

Objective

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

This Policy supports Suncorp's Code of Conduct, Product Management Policy, and other Policies which govern how Suncorp engages with its customers and designs and distributes its products and services. It aligns with Suncorp's Corporate Sustainability Principles as well as responsibilities to investors via Suncorp's Responsible Investment Policy, and partners and suppliers via Suncorp's Procurement Policy, Supplier Code of Practice and Outsourcing Policy.

UN Principles for Sustainable Insurance

In line with Suncorp's commitment to the [UN Principles for Sustainable Insurance](#), this Policy guides how Suncorp:

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

Application

This Policy applies to Suncorp Group Limited, Suncorp Life Holdings Limited, AAI Limited and Suncorp Insurance Holdings Limited. In New Zealand, this Policy applies to Asteron Life Limited, Vero Insurance New Zealand Limited and Vero Liability Insurance Limited.

The Policy does not apply to:

- Procurement and supplier arrangements, which are covered by the Group Procurement Policy and Supplier Code of Practice
- Investments, which are covered by Suncorp's Responsible Investment Policy
- Business and joint venture subsidiaries of AAI Limited and Suncorp Insurance Services Limited, or joint ventures of Vero Insurance New Zealand Limited and Suncorp Group Holdings (NZ) Limited
- Group Life products in New Zealand
- Business through Global Network Partners.

Policy Statements

1. Suncorp will integrate ESG considerations into decision making, across its insurance businesses.

In managing its portfolios, products, partnerships, distribution channels, claims, communications and customer service, Suncorp will:

- build trust and be transparent with customers, regulators and other stakeholders on ESG considerations
- deliver products and services that are suitable, fair and that meet the needs of our customers and help build their financial resilience
- remunerate and incentivise partners, distributors, and agents in a manner which minimises potential conflicts of interest and with the best interests of customers in mind; and will not pay conflicted remuneration to employees, or offer incentives based directly or solely on sales performance to employees
- communicate clearly and transparently with our customers when representing value and functionality
- provide access to affordable and suitable insurance products, considering customer vulnerability, financial hardship, disability, language, indigeneity, gender, location and culture
- respond and resolve customer issues in a timely and respectful way, and address systemic issues to prevent problems recurring, and
- build portfolios that address economic, social and environmental outcomes, and support the achievement of the United Nations Sustainable Development Goals and the Paris Agreement.

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

Suncorp will:

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

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

Suncorp will engage with:

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

4. Suncorp will seek business opportunities that have a positive economic, environmental or social impact.

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

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

5. Suncorp may exclude engagements with organisations where the activities of that organisation are deemed to be inconsistent with Suncorp’s Corporate Sustainability Principles.

Suncorp may, subject to legal obligations or regulatory barriers, exclude doing business with a sector or a specific entity including when:

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

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

- Suncorp will govern material ESG topics including its responsible business practices via senior executive committees, reporting into the Executive Leadership Team
- Suncorp will report on management of sustainable business practices to the Suncorp Boards in Australia and New Zealand via the Board Risk Committee, the Board Customer Committee and relevant New Zealand Board Audit and Risk Committees.
- Suncorp will manage ESG risks in line with the Enterprise Risk Management Framework.

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

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

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

Raising concerns

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

Role Accountabilities & Responsibilities

1. Boards (including New Zealand Boards)

- Responsible for viewing reports on the exposures and application of the Policy where material (via the Board Risk Committee, the Board Customer Committee and the relevant New Zealand Board Audit and Risk Committees).

2. Group CEO

- Review reports on the exposures and application of this Policy on an annual basis.

3. CEO Insurance Product and Portfolio | EGM Business New Zealand

- Responsible for ensuring the following:
 - Own and monitor this Policy
 - Oversee the implementation of the statements outlined in this Policy into relevant business processes and procedures
 - Review this Policy and associated standards and guidelines at least every two years, and
 - Annually review related reporting and disclosures.

4. Group Sustainability & Diversity Committee

- Responsible for ensuring the following:
 - Review and monitor key trends regarding ESG topics
 - Act as a central reference point for ESG risks identified across functions and ensure consistency
 - Act as a point of escalation for contentious or ambiguous decisions, and
 - Endorse the adoption of frameworks, standards, and guidelines associated with this Policy where required.

5. Insurance Functional Committee | New Zealand General Insurance Risk Committee

- Responsible for ensuring the following:
 - Provide strategic direction for integration of the Policy
 - Oversee portfolio-level and customer-level issues management and decision-making.

Policy Exemptions

Exemptions to this Policy can be sought via the Policy Owners, with noting by the Group Sustainability & Diversity Committee.

Policy Breaches

All Policy breaches must be recorded in IRIS in accordance with the Incident Management Standard, with the Policy Owner notified. Non-compliance with this Policy may result in disciplinary action (including termination of employment).

To the extent that this Policy imposes an obligation on Suncorp, it does not form a contractual term, condition or representation.

Key Terms

Consumer advocacy organisations and customer representative bodies

A group or organisation whose role it is to protect and promote the rights and welfare of customers and consumers.

Environmental, Social and Governance (ESG) risks and opportunities

ESG factors are three core areas that are central to a company’s sustainability, ethical impact, competitiveness, and ability to operate.

Examples of ESG risks include:

- Environmental: pollution, deforestation, climate change and renewable energy
- Social: human rights violations, working conditions, and consumer protection (including scams)
- Governance: corruption, political lobbying and corporate governance

Consideration of ESG factors can also present opportunities for companies to achieve sustainable growth, such as through increased focus on emerging markets or by increasing the resilience of an organisation.

Global and local industry representative bodies

Organisations representing the collective interest of organisational members, or organisations which provide a forum for capability building, facilitation of business, and sectoral leadership on common topics. Examples include the Insurance Council of Australia, Insurance Council of New Zealand, and the United Nations’ Environment Program Finance Initiative.

Global Network Partners

Policies issued on behalf of Royal Sun Alliance (RSA) partner. These policies are no longer being issued as of February 2023.

No safe level of human consumption

The product cannot be consumed safely (e.g. tobacco).

Sensitive sectors

Industry sectors whose business activities may result in negative and material ESG impacts. These sectors may require further analysis. Management action may include avoidance due to their high degree of ESG risks.

Sustainable Development Goals

Developed through the United Nations, the 17 Sustainable Development Goals (SDGs) were developed to address areas such as climate change, inequality, innovation, sustainable consumption, and inclusive and sustainable economic growth. The SDGs came into effect in January 2016, with governments and organisations across the globe committing to working toward SDGs.

UNFCCC Paris Agreement

An agreement within the [United Nations Framework Convention on Climate Change](#) (UNFCCC), dealing with [greenhouse-gas-emissions mitigation](#), [adaptation](#), and [finance](#), starting in the year 2020. The Paris Agreement’s long-term goal is to keep the increase in global average temperature to well below 2-degree Celsius above pre-industrial levels; and to limit the increase to 1.5°C, since this would substantially reduce the risks and effects of climate change.