



Climate Change Action Plan 2018-20

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Create a better today



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Suncorp Group Limited
ABN 66 145 290 124

Message from Ziggy Switkowski, Suncorp Chairman



We recognise climate change presents strategic and financial risks, as well as opportunities, for Suncorp and our community. This includes the physical impacts of a changing climate and the transition to an economy that achieves net-zero carbon emissions.

As a responsible global citizen, Suncorp seeks to mitigate the causes of global warming. Addressing climate change not only makes good environmental sense, but will enable our business to protect and enhance shareholder value under various climate scenarios.

Suncorp has already achieved a 62 percent reduction in the Scope 1 and Scope 2 greenhouse gas emissions for our Australian corporate operations since 2010. We have also advocated strongly for natural hazard resilience and climate adaptation, helping tens of thousands of Australians reduce their risk.

However, we know this is just the beginning.

This Climate Change Action Plan formalises our commitment to reducing carbon emissions across our value chain, building resilience in our business and the community, and playing our part in supporting the transition to a net-zero carbon emissions economy.

Through this Plan we will adopt the new framework issued by the Financial Stability Board Task Force on Climate-related Financial Disclosures (TCFD), to assess and disclose the emerging risks, opportunities and financial implications climate change poses for our business.

We will use this analysis to address climate change through our governance, risk management, strategy and business planning, and explore opportunities to develop new products and services that support climate adaptation, mitigation and innovation. As we continue to develop and mature our approach, we will disclose how our business is managing climate risks and opportunities.

Through our Responsible Investment Policy, we ensure climate change risk assessment is integrated in our investment practices including the application of a shadow carbon price in the management of transition risk. We will also develop and implement an Environmental Performance Plan as well as policies for Responsible Banking, Responsible Insurance and a Responsible Supply Chain. These will guide our decisions, reduce risk, and support the transition to a net-zero emissions economy.

As a retail bank and insurer with more than nine million customers across Australia and New Zealand and \$97 billion in total assets, we acknowledge our special responsibility. We look forward to working with our community, shareholders, government, and other businesses in tackling the shared global challenge of climate change.

A handwritten signature in black ink that reads "J. P. Switkowski". The signature is written in a cursive, slightly stylized font.

DR ZIGGY SWITKOWSKI AO
CHAIRMAN

About Suncorp

Suncorp Group Limited is a trusted provider of financial services and solutions, helping customers take positive action to improve their financial wellbeing.

We are a top 20 ASX-listed company with \$97 billion in assets, employ approximately 13,400 people, and serve more than nine million customers across Australia and New Zealand.

We offer a broad range of products and services designed to make it easier for our customers to meet their financial needs. It brings together our strong portfolio of banking, wealth management and insurance solutions from across our many brands including Suncorp, AAMI, GIO, Apia and Shannons, as well as those from our partners.

SUNCORP STRATEGY

Suncorp's purpose is to create a better today for our customers, communities, people and shareholders. We help people live the life they want now and plan for the life they want tomorrow.

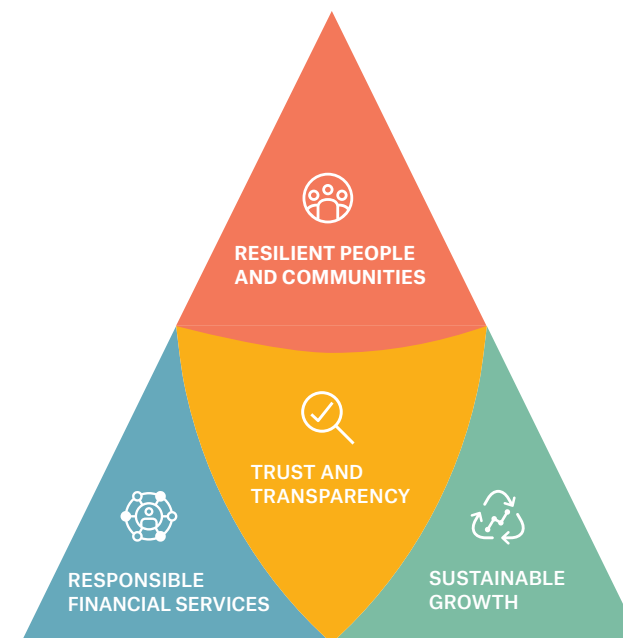
Our vision is to be the destination for the moments that matter. By placing the customer at the centre of everything we do, we have a deeper understanding of their needs and can better support them when they need us most. To achieve our vision, Suncorp is focused on four strategic priorities:

- **Elevate the customer:** We use insights to understand and meet customer needs, and continue to embed a customer-centric culture which ultimately delivers seamless and valuable customer experiences.
- **Create the Marketplace:** By creating a connected network of brands, partners, solutions and channels, we are making it faster, simpler, and easier for our customers.
- **Maintain momentum and grow:** We are building and protecting Suncorp's reputation for excellence in manufacturing financial services solutions for customers in Australia and New Zealand.
- **Inspire our people:** We are fostering a diverse, inclusive and highly engaged workforce.

CORPORATE RESPONSIBILITY AT SUNCORP

Creating and preserving value for Suncorp's stakeholders is fundamental to our approach to Corporate Responsibility. We continually strive to improve our business practices to optimise outcomes, earn trust, and maintain our social licence to operate.

Our Corporate Responsibility Framework helps us to achieve Suncorp's purpose to create a better today for all stakeholders. Through our Corporate Responsibility Framework, we will actively manage the environmental, social and governance risks and opportunities we face as we conduct business. More information can be found at: www.suncorpgroup.com.au/about-us/responsibility



Preparing for a changing climate and economy

OUR CHANGING CLIMATE: THE SCIENCE AND THE PARIS AGREEMENT

Climate change is a shared global challenge that needs to be addressed by governments, businesses, and individuals. Suncorp is committed to playing its part in reducing carbon emissions and preparing for the physical and economic impacts of climate change in our business, community, and across our value chain.

We accept the international scientific consensus presented by the Intergovernmental Panel on Climate Change:

The earth's mean surface temperature is increasing and it is extremely likely the dominant cause of the observed warming is the effect of human activity on the climate system. In recent decades, changes in climate have caused impacts on natural and human systems on all continents and across the oceans.¹

We support the ratification of the United Nations Framework Convention on Climate Change Paris Agreement by the governments of Australia and New Zealand, including their commitments to significantly reduce emissions below 2005 levels before the year 2030. The Paris Agreement commits almost every country in the world to keeping global temperature rise well below 2° Celsius, and to pursue efforts to limit temperature rise further to 1.5° Celsius relative to pre-industrial levels.

The risks for our community of not achieving this target are significant. The scientific consensus is that global warming of 2° Celsius will see extreme weather and irreversible changes to our climate, resulting in wide ranging impacts on our economy and communities.

OUR CHANGING ECONOMY: EMERGING RISKS AND OPPORTUNITIES

Climate change will have a systemic impact across sectors and geographies, presenting a wide range of financial and strategic risks and opportunities for our business, communities, and the wider economy.

Assessing these risks and responding to the transition to a net-zero carbon emissions economy will require a careful and considered approach.

Opportunities include energy resource efficiency and cost reduction; adoption of clean energy; development of low-carbon products and services; and involvement in new markets.

Risks include the acute and chronic physical impacts of changing global weather patterns, which must be assessed and addressed alongside policy, legal, technology and market transition risks.

Building resilience in our community and throughout our value chain will also help ensure our business remains strong and sustainable for our shareholders.

We recognise we play an important role in helping our customers and communities prepare for and recover from extreme weather events. We will continue to lead and advocate for strategies, policies and standards that reduce risk and help our community adapt to climate change. Our award-winning *Protecting The North* initiative is already engaging North Queensland communities to build greater cyclone resilience and in turn improve insurance affordability.

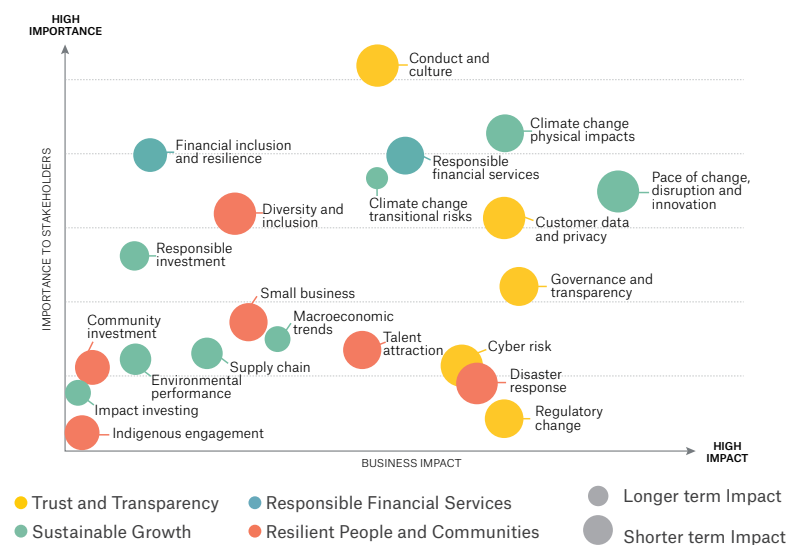
CLIMATE CHANGE IS A MATERIAL ESG ISSUE

We surveyed the public and a wide range of industry stakeholders and asked our Board, senior executives and key staff what they considered to be the most material environmental, social and governance (ESG) topics Suncorp should address.

The survey was managed by an independent sustainability consultant, resulting in a matrix of the top 21 most material topics, their importance to our stakeholders, and the potential impact on our business - climate change issues feature in five of the ten most material ESG issues affecting our business and community.

These issues include: adapting to the physical impacts of climate change, such as severe weather events, rising sea levels and shifting temperature zones; responsible financial services practices; climate change transition risks and opportunities; governance, transparency and reporting of ESG governance issues and performance; and responsible investment, including the impact of our investment decisions on the environment and society.

Our Climate Change Action Plan lays out how we will work to better understand, assess, and address these issues in the coming years.



SUNCORP'S CLIMATE CHANGE ACTION PLAN (2018-20)

This Climate Change Action Plan (CCAP) was approved by the Board and Suncorp's Senior Leadership Team in March 2018. It forms the basis for maturing Suncorp's assessment, management and disclosure of climate change risks and opportunities using the framework published by the Financial Stability Board Task Force on Climate-related Financial Disclosures (TCFD). It demonstrates how we will work with our customers and communities to support a transition to a net-zero carbon emissions economy by 2050.

Our CCAP includes five commitments:

1. Strengthen our governance processes (including assessment of climate risk)
2. Reduce our environmental footprint
3. Increase community resilience
4. Accelerate emerging opportunities and climate-related innovation
5. Track and openly disclose our climate-related performance.

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

Climate change terminology can be quite technical – we have included a glossary of terms at the back of this document to help provide some additional background or context.

Suncorp's climate commitments

1. STRENGTHEN OUR GOVERNANCE PROCESSES

We will integrate climate change risks and opportunities into our risk management, strategy, and business planning.

2. REDUCE OUR ENVIRONMENTAL FOOTPRINT

We will support the transition to a net-zero carbon emissions economy by 2050 by setting targets, metrics, and policies which reduce the impacts of our business activities on the environment.

3. INCREASE COMMUNITY RESILIENCE

We will help our communities reduce climate change risk, adapt and build resilience through our products, advocacy and collaboration with key industry, government and climate stakeholders.

4. ACCELERATE EMERGING OPPORTUNITIES AND CLIMATE-RELATED INNOVATION

We will help our customers, communities, and business reduce carbon intensity and transition to a low-carbon future by exploring new products, services, and other emerging financial opportunities.



Maintain momentum and grow



Inspire our people



Elevate the customer



Inspire our people



Elevate the customer



Create the Marketplace

5. TRACK AND OPENLY DISCLOSE OUR CLIMATE-RELATED PERFORMANCE

We will track, disclose, and improve our performance against the TCFD, targets, and other metrics.

SUNCORP'S CLIMATE COMMITMENTS

1. STRENGTHEN OUR GOVERNANCE PROCESSES

We will integrate climate change risks and opportunities into our risk management, strategy, and business planning.

ACTION STATEMENT	RESPONSIBILITY	OUTPUT	TIMEFRAME
1.1 Govern Suncorp's response to climate change			
Govern Suncorp's overall response to climate change, including implementation of the Climate Change Action Plan.	Board Risk Committee, SNZ Board Audit & Risk Committee <i>Supported by: CRO</i>	Oversee management of climate change risk.	Quarterly
	CEO & Managing Director <i>Supported by: CRO, CFO, CEO Insurance, CEO Customer Marketplace, CEO Banking & Wealth, CEO SNZ</i>	Embed climate change into risk management, business strategy, business planning, and budgeting processes and frameworks.	Annually
	CFO <i>Supported by: Corporate Responsibility Council</i>	Own and oversee the development and implementation of the Climate Change Action Plan.	Quarterly
		Report to the Senior Leadership Team, Board and external stakeholders on progress achieved against actions in the Plan.	Annually
	Climate Change Working Group	Engage the business to implement the Climate Change Action Plan and report progress.	Ongoing
1.2 Build technical capabilities to assess and manage climate risks and opportunities			
Evaluate Suncorp's technical needs and build capability to assess and manage climate change risks and opportunities.	CRO <i>Supported by: CRO – Bank & Wealth, CRO – Insurance, Head of Risk – SNZ, CRO – Customer Marketplace & Technology, Deputy CFO, CFO Corporate Services, EGM Enterprise & Financial Risk, EGM Corporate Affairs</i>	Work with scientific experts and external partners to define and review Suncorp's technical capabilities and needs.	May 2018 – June 2019
		Improve Suncorp's capability to assess and manage climate change risks and opportunities in the investment, insurance, and banking and wealth portfolios.	May 2018 – June 2019
		Build Suncorp's technical capability to model climate change impacts, including financial impacts, under various climate change scenarios in the investment, insurance, and banking and wealth portfolios (alongside Action 1.3).	May 2018 – June 2020
		Establish a panel of experts to inform and advise key decision makers, including executives, employees, and teams managing climate change risks, opportunities, and disclosures.	December 2018

SUNCORP'S CLIMATE COMMITMENTS

ACTION STATEMENT	RESPONSIBILITY	OUTPUT	TIMEFRAME
1.3 Develop scenario analysis approach and assess climate change risks and opportunities			
<p>Collaborate with internal and external stakeholders to assess the physical and transition risks and opportunities of climate change across Suncorp's value chain.</p>	<p>CFO Supported by: CRO – Bank & Wealth, CRO – Insurance, Head of Risk – SNZ, CRO – Customer Marketplace & Technology, Deputy CFO, CFO Corporate Services, Group Stress Test Committee, EGM Enterprise & Financial Risk</p>	Identify priority areas and appropriate scenarios for the assessment of climate change transition risks and opportunities.	May 2018 - June 2019
		Identify priority areas and appropriate scenarios for the assessment of climate change physical risks and opportunities.	May 2018 - June 2019
		Assess the the short, medium, and long term climate-related risks and opportunities in identified priority areas.	May 2018 - June 2019
		Integrate assessment of climate change risks and opportunities into Suncorp's risk management, business strategy, and business planning processes.	May 2018 - June 2019
		Determine modelling methodology, systems, data, and resourcing requirements.	May 2018 ongoing
		Commence modelling to assess the possible impacts of climate change risks and opportunities under different climate change scenarios (including a 2° Celsius scenario) and the resilience of Suncorp's business, strategy, and financial planning.	July 2019 ongoing
		Integrate outcomes of scenario analysis and assessment into Suncorp's risk management, business strategy, and business planning processes.	December 2019 ongoing
		Review and update scenario analysis methodology to expand applicability and increase sophistication.	December 2019 ongoing

SUNCORP'S CLIMATE COMMITMENTS

2. REDUCE OUR ENVIRONMENTAL FOOTPRINT

We will support the transition to a net-zero carbon emissions economy by 2050 by setting targets, metrics and policies which reduce the impacts of our business activities on the environment.

ACTION STATEMENT	RESPONSIBILITY	OUTPUT	TIMEFRAME
2.1 Improve the environmental sustainability and carbon intensity of Suncorp's operations			
<p>Work with internal and external stakeholders to reduce the carbon intensity and environmental impact of Suncorp's value chain and prepare for the transition to a net-zero carbon emissions economy.</p>	<p>EGM Real Estate, Partnering & Robotics, EGM SNZ People Experience <i>Supported by: EGM Business Improvement</i></p>	<p>Develop and implement an Environmental Performance Plan including opportunities to improve the environmental performance and carbon intensity of Suncorp's operations.</p>	<p>May 2018 ongoing</p>
	<p>EGM Real Estate, Partnering & Robotics, EGM SNZ People Experience <i>Supported by: EGM Suncorp Insurance Ventures & Procurement, CFO SNZ, EGM Motor Property & Specialty Claims, EGM Customer Strategy, Design & Innovation</i></p>	<p>Review Scope 1, Scope 2 and Scope 3 greenhouse gas (GHG) emissions reporting boundaries.</p>	<p>August 2018</p>
		<p>Identify initial priority areas and establish relevant baselines and explore targets.</p>	<p>May 2018 – June 2019</p>
		<p>Set and publish targets to reduce Scope 1 and Scope 2 GHG emissions.</p>	<p>August 2019</p>
	<p>Explore opportunities to reduce Scope 3 upstream and downstream emissions with Suncorp's suppliers, customers, and people.</p>	<p>May 2018 ongoing</p>	
<p>EGM Corporate Affairs <i>Supported by: EGM Suncorp Insurance Ventures & Procurement, CFO SNZ, Head of Investments, EGM Commercial Consumer Portfolio & Products, EGM Lending</i></p>	<p>Investigate the carbon intensity of Suncorp's procurement, investment, insurance, and banking and wealth portfolios, and explore opportunities for reductions in upstream and downstream emissions.</p>	<p>May 2018 ongoing</p>	
2.2 Build internal awareness, understanding, and engagement in Suncorp's response to climate change			
<p>Raise awareness and build understanding across Suncorp of the impacts of climate change on our business and community.</p>	<p>EGM Corporate Affairs <i>Supported by: EGM Talent & Planning, EGM Real Estate, Partnering & Robotics, EGM SNZ Customer Marketplace</i></p>	<p>Develop and implement an internal campaign to build understanding and awareness among new and existing employees of climate change and Suncorp's actions.</p>	<p>May 2018 ongoing</p>
		<p>Develop and implement an internal campaign to build engagement in Suncorp's environmental sustainability initiatives.</p>	<p>May 2018 ongoing</p>

SUNCORP'S CLIMATE COMMITMENTS

ACTION STATEMENT	RESPONSIBILITY	OUTPUT	TIMEFRAME
2.3 Support a responsible supply chain			
Work with suppliers, community organisations, industry bodies, and government to improve the environmental impact of procurement and the resilience of Suncorp's supply chain.	EGM Suncorp Insurance Ventures & Procurement, CFO SNZ	Develop a Responsible Supply Chain Policy which includes consideration of climate change.	May-December 2018
		Implement Responsible Supply Chain Policy and manage climate risks and opportunities.	January 2019 ongoing
	EGM Suncorp Insurance Ventures & Procurement, CFO SNZ	Explore opportunities with current suppliers, community organisations, industry bodies, and government to improve the sustainability and carbon intensity of Suncorp's supply chain.	May 2018 ongoing
	<i>Supported by: EGM Motor Property & Specialty Claims, EGM Real Estate, Partnering & Robotics</i>	Prepare a business case and responsible supply chain strategy to increase Suncorp purchasing from low carbon-intensity enterprises, or those which support climate adaptation and mitigation.	January-June 2019
2.4 Support responsible financial services practices			
Collaborate with internal and external stakeholders to factor climate change into the management of Suncorp's investment, insurance, and banking and wealth portfolios.	Head of Investments, CFO SNZ	Implement Responsible Investment Policy and manage climate risks and opportunities.	From August 2017
	EGM Commercial Consumer Portfolio & Products	Develop a Responsible Insurance Policy which factors climate change into Suncorp's insurance value chain and decision making, including underwriting, actuarial, claims, and procurement processes.	May-December 2018
	<i>Supported by: EGM Personal Injury Portfolio Products, EGM SNZ Insurance Solutions</i>	Implement Responsible Insurance Policy and manage climate risks and opportunities.	January 2019 ongoing
	EGM Lending	Develop a Responsible Banking Policy which factors climate change into Suncorp's banking value chain, including integration of climate change risk into credit policy and credit assessment processes.	May-December 2018
		Implement climate-related Responsible Banking Policy and manage climate risks and opportunities.	January 2019 ongoing

SUNCORP'S CLIMATE COMMITMENTS

3. INCREASE COMMUNITY RESILIENCE

We will help our communities reduce climate change risk, adapt, and build resilience through our products, advocacy, and collaboration with key industry, government, and climate stakeholders.

ACTION STATEMENT	RESPONSIBILITY	OUTPUT	TIMEFRAME
3.1 Collaborate and advocate for climate adaptation, resilience building, and risk reduction			
<p>Continue to work with business, government, industry groups, communities, and other stakeholders to support cross-industry collaboration and action on climate change issues.</p>	<p>EGM Commercial Consumer Portfolio & Products, EGM SNZ Insurance Solutions <i>Supported by: EGM Lending, EGM Customer Strategy, Design & Innovation, EGM Corporate Affairs, EGM SNZ Customer Marketplace</i></p>	<p>Engage stakeholders and advocate for climate adaptation, resilience building, and risk reduction.</p>	<p>Ongoing</p>
		<p>Work with stakeholders to explore climate change issues and the development of collaborative initiatives which support adaptation, reduce risk, and bring economic benefit.</p>	<p>May 2018 ongoing</p>
3.2 Develop products, programs or other solutions which reduce risk and increase community resilience			
<p>Continue to partner with stakeholders to support climate adaptation programs for customers and communities in areas at risk of the physical effects of climate change.</p>	<p>EGM Commercial Consumer Portfolio & Products, EGM SNZ Insurance Solutions <i>Supported by: EGM Lending, EGM Customer Strategy, Design & Innovation, EGM Corporate Affairs, EGM SNZ Customer Marketplace</i></p>	<p>Investigate and understand risks for communities of extreme weather and climate change physical impacts.</p>	<p>May 2018 ongoing</p>
		<p>Explore opportunities to develop products, programs and partnerships to reduce risk and increase resilience for customers, and communities.</p>	<p>May 2018 ongoing</p>

4. ACCELERATE EMERGING OPPORTUNITIES AND CLIMATE-RELATED INNOVATION

We will help our customers, communities, and business reduce carbon intensity and transition to a low-carbon future by exploring new products, services, and other emerging financial opportunities.

ACTION STATEMENT	RESPONSIBILITY	OUTPUT	TIMEFRAME
4.1 Develop product and service options which help customers and our people reduce their carbon intensity and transition to a low-carbon future			
Explore and develop product and service options which meet emerging customer needs and ensure future organisational resilience.	EGM Customer Strategy, Design & Innovation, EGM SNZ Customer Marketplace <i>Supported by: EGM Commercial Consumer Portfolio & Products, EGM Lending, EGM Corporate Affairs, EGM SNZ Insurance Solutions</i>	Explore opportunities to develop propositions, products, and services which help customers reduce their carbon intensity and transition to a low-carbon future.	May 2018 ongoing
4.2 Support climate entrepreneurship and innovation			
Work with stakeholders to develop climate change mitigation innovations and propositions (alongside Action 3.1).	EGM Customer Strategy, Design & Innovation, EGM SNZ Customer Marketplace <i>Supported by: EGM Corporate Affairs</i>	Explore opportunities to develop propositions and partnerships which support the transition to a low-carbon economy or reduce carbon intensity, including climate-related enterprise and entrepreneurship.	May 2018 ongoing
4.3 Explore emerging financial opportunities in climate change adaptaton and the transition to a low-carbon economy			
Examine and utilise financial opportunities to support climate change adaptation and the transition to a low-carbon economy.	Head of Investments, CFO SNZ	Reduce carbon intensity in Suncorp's value chain through climate-related investment, including carbon neutral funds.	May 2018 ongoing
		Participate in the development of environmental impact investing in Australia and New Zealand.	May-December 2018
		Determine the allocation of Suncorp's investment funds to low carbon investments (based on availability of investment vehicles).	December 2018
EGM Lending		Explore opportunities to develop propositions, products, and services for small-medium businesses which support climate adaptation and mitigation.	May 2018 ongoing
	EGM Commercial Consumer Portfolio & Products, EGM SNZ Insurance Solutions	Explore opportunities to underwrite businesses which support climate adaptation and mitigation.	May 2018 ongoing

SUNCORP'S CLIMATE COMMITMENTS

5. TRACK AND OPENLY DISCLOSE OUR CLIMATE-RELATED PERFORMANCE

We will track, disclose, and improve our performance against the TCFD, targets, and other metrics.

ACTION STATEMENT	RESPONSIBILITY	OUTPUT	TIMEFRAME
5.1 Publish, track and communicate our Plan			
<p>Communicate our Plan, progress, and commitment to climate change action.</p>	<p>EGM Corporate Affairs, EGM SNZ Customer Marketplace <i>Supported by: EGM Investor Relations, EGM Compliance, Regulatory Affairs & Customer Relations, EGM Real Estate, Partnering & Robotics</i></p>	<p>Publish the Climate Change Action Plan online and make information about its progress accessible to stakeholders.</p>	<p>May 2018</p>
		<p>Develop appropriate metrics and targets to track the progress and performance of the Climate Change Action Plan and Environmental Performance Plan (alongside Action 2.1).</p>	<p>August 2018</p>
		<p>Report progress of the Climate Change Action Plan and Suncorp's sustainability initiatives in Suncorp's annual reporting suite to regulators and to agreed third-party reporting programs.</p>	<p>Annually</p>
5.2 Describe Suncorp's approach to climate change governance and strategy			
<p>Describe Suncorp's governance of climate-related risks and opportunities, priority areas identified, and any actual or potential material and financial impacts on Suncorp's businesses, strategy, and financial planning.</p>	<p>Board Risk & Audit Committees <i>Supported by: CFO, Deputy CFO, CRO, CFO Corporate Services, EGM Corporate Affairs</i></p>	<p>Describe the governance structure and the Board's oversight of climate-related risks and opportunities.²</p>	<p>August 2018 ongoing</p>
		<p>Describe management's role in assessing and managing climate-related risks and opportunities.³</p>	<p>August 2018 ongoing</p>
		<p>Describe priority areas and the climate-related risks and opportunities Suncorp has identified in the short, medium, and long term.⁴</p>	<p>August 2019 ongoing</p>
		<p>Describe priority areas and the actual and potential impacts of climate related risks and opportunities on Suncorp's businesses, strategy, and financial planning.⁵</p>	<p>August 2019 ongoing</p>
		<p>Describe the potential impact of different scenarios, including a 2° Celsius scenario, on the resilience of Suncorp's strategy.⁶</p>	<p>August 2020</p>

SUNCORP'S CLIMATE COMMITMENTS

ACTION STATEMENT	RESPONSIBILITY	OUTPUT	TIMEFRAME
5.3 Disclose Suncorp's approach to climate change risk management, metrics, and targets			
<p>Disclose how Suncorp identifies, assesses, and manages climate-related risks and opportunities, and the metrics and targets used to assess and manage those material and financial impacts on Suncorp.</p>	<p>Board Risk & Audit Committees Supported by: CFO, Deputy CFO, CRO, CFO Corporate Services, EGM Corporate Affairs</p>	<p>Describe Suncorp's processes for identifying and assessing climate-related risks and opportunities.⁷</p>	<p>August 2018</p>
		<p>Describe Suncorp's processes for managing climate-related risks and opportunities. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into Suncorp's overall risk management.⁸</p>	<p>August 2019</p>
		<p>Disclose Scope 1 and Scope 2 GHG emissions and any related risks.⁹</p>	<p>August 2019</p>
		<p>Disclose Scope 3 GHG emissions and any related risks.⁹</p>	<p>August 2020</p>
		<p>Disclose the metrics used by Suncorp to assess material climate-related risks and opportunities in line with strategy and risk management processes.¹⁰</p>	<p>August 2020</p>

Glossary of common climate change terminology

Adaptation: The process of adjustment to actual or expected climate and its effects to moderate harm or exploit beneficial opportunities.

Anthropogenic climate change: Man-made climate change - climate change caused by human activity as opposed to natural processes. Anthropogenic climate change is attributed directly or indirectly to human activity that alters the composition of the global atmosphere and which is in addition to natural climate variability observed over comparable time periods.

Carbon dioxide equivalent (CO₂-e): The overall warming effect of a cocktail of six greenhouse gases, expressed in terms of carbon dioxide equivalent - the amount of CO₂ that would cause the same amount of warming.

Carbon footprint: The amount of carbon emitted by an individual or organisation in a given period of time or process.

Carbon intensity / Emissions intensity: The amount of carbon emitted by a country, per unit of measure (e.g. GDP, number of employees).

Carbon neutral: A process where the net amount of CO₂ produced by an individual or company is offset by carbon reduction initiatives.

Carbon offsetting: A way of compensating for CO₂ emissions by participating in, or funding, efforts to take CO₂ out of the atmosphere.

Climate change: A change in the state of the climate that can be identified (e.g. by statistical tests) by changes in the mean and/or variability of its properties, and that persists for an extended period, typically decades or longer.

Climate-KIC Australia: A national, cross-sector partnership focused on bringing to market innovative climate change solutions to mitigate and adapt to climate change. Areas of focus include low carbon energy pathways and the development of sustainable and resilient cities and communities. Based on a model developed in the European Union.

G20: The Group of Twenty (G20) is a leading forum of the world's major economies that seeks to develop global policies to address today's most pressing challenges. The G20 is made up of 19 countries and the European Union. The G20 convenes its

members, guest countries, international organisations, and engagement groups for dialogue and to build consensus on global policies to address the challenges which humanity faces. Australia is a member; New Zealand is not.

Greenhouse Gas (GHG) effect: Greenhouse gases are both natural and man-made. They act to trap heat within the earth's atmosphere ('greenhouse effect'), maintaining conditions for life on earth. An increase in the concentration of greenhouse gases leads to an enhancement of the greenhouse effect changing the nature of the climate and life on earth. Greenhouse gases include water vapour (H₂O), carbon dioxide (CO₂), nitrous oxide (N₂O), methane (CH₄) and ozone (O₃).

Intergovernmental Panel on Climate Change (IPCC): The scientific body established by the United Nations Environment Programme and the World Meteorological Organisation which helped inform the science behind the Paris Agreement. The IPCC reviews and objectively assesses the most recent scientific, technical, and socio-economic work relevant to climate change, but does not carry out its own research. The IPCC was honoured with the 2007 Nobel Peace Prize.

Mitigation (of climate change): A human intervention to reduce the sources or enhance the sinks of greenhouse gases.

Pre-industrial levels of carbon dioxide: The levels of carbon dioxide in the atmosphere prior to the start of the Industrial Revolution. These levels are estimated to be about 280 parts per million (by volume). The current level is more than 400ppm.

Renewable energy: Renewable energy is energy created from sources that can be replenished in a short period of time – the five most common sources are: solar, wind, biomass (such as wood and biogas), the movement of water, and geothermal (heat from within the earth).

Responsible Banking, Insurance, Investment and Supply Chain Policies: Suncorp's approach to ensuring the long-term sustainability of our business and portfolios, including the management of environmental, social, and governance (ESG) risks and opportunities. The policies will help Suncorp make balanced and informed decisions, and help lead and support customers and stakeholders to minimise and manage their impacts. Policies are guided by Suncorp's Corporate Responsibility Principles.

Suncorp's Responsible Investment Policy was launched in August 2017. Banking, Insurance, and Supply Chain Policies will be developed in conjunction with this Plan.

Scenario analysis: The purpose of scenario analysis is to consider and better understand how a business might perform under different future states (i.e. its resiliency/robustness). In the case of climate change, climate-related scenarios allow an organisation to explore and develop an understanding of how the physical and transition risks and opportunities of climate change might plausibly impact the business over time, both favourable and unfavourable. Scenarios are not intended to represent a full description of the future, but rather to highlight central elements of a possible future and to draw attention to the key factors that will drive future developments – they are hypothetical constructs, not forecasts or predictions nor are they sensitivity analyses. A 2° Celsius scenario provides a common reference point that is generally aligned with the objectives of the Paris Agreement.

Science-based targets (SBTs): Science-based targets to reduce GHG emissions are considered "science-based" if they are in line with the level of decarbonisation required to keep global temperature increases below 2° Celsius compared to pre-industrial temperatures. The required level of decarbonisation has been determined by the Intergovernmental Panel on Climate Change. Science-based target methods can vary depending on the type of entity disclosing.

Scope 1, 2 & 3 greenhouse gas emissions: Greenhouse gas emissions are organised into 'scopes' to indicate emissions that organisations can control (i.e. Scope 1) versus those that they can influence (i.e. Scope 3). Scope 1 are direct emissions from sources owned or controlled by Suncorp (e.g. emissions from manufacturing, burning of diesel fuel in trucks). Scope 2 are indirect emissions from Suncorp's consumption of purchased electricity or other sources of energy generated by another upstream organisation (e.g. electricity purchased from energy companies). Scope 3 are indirect emissions caused by the operations of an organisation not owned or controlled by Suncorp – these include upstream emissions generated by other organisations in the course of Suncorp's business and sale of products and services (e.g. business travel, waste, vehicle parts, employee commuting); as well as downstream emissions that occur in the life cycle of a product/service after the sale (e.g. investments, emissions from sold products, end-of-life treatment).

Supply chain and Value chain: Supply chain refers to sourcing, procurement and logistics in the production and sale of Suncorp's products and services. Value chain includes supply chain, as well as other business operations and downstream impacts which enhances customer, shareholder, or community value. In climate change terms, value chain links to the measurement and improvement of Scope 1 (direct), and Scope 2 and 3 (indirect) emissions.



United Nations Framework Convention on Climate Change (UNFCCC): One of a series of international agreements on global environmental issues adopted at the 1992 Earth Summit in Rio de Janeiro. The UNFCCC aims to prevent "dangerous" human interference with the climate system.

UNFCCC Paris Agreement: An historic global climate agreement agreed under the United Nations Framework Convention on Climate Change (UNFCCC) in Paris in December 2015. The Paris Agreement sets in place a framework for countries to take climate action. Key outcomes include: a global goal to hold average temperature increase to well below 2° Celsius and pursue efforts to keep warming below 1.5° Celsius above pre-industrial levels; All countries to set mitigation targets from 2020 and review targets every five years to build ambition over time, informed by a global stocktake; robust transparency and accountability rules to provide confidence in countries' actions and track progress towards targets; promoting action to adapt and build resilience to climate impacts; and financial, technological and capacity building support to help developing countries implement the Agreement.

Weather: The state of the atmosphere regarding temperature, cloudiness, rainfall, wind, and other meteorological conditions. It is not the same as climate which is the average weather over a much longer period.

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