range of Suncorp branded funds. Policies covering the Suncorp Trusts (SFPL) are detailed below (see Investing - Asset Owner) and applies to the significant majority of monies managed on behalf of clients. SPSL has engaged Morningstar to provide a range of investment services including in relation to the asset allocation and targeted investment management services for the Suncorp branded investment options. Morningstar undertakes responsible investment stock exclusions on the request of SPSL on an ongoing basis, which are also aligned with climate change related provisions in the Suncorp Responsible Investment Policy.
Investing (Asset owner)	Sustainable/Responsible Investment Policy Investment policy/strategy Proxy voting policy Other, please specify (Manager selection)	All of the portfolio	'All of portfolio' is selected as these policies cover Suncorp's whole investment portfolio. Climate change risk and opportunities are integrated into policies governing the strategic asset allocation process. Specific allocations have been made to green bonds and renewable energy infrastructure. Climate change is integrated in the Responsible Investment (RI) Policy which incorporates the Paris Agreement on climate change by reference. The RI Policy requires managers to incorporate a shadow carbon price (SCP) in their analysis of investment opportunities. The SCP is adjusted annually in-line with a less than 2-degree Celsius glidepath. The RI Policy also requires an annual review of ESG Risks to be prepared, inclusive of climate change risk. Suncorp's Proxy Voting Principles details the principles that govern the voting of proxy interests. In 2020 Suncorp amended its Proxy Voting Principles to encourage greater transparency in relation to climate change, as well as adoption of the TCFD recommendations. The Suncorp Investment Arrangements Governance Framework details the process governing the selection and appointment of external investment managers and requires a detailed ESG assessment and rating to be completed for all candidate manager prior to appointment.
Insurance underwriting (Insurance company)	Risk policy Policy related to other products and services Insurance underwriting policy	All of the portfolio	'All of portfolio' is selected as these policies cover Suncorp's entire commercial and consumer underwriting. Climate-related issues are integrated into several policies used in Suncorp's insurance businesses, including: • Enterprise Risk Management Framework • Insurance Risk Appetite Statement • Insurance Risk Standard • Responsible Investment Policy • Responsible Banking & Insurance Policy • Fossil Fuels Sensitive Sector Guideline The Responsible Banking & Insurance Policy requires an annual review of ESG Risks to be prepared, inclusive of climate change risk. Suncorp's Enterprise Risk Management Framework governs the identification, management, control and monitoring of risks, including risks presented by climate change. This is addressed in more detail in Suncorp's Insurance Risk Standard, which focuses on insurance product design, pricing, underwriting, claims management and reinsurance within the Insurance business.
Other products and services, please specify	Please select	Please select	

C-FS3.6b

(C-FS3.6b) Describe your exclusion policies related to industries and/or activities exposed or contributing to climate-related risks.

Type of exclusion policy	Portfolio	Application	Description
Coal	Investing (Asset owner)	Existing business/investment for existing projects	Suncorp excludes all companies classified in the GICS sector 'Coal and Consumable Fuels'. Suncorp also excludes companies not in the Coal and Consumable Fuels sector that are directly involved in the development of new thermal coal mining projects or the construction of new thermal coal electricity generation projects. This exclusion policy has already been implemented. From 2025 Suncorp will exclude companies with any thermal coal exposures where the company does not have a strategy clearly aligned with the Paris Agreement on climate change.
Oil & gas	Investing (Asset owner)	New business/investment for new projects	Suncorp excludes all companies directly involved in the exploration and production of new oil & gas projects. Suncorp also excludes companies with oil & gas operations inside the Arctic circle. Suncorp will phase out its exposure to existing oil & gas producers (GICS sector 'Oil & Gas Exploration & Production') by 2040. Suncorp requires managers to incorporate a shadow carbon price (SCP) in their assessment of investment opportunities. The application of the SCP has seen a material number of fossil fuel companies excluded from portfolios including all tar sand operations and the majority of fracking/coal seam gas operations.
All fossil fuels	Insurance underwriting	New business/investment for new projects	Under our Fossil Fuels Standard, Suncorp will not directly underwrite new thermal coal mining projects or electricity generation, or new oil and gas exploration or production. Suncorp will phase out existing fossil fuel exposures by 2025. Insurance underwriting use ANZSIC industry codes to flag customers for potential exclusion in line with Suncorp's Fossil Fuels Standard – for example, ANZSIC 0600 (Coal Mining), ANZSIC 0700 (Oil and gas extraction), and ANZSIC 2611 (Fossil Fuel Electricity Generation).
All fossil fuels	Bank lending	New business/investment for new projects	Under our Fossil Fuels Standard Suncorp will not finance new thermal coal mining projects or electricity generation, or new oil and gas exploration or production. Bank lending use ANZSIC industry codes to flag customers for potential exclusion in line with Suncorp's Fossil Fuels Standard – for example, ANZSIC 0600 (Coal Mining), ANZSIC 0700 (Oil and gas extraction), and ANZSIC 2611 (Fossil Fuel Electricity Generation). Suncorp's commercial lending portfolio has no exposure to fossil fuels via either extraction or power generation.

C-FS3.7

(C-FS3.7) Are climate-related issues factored into your external asset manager selection process?

Yes, for all assets managed externally

C-FS3.7a

(C-FS3.7a) How are climate-related issues factored into your external asset manager selection process?

	Process for factoring climate-related issues into external asset management selection	Comment
Row 1	Review asset manager's climate-related policies Use of external data on asset managers regarding climate-related risk management Other, please specify (UNPRI Transparency Report)	Suncorp's Investing (Asset Owner) and Investing (Asset Manager) external asset manager selection process activities are managed independently. Suncorp's Investing (Asset Owner) external investment manager due diligence process includes the requirement for the manager to complete extensive proprietary investment and operational due diligence questionnaires as well as multiple face to face meetings with key front and back office personnel. We consider a range of manager policies in our due diligence process including climate related policies. Consideration is given to the manager's UNPRI Transparency Report where available, noting 97% of Suncorp assets currently managed externally are managed by UNPRI signatories. The Investing (Asset Owner) external manager evaluation criteria includes an assessment of the ability of the manager to integrate environmental, social and governance (ESG) factors into their security selection, portfolio management and risk management processes. In this regard climate change is viewed as a key environmental factor. For share portfolios managed under Investing (Asset Owner) activities, Suncorp conducts holdings-based analysis of indicative portfolios using third party software which assesses portfolios on a range fundamental, technical and ESG metrics. Climate change is a key component in the evaluation of the "E" score. Proprietary holding-based analysis of fixed interest portfolios is conducted inclusive of exposure to carbon intensive sectors and fossil fuels. As part of selecting any Investing (Asset Manager) Materials Service Providers for SPSSL, the ESG credentials of these third parties are considered by SPSSL.

C4. Targets and performance

C4.1

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

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2019

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2018

Covered emissions in base year (metric tons CO2e)

28731

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2030

Targeted reduction from base year (%)

51

Covered emissions in target year (metric tons CO2e) [auto-calculated]

14078.19

Covered emissions in reporting year (metric tons CO2e)

24570

% of target achieved [auto-calculated]

28.3972835244571

Target status in reporting year

Underway

Is this a science-based target?

Yes, we consider this a science-based target, but it has not been approved by the Science-Based Targets initiative

Target ambition

Well-below 2°C aligned

Please explain (including target coverage)

Scope 1 and Scope 2 (market-based) targets were tested by SBTi and found compatible with the Paris Agreement. We are awaiting release of the SBTi guidance for financial services including Scope 3 emissions, before obtaining formal verification from SBTi. Suncorp's emissions reduction and net zero targets are company-wide. Due to the vastly different nature and emissions profiles of corporate and industrial arms of Suncorp's business, two targets were developed and are tracked separately – one target for core business (corporate services/operations which includes day-to-day business and administrative functions, comprising more than 99% of Suncorp revenue), and one for industrial activities (automotive repair and automotive parts recycling operations via Suncorp Insurance Ventures). This enables clarity of boundaries, action and comparability with like financial services organisations. At the time of target setting, the Suncorp Insurance Ventures business was being considered for sale, further necessitating separate targets to be developed. Suncorp Insurance Ventures was subsequently sold to a third party in October 2019. Targets and emissions have been included in this year's CDP as audited emissions from Suncorp Insurance Ventures are captured by the timeframe of this year's CDP submission. Abs 1 is Suncorp's absolute target for 2030 for corporate operations. Abs 2 is Suncorp's absolute target for 2030 for Suncorp Insurance Ventures' industrial activities. Abs 3 is Suncorp's net zero target for 2050 for Suncorp's corporate operations. Abs 4 is Suncorp's net zero target for 2050 for Suncorp Insurance Ventures' industrial activities. Due to divestment of Suncorp Insurance Ventures in October 2019, Suncorp will no longer track Abs 2 and Abs 4. Note: Suncorp started measuring Scope 2 market-based emissions in FY2021 and will start reporting market-based emissions in the next CDP questionnaire.

Target reference number

Abs 2

Year target was set

2019

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2018

Covered emissions in base year (metric tons CO2e)

13051

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2030

Targeted reduction from base year (%)

51

Covered emissions in target year (metric tons CO2e) [auto-calculated]

6394.99

Covered emissions in reporting year (metric tons CO2e)

4372

% of target achieved [auto-calculated]

130.393433904096

Target status in reporting year

Underway

Is this a science-based target?

Yes, we consider this a science-based target, but it has not been approved by the Science-Based Targets initiative

Target ambition

Well-below 2°C aligned

Please explain (including target coverage)

Scope 1 and Scope 2 targets were tested by SBTi and found compatible with the Paris Agreement. We are awaiting release of the SBTi guidance for financial services including Scope 3 emissions, before obtaining formal verification from SBTi. Suncorp's emissions reduction and net zero targets are company-wide. Due to the vastly different nature and emissions profiles of corporate and industrial arms of Suncorp's business, two targets were developed and are tracked separately – one target for core business (corporate services/operations which includes day-to-day business and administrative functions, comprising more than 99% of Suncorp revenue), and one for industrial activities (automotive repair and automotive parts recycling operations via Suncorp Insurance Ventures). This enables clarity of boundaries, action and comparability with like financial services organisations. At the time of target setting, the Suncorp Insurance Ventures business was being considered for sale, further necessitating separate targets to be developed. Suncorp Insurance Ventures was subsequently sold to a third party in October 2019. Targets and emissions have been included in this year's CDP as audited emissions from Suncorp Insurance Ventures are captured by the timeframe of this year's CDP submission. Abs 1 is Suncorp's absolute target for 2030 for corporate operations. Abs 2 is Suncorp's absolute target for 2030 for Suncorp Insurance Ventures' industrial activities. Abs 3 is Suncorp's net zero target for 2050 for Suncorp's corporate operations. Abs 4 is Suncorp's net zero target for 2050 for Suncorp Insurance Ventures' industrial activities. Due to divestment of Suncorp Insurance Ventures in October 2019, Suncorp will no longer track Abs 2 and Abs 4.

Target reference number

Abs 3

Year target was set

2019

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2018

Covered emissions in base year (metric tons CO2e)

28731

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2050

Targeted reduction from base year (%)

100

Covered emissions in target year (metric tons CO2e) [auto-calculated]

0

Covered emissions in reporting year (metric tons CO2e)

24570

% of target achieved [auto-calculated]

14.4826145974731

Target status in reporting year

Underway

Is this a science-based target?

Yes, we consider this a science-based target, but it has not been approved by the Science-Based Targets initiative

Target ambition

Well-below 2°C aligned

Please explain (including target coverage)

This target represents Suncorp's commitment to the Paris Agreement goal of net zero emissions by 2050. Scope 1 and Scope 2 targets were tested by SBTi and found compatible with the Paris Agreement. We are awaiting release of the SBTi guidance for financial services including Scope 3 emissions, before obtaining formal verification from SBTi. Suncorp's emissions reduction and net zero targets are company-wide. Due to the vastly different nature and emissions profiles of corporate and industrial arms of Suncorp's business, two targets were developed and are tracked separately – one target for core business (corporate services/operations which includes day-to-day business and administrative functions, comprising more than 99% of Suncorp revenue), and one for industrial activities (automotive repair and automotive parts recycling operations via Suncorp Insurance Ventures). This enables clarity of boundaries, action and comparability with like financial services organisations. At the time of target setting, the Suncorp Insurance Ventures business was being considered for sale, further necessitating separate targets to be developed. Suncorp Insurance Ventures was subsequently sold to a third party in October 2019. Targets and emissions have been included in this year's CDP as audited emissions from Suncorp Insurance Ventures are captured by the timeframe of this year's CDP submission. Abs 1 is Suncorp's absolute target for 2030 for corporate operations. Abs 2 is Suncorp's absolute target for 2030 for Suncorp Insurance Ventures' industrial activities. Abs 3 is Suncorp's net zero target for 2050 for Suncorp's corporate operations. Abs 4 is Suncorp's net zero target for 2050 for Suncorp Insurance Ventures' industrial activities. Due to divestment of Suncorp Insurance Ventures in October 2019, Suncorp will no longer track Abs 2 and Abs 4.

Target reference number

Abs 4

Year target was set

2019

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2018

Covered emissions in base year (metric tons CO2e)

13051

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2050

Targeted reduction from base year (%)

100

Covered emissions in target year (metric tons CO2e) [auto-calculated]

0

Covered emissions in reporting year (metric tons CO2e)

4372

% of target achieved [auto-calculated]

66.5006512910888

Target status in reporting year

Underway

Is this a science-based target?

Yes, we consider this a science-based target, but it has not been approved by the Science-Based Targets initiative

Target ambition

Well-below 2°C aligned

Please explain (including target coverage)

This target represents Suncorp's commitment to the Paris Agreement goal of net zero emissions by 2050. Scope 1 and Scope 2 targets were tested by SBTi and found compatible with the Paris Agreement. We are awaiting release of the SBTi guidance for financial services including Scope 3 emissions, before obtaining formal verification from SBTi. Suncorp's emissions reduction and net zero targets are company-wide. Due to the vastly different nature and emissions profiles of corporate and industrial arms of Suncorp's business, two targets were developed and are tracked separately – one target for core business (corporate services/operations which includes day-to-day business and administrative functions, comprising more than 99% of Suncorp revenue), and one for industrial activities (automotive repair and automotive parts recycling operations via Suncorp Insurance Ventures). This enables clarity of boundaries, action and comparability with like financial services organisations. At the time of target setting, the Suncorp Insurance Ventures business was being considered for sale, further necessitating separate targets to be developed. Suncorp Insurance Ventures was subsequently sold to a third party in October 2019. Targets and emissions have been included in this year's CDP as audited emissions from Suncorp Insurance Ventures are captured by the timeframe of this year's CDP submission. Abs 1 is Suncorp's absolute target for 2030 for corporate operations. Abs 2 is Suncorp's absolute target for 2030 for Suncorp Insurance Ventures' industrial activities. Abs 3 is Suncorp's net zero target for 2050 for Suncorp's corporate operations. Abs 4 is Suncorp's net zero target for 2050 for Suncorp Insurance Ventures' industrial activities. Due to divestment of Suncorp Insurance Ventures in October 2019, Suncorp will no longer track Abs 2 and Abs 4.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Target(s) to increase low-carbon energy consumption or production

Net-zero target(s)

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number

Low 1

Year target was set

2020

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: energy carrier

Electricity

Target type: activity

Consumption

Target type: energy source

Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)

Percentage

Target denominator (intensity targets only)

<Not Applicable>

Base year

2020

Figure or percentage in base year

0

Target year

2025

Figure or percentage in target year

100

Figure or percentage in reporting year

0.43

% of target achieved [auto-calculated]

0.43

Target status in reporting year

New

Is this target part of an emissions target?

Joining RE100 is part Suncorp's strategy to reduce emissions by 51% by 2030 and be net zero by 2050.

Is this target part of an overarching initiative?

RE100

Please explain (including target coverage)

The RE100 commitment applies to Suncorp Group operations globally. This is currently Australia and New Zealand.

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number

NZ1

Target coverage

Company-wide

Absolute/intensity emission target(s) linked to this net-zero target

Abs3

Target year for achieving net zero

2050

Is this a science-based target?

Yes, and we have committed to seek validation of this target by the Science Based Targets initiative in the next 2 years

Please explain (including target coverage)

This target represents Suncorp's commitment to the Paris Agreement goal of net zero emissions by 2050. We are awaiting release of the SBTi guidance for financial services including Scope 3 emissions, before obtaining formal verification from SBTi. Scope 1 and Scope 2 targets were tested by SBTi and found compatible with the Paris Agreement.

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 initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	3	52.49
To be implemented*	16	10652.73
Implementation commenced*	1	1494.07
Implemented*	6	1043.29
Not to be implemented	4	72.35

C4.3b

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

Initiative category & Initiative type

Transportation	Company fleet vehicle replacement
----------------	-----------------------------------

Estimated annual CO2e savings (metric tonnes CO2e)

401.92

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

320000

Investment required (unit currency – as specified in C0.4)

955000

Payback period

1-3 years

Estimated lifetime of the initiative

6-10 years

Comment

Fleet vehicle replacement to hybrid vehicles and also a reduction by 39 vehicles, decreasing from 716 down to 677 vehicles. Most replacement vehicles are fuel efficient hybrids. The cost to change our fleet to hybrid vehicles were \$955,000, inclusive of any Fringe Benefits Tax liabilities. With an annual savings of around \$320,000, the payback period is approximately 3 years.

Initiative category & Initiative type

Energy efficiency in buildings	Lighting
--------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

63.59

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

33483

Investment required (unit currency – as specified in C0.4)

318757

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

National LED lighting upgrades to 17 sites including installation of controls, sensors and timers.

Initiative category & Initiative type

Other, please specify	Other, please specify (Relocation / Closure / Refurbishment)
-----------------------	--

Estimated annual CO2e savings (metric tonnes CO2e)

455.04

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

232584

Investment required (unit currency – as specified in C0.4)

3280000

Payback period

11-15 years

Estimated lifetime of the initiative

6-10 years

Comment

Closures 12 Refurbishments 8 Relocations 4

Initiative category & Initiative type

Low-carbon energy consumption	Solar PV
-------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

105.67

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

36852

Investment required (unit currency – as specified in C0.4)

139363

Payback period

4-10 years

Estimated lifetime of the initiative

16-20 years

Comment

Installation of three rooftop solar PV projects

Initiative category & Initiative type

Energy efficiency in buildings	Maintenance program
--------------------------------	---------------------

Estimated annual CO2e savings (metric tonnes CO2e)

3.32

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

1025

Investment required (unit currency – as specified in C0.4)

25500

Payback period

21-25 years

Estimated lifetime of the initiative

16-20 years

Comment

National upgrade of whitegoods and appliances to meet energy performance standards

Initiative category & Initiative type

Estimated annual CO2e savings (metric tonnes CO2e)

13.75

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

23500

Investment required (unit currency – as specified in C0.4)

140000

Payback period

4-10 years

Estimated lifetime of the initiative

11-15 years

Comment

HVAC Upgrades and temperature set point adjustments to critical communication rooms

C4.3c

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

Method	Comment
Internal price on carbon	Suncorp's Responsible Investment Policy includes the application of a shadow carbon price to the analysis of investment opportunities to manage risk as we transition to a net-zero emissions economy.

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

Climate Bonds Taxonomy

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

29

% of total portfolio value

Asset classes/ product types

Insurance underwriting	Property & Casualty
------------------------	---------------------

Comment

This product feature aims to drive a substantial reduction in gCO₂ / m² because of upgrade or retrofit following a major weather event which damages customers' homes. The feature is built into the overall insurance premium. It is a standard feature of Suncorp, GIO, APIA, and Shannon's home insurance, and AAMI commercial insurance provides 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. Additionally when there is an accepted claim under these policies 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. Damaged refrigerators, freezers, dishwashers, air conditioners, washing machines and dryers are replaced with minimum three-star energy rated goods.

C5. Emissions methodology

C5.1

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

Scope 1

Base year start

July 1 2017

Base year end

June 30 2018

Base year emissions (metric tons CO₂e)

4776

Comment

Scope 2 (location-based)

Base year start

July 1 2017

Base year end

June 30 2018

Base year emissions (metric tons CO₂e)

23955

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 emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

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

Reporting year

Gross global Scope 1 emissions (metric tons CO₂e)

4464

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

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

We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure

Comment

C6.3

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

Reporting year

Scope 2, location-based

24478

Scope 2, market-based (if applicable)

<Not Applicable>

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

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?

No

C6.5

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

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

431

Emissions calculation methodology

GREENHOUSE GAS EMISSION FACTORS FOR OFFICE COPY PAPER, Environmental Protection Agency Victoria, 2013

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

100

Please explain

Office Paper and marketing material emissions.

Capital goods

Evaluation status

Relevant, not yet calculated

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

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

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

3466

Emissions calculation methodology

National Greenhouse Accounts (NGA) Factors (August 2019)

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

98

Please explain

Transmission and Distribution losses for electricity and natural gas. Extraction losses for stationary and transport fuels. 2% of emissions were resulting from estimates for where actual data was not available.

Upstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

Waste generated in operations

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

1248

Emissions calculation methodology

National Greenhouse Accounts (NGA) Factors (August 2019)

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

88

Please explain

Captures Suncorp Australia landfill emissions. Suncorp New Zealand has not been included as the data was not available. 12% of emissions were resulting from estimates for where actual data was not available.

Business travel**Evaluation status**

Relevant, calculated

Metric tonnes CO2e

5183

Emissions calculation methodology

DEFRA 2019 UK Government GHG Conversion Factors for Company Reporting With Radiative Forcing and WTT emission factors.

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

100

Please explain

Captures Suncorp Australia and New Zealand air travel emissions. The emissions were calculated using the DEFRA 2019 emission factors that includes RF and WTT emission factors.

Employee commuting**Evaluation status**

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain**Upstream leased assets****Evaluation status**

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

Suncorp already accounts and reports on emissions from our leased vehicles and property in our Scope 1 and 2 emissions.

Downstream transportation and distribution**Evaluation status**

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

Suncorp only offers financial services and do not sell any physical products. Therefore, we have negligible emissions associated with downstream transportation and distribution.

Processing of sold products**Evaluation status**

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

Suncorp only offers financial services and do not sell any physical products. Therefore, we have negligible emissions associated with processing of sold products.

Use of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

Suncorp only offers financial services and do not sell any products. Therefore, we have negligible emissions associated with use of sold products.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

Suncorp only offers financial services and do not sell any products. Therefore, we have negligible emissions associated with end of life treatment of sold products.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

Suncorp does not act as a lessor and does not own any assets that we lease out. Therefore, we have negligible emissions associated with downstream leased assets.

Franchises

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

Franchises are not part of Suncorp's strategy and we do not operate any franchises. Therefore, we have negligible emissions associated with franchises.

Other (upstream)

Evaluation status

<Not Applicable>

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

Other (downstream)

Evaluation status

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.000001959

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

28942

Metric denominator

unit total revenue

Metric denominator: Unit total

14770000000

Scope 2 figure used

Location-based

% change from previous year

22

Direction of change

Decreased

Reason for change

There have been significant efforts to reduce emissions via the emissions reduction initiatives stated in C4.3b (including company fleet vehicle efficiency, lighting upgrades, real estate consolidation / relocation / closure / refurbishment of operational sites, rooftop solar installation, maintenance programs and HVAC upgrades).

C7. Emissions breakdowns

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?

Decreased

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	105.67	Decreased	0.27	Avoided emissions due to consumption of some rooftop solar installed in FY20, which include: 2 projects in Dubbo, NSW (2x 10.45 kW), 1 project in Clarence Gardens, SA (38.50 kW) and 1 project in Eagle Farm, QLD (62.15 kW). Emissions value calculated using (Change in Scope 1+2 emissions due to change in renewable energy consumption)/(FY2018-19 Scope 1+2 emissions)*100: 105.67/39327.78*100=0.27%.
Other emissions reduction activities	1786.19	Decreased	4.5	Data centre energy efficiency improvements, vehicle fleet efficiency, LED lighting upgrades and building management system improvements. Emissions value calculated using (Change in Scope 1+2 emissions due to other emission reduction activities)/(FY2018-19 Scope 1+2 emissions)*100: 1786.19/39327.78*100=4.5%.
Divestment	4195	Decreased	10.7	Sale of elements of the Suncorp Insurance Ventures' Capital Smart business resulting in emissions reduction. Emissions value calculated using (Change in Scope 1+2 emissions due to divestment)/(FY2018-19 Scope 1+2 emissions)*100: 4195/39327.78*100=10.7%
Acquisitions		<Not Applicable >		
Mergers		<Not Applicable >		
Change in output	4161.14	Decreased	10.6	Reduction in total emissions due to changes in operations resulting from COVID-19 (Reduced travel in fleet vehicles across Australia and New Zealand. Reduced use of stationery fuels in equipment. Hibernation of buildings and floors throughout the period. Reduced use of after-hours Air-Conditioning. Changes in operating hours of and temporary closures of the retail stores network, reduced occupancy of buildings and an increase in working from home.) Emissions value calculated using (Change in Scope 1+2 emissions due to change in output)/(FY2018-19 Scope 1+2 emissions)*100: 4161.14/39327.78*100=10.6%.
Change in methodology		<Not Applicable >		
Change in boundary		<Not Applicable >		
Change in physical operating conditions	138.2	Decreased	0.35	Changes from relocations and site closures. Emissions value calculated using (Change in Scope 1+2 emissions due to change physical operating conditions)/(FY2018-19 Scope 1+2 emissions)*100: 138.20/39327.78*100=0.35%.
Unidentified		<Not Applicable >		
Other		<Not Applicable >		

C7.9b

(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

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 undertook this energy-related activity in the reporting year
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	Yes

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 (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	141	17689	17830
Consumption of purchased or acquired electricity	<Not Applicable>	8267	22466	30733
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>	130.46	<Not Applicable>	130.46
Total energy consumption	<Not Applicable>	8538.46	40155	48693.46

C9. Additional metrics

C9.1

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

Description

Energy usage

Metric value

2089

Metric numerator

Electricity consumed (kWh)

Metric denominator (intensity metric only)

Headcount (full-time equivalent)

% change from previous year

7.03

Direction of change

Decreased

Please explain

Australian core operations

Description

Energy usage

Metric value

95

Metric numerator

Litres of fuel used in company vehicles

Metric denominator (intensity metric only)

Headcount (full-time equivalent)

% change from previous year

28.57

Direction of change

Decreased

Please explain

Australian core operations

Description

Energy usage

Metric value

1600

Metric numerator

Air travel distance (km)

Metric denominator (intensity metric only)

Headcount (full-time equivalent)

% change from previous year

18.07

Direction of change

Decreased

Please explain

Australian core operations

Description

Waste

Metric value

373

Metric numerator

Paper weight (tonnes)

Metric denominator (intensity metric only)

n/a

% change from previous year

16.37

Direction of change

Decreased

Please explain

Paper used for print and offices. Australian core operations.

Description

Waste

Metric value

45

Metric numerator

% waste diverted from landfill

Metric denominator (intensity metric only)

n/a

% change from previous year

8.16

Direction of change

Decreased

Please explain

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

Description

Energy usage

Metric value

965

Metric numerator

Electricity consumed (kWh)

Metric denominator (intensity metric only)

Headcount (full-time equivalent)

% change from previous year

26.56

Direction of change

Decreased

Please explain

New Zealand core operations

Description

Energy usage

Metric value

3231

Metric numerator

Electricity consumed (kWh)

Metric denominator (intensity metric only)

Headcount (full-time equivalent)

% change from previous year

54.42

Direction of change

Decreased

Please explain

Suncorp Insurance Ventures core operations.

Description

Energy usage

Metric value

1332

Metric numerator

Air Travel distance (km)

Metric denominator (intensity metric only)

Headcount (full-time equivalent)

% change from previous year

34.29

Direction of change

Decreased

Please explain

New Zealand core operations.

Description

Waste

Metric value

37

Metric numerator

Paper Weight (tonnes)

Metric denominator (intensity metric only)

n/a

% change from previous year

16.37

Direction of change

Decreased

Please explain

Paper used for print and offices. New Zealand core operations.

C10. Verification**C10.1****(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	Third-party verification or assurance process in place

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

FY20_CDP Limited Assurance Report.pdf

Page/ section reference

1

Relevant standard

ASAE3000

Proportion of reported emissions verified (%)

100

C10.1b

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

Scope 2 approach

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

FY20_CDP Limited Assurance Report.pdf

Page/ section reference

1

Relevant standard

ASAE3000

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Business travel

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Underway but not complete for current reporting year – first year it has taken place

Type of verification or assurance

Limited assurance

Attach the statement

Page/section reference

Relevant standard

ASAE3000

Proportion of reported emissions verified (%)

100

C10.2

(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?

In progress

C11. Carbon pricing

C11.2

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

No

C11.3

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

Yes

C11.3a

(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 3

Application

The investment assessment of individual securities or assets as investment opportunities is the responsibility of external managers appointed by Suncorp. Managers are required to incorporate a shadow carbon price (SCP) into their analysis of investee companies and consequently their decision to buy and hold securities. The purpose of the shadow carbon price is to manage and reduce the risk of exposure to stranded assets in the transition to a net-zero emissions economy.

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

38

Variance of price(s) used

The shadow carbon price is reviewed every year with reference to the objectives of the Paris Agreement on Climate Change. The price is presented in USD. Commencing at US\$10/ton in 2018 the price was increased to US\$25/ton in 2019, US\$32/ton from 1 July 2020 and US\$38/ton from 1 July 2021.

Type of internal carbon price

Shadow price

Impact & implication

Suncorp applies the SCP to all relevant investment portfolios, (cash, fixed income, share, listed property) The impact of the SCP has been to exclude from portfolios all companies in the thermal coal and consumable fuels sector, as well as the least efficient – measured as tons CO2 per British Thermal Unit (BTU) – oil & gas producers. In other sectors, such as materials and industrials, the impact of the shadow carbon price has been to tilt portfolios to lower emission sub-industries and producers.

C12. Engagement

C12.1

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

Yes, our customers
Yes, our investee companies

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Collaboration & innovation

Details of engagement

Run a campaign to encourage innovation to reduce climate change impacts

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

Portfolio coverage (total or outstanding)

Minority of the portfolio

Please explain the rationale for selecting this group of customers and scope of engagement

The Cyclone Resilience Benefit has been designed to reward insurance customer behaviour as well as investment in structural improvements which strengthen homes against cyclones. It recognises specific property features and mitigation measures which can help reduce damage to a property during a cyclone, as well as the likelihood of making a claim. Customers carry out cyclone preparation activities around the home (such as trimming trees) and/or minor non-structural improvements qualify for a reduction in their insurance premium. The benefit targets customers in high-risk cyclone areas of Australia. The rationale for selecting this group of customers is to encourage customers/non-customers exposed to cyclone-related hazards to be able to increase the resilience of their homes and lower their insurance premiums. The Cyclone Resilience Benefit was developed using extensive claims analysis and research in partnership with the Cyclone Testing Station at James Cook University.

Impact of engagement, including measures of success

Measures of success include: (1) Uptake of the Cyclone Resilience Benefit (# customers) (2) Lower cyclone and overall climate risk insurance ratings for customers (# customer with a lower rating; Lower risk rating – internal commercial data) (3) Lower insurance premiums for customers (% reduction) (4) lower claims costs for Suncorp (\$ saved) The impact of this benefit is that more than 40,000 Suncorp customers in the reporting year have had their overall cyclone and climate risk insurance rating lowered, meaning that their homes are now more resilient to cyclones (relating to measure of success item 1 and 2). More than 40,000 customers have been provided with a reduction in premium of up to 90% (relating to measure of success item 3). No major cyclones have impacted Queensland communities since the start of the program – impacts on claims costs will be examined in the future (relating to measure of success item 4).

C-FS12.1c

(C-FS12.1c) Give details of your climate-related engagement strategy with your investee companies.

Type of engagement

Engagement & incentivization (changing investee behavior)

Details of engagement

Support climate-related issues in proxy voting

% of investees by number

35

% Scope 3 emissions as reported in C-FS14.1a/C-FS14.1b

Portfolio coverage

Majority of the portfolio

Rationale for the coverage of your engagement

Suncorp engages with investee companies either directly, or via appointed Investment Managers. The 35% level of engagement is an outcome of engagement across all equity and credit portfolios and represents approximately 350 interactions with investee companies over the past year. Overall, Suncorp aims to engage a majority of investees over the medium term and ensure consistent engagement with ESG-sensitive sectors. Engagement on climate change is focused on the most emission intensive companies, with Suncorp's largest financial portfolio exposures to individual companies prioritised. SELECTION Companies are also selected investees for engagement based on several factors, including: - Portfolio financial exposure - Location. This can include physical risk to assets such as those exposed to coastal inundation - Regulatory. For example, in 2021, the planned introduction of the EU Carbon Border Adjustment Mechanism resulted in a greater focus on companies that derive revenue from exports to European markets and would be impacted by the border adjustment. - Financial risk, such as through the application of Suncorp's Shadow Carbon Price. - Industry and reputation risk, such as specific sectors, activities and companies. - Transparency of disclosures, such as the TCFD. Selection may also vary depending on the type of manager and the nature of how they invest. For example, appointed passive managers hold a relatively large number of names and prioritise engagement based on materiality factors such as risk and the degree of transparency, while fundamental managers with lower turnover generally engage with 100% of on investee companies. We also engage directly through a Sustainalytics led program – the companies we engage are again determined principally by portfolio financial exposure and materiality measures such as risk and transparency. The Sustainalytics led program focused on Steel and Concrete companies on the transition to a zero-carbon economy. This program aims to build shareholder support to accelerate the transition to zero emissions. ENGAGEMENT During engagement, a variety of issues including climate-change related issues are addressed. The focus of engagement on climate change is typically company specific but common themes are: • TCFD disclosures • Alignment of strategy with Paris Agreement • Shareholder sponsored proxy voting resolutions • Carbon emissions • Physical risk Suncorp votes all proxy interests according to the Suncorp Proxy Voting Principles and the Suncorp Responsible Investment Policy. In relation to climate change, Suncorp will support shareholder proposals that promote greater transparency in relation to climate change risk(s) and seek to align investee company strategy with the objectives of the Paris Agreement to limit global warming to well below 2 degrees C.

Impact of engagement, including measures of success

Suncorp has two measures of success: (1) Percentage of companies engaged directly or via appointed investment managers. (2) Change in investee strategy or activities following engagement and proxy voting. Support for shareholder resolutions on climate change provides a strong signal to investee company boards and executives in relation to shareholder expectations and incentivises companies to take stronger action. Suncorp tracks support for shareholder sponsored climate change resolutions and notes the extent to which company behaviour adjusts in line with shareholder expectations. For example, 10.1% of votes against management for Australian companies in FY20 were on environmental issues. We voted FOR on all shareholder proposals aligned with the objectives of the Paris Agreement. For example, this included specific resolutions for the reduction of exposure to fossil fuels (Banking and Insurance), the establishment of Paris-aligned greenhouse gas targets (Mining), Lobbying activity (Mining), and the closure of coal-fired power stations (Electricity Utilities). The impact of our proxy voting was a change in investee strategy or activities. Should Suncorp not be satisfied that investee company activities align with climate change mitigation objectives as stipulated in Suncorp's Responsible Investment Policy, Suncorp will divest from those investee companies. To read Suncorp's most recent Proxy Voting Summary, please visit: suncorpgroup.com.au/uploads/2019-20-Proxy-Voting-Report-Final.pdf (FY20-21 was not published at the time of submitting the CDP response in July 2021)

C12.3

(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

(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	Suncorp has been a leading advocate of the need for improved natural disaster resilience since 2011. Suncorp continues to call on governments at all levels to increase the level of funding allocated to adaptation activity. Suncorp has commissioned research that proves the role of insurance pay-outs following natural disasters in speeding recovery and maintaining economic output. Suncorp has developed partnerships with experts in cyclone, flood and bushfire resilience planning and design. Senior leaders conduct regular site visits as part of Suncorp's recovery processes to improve their understanding of local issues. Suncorp continues to contribute to the policy debate through government inquiries including the ACCC's Inquiry into Northern Australia Insurance, as well as Federal and State Government inquiries into natural disasters and the most recent bushfire season. Through Suncorp's Cyclone Resilience Benefit, more than 40,000 customers receive a reduction on their home insurance premiums to recognise efforts to strengthen homes against cyclones. Suncorp is a member of the Queensland Government's 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 Queensland's resilience and adaptation to the effects of climate change.	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 date, the policy responses to these changes have been insufficient. Suncorp believes that improved natural disaster risk management is crucial to safeguarding communities from the devastating emotional, social and economic impacts of extreme weather. Suncorp continues to advocate for meaningful reforms that could help to lower risk and alleviate pressures on insurance premiums. This includes increased funding towards natural disaster resilience infrastructure and development, appropriate land use planning and building code improvements. To this end, Suncorp welcomed additional funding for resilience measures included in the 2021 Federal Budget. We are also working with government and other stakeholders on the design of a reinsurance pool for cyclone and cyclone-related flood risk in northern Australia. 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 (i.e. insurance products which recognise natural hazard resilience). To this end, Suncorp launched One House – one of Australia's most disaster resilience homes - in April 2021 to help generate discussion in the community around how resilience can be incorporated into both new builds but also existing dwellings. Suncorp has also introduced a Build it Back Better feature for home insurance customers – which provides customers who have a significant claim with resilience options they can choose to have installed in their home (this cost sits outside the sum insured).

C12.3b

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

Yes

C12.3c

(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 members of the Insurance Council of Australia (ICA) accept the international scientific consensus presented by the Intergovernmental Panel on Climate Change and supported by the CSIRO. The members of the ICA support the ratification of the United Nations Framework Convention on Climate Change Paris Agreement by the Australian Government, including commitments to significantly reduce emissions below 2005 levels before the year 2030. The role of general insurance is to assist policyholders to recover from losses, such as those caused by extreme weather events. With expertise in risk management developed over hundreds of years of operation, general insurers play a critical role in communicating, managing and responding to the risks that many policyholders face today, as well as how those risks may evolve under a changing climate. Suncorp is a leading member of the ICA Climate Change Action Committee (CCAC). The Committee operates as a member working committee reporting as required through ICA management to the Board of the ICA. A senior Suncorp executive currently holds the position of Chair of this Committee. The mandate of the CCAC is to: 1) Support the insurance industry to embed climate change issues and insights into decision making. 2) Work with stakeholders to raise awareness of climate change and the impacts of climate change, manage risk and develop solutions including awareness of disaster preparedness in communities, and improve disaster response and recovery. 3) Work with governments, regulators and other key stakeholders to promote action on climate change and other environmental issues. 4) Support industry disclosure of climate risks and opportunities.

How have you influenced, or are you attempting to influence their position?

As one of the largest insurers in Australia, Suncorp continues to play an important and influential role in the ICA. 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 2016 and updated in 2019. Suncorp was also instrumental in setting up a dedicated ICA working group on climate change, as well as the establishment of the ICA's Climate Change Action Committee. This committee is currently chaired by a senior Suncorp staff member.

Trade association

Carbon Market Institute (CMI)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The Carbon Market Institute (CMI) is dedicated to helping business seize opportunities in rapidly evolving carbon markets. Independent and non-partisan, the CMI is the peak industry body for climate change and business. The CMI believes that market-based solutions are the most efficient policy mechanism to address the challenge of climate change. The CMI shares knowledge and facilitates connections between business, policy makers and thought leaders to drive the evolution of carbon markets towards a significant and positive impact on climate change. Engaging leaders, shaping policy and driving action, the CMI connects insights and catalysing opportunities in the transition to a zero-emissions economy. The CMI is committed to: - Being an impartial and independent voice on market-based climate policy and industry views. - Developing realistic and long-term carbon market solutions in conjunction with business leaders and policy makers. - Aligning, connecting and informing today's decision makers and educating tomorrow's leaders. - Researching and analysing the impact of global carbon market developments on Australian business. - Providing insights on global market trends and bringing international expertise to Australian business. - Working with the government of the day to develop and implement effective market-based climate policy.

How have you influenced, or are you attempting to influence their 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.

C12.3d

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

No

C12.3f

(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?

The Climate Change Action Plan 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, Public Policy and Sustainability team ensures a consistent approach to climate change stakeholder engagement and business strategy, considering global, national and local aspects of climate change impacts and other external change influencing the organisation. The team drives Suncorp's Climate Change Action Plan and connectivity of action across the business. Cross-function climate change working groups include expertise from banking, insurance, investment, finance and New Zealand to ensure climate change considerations are integrated into business strategy, planning and action. These working groups report into function risk committees, the Executive Leadership Team and Suncorp's Group CEO.

For example, the cross-function teams work with Suncorp's Board, executives, managers and subject matter experts to:

- Design and integrate scenario analysis into business strategy, planning and risk management.
- Develop and implement government, stakeholder and public policy strategies which improve environmental impacts (for example, advocacy for increased recycled automotive parts usage and water-based paints).
- Engagement with and explore opportunities with stakeholders to improve underlying physical risk in communities impacted by extreme weather, likely to be exacerbated by climate change (for example, government investment in flood levees to reduce flood risk, damage and claims).
- Analyse proposed legislative and regulatory change, and input on business strategy (for example, the introduction of legislation requiring New Zealand-based companies to report against the TCFD)
- Respond to government inquiries and advocate for policy settings that improve outcomes for customers and Suncorp's business (for example, the Commonwealth Northern Australia Insurance Inquiry which examined insurance risk and pricing, and the impacts of changing risk and insurance markets)

C12.4

(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

Responsible-Business-Report-FY20.pdf

Page/Section reference

4,6,9-11,13,25-30, 40

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Publication

In voluntary communications

Status

Complete

Attach the document

Suncorp Climate Change Action Plan_2018.pdf

Page/Section reference

Entire document describes Suncorp's response to climate change and GHG emissions performance. Suncorp will release an updated Climate Change Action Plan in August 2021.

Content elements

Governance
Strategy
Risks & opportunities

Comment

Publication

In voluntary communications

Status

Complete

Attach the document

Suncorp-Responsible-Investment-Policy.pdf

Page/Section reference

The entire document describes Suncorp's approach to responsible investment.

Content elements

Governance
Strategy

Comment

Publication

In voluntary communications

Status

Please select

Attach the document

Suncorp-Environmental-Performance-Plan.pdf

Page/Section reference

The document describes the measures put in place to ensure Suncorp meets its emission reduction goals.

Content elements

Governance
Strategy

Comment

Publication

In mainstream reports

Status

Complete

Attach the document

FY20-Annual-Report.pdf

Page/Section reference

1-3, 6-8, 13, 24, 28

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment

C-FS12.5

(C-FS12.5) Are you a signatory of any climate-related collaborative industry frameworks, initiatives and/or commitments?

	Industry collaboration	Comment
Reporting framework	Principles for Responsible Investment (PRI) Task Force on Climate-related Financial Disclosures (TCFD) UNEP FI Principles for Responsible Banking UNEP FI Principles for Sustainable Insurance	
Industry initiative	Principles for Responsible Investment (PRI) UNEP FI Principles for Responsible Banking UNEP FI Principles for Sustainable Insurance UNEP FI Other, please specify (Climate Measurement Standards Initiative)	Climate Measurement Standards Initiative: The Climate Measurement Standards Initiative is developing open-source technical business and scientific standards for climate physical risk projections of future repair and replacement costs of residential and commercial buildings and infrastructure in Australia. To read more information on the Climate Measurement Standards Initiative, please visit: climate-kic.org.au/our-projects/cmsi/
Commitment	Other, please specify (RE100)	Suncorp has committed to purchase 100% renewable electricity for global operations by 2025.

C14. Portfolio Impact

C-FS14.1

(C-FS14.1) Do you conduct analysis to understand how your portfolio impacts the climate? (Scope 3 portfolio impact)

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric	Comment
Bank lending (Bank)	Yes	Alternative carbon footprinting and/or exposure metrics (as defined by TCFD) Other, please specify (United Nations Principles of Responsible Insurance and Principles of Responsible Banking tools and guidance on portfolio ESG impact assessment)	In FY21 Suncorp increased its capability to assess secondary exposures to Environmental, Social and Governance impacts through its portfolios and customer activities. Suncorp utilised portfolio ESG assessment guidance and tools from the UN Principles of Responsible Insurance and UN Principles of Responsible Banking program to assess ESG impacts, including climate-related impacts, including alignment with SDGs. The analysis was conducted on all Suncorp Bank portfolios. The analysis enables Suncorp to understand positive and negative climate impacts through an analysis of customer activities, develop benchmark for exposures, and targets to minimise negative impacts and maximise positive impacts. Separate Scope 3 emissions analysis is being considered in future activity as industry guidance develops.
Investing (Asset manager)	Yes	Alternative carbon footprinting and/or exposure metrics (as defined by TCFD)	Analysis of portfolio impacts through the investment in the Suncorp Group Trusts is discussed below in Investing (Asset Owner)
Investing (Asset owner)	Yes	Alternative carbon footprinting and/or exposure metrics (as defined by TCFD) Other, please specify (Carbon emissions avoided (green bond portfolio))	Using Sustainalytics data, Suncorp calculates the carbon intensity (tCO2e/US\$ million revenues) of all share and credit portfolios. Suncorp also uses Sustainalytics data to assess a range of risks including environmental risks and impacts. Using the Sustainalytics research portal, Suncorp monitors portfolios for controversies including environmental controversies such as spills, pollution and water contamination. For positive environmental impacts, Suncorp has appointed AXA Investments to manage a tailored International Green Bond Portfolio. AXA provides reporting aligned with the UN SDG framework. Among other metrics, AXA provides an estimate on the tons of CO2 avoided as a result of investee capital deployment. Similarly, Suncorp invests in the Palisade Renewable Energy Fund which invests in a portfolio of renewable energy assets (wind and solar farms). Palisade also calculates an estimate of the tons of CO2 avoided using the GRESB methodology.
Insurance underwriting (Insurance company)	Yes	Alternative carbon footprinting and/or exposure metrics (as defined by TCFD) Other, please specify (United Nations Principles of Responsible Insurance and Principles of Responsible Banking tools and guidance on portfolio ESG impact assessment)	In FY21 Suncorp increased its capability to assess secondary exposures to Environmental, Social and Governance impacts through its portfolios and customer activities. Suncorp utilised portfolio ESG assessment guidance and tools from the UN Principles of Responsible Insurance and UN Principles of Responsible Banking program to assess ESG impacts, including climate-related impacts, including alignment with SDGs. The analysis was conducted on Suncorp's commercial insurance portfolios and products. The analysis enables Suncorp to understand positive and negative climate impacts through an analysis of customer activities, develop benchmark for exposures, and targets to minimise negative impacts and maximise positive impacts. For insurance, the analysis measures exposures relative to Australia's industry profile – essentially using economic output by industry as a baseline for comparison against Suncorp's exposures. Separate Scope 3 emissions analysis is being considered in future activity as industry guidance develops.
Other products and services, please specify	Please select	<Not Applicable>	

C-FS14.1a

(C-FS14.1a) What are your organization's Scope 3 portfolio emissions? (Category 15 "Investments" total emissions)

Category 15 (Investments)

Evaluation status

Relevant, not yet calculated

Scope 3 portfolio emissions (metric tons CO2e)

<Not Applicable>

Portfolio coverage

<Not Applicable>

Percentage calculated using data obtained from client/investees

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Please explain

Using Sustainalytics data Suncorp calculates the carbon intensity (tCO2e/US\$ million revenues) of all share and credit portfolios. Suncorp has appointed AXA Investments to manage a tailored International Green Bond Portfolios. AXA provides reporting aligned with the UN SDG framework. Among other metrics AXA provides an estimate on the tons of CO2 avoided as a result of investee capital deployment. Suncorp are wary of using an absolute value of scope 3 emissions from investment portfolios as it can be a relatively 'blunt' metric that does not provide insight into how aligned a portfolio is with a less than 2-degree Celsius pathway. It can be impacted by changes in assets under management, changes in product mix and changes in strategic asset allocation. Suncorp prefers to focus on carbon intensity as a measure, particularly in relation to the carbon intensity of a reference benchmark.

C-FS14.1b

(C-FS14.1b) What is your organization's Scope 3 portfolio impact? (Category 15 "Investments" alternative carbon footprinting and/or exposure metrics)

Metric type

Weighted average carbon intensity

Metric unit

tCO2e/\$M revenue

Scope 3 portfolio metric

250.5

Portfolio coverage

More than 90% but less than or equal to 100%

Percentage calculated using data obtained from clients/investees

0

Calculation methodology

Sustainalytics provides issuer level data based on company disclosure or activity-based estimation. Suncorp applies Sustainalytics metrics to portfolio holdings to calculate a weighted average portfolio carbon intensity metric. A weighted average of all portfolios is then calculated. We apply the same methodology on reference benchmark constituent data to determine whether portfolios are more or less carbon intensive than their reference benchmark. Attribution analysis is conducted to identify major contributors to carbon intensity. This is applied to all fixed interest and share portfolios. HOW METRIC IS USED We use the metric to inform internal investment decisions and monitor existing investments for stranded asset risk due to the climate change transition.

Please explain

Suncorp measures and monitors the carbon intensity of individual securities as well as aggregate portfolios based on relative investment share, in association with ESG research firm Sustainalytics. Weighted average carbon intensity was chosen because it's a metric that facilitates comparison across asset classes and can also be referenced against common benchmarks that are available through Sustainalytics. The metric is also not subject to share price movements. Overall, at 31 December 2020 Suncorp's Australian shares portfolio is 14.8 per cent less carbon intensive than the benchmark. For global shares, Suncorp's portfolio is 50.9 per cent less carbon intensive than the benchmark.

C-FS14.2

(C-FS14.2) Are you able to provide a breakdown of your organization's Scope 3 portfolio impact?

	Scope 3 breakdown	Comment
Row 1	Yes, by asset class	

C-FS14.2a

(C-FS14.2a) Break down your organization's Scope 3 portfolio impact by asset class.

Asset class	Metric type	Metric unit	Scope 3 portfolio emissions or alternative metric	Please explain
Other, please specify (Australian Shares)	Weighted average carbon intensity	tCO2e/\$M revenue	308.5	Weighted average carbon intensity was chosen because it's a metric that facilitates comparison across asset classes and can also be referenced against common benchmarks that are available through Sustainalytics. The metric is also not subject to share price movements. Since companies with higher carbon intensity are likely to face more exposure to carbon related market and regulatory risks, this metric indicates a portfolio's exposure to potential climate change-related risks relative to other portfolios or a benchmark. HOW THE METRIC IS CALCULATED The weighted average intensity was calculated independently by Sustainalytics. Sustainalytics compile GHG emissions and revenue information of all investee companies. The Weighted Average Carbon Intensity is achieved by calculating the carbon intensity (Scope 1 + 2 Emissions / \$M Revenue) for each company and calculating the weighted average by portfolio across Australian Shares. Weighted Average Carbon Intensity is calculated for both Suncorp's portfolio, and the benchmark index to enable comparison of Suncorp's portfolios relative to the market. The weighted-average carbon intensity of the benchmark index for Australian shares is 361.9 tCO2e/\$M revenue (compared to 308.5 for Suncorp's portfolio). COMPLETENESS Suncorp are confident in the robustness and completeness of the data as Sustainalytics is a recognised global leader in ESG research. Sustainalytics covers 99% of Suncorp's Australian Shares portfolio (by financial exposure).
Other, please specify (Global shares)	Weighted average carbon intensity	tCO2e/\$M revenue	100.8	Weighted average carbon intensity was chosen because it's a metric that facilitates comparison across asset classes and can also be referenced against common benchmarks that are available through Sustainalytics. The metric is also not subject to share price movements. Since companies with higher carbon intensity are likely to face more exposure to carbon related market and regulatory risks, this metric indicates a portfolio's exposure to potential climate change-related risks relative to other portfolios or a benchmark. HOW THE METRIC IS CALCULATED The weighted average intensity was calculated independently by Sustainalytics. Sustainalytics compile GHG emissions and revenue information of all investee companies. The Weighted Average Carbon Intensity is achieved by calculating the carbon intensity (Scope 1 + 2 Emissions / \$M Revenue) for each company and calculating the weighted average by portfolio across Australian Shares. Weighted Average Carbon Intensity is calculated for both Suncorp's portfolio, and the benchmark index to enable comparison of Suncorp's portfolios relative to the market. The weighted-average carbon intensity of the benchmark index for Global shares is 205.4 tCO2e/\$M revenue (compared to 100.8 for Suncorp's portfolio). Sustainalytics calculate tCO2e per million dollars revenue for each company in Suncorp's Global Shares portfolio. A weighted average for the portfolio in aggregate is derived by summing those inputs. COMPLETENESS Suncorp are confident in the robustness and completeness of the data as Sustainalytics is a recognised global leader in ESG research. Sustainalytics covers 94% of Suncorp's Global Shares portfolio (by financial exposure).
Other, please specify (A-Reits)	Weighted average carbon intensity	tCO2e/\$M revenue	160.2	Weighted average carbon intensity was chosen because it's a metric that facilitates comparison across asset classes and can also be referenced against common benchmarks that are available through Sustainalytics. The metric is also not subject to share price movements. Since companies with higher carbon intensity are likely to face more exposure to carbon related market and regulatory risks, this metric indicates a portfolio's exposure to potential climate change-related risks relative to other portfolios or a benchmark. HOW THE METRIC IS CALCULATED The weighted average intensity was calculated independently by Sustainalytics. Sustainalytics compile GHG emissions and revenue information of all investee companies. The Weighted Average Carbon Intensity is achieved by calculating the carbon intensity (Scope 1 + 2 Emissions / \$M Revenue) for each company and calculating the weighted average by portfolio across Australian Shares. Weighted Average Carbon Intensity is calculated for both Suncorp's portfolio, and the benchmark index to enable comparison of Suncorp's portfolios relative to the market. The weighted-average carbon intensity of the benchmark index for Australian REITs is 158.6 tCO2e/\$M revenue (compared to 160.2 for Suncorp's portfolio). Sustainalytics calculate tCO2e per million dollars revenue for each company in Suncorp's A-Reits portfolio. A weighted average for the portfolio in aggregate is derived by summing those inputs. COMPLETENESS Suncorp are confident in the robustness and completeness of the data as Sustainalytics is a recognised global leader in ESG research. Sustainalytics covers 100% of Suncorp's A-Reits portfolio (by financial exposure).
Other, please specify (Australian Fixed Income)	Weighted average carbon intensity	tCO2e/\$M revenue	237.8	Weighted average carbon intensity was chosen because it's a metric that facilitates comparison across asset classes and can also be referenced against common benchmarks that are available through Sustainalytics. The metric is also not subject to share price movements. Since companies with higher carbon intensity are likely to face more exposure to carbon related market and regulatory risks, this metric indicates a portfolio's exposure to potential climate change-related risks relative to other portfolios or a benchmark. HOW THE METRIC IS CALCULATED The weighted average intensity was calculated independently by Sustainalytics. Sustainalytics compile GHG emissions and revenue information of all investee companies. The Weighted Average Carbon Intensity is achieved by calculating the carbon intensity (Scope 1 + 2 Emissions / \$M Revenue) for each company and calculating the weighted average by portfolio across Australian Shares. Weighted Average Carbon Intensity is calculated for both Suncorp's portfolio, and the benchmark index to enable comparison of Suncorp's portfolios relative to the market. The weighted-average carbon intensity of the benchmark index for Australian fixed income is 137.1 tCO2e/\$M revenue (compared to 237.8 for Suncorp's portfolio). Sustainalytics calculate tCO2e per million dollars revenue for each company in Suncorp's Australian Fixed Income portfolio. A weighted average for the portfolio in aggregate is derived by summing those inputs. COMPLETENESS Suncorp are confident in the robustness and completeness of the data as Sustainalytics is a recognised global leader in ESG research. Sustainalytics covers 54% of Suncorp's Australian Fixed Income portfolio (by financial exposure, not including government debt which is not covered by Sustainalytics).
Other, please specify (Global Fixed Credit)	Weighted average carbon intensity	tCO2e/\$M revenue	40.4	Weighted average carbon intensity was chosen because it's a metric that facilitates comparison across asset classes and can also be referenced against common benchmarks that are available through Sustainalytics. The metric is also not subject to share price movements. Since companies with higher carbon intensity are likely to face more exposure to carbon related market and regulatory risks, this metric indicates a portfolio's exposure to potential climate change-related risks relative to other portfolios or a benchmark. Weighted Average Carbon Intensity is calculated for both Suncorp's portfolio, and the benchmark index to enable comparison of Suncorp's portfolios relative to the market. HOW THE METRIC IS CALCULATED The weighted average intensity was calculated independently by Sustainalytics. Sustainalytics compile GHG emissions and revenue information of all investee companies. The Weighted Average Carbon Intensity is achieved by calculating the carbon intensity (Scope 1 + 2 Emissions / \$M Revenue) for each company and calculating the weighted average by portfolio across Australian Shares. Weighted Average Carbon Intensity is calculated for both Suncorp's portfolio, and the benchmark index to enable comparison of Suncorp's portfolios relative to the market. The weighted-average carbon intensity of the benchmark index for Global Credit is 139.2 tCO2e/\$M revenue (compared to 40.4 for Suncorp's portfolio). Sustainalytics calculate tCO2e per million dollars revenue for each company in Suncorp's Global Credit portfolio. A weighted average for the portfolio in aggregate is derived by summing those inputs. COMPLETENESS Suncorp are confident in the robustness and completeness of the data as Sustainalytics is a recognised global leader in ESG research. Sustainalytics covers 71% of Suncorp's Global Credit portfolio (by financial exposure, not including government debt which is not covered by Sustainalytics).

C-FS14.3

(C-FS14.3) Are you taking actions to align your portfolio to a well below 2-degree world?

	We are taking actions to align our portfolio to a well below 2-degree world	Please explain
Bank lending (Bank)	Yes	Under our Fossil Fuels Sensitive Sector Standard Suncorp will not finance new thermal coal mining projects or electricity generation, or new oil and gas exploration or production. Suncorp's commercial lending portfolio has no exposure to fossil fuels via either extraction or power generation. Suncorp also analyse exposure of lending portfolios to a 1.5-degree and 2-degree future, and are exploring targets to increase alignment with customers and industries which contribute to emissions reduction and net zero goals.
Investing (Asset manager)	Yes	Suncorp Portfolio Services Limited "SPSL" as Trustee of the Suncorp Master Trust invest in both Suncorp managed and third-party managed investment vehicles. The actions taken to align the Suncorp Trusts (SFPL) to a well below is detailed below (see Investing - Asset Owner) and applies to the significant majority of monies managed on behalf of clients. SPSL has engaged Morningstar to provide a range of investment services including in relation to the asset allocation and targeted investment management services for the Suncorp branded investment options. Morningstar undertakes responsible investment stock exclusions on the request of SPSL on an ongoing basis, which are also aligned with climate change related provisions in the Suncorp Responsible Investment Policy.
Investing (Asset owner)	Yes	Suncorp excludes all companies classified in the GICS sector 'Coal and Consumable Fuels'. Suncorp also excludes companies not in the Coal and Consumable Fuels sector that are directly involved in the development of new thermal coal mining projects or the construction of new thermal coal electricity generation projects. Suncorp will phase out its exposure to existing thermal coal exposures by 2025. From 2025 Suncorp will exclude companies with any thermal coal exposures where the company does not have a strategy clearly aligned with the Paris Agreement on climate change. Suncorp excludes all companies directly involved in the exploration and production of new oil & gas projects. Suncorp also excludes companies with oil & gas operations inside the Arctic circle. Suncorp will phase out its exposure to existing oil & gas producers by 2040. Suncorp requires managers to incorporate a shadow carbon price (SCP) in their assessment of investment opportunities. The application of the SCP has seen a material number of fossil fuel companies excluded from portfolios including all tar sand operations and the majority of fracking/coal seam gas operations. As at 1 July 2021 the SCP is set at US\$38 and is reset annually in line with a less than 2-degree Celsius glidepath as calculated by ClimateWorks Australia.
Insurance underwriting (Insurance company)	Yes	Under our Fossil Fuels Sensitive Sector Standard Suncorp will not directly underwrite new thermal coal mining projects or electricity generation, or new oil and gas exploration or production. Suncorp will phase out existing fossil fuel exposures by 2025. As at 30 June 2021, fossil fuel extraction and electricity generation activities made up less than 0.1 per cent of general insurance gross written premium. Suncorp also analyse exposure of commercial insurance portfolios to a 1.5-degree and 2-degree future, and are exploring targets to increase alignment with customers and industries which contribute to emissions reduction and net zero goals.
Other products and services, please specify	Not applicable	

C-FS14.3a

(C-FS14.3a) Do you assess if your clients/investees' business strategies are aligned to a well below 2-degree world?

	We assess alignment	Please explain
Bank lending (Bank)	Yes, for all	In FY21 Suncorp increased its capability to assess secondary exposures to Environmental, Social and Governance impacts through its customer activities based on industry classification. Suncorp utilised portfolio ESG assessment guidance and tools from the UN Principles of Responsible Insurance and UN Principles of Responsible Banking program to develop tools which assess ESG impacts, including climate-related impacts, including alignment with SDGs. The analysis was conducted on Suncorp's commercial insurance portfolios and products. The analysis enables Suncorp to understand positive and negative climate impacts through an analysis of customer activities, develop benchmark for exposures, and targets to minimise negative impacts and maximise positive impacts. The application of Suncorp's Fossil Fuel Standard also requires consideration of customers' business activities and alignment with Suncorp's commitments to not lend to companies directly involved in fossil fuel extraction or electricity generation, and includes targets to be completely phase out of these exposures by 2025.
Investing (Asset manager)	Yes, for all	SPSL invest in both Suncorp managed and third-party managed investment vehicles. The actions taken to assess if investee company business strategy is aligned to a well below 2-degree world for the Suncorp Trusts (SFPL) is detailed below (see Investing - Asset Owner) and applies to the significant majority of monies managed on behalf of clients. SPSL has engaged Morningstar to provide a range of investment services including in relation to the asset allocation and targeted investment management services for the Suncorp branded investment options. Morningstar undertakes responsible investment stock exclusions on the request of SPSL on an ongoing basis, which are also aligned with climate change related provisions in the Suncorp Responsible Investment Policy.
Investing (Asset owner)	Yes, for all	Suncorp requires appointed external investment managers to include analysis of environmental, social and governance (ESG) issues in their investment processes. This includes assessment of investee company business models and strategy. Additionally, Suncorp requires managers to incorporate a shadow carbon price in their analysis of investee companies. The shadow carbon price is calculated by ClimateWorks consistent with a below 2-degree glidepath. Suncorp excludes companies with a high risk of becoming stranded assets as a result of the transition to a zero-carbon economy. In assessing company stranded asset risk, Suncorp considers research and analysis from Sustainalytics, the NGO Urgewald/Exit Coal, and the Climate 100+Zero Carbon Benchmark. Suncorp participates in a Sustainalytics engagement program on the theme of climate change transition. Focused on the Steel and Concrete Industries, the program specifically evaluates companies on the degree to which they are prepared to transition to a net-zero emissions economy. Specifically with reference to vertically integrated energy companies and electricity utilities, from 2025 Suncorp will exclude from portfolios companies whose strategy does not acknowledge the Paris Agreement on Climate Change and align with the objective of limiting global warming to well below 2 degrees Celsius.
Insurance underwriting (Insurance company)	Yes, for some	In FY21 Suncorp increased its capability to assess secondary exposures to Environmental, Social and Governance impacts through its customer activities based on industry classification. Suncorp utilised portfolio ESG assessment guidance and tools from the UN Principles of Responsible Insurance and UN Principles of Responsible Banking program to develop tools which assess ESG impacts, including climate-related impacts, including alignment with SDGs. The analysis was conducted on Suncorp's commercial insurance portfolios and products. The analysis enables Suncorp to understand positive and negative climate impacts through an analysis of customer activities, develop benchmark for exposures, and targets to minimise negative impacts and maximise positive impacts. The application of Suncorp's Fossil Fuel Standard also requires consideration of customers' business activities and alignment with Suncorp's commitments to not underwrite companies directly involved in fossil fuel extraction or electricity generation, and includes targets to be completely phase out of these exposures by 2025. Consideration of customer activities is marked 'yes, for some' as it includes commercial insurance customers only (not home or motor insurance customers).
Other products and services, please specify	<Not Applicable >	<Not Applicable>

C-FS14.3b

(C-FS14.3b) Do you encourage your clients/investees to set a science-based target?

	We encourage clients/investees to set a science-based target	Please explain
Bank lending (Bank)	No, but we plan to do so in the next two years	Suncorp bank customers are primarily retail based and do not have the level of sophistication and scale required to conduct GHG emissions accounting and science-based target setting. Suncorp engages with customers on ways to reduce their environmental impact, such as through alternate farming practices. For larger commercial businesses we lend to, Suncorp plan to engage more widely with customers and industries on the benefits of science-based targets and alignment of efforts to reduce emissions to below 2 degrees. This follows Suncorp becoming one of a handful of businesses in Australia and New Zealand to publish a Scope 1 and 2 science-based target.
Investing (Asset manager)	Yes, for some	SPSL invest in both Suncorp managed and third-party managed investment vehicles. The actions taken to encourage investee company to set a science-based target for the Suncorp Trusts (SFPL) is detailed below (see Investing - Asset Owner) and applies to the significant majority of monies managed on behalf of clients. SPSSL has engaged Morningstar to provide a range of investment services including in relation to the asset allocation and targeted investment management services for the Suncorp branded investment options. Morningstar undertakes responsible investment stock exclusions on the request of SPSSL on an ongoing basis, which are also aligned with climate change related provisions in the Suncorp Responsible Investment Policy.
Investing (Asset owner)	Yes, for some	Suncorp requires appointed external investment managers to include analysis of environmental, social and governance (ESG) issues in their investment processes. Additionally, Suncorp requires managers to incorporate a shadow carbon price in their analysis of investee companies. Suncorp engages investee companies on a range of ESG related issues either directly or via appointed investment managers. Suncorp actively encourages investee companies to adopt the TCFDs. SBT's are a frequently raised in relation to emission intensive industries. Suncorp participates in a Sustainalytics engagement program on the theme of climate change transition. Focused on the Steel and Concrete Industries, the program specifically evaluates companies on the degree to which they are prepared to transition to a net-zero emissions economy. SBT's are frequently raised in these engagements. Suncorp votes all proxies according principles set out in Suncorp's Proxy Voting Principles. This includes the support of shareholder solutions consistent with the objectives of the Paris Agreement and the adoption of the TCFD recommendations.
Insurance underwriting (Insurance company)	No, but we plan to do so in the next two years	Suncorp became one of a handful of businesses in Australia and New Zealand to publish a Scope 1 and 2 science-based target. We plan to engage more widely with customers and industries on the benefits of science-based targets and alignment of efforts to reduce emissions to below 2 degrees.
Other products and services, please specify	<Not Applicable>	<Not Applicable>

C15. Signoff

C-FI

(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.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Suncorp Group Chief Executive Officer	Chief Executive Officer (CEO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms