SUNCORP

Building futures and protecting what matters

FY25 Climate-related Disclosure Report

Suncorp Group Limited

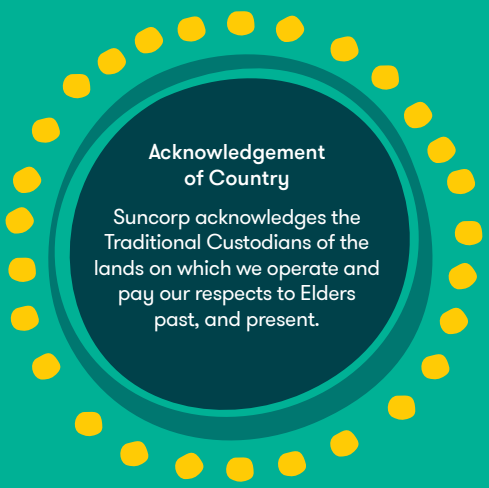
Introduction

Suncorp is a general insurance business providing products and services to retail, corporate, and commercial customers across Australia and New Zealand. We completed the sale of Suncorp Bank on 31 July 2024 and Asteron Life on 31 January 2025. Our purpose, to build futures and protect what matters, remains central to how we serve our people, customers, and communities.

Our commitment to resilience has placed us at the forefront of protecting customers from the impacts of extreme weather events. Through our claims management response and resilience advocacy agenda, we support our customers to navigate the challenges posed by extreme weather.

Included in this report is our Climate Transition Plan, which outlines our progress towards transitioning to a lower-carbon economy. It also provides insights from our climate scenario analyses, identifies climate-related risks and opportunities, and assesses the resilience of our business model.

We support consistent sustainability reporting standards and frameworks to enable comparability and transparency across entities, sectors and geographies. Since 2019, we have voluntarily reported on the challenges climate change presents to our business, customers, and communities. As we prepare for our first mandatory Sustainability Report, set for release in August 2026, we remain dedicated to advancing public advocacy and action toward more resilient communities and households in Australia and New Zealand.



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Navigating this report

This is an interactive PDF designed to enhance your experience. The best way to view this report is with Adobe Reader and on our website. Use the page navigation links on the contents page, top navigation bar or the home button in the header to browse the report.

We reference the Climate Reporting Supplement throughout this report. This supplement contains supporting methodological notes and is a section within the FY25 Sustainability Data Pack.

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Reporting boundary

This climate-related disclosure report includes the activities undertaken by Suncorp Group Limited and its wholly owned subsidiaries, including our New Zealand subsidiaries ('Suncorp' or 'the Group' or 'SGL'). It does not include the activities undertaken by our joint ventures including, National Transport Insurance and AA Insurance, New Zealand.

References in this report to our 'current reporting period' and the 'current financial year' are to FY25, which refers to the 12 months commencing 1 July 2024 and ending 30 June 2025. For our investment sub-portfolio's emissions performance (page 14 & 19) and procurement supplier metrics (page 13 & 19), there is a reporting lag due to the timing and availability of third-party data. Refer to the Climate Reporting Supplement for methodology and limitations. For our climate scenario analysis boundary, refer to Page 8.

To report our operational *greenhouse gas* emissions, Suncorp uses an operational control boundary.

Reporting approach

In preparing our climate disclosures, we consider material changes in our organisational structure, changes in calculation methodologies, identification of errors, or other factors in determining our restatement approach. As a result, there may be instances where we choose to recalculate and restate our baseline or restate metrics from prior reporting periods.

Key climate-related terms and concepts are used throughout this report and are indicated via *italicised text*. These are defined within the glossary section at the end of this report.

The term 'emissions' used throughout this report, refers to *Greenhouse Gas* (GHG) emissions or *Carbon Dioxide equivalent* (CO2-e) emissions.

Scenario analysis and assumptions

There are inherent limitations with scenario analysis and it is difficult to predict which, if any, of the scenarios might eventuate. Scenarios do not constitute definitive outcomes or probabilities, and scenario analysis relies on assumptions that may or may not be, or prove to be, correct and may or may not eventuate. Scenarios may also be impacted by additional factors to the assumptions disclosed.

Information prepared by third parties

Third-party emissions and financial data may at times be incomplete, inconsistent, unreliable, unavailable, or outdated. These limitations can hinder the accuracy of forecasting and analysis, necessitating the use of assumptions, estimates or proxy data. Certain data providers use data scraping and proxy measures over our data sets. Should these providers alter their methodologies, Suncorp may be required to revise its climate-related *targets* accordingly.

Suncorp does not make any representation or warranty that this third-party material is accurate, complete or up to date.

Forward-looking statements

Climate-related metrics, estimates, projections and *targets* used in this document, especially if they are forward-looking, deserve special caution as they are based on uncertainties and may be affected by a range of variables, including those that are not within Suncorp's control.

Forward-looking statements made in this document are based on multiple assumptions, estimates, forecasts and judgements that have inherent uncertainties. While these forward-looking statements reflect Suncorp's best estimate at the date of this report (including with respect to its strategies and plans regarding climate change), actual results, performance, and outcomes may differ materially from those expected or targeted in the forward-looking statements.

Uncertainties include factors such as the extent, pace, and impact of climate change; future climate-related policy; the effectiveness of climate action of governments, businesses, investors, customers, and other stakeholders; changes in customer behaviour and demand; changes in the availability, scaling, and commercialisation of lower-carbon technology; the availability of accurate, verifiable, and comparable climate-related metrics and data; development progress including approvals; industry competition; changes in climate-related measurement and forward-looking methodologies; and reliance on assumptions and future uncertainty.

Accordingly, undue reliance should not be placed on forward-looking statements throughout this report as the content does not guarantee or predict future events will or are likely to occur.

Suncorp Group makes no representation, assurance or guarantee as to the accuracy, completeness or likelihood of fulfilment of any forward-looking statement, any outcomes expressed or implied in any forward-looking statement or any assumptions on which a forward-looking statement is based. Except as required by law, we do not take on any obligation to publicly update or revise any forward-looking statements in this document, whether to reflect any change in events or circumstances on which any such statement is based, or otherwise.

This report has not been prepared as financial or investment advice or to provide any guidance in relation to the future performance of Suncorp.

Greater detail on external assumptions and limitations can be found in the Climate Reporting Supplement.

Read more

Assurance approach

Suncorp appointed KPMG to undertake limited assurance across select ESG metrics which are indicated within this report. The Independent Limited Assurance Report has been issued and is located on the Suncorp Group website.

Read more

Governance

Board oversight

The **SGL Board** and the **Vero Insurance New Zealand Limited Board** (VINZL) each have their own regular schedule of meetings throughout the financial year to discuss matters outlined in their respective charters. They have oversight of climate-related risks and opportunities across Australia and New Zealand respectively, and are accountable for the approval of climate-related *targets* and annual climate-related disclosure reports. They delegate authority to their own respective Board Risk and Audit Committees through their charters[1] for specific governance activities.

The **SGL Board Risk Committee (BRC)** meets at least four times per year, and approves the risk appetite for climate-related risk and oversees management of these risks including transition and physical risks. The BRC reviews and approves climate scenario analysis and outcomes.

The **SGL Board Audit Committee** meets at least four times per year, and recommends updates or changes in relation to climate-related reporting and other *sustainability* matters to the SGL Board.

In FY25, the SGL Board and its Committees considered a wide range of key climate-related physical and *transition risks* and opportunities impacting reinsurance, natural hazard allowances, risk selection and pricing, climate-related regulatory change, and climate transition *targets*.

Board Skills

The board skills matrix outlines the current skills and expertise of the Board, including in areas relevant to the management of *physical* and *transition risks*. It covers a range of categories, such as strategy; major change and transformation, regulatory environment; risk management; customer outcomes; sustainability; and accounting and financial reporting. The Board skills matrix and annual self-assessment are designed to ensure the Board has the capability to identify, assess and monitor responses to existing and emerging risks and opportunities arising from environmental and social issues.

Management role

Suncorp's Executive Leadership Team (ELT) is responsible for identifying and managing climate-related risks and opportunities across the organisation. Where required, these matters may be escalated to relevant ELT management committees, such as the Executive Risk Committee, and, if appropriate, further to the Suncorp Group Limited Board or its committees. The ELT is supported in these responsibilities by recommendations and advice from both internal and external experts, as well as input from business governance committees including the Responsible Investment Committee and AASB S2[2] Steering Committee. These processes are underpinned by a suite of internal policies, controls, and procedures, developed in line with Suncorp's broader standards, to guide the Group's response to climate-related risks and opportunities.

While there are no standalone climate-related measures in Suncorp's executive remuneration framework, appropriate consideration and management of climate-related physical risks can impact executive remuneration outcomes. For example, indirect links to *physical risk* are embedded in risk management performance measures in the executive remuneration framework and Suncorp's scorecard.

1. Suncorp governance and policies, https://www.suncorpgroup.com.au/about/corporate-governance.
2. Australian Accounting Standards Board, Australian Sustainability Reporting Standard - AASB S2, https://standards.aasb.gov.au/aasb-s2-sep-2024.

Climate-related risks and opportunities that form part of our ELT accountabilities include:

CEO
Accountable for the delivery of climate-related risk management within Suncorp's strategy and business plan. Accountable for overall strategy and corporate governance of the group.

CFO
Accountable for delivering climate-related *targets* and sensitive sector exclusions for Suncorp's investment portfolios. Accountable for partnering with the business in delivery of climate-related disclosures, and the accounting and reporting of financed emissions. Accountable for the delivery of the climate scenario analysis. Accountable for the reinsurance program, capital management and financial reporting.

CE People, Legal & Corporate Services
Accountable for delivering Scope 1, 2 & upstream Scope 3 GHG emissions (excluding financed emissions). Oversees performance against Suncorp's Scope 1 & 2 *net-zero* target, including the purchase of renewable electricity. Accountable for *procurement suppliers'* engagement. Accountable for the provision of legal advice in climate-related disclosures.

CE Consumer Insurance
Accountable for delivering pricing and analytics for consumer insurance portfolios. Oversees end-to-end customer experience including consumer home and motor claims and natural hazard response. Accountable for engagement with claims suppliers. Oversees delivery of Suncorp's resilient Australia advocacy strategy.

CE Commercial & Personal Injury Insurance
Accountable for delivering natural hazard pricing and analytics for commercial insurance portfolios. Oversees end-to-end customer experience, including commercial and personal injury claims response. Accountable for implementing Sensitive Sector Standard exclusions within commercial underwriting.

CRO Suncorp
Accountable for setting Suncorp's risk management frameworks. Oversees the first line of defence on risk management activities, including climate-related risk, advocacy and reports to the SGL Board Risk Committee.

CEO Suncorp New Zealand
Accountable for Suncorp New Zealand's climate-related strategy, business planning, risks and opportunities, and performance against climate-related commitments and *targets*, including Sensitive Sector Standard exclusions within commercial underwriting. Accountable for meeting Suncorp New Zealand climate-related obligations and Suncorp climate-related policies and standards.

Strategy

Addressing climate-related risks, including acute and chronic physical risks and *transition risks*, is fundamental to our strategy. We recognise that climate change will affect different parts of our value chain in varying ways over time. To assess and prepare for these impacts, we use climate scenario analysis alongside broader risk management practices. These risks, where material, are integrated into our strategic planning and risk management processes (see page 18).

While climate change will create new risks and opportunities for Suncorp, our existing business model and processes—including claims monitoring, the ability to change pricing and product features, and business continuity plans–contribute to Suncorp's climate resilience. Refer to the climate resilience section of this report on page 10.

Resilience

Within this report, resilience is considered in three ways:

- **Business model resilience:**
  Our ability to absorb and respond to climate-related risks through pricing, product flexibility, capital management, a robust balance sheet, and insights from scenario analysis.
- **Customer and community resilience:**
  Customers' and communities' ability to adequately prepare and respond to climate-related risks through education and insurance features.
- **Built environment resilience:**
  Ability of existing built environment (homes, commercial property and community infrastructure) to withstand impacts of climate-related risks through responsive land use planning, building codes and public infrastructure.

While our climate scenario analysis primarily focuses on business model resilience, we acknowledge that customer and built environment resilience can influence our business indirectly, particularly through the impact of climate-related risks on claims experience and insurance affordability, which in turn affect premium setting and *long-term* business model resilience.

Business model and value chain

We deliver a wide range of insurance products through a portfolio of trusted brands in Australia and New Zealand. Our business model is structured around three core insurance portfolios:

- **Consumer Insurance:**
  Home, contents, and motor insurance for customers in Australia.
- **Commercial & Personal Injury Insurance**:
  Commercial insurance, workers' compensation and *compulsory third-party* coverage.
- **Suncorp New Zealand:**
  General insurance delivered through direct brands and strategic partnerships.

Our value chain includes product development, underwriting, distribution and sales, policy administration and claims management, reinsurance and capital management, customer engagement, and advocacy—supported by a diverse workforce across the value chain and in support functions.

Throughout this report, we reference elements of our business model and value chain to explain how climate-related risks and opportunities may affect our operations. We also outline how we are responding through mitigation and adaptation measures to support the *long-term* resilience of our business, customers, and communities.

Average annual loss (AAL)

Average annual loss (AAL) is a financial metric that estimates the *long-term* average of what an insurer expects to pay out in claims annually for a given exposure. Actual losses in any given year may differ significantly from the AAL, due to the seasonal and unpredictable nature of the weather, and subsequent volatility in claims costs. The AAL in combination with our assumed reinsurance structure, forms the basis of the net natural hazard allowance and is one input into setting premiums. This AAL figure is determined through a combination of historical data analysis, statistical modelling, and actuarial techniques (such as catastrophe modelling), and therefore evolves with improved analytical methods and historical loss data. Additionally, the AAL is adjusted in response to emergent climate-related risks, economic inflation, and policy changes (e.g., reinsurance pools). Finally, it is used as a primary indicator of financial risk in our climate change scenario analysis that measures impacts of the physical risks of climate change over the medium to long term.

Climate-related risks and opportunities

Below is a summary of climate-related risk and opportunities assessed over the *short-, medium- and long-term horizons* that were identified as part of our climate scenario analysis this year. We will continue to refine our approach to assessing the materiality of the climate-related risks and opportunities.

For definitions on climate-related risks and opportunities, including physical and transition risks, refer to the Risk Management section on page 18.

Refer to pages 8 and 9 for details on our approach to climate scenario analysis and findings.

Suncorp considers the following time horizons when measuring and assessing climate-related risk:

Short: <3 years | **Medium: 3-20 years** | **Long: > 20 years**

Climate-related risks and opportunities identified through climate scenario analysis

Risk	Description	Impact	How we are responding	Impact timeframe
Increasing weather-related claims costs Insurance risk driven by *physical risk*	Changes in frequency and severity of weather events may impact claims costs.	Our climate scenario analysis (CSA) modelling shows an increase in expected loss (as measured by AAL) within Suncorp's portfolios over the medium to long term under a range of low- and high- warming scenarios. However, there is a range of uncertainty around the estimates. In the short term, Suncorp accepts a certain level of earnings volatility from natural hazard risk.	Investing in our core insurance capabilities (pricing, flood models and new underwriting practice) to better understand pricing and risk. Suncorp manages weather-related claims risks through careful risk selection, a sound reinsurance strategy, and a comprehensive capital management process. Suncorp's four point resilience advocacy agenda calls for strengthened resilience of communities and households. Refer to the CSA section on page 9 and the resilience and advocacy sections on page 10.	**Medium** **Long**
Insurance affordability Strategic risk driven by physical and *transition risk*	Communities most susceptible to the effects of climate-related physical risks may face insurance affordability and availability challenges, as premiums reflect the higher costs borne by insurers. There may also be impacts on the broader economy from disorderly climate transition, which may affect insurance affordability.	Our CSA found an increase in both average affordability stress and proportion of households in 'extreme' affordability stress under both the low- and high- warming scenarios. Unaffordable insurance leads to financial insecurity and reduced community resilience. If customers are driven to underinsure or self-insure, this may decrease the total insurable pool and reduce market size for Suncorp.	Continued advocacy with key government and industry stakeholders to promote investment in resilience infrastructure and improved building codes and planning laws to strengthen resilience of communities and customers to *physical risk* impacts. Suncorp will utilise artificial intelligence technology to improve and, whenever possible, automate our end-to-end claims process. By making the claims process more efficient, we will be better positioned to manage the increasing costs associated with claims. Refer to the resilience and advocacy sections on page 10.	**Short** **Medium** **Long**
Insurance market changes driven by customer needs Insurance risk and opportunity driven by physical and *transition risk*	Changes in customer preferences as the economy shifts to a *lower-carbon economy* (e.g. electric vehicle uptake) and adapts to changing weather patterns may require Suncorp to develop new pricing and products.	Suncorp will continue to invest in platform and pricing infrastructure to respond to evolving customer needs and capture new markets as they emerge.	Suncorp continues to invest in new policy platform infrastructure to support its insurance products. This investment will enable more agile product development as customer needs evolve. Modelling and pricing investment improves our understanding of resilience at an individual address level to better inform pricing. Suncorp is responding to changes in mobility trends through development of offerings for *electric vehicles*. Refer to the climate-related opportunities and the electric vehicles sections on page 7.	**Short** **Medium** **Long**

Climate-related opportunities for our insurance business

We are adapting some elements of our value chain in response to *climate-related opportunities*.

Opportunities from increasing electrification of motor vehicles

The transition of the motor vehicle market from traditional internal combustion engines, and increasing customer preferences for *electric vehicles* (EV), present an opportunity for Suncorp. Our motor insurance offering is keeping pace with the transition to EVs and hybrids through adapting our motor supply chain and updating the coverage we provide in our insurance product disclosure statement for our commercial and consumer portfolios.

Responding to extreme weather and supporting customers and communities

As extreme weather events increasingly impact our customers and communities at scale, Suncorp's focus on protection and prevention are opportunities for the business. Delivering products and services that support our customers and efficiently improve resilience—for example, through best-in-class claims handling at scale—is a key differentiator.

Last year, Suncorp opened the Disaster Management Centre (DMC) at its Brisbane headquarters. The DMC brings together a skilled team, advanced technology, and weather and customer data to help Suncorp effectively respond to weather events. It also helps customers and communities prepare for and respond to extreme weather faster. To support customers on the ground, Suncorp also launched five Mobile Disaster Response Hubs. These mobile units help us reach affected areas quickly and stay longer to assist our customers and local communities.

Further strengthening our regional response capability, Suncorp opened a new Regional Hub in Townsville, integrated with the DMC, enhancing coordinated support and accelerating assistance to communities facing worsening extreme weather, while reinforcing our investment in climate resilience.

We are also continuing to invest in systems and processes that will enhance and improve pricing, underwriting, policy administration and claims management. This investment not only enables timely, coordinated support for customers in need, but also differentiates Suncorp as a trusted partner in building resilience, driving *sustainable* recovery, and improving the customer experience.

AI and disaster response

Suncorp's artificial intelligence (AI) capability automatically processed 7,000 insurance claims made for food spoilage following Cyclone Alfred. The new systems verified that power had indeed gone out in homes for which claims were being made. AI reviewed the claim history and policy limits to automatically determine a customers' eligibility for straight-through processing. This capability accelerated claims processing with money sent to customer accounts the same day as the claim; previously, that could have taken weeks.

Projected climate change trends for weather perils

For the climate scenario analysis, we have selected perils that are covered by our insurance portfolios, are a material component of claims costs for each portfolio, and that we expect to be affected by *climate-related physical risks*.

Tropical Cyclone

A continued decrease in tropical cyclone frequency of Category 1-3 events in northern Australia is projected, with no change in frequency of high severity (Category 4-5) cyclones. However, damage is exacerbated by the projected increase in extreme rainfall intensity. It is possible that cyclone tracks may expand further southwards.

Uncertainty: High

Storm

Projected slight reduction in storm activity in Australia due to the poleward movement of the southern storm track. More frequent and intense high-pressure systems over North Island of NZ, with more low-pressure systems over South Island. Extreme short duration rainfall is projected to increase.

Uncertainty: High

Hail

Hail frequency projections remain highly uncertain. Possible increase in severe thunderstorm environments conducive to hail due to an increase in atmospheric moisture. However, the atmospheric dynamics that are equally important to thunderstorm formation are highly uncertain.

Uncertainty: Very high

Flood

The relationship between extreme rainfall and flood is uncertain as it is a complex interaction of extreme rainfall, catchment terrain and size, soil saturation, and human intervention. Some small, urbanised catchments are projected to have increased riverine flood risk. High-intensity short-duration rainfall events also contribute to surface water flooding. Mean sea level is projected to rise, leading to increased risk of coastal flooding for properties in these regions.

Uncertainty: Very high

Bushfire

Continued warming and drying in Australia, particularly across the southern and eastern regions, means conditions favourable for triggering and sustaining bushfires are projected to become more frequent.

Uncertainty: Moderate

Climate scenario analysis

In FY25, Suncorp took part in the APRA Climate Vulnerability Assessment, which examined the potential impact of climate change on home insurance affordability across the industry. Our FY25 climate scenario analysis builds on insights from past analysis and the Climate Vulnerability Assessment using Suncorp's own assumptions and scope, separate from APRA.

We continued to use natural peril risk models to quantify anticipated physical damage from extreme weather events. This modelling helps us understand potential financial losses based on extreme weather events today, such as the change in Average Annual Loss.

Scope and scenarios

This year, climate scenario analysis was carried out separately for Australia and New Zealand to reflect differences in business mix, product design and weather-related claims costs in each region. The scenarios selected cover a range of plausible emission pathways and temperature outcomes. The analysis projects climate impacts until the 2050s for exposures at 30 June 2024 under a range of scenarios, while holding all other assumptions constant (i.e. without anticipating changes in future population or the built environment over time).

FY25 Physical climate-related risk analysis scope	
Insurance portfolios included	
Australia	Home, Consumer and Commercial Motor (hail only), Commercial Property, Construction and Engineering[1]
New Zealand	Home, Consumer and Commercial Motor, Commercial Property, Construction and Engineering[2]
Scenarios	
Australia	Low warming | Less than 2°C increase[3] - *RCP* 2.6 Medium warming | 2°C-3°C increase - *RCP* 4.5 Medium-high warming | 3°C-4°C increase - *RCP* 6.0 High warming | Greater than 3.5°C increase - *RCP* 8.5 *Representative concentration pathway (RCP)* - Downscaled *CMIP5*[4]
New Zealand	Low warming | Less than 2°C increase[3] - *RCP* 2.6 Medium warming | 2°C-3°C increase - *RCP* 4.5 High warming | Greater than 3.5°C increase - *RCP* 7.0 *Representative concentration pathway (RCP)* - Downscaled *CMIP5*[4] *Representative concentration pathway (RCP)* - Downscaled *CMIP6* (differs by peril)[4]
Date of exposure data	
Australia	30 June 2024
New Zealand	30 June 2023 and 30 June 2024 (differs by peril)
Perils considered	
Australia	Riverine flood, surface water flood, storm, storm surge, tropical cyclone, bushfire, hail
New Zealand	Riverine flood, surface water flood, storm, coastal inundation
Affordability analysis portfolios[5]	
Australia	Home (AAMI, Apia, GIO and Suncorp only)

1. Commercial Motor includes packages, SME, non-Fleet, and Fleet Motor and excludes NTI. The CSA scope for Australia also excludes Commercial Liability, CTP, Workers Compensation.
2. Excludes Commercial Liability, Marine.
3. The overarching aim of the *Paris Agreement* is to hold the increase in the global average temperature to well below 2°C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels. RCP 2.6 has been selected because the 'very likely range' represented by this pathway includes 1.5°C temperature increase.
4. The Coupled Model Intercomparison Project (CIMP) is is an international climate modelling project of the World Climate Research Programme (WCRP). https://wcrp-cmip.org/cmip-overview/
5. Affordability analysis was based on RCP2.6 and RCP8.5, along with additional assumptions. The low warming with disorderly transition assumptions include RCP2.6 with unanticipated and disruptive policy changes in 2030, and emission-intensive sectors facing material changes in operating cost and/or demand, resulting in higher construction cost inflation and reduced real incomes. The high warming with current policies scenario assumptions include RCP8.5 with a limited move away from emission-intensive activities, with no new climate policy measures impacting economic outcomes.

Current and anticipated climate-related financial impacts

Changes to weather-related claims costs have been identified as the climate *physical risk* having the most material impact to the insurance business. We have focused our analysis on how these changes compare to our current views of natural hazard risk and whether these warrant *long-term* changes in underwriting and capital retention. Suncorp has invested in pricing and underwriting (risk selection) practices that are intended to respond to *long-term* shifts in climate patterns that may result as per the projected climate trends. We have also identified qualitatively some potential flow on effects from the impact on claims such as affordability risk and technology investment opportunity (refer to page 6).

AAL impacts

The projected Average Annual Loss (AAL) change by the 2050s represents the average change in AAL from present day to the period between 2040 and 2060. Considerable variation around the *long-term* AAL is expected year-to-year due to inter-annual climate variability.

Our analysis of *medium-* to *long-term* impact shows that the change in behaviour of weather perils may have median financial impacts on annual weather-related claims cost of an estimated 4-10% for Australia and 19-26% for New Zealand by the 2050s under different scenarios, relative to the AAL for the exposures included in the climate scenario analysis (CSA). There is a range of uncertainty around these estimates, and results should be interpreted as indicative of future direction only.

Our projections show the greatest percentage climate impacts relative to today for coastal inundation (NZ) and storm surge (AU), followed by surface water flood and riverine flood across both countries. Key areas of projected climate impact include the WA coast (cyclone), NSW Northern Rivers (riverine flood) and Tasmania (bushfire).

AAL change on assessed weather-related perils

	Australia			Vero New Zealand		
Scenario	**Impact to 2030s**	**Impact to 2040s**	**Impact to 2050s**	**Impact to 2030s**	**Impact to 2040s**	**Impact to 2050s**
Low warming	2% - 4%	3% - 5%	3% - 6%	6%	12%	19%
Medium warming	2% - 4%	3% - 6%	4% - 9%	7%	16%	24%
Medium-high warming	3% - 4%	4% - 8%	5% - 11%	N/A	N/A	N/A
High warming	3% - 5%	5% - 9%	6% - 13%	7%	16%	26%

The AAL projected impacts vary greatly by location and also by the nature of the peril. For example, riverine and coastal flood risk is very concentrated to certain addresses, whereas storms can affect a large range of locations. Geographical diversification across a large portfolio helps make this more manageable.

Affordability impacts

Our home insurance affordability analysis was based on weeks of gross household income required to pay for a home insurance premium. It showed a projected increase in households under 'extreme' affordability stress under both scenarios: the low warming with disorderly transition and the high warming. Under the low-warming scenario, affordability stress is exacerbated by inflation and which subsequently impacts claims costs. Under the high-warming scenario, affordability stress is driven by projected changes in weather-related AALs being reflected in insurance premiums.

We note that customers may also experience cost of living pressures beyond what is captured in this analysis from goods and services other than home insurance. Customers experiencing affordability constraints may choose to reduce their insurance coverage which diminishes community resilience and potentially increases instances of financial vulnerability. This effect is often more pronounced among lower-income households, which are disproportionately situated in higher-risk areas.

For further details on how these insights support Suncorp's approach to climate resilience refer to the business model resilience section on page 10.

Climate scenario analysis key assumptions

Key assumptions about assumed physical climate trends are described in the table on page 8. In addition:

- The analysis projects climate impacts for exposures as at a point in time, before any strategic responses, and while holding all other assumptions constant (i.e. without anticipating changes in business mix, future population or the built environment over time). While this is not what we expect to happen in practice, this enables us to isolate the impact of climate change on expected claims from other factors.
- We have assumed no further regulatory intervention into the insurance market beyond what currently exists.
- Projections from global climate models relate to specific climate variables rather than losses from insured perils. Translation into insurance claims impacts relies on assumptions which have been selected based on internal and external expert judgment.

Limitations

The representation of severe weather within climate projections is associated with high levels of uncertainty. Global climate models that underpin future projections simulate future climate (i.e. average weather) and not localised severe weather that drives events that lead to large insurance losses. Severe weather is strongly determined from the background state of the climate, such that projections are useful for inferring the nature of weather events that might emerge over large regional areas. Differences in how different global climate models simulate the earth system also add to this uncertainty.

While we can draw broad conclusions about the direction of future impacts, we should not interpret the figures and outcomes as an exact prediction of financial impact. We have incorporated our understanding of the physical science and present-day vulnerability of the built environment using available resources. While projections are for long-term trends, variations in year-to-year observations may be impacted by weather cycles and inherent randomness in weather patterns.

Climate resilience

Our climate scenario analysis (CSA) along with our existing risk management frameworks identify climate-related risks across our value chain. These findings inform our business strategy and approach to climate resilience. Refer to pages 8 and 9 for our CSA approach and findings, and page 18 for details of how we identify, assess, and manage climate-related risks.

Business model resilience

Supported by insights from our climate scenario analysis, we believe Suncorp is likely to be resilient to current and future *climate-related physical risks* due to:

- the *short-term* nature of general insurance policies (12 months)
- our ability to adjust premiums and products to reflect emerging trends in insured risks
- geographical and product diversification across a large portfolio
- our comprehensive reinsurance program, robust balance sheet and conservative investment portfolio settings.

Our assumption is that Suncorp will continue to employ its pricing strategy to set risk premiums reflecting our best estimate of the risk-cost at each location.

This conclusion aligns with Suncorp's previous year's climate scenario analysis. Whilst the transition to a *lower-carbon economy* may present new climate-related risks and opportunities, our existing business processes – including claims monitoring, the ability to change pricing and product features to reflect risk appropriately, and a focus on improved operational efficiency – support our overall resilience.

We continue to invest in new policy platform infrastructure to enhance agility in product development, which will allow us to respond quickly as customer needs evolve. It also improves our understanding of customer resilience at an individual address level to better inform pricing.

Moving forward, we will continue our assessment of claims processes and experience, reinsurance strategy, pricing and underwriting capabilities to strengthen our response to extreme weather impacts. We will continue to advocate for cross-sector collaboration and greater investment in household and community resilience against natural hazards and other climate-related risks.

Advocacy and engagement

We work with stakeholders across the private and public sector to strengthen our customers' and communities' resilience and guide our response to the transition to a *lower carbon economy*.

Built environment resilience

Suncorp has long advocated for increased investment to strengthen the resilience of the built environment and to protect communities. Since January 2021, Suncorp has advocated for a stronger built environment and more investment in disaster mitigation through our four point resilience advocacy agenda.

Learn more about Suncorp's four point plan here for a more resilient Australia.

Customer and community resilience

We seek to help our customers understand what measures they can take to strengthen the resilience of their homes. We offer tools to build household resilience as part of our Suncorp Insurance consumer brand, including:

- Suncorp Haven provides homeowners and property owners with a personalised view of their property's resilience against natural perils. Learn more.
- The resilience hub where customers can learn about risk mitigation and preparedness, including flood and bushfire readiness tools. Customers can also sign up to real-time severe weather alerts via our Insurance app. Learn more.
- Suncorp Insurance app features MyHome, an educational tool to help customers stay on top of general maintenance tasks to help protect their home. Learn more.
- The Build it Back Better additional feature offers customers the option to repair their homes with resilience measures (eligibility criteria and limits applies). Learn more.

Large commercial underwriting clients are typically managed through brokers. We engage and educate our broker partners on our underwriting and risk appetite and offer risk management insights on a range of topics.

Industry and government

We support government climate adaptation and resilience policies and measures to address climate-related physical risks. In New Zealand, we participated in the Ministry for the Environment's Independent Reference Group on Climate Adaptation to support the development of the national Adaptation Framework[1].

We support industry advocacy on climate-related government policy as members of the Insurance Council of Australia and Insurance Council New Zealand.

Suncorp also supports the Australian Governments[2] efforts to strengthen national EV strategies and addressing the supply and demand challenges presented by the transition to a lower-carbon economy.

1. Independent climate adaptation report released, https://environment.govt.nz/news/independent-climate-adaptation-report-released/
2. DCCEWW (2023), Australia's National Electric Vehicle Strategy, https://www.dcceew.gov.au/energy/transport/national-electric-vehicle-strategy.

Climate Transition Plan

Suncorp's *Climate Transition Plan* focuses on our operations, investment portfolio and supply chain. The new and updated *targets* (refer to the table below) replace our previous Climate Change Action Plan, with prior commitments either achieved or revised.

Suncorp is preparing to adhere to the mandatory climate reporting requirements outlined by the Australian Sustainability Reporting Standards. We note that the Australian Accounting Standards Board (AASB) is determining whether Scope 3 insurance-associated emissions relating to the underwriting of our customers must be included. Accordingly, Suncorp will defer any decision regarding the disclosure of insurance-associated emissions until the AASB has issued its determination.

Suncorp's climate transition commitments

Value chain	Scope	Status	Action	Page
Operations	Reduce our Scope 1 & 2 absolute emissions to *net-zero* by end FY30, from an FY20 baseline.	Existing restated	Target	Page 12 →
	RE100 commitment to purchase 100% renewable electricity across our operations in 2025.	Existing	Target	Page 13 →
Procurement and claims suppliers	Analyse the climate commitments and progress of our major *procurement suppliers* by spend to build our understanding of their climate maturity.	New	Monitor	Page 13 →
	Engage our property claims panel builders and motor claims mobility suppliers that support our Australian operations to continue to build our understanding of their climate maturity.	New	Engage	Page 13 →
Investments	*Target* an *emissions intensity* of listed equities and corporate bonds portfolio (sub portfolio) (investees' Scope 1 & 2 emissions) to be at least 60% lower at the end of FY30, compared to the *emissions intensity* of the sub portfolio in FY20.	New	Target	Page 15 →
	Engage with 100% of our external investment managers each year to foster open dialogue on climate objectives.	New	Engage	Page 15 →
	Invest 5% of shareholder funds in social- and lower-carbon impact investments.	Existing	Target	Page 15 →
	Apply fossil fuel exclusions across aspects of our investment portfolio through Suncorp's Sensitive Sector Standard.[1]	Existing revised	Exclusion	Page 16 →
Insurance portfolios	Apply fossil fuel exclusions across aspects of our commercial underwriting portfolio through Suncorp's Sensitive Sector Standard.[1]	Existing revised	Exclusion	Page 17 →

1. For more information on the application of the Sensitive Sector Standard to our investment and commercial insurance portfolios, refer to pages 16 and 17 respectively.

Scope 1 & 2 emissions

Restated Scope 1 & 2 emissions and performance

Suncorp to reduce our absolute Scope 1 & 2 emissions to net-zero by 2030 from an FY20 baseline.

Our Scope 1 & 2 *net-zero* 2030 *target* requires Suncorp to reduce absolute emissions by at least 90% with the residual emissions abated through high-quality nature- or technology-based *carbon credits*. This 2030 *net-zero target* applies to activities associated with Suncorp's insurance operations in Australia and New Zealand.

To achieve our Scope 1 & 2 *net-zero target* by 2030, we intend to maintain our renewable electricity supply agreements, further enhance the energy efficiency of our buildings, and progressively reduce the size of our corporate fleet whilst continuing the transition to hybrid and *electric vehicles*. Our assumption is there will continue to be a competitive market for renewable electricity products, and an ongoing supply of hybrid and electric vehicles into Australia between now and FY30.

In the short-term Suncorp's focus is on absolute emissions reduction however, if Suncorp decides to purchase *carbon credits* in the future to meet its net-zero goals, it expects to consider the principles aligned to the most current global best practices. We will ensure the high integrity of the credits purchased and disclose the relevant assessment criteria along with purchased carbon detail.

Our Scope 1 & 2 emissions performance

In FY25, we achieved: 10% year-on-year reduction in our Scope 1 & 2 market-based emissions. Contributing to a total reduction of 85%[1, 4] from a restated FY20 baseline.

Scope 1 & 2 net-zero performance restated

	FY20[1, 2]	FY23[1, 2]	FY24[1, 2]	FY25[1, 4]
Scope 1	1,731	1,419	1,324	**1,245**
Scope 2 (market-based)	11,348	1,949	848	**718**
Scope 2 (location-based)	14,751	9,802	8,333	**6,074**
Scope 1 & 2 (market-based) tCo2-e[3]	13,078	3,368	2,172	**1,963**
Scope 1 & 2 (market-based) % reduced from FY20 baseline	0	74%	83%	**85%**

Progress to date can be attributed to renewable electricity supply agreements which include the purchase of renewable energy certificates, selecting energy efficient buildings, installing rooftop solar in viable locations, and the transition of our corporate fleet to hybrid and *electric vehicles*.

The recent divestment of Suncorp Bank and Asteron Life, resulted in a change to our organisational boundary. We've recalculated our FY20 Scope 1 & 2 emissions baseline to exclude emissions from Suncorp Bank and Asteron Life in the FY20 baseline year and are restating performance towards our 2030 net-zero target.

The current year Scope 1, 2 and upstream 3 emissions and other environmental metrics such as renewable electricity data are reported using a 10 +2 approach. This means that FY25 metrics include 10 months of actual and estimated data up to 30 April 2025 and 2 months of forecast data up to 30 June. Our prior 10+2 data is restated to full 12 months data each year.

Refer to our FY25 Sustainability Data Pack - Environment section for historical performance and additional detail on Scope 1, 2 and upstream Scope 3 metrics, and the Climate Reporting Supplement for methodological notes and the basis upon which these metrics and targets are prepared.

Read more

1. Subject to limited independent assurance by KPMG. Please refer to the assurance opinion included on the Suncorp website, https://www.suncorpgroup.com.au/corporate-responsibility/reports.
2. Metrics restated due to a change in organisational boundary. FY24 metrics restated from the previously disclosed 10+2 metric to reflect 12 months of data.
3. Slight variances may occur when comparing the total annual sum of Scope 1 & 2 market-based emissions to the individual Scope 1 and Scope 2 emission categories due to rounding.
4. FY25 GHG metrics reported on a 10+2 basis. See the Climate Reporting Supplement for details on methodology and basis for preparation.

FY25 renewable electricity performance

RE100 commitment to purchase 100% renewable electricity across our operations in 2025.

At the end of FY25, 89%[1, 4] of Suncorp's electricity used in our buildings was purchased or generated from RE100 recognised renewable sources. These include 79% of largescale generation certificates (LGCs) purchased through Diamond Energy, 7% Toitū climate positive certified electricity purchased through Ecotricity, and 3% electricity generated on-site through rooftop solar.

RE100 from 1 July 2025

Suncorp is a member of *RE100*, a global initiative of businesses committed to using 100% renewable electricity across operations.

As a member, Suncorp has pledged to purchase all electricity from renewable sources in CY2025.

Renewable electricity, as defined by *RE100*, is electricity generated from recognised renewable sources such as solar, wind, hydro, geothermal, and sustainably sourced biomass, and procured through verified methods like energy attribute certificates, power purchase agreements, retail-backed agreements or self-generation.

From 1 July 2025, we have entered into renewable electricity agreements across Australia and New Zealand to ensure that 100% of the electricity we purchase, over and above any self-generated renewable electricity, is renewable electricity.[2]

Supply chain

Procurement supply chain

Suncorp will analyse the climate commitments and progress of our major *procurement suppliers* by spend to build our understanding of their climate maturity.

Our *procurement suppliers* contribute to our insurance operations and do not include our claims suppliers. In FY24, 47[3] suppliers were categorised as major *procurement suppliers* and accounted for the top 80[3] per cent by spend within Suncorp's Scope 3 Category 1 emissions boundary.

A review of publicly available information found that in FY24, of our major procurement suppliers, 81 per cent publicly disclose their Scope 1 & 2 emissions performance and 79 per cent have set Scope 1 & 2 emissions commitments.

Claims supply chain

Suncorp will engage our property claims panel builders and motor claims mobility suppliers that support our Australian operations to continue to build our understanding of their climate maturity.

Where information was publicly available, we assessed claims suppliers' efforts to reduce their own emissions through their public disclosures. Our observations identified:

- our claims suppliers across our motor, home and commercial claims businesses are at varying levels of maturity in their climate transition
- there is high variability in publicly available emissions data and a lack of clear GHG accounting and *target* setting methodologies associated with our claims supply chain to help us determine overall materiality.

This presents an opportunity to engage and better understand our claims panel builders' and repairers' climate *targets* and progress towards carbon reduction and a circular economy.

Climate maturity

We use multiple indicators to assess climate maturity when engaging with our suppliers.

For *procurement suppliers*, these indicators include but are not limited to, capturing publicly reported Scope 1 & 2 emissions and *net-zero targets*.

For claims suppliers, indicators may also include delivery of lower carbon and other environmental initiatives.

1. Subject to limited independent assurance by KPMG. Please refer to the assurance opinion included on the Suncorp website, https://www.suncorpgroup.com.au/corporate-responsibility/reports.
2. To be verified by RE100 through FY26 Carbon Disclosure Project submission or bespoke RE100 review triggered by Suncorp. Climate Group RE100, https://www.there100.org/.
3. Calculated based on total operational spend associated with Category 1 - purchased goods and services, and suppliers within this boundary ranked by related supplier spend.
4. FY25 renewable electricity metric reported on a 10+2 basis.

Investments portfolio

As a regulated entity, Suncorp is required to meet APRA's Prudential Standards for financial resilience. This includes appropriate investment strategies such as holding sufficient Australian assets (e.g., Australian equities, bonds, and property) to meet its total liabilities in Australia. As such, this has an influence on the assets we are required to invest in.

Suncorp's investments portfolio as of 30 June 2025 had AUD $19.6 billion in *funds under management* (FUM).

Investment emissions reporting

Since 2019, Suncorp has been disclosing the emissions performance of its Australian and global listed equities using a tCO2-e/US$M revenue intensity metric. In FY22, we expanded our reporting to include Australian corporate bonds. Over the past year, we revised our methodology to an economic intensity metric of tCO2-e/A$M invested in line with the Partnership for Carbon Accounting Financials (PCAF) financed emissions measurement of listed equities and corporate bonds. The calculations include investees' Scope 1 & 2 emissions, where data is available, but does not include their *Scope 3 emissions*.

Key decision	Historical methodology	Current methodology
Organisational boundary	Operational control	Operational control
Asset class inclusion	Listed Equities and Corporate Bonds	Listed Equities and Corporate Bonds[1]
Geographical coverage	Global (listed equities only), Australia (corporate bonds)	Global
Metric	tCO2-e/US$M revenue[2]	tCO2-e/A$M invested[3]
Scope inclusion	Scope 1 and 2	Scope 1 and 2
PCAF data quality inclusion	Scores 1 and 2	Scores 1 - 5
Attribution factor denominator	Revenue	Enterprise value including cash (EVIC)
Currency	USD	AUD
Reporting date	31 March (Current reporting period)	30 June (Prior reporting period)[4]

1. Whilst a PCAF methodology is available for sovereign debt and unlisted equity (including unlisted assets such as property and infrastructure), we currently do not disclose these emissions.
2. Historical methodology metric (tCo2e/US$ revenue) = (∑ (current value of investment / investee company revenue x investees company reported emissions))/ ∑ (current value of investments)
3. Current methodology metric (tCo2-e/A$M Invested) = (∑ (current value of investment / investee company EVIC x investees company reported or estimated emissions))/ ∑ (current value of investments)
4. For FY25, the emissions reporting date is 30 June 2024 which is based on FY24 holdings data and investee Scope 1 & 2 emissions data from the 2023 calendar year.

Given the complexity, diversity and dynamic nature of our investment portfolio, there is an inherent delay in consolidating emissions data from various sources to achieve a higher data quality. This necessitates a timing lag in our reporting where emissions are disclosed for the prior financial year.

In this report, we disclose FY24 metrics using holdings data from FY24 and 2023 calendar year emissions data (investee Scope 1 and 2 emissions) sourced from our third-party data provider. Where Scope 1 & 2 emissions of investee's are unknown, industry emission factors sourced from PCAF are applied.

Investment emissions performance

Year	In-scope FUM A$B	% FUM Coverage[1]	*Emissions Intensity*[2] (tCO2e/ A$M invested)	Reduction from baseline[2] (%)	PCAF data quality weighted average score (lower is preferred)
FY20	8.1	53	106.1	N/A	3.4
FY24	11.1	63	30.5	71%	2.2

1. Calculated as FUM of global listed equities and corporate bonds over total FUM.
2. Subject to limited independent assurance by KPMG. Please refer to the assurance opinion included on the Suncorp website, https://www.suncorpgroup.com.au/corporate-responsibility/reports.

In our FY20 baseline year, approximately 53 per cent of in-scope FUM reported their Scope 1 and 2 emissions, resulting in a FUM weighted average PCAF data quality score of 3.4. Consequently, we estimated emissions for the remaining 47 per cent using assumptions and extrapolations aligned with the PCAF standard, incorporating emissions factors provided by our third-party data providers. By FY24, reporting coverage improved markedly, with 90 per cent of in-scope FUM disclosing emissions.

Investments sub portfolio target

Suncorp has set a *target* for the *emissions intensity* of its listed equities and corporate bonds portfolio (sub portfolio) (investees' Scope 1 & 2 emissions) to be at least 60% lower at the end of FY30, compared to the *emissions intensity* of the sub portfolio in FY20.

In setting our *target* for the sub portfolio (listed equities and corporate bonds), we referenced the New-Zero Asset Owner Alliance (NZAOA) *target* setting protocol[1], that recommends setting *targets* using the Intergovernmental Panel on Climate Change (IPCC) no or limited overshoot global scenarios for 1.5°C[2], which corresponds to reducing emissions by 40-60 per cent by 2030 compared to 2020.

Suncorp selected a FY20 baseline as it marks the start of Suncorp's investment portfolio emission reduction efforts with the implementation of the Sensitive Sector Standard – fossil fuel. From FY20 to FY24, there has been a 71 per cent reduction in the portfolio's *emissions intensity* tCO2-e/A$M invested[3]. This reduction is primarily due to the Sensitive Sector Standard, which led to significant divestments from fossil fuel companies, along with improvements in data quality, real-world emissions reductions, and favourable changes in benchmark sector allocations towards low-emitting industries. Given the sub-portfolio's emissions performance to date, we do not anticipate such large changes to continue.

While the emissions intensity reduction achieved in FY24 has exceeded our target by 11 per cent, future portfolio emissions intensity performance may be impacted by portfolio mix changes in line with the composition of the investment index and through our *Climate Assessment Framework*.

Suncorp's in-scope portfolio emissions *target* has been set at the upper limit of the NZAOA *target* range to continue to provide a sufficient level of ambition as this transition occurs.

Suncorp does not plan to purchase *carbon credits* to meet this sub-portfolio investments *target*.

External investment manager engagement

Suncorp will engage with 100% of our external investment managers each year to foster open dialogue on climate objectives.

Suncorp's investment portfolio is exclusively managed through external investment managers. They understand our climate objectives and may engage directly with our investee companies on our behalf and that of their other clients. While Suncorp conducts its own proxy voting, our external investment managers provide insights and recommendations on proxy voting proposals to Suncorp.

The way our external investment managers execute and represent investment activities is critical to aligning our portfolio with our climate objectives. We evaluate their performance through our ongoing selection, appointment, and monitoring processes that includes an annual due diligence questionnaire covering climate-related topics, with results presented to Suncorp's Responsible Investment Committee.

Where expectations are not met, we proactively engage with the managers to drive improvement.

Our engagement process is aligned with our overall performance objectives for our external investment managers.

Engagement with our external investment managers will include:

- increasing our understanding of how they represent our long-term climate objectives
- seeking to achieve longer-term alignment between the investment managers overall climate ambitions and our own
- promoting conversations on climate-related risks and opportunities across our portfolio
- promoting active engagement with investee companies, including through accessing insights and recommendations to enable proxy voting consistent with the application of our proxy voting principles[4]
- developing a process for effective resolution should our portfolio trajectory become misaligned with our commitments.

Social- and lower-carbon impact investments

Suncorp has an existing *target* of investing five per cent of shareholder funds in social- and lower-carbon impact investments

Suncorp's Responsible Investment Policy states that Suncorp seeks opportunities to engage in impact investing with the aim of targeting social and environmental impact in addition to financial returns.

We define lower-carbon investments to include:

- *Green Bonds* that finance projects seeking to support the transition to a *lower-carbon economy*
- Other lower-carbon assets include investments such as renewable energy infrastructure, renewable energy credit and equity securities, and energy efficient real estate.

Our social impact investments are defined by their dual objective of achieving a measurable social and/or environmental return alongside a financial return.

We continue to perform above our social- and lower-carbon impact investment *target* with the current level of investment at 7.5 per cent.[3]

For supporting information on methodologies used for our investments portfolio, refer to the Climate Reporting Supplement.

Read more

Shadow carbon price

Suncorp no longer relies on a shadow carbon price as a tool for including climate-related risk in its investment making decisions given the broader climate *targets* and metrics as part of the *Climate Transition Plan*.

1. UN-convened Net-Zero Asset Owner Alliance (2024), Target-Setting Protocol, Fourth edition, https://www.unepfi.org/wordpress/wp-content/uploads/2024/04/NZAOA-TSP4_FINAL.pdf.
2. IPCC (2023), AR6 Synthesis Report, Climate Change 2023, https://www.ipcc.ch/report/sixth-assessment-report-cycle/.
3. Subject to limited independent assurance by KPMG. Please refer to the assurance opinion included on the Suncorp website, https://www.suncorpgroup.com.au/corporate-responsibility/reports.
4. Refer Suncorp Proxy Voting Report for details on principles, https://www.suncorpgroup.com.au/corporate-responsibility/reports.

Sensitive Sector Standard – Fossil Fuels

In FY20, Suncorp introduced a Sensitive Sector Standard – Fossil Fuels (the Standard) which is aimed at gradually reducing our underwriting and investment portfolio exposure to the fossil fuel industry.

We have revised the Standard to provide greater clarity and specificity around our commitments, and have introduced a framework to assess the climate strategies of investee companies involved in thermal coal generation and *oil & gas exploration* and *production*. These changes provide greater transparency and detail around scope of the exclusions and are not expected to materially change Suncorp's exposure to the fossil fuel industry.

Changes and clarifications to the Standard:

- Updated the language around our phase out commitments as it relates to underwriting or investing in thermal coal and *oil & gas exploration and production* activities from 1 January 2025. Given we have met this commitment in its original form as at the date of this report, the updated language reflects our ongoing position from 2025.
- Improved transparency against the exemptions and limitations applied to our underwriting exclusions. For example, specifying thresholds for our business package insurance asset values and non-fleet motor vehicles.
- Formalised a *Climate Assessment Framework* (CAF) for our investment portfolio to clarify our existing exemption which enables support for companies that are committed to the transition but would otherwise be excluded. Where companies meet the requirements of our CAF, they will be eligible for investment by Suncorp, not with standing they may otherwise have been excluded under our Sensitive Sector Standard. The framework applies to thermal coal generation companies and to the *top percentage of companies in oil & gas exploration and production* otherwise excluded.
- Updated our language for new and expanded fossil fuel investment to clarify that these commitments apply to corporate bonds that are issued for the primary purpose of providing ring-fenced financing to new or additional thermal coal extraction or power generation or *oil & gas exploration and production*.

Investments

The following exclusions apply to our investment portfolios that are structured as mandates[1] and implemented by our external investment managers.

Thermal Coal

From 1 January 2025, Suncorp will not *directly invest* or hold investments in companies globally with more than 10 per cent *revenue from direct involvement* in thermal coal extraction.

From 1 January 2025, Suncorp will not *directly invest* or hold investments in companies globally with more than 10 per cent *revenue from direct involvement* in thermal coal power generation unless the company has a *climate transition plan* that meets the requirements of our CAF once implemented.

From 1 July 2025, Suncorp will not *directly invest* in or hold special purpose corporate bonds issued globally to provide ring-fenced financing to new or additional thermal coal mining extraction projects, or thermal coal electricity generation projects.

Oil & gas exploration and production

From 1 January 2025, Suncorp will not *directly invest* or hold investments in the top 25 per cent most emission intensive (Scope 1 & 2) *oil & gas exploration* or *production* companies globally, unless the company has a *climate transition plan* that meets the requirements of our CAF once implemented.

From 2030, Suncorp will not *directly invest* or hold investments in the top 50 per cent of *oil & gas exploration or production* companies globally unless the company has a *climate transition plan* that meets the requirements of our CAF.

By 2040, Suncorp will not *directly invest* or hold investments in any oil & gas exploration and production companies globally unless the company has a *climate transition plan* that meets the requirements of our CAF.

The top percentage of exploration and production companies that are excluded is determined by measuring the metric tonnes of CO2 equivalent per million of USD revenue for Scope 1 & 2 emissions and/or metric tonnes of CO2 equivalent for Scope 1 & 2 emissions. This ranking is determined by data sourced from our third-party data provider.

From August 2020, Suncorp will not *directly invest* in or hold investments in any companies globally generating more than 5 per cent of *revenue from direct involvement* in unconventional *oil & gas exploration or production* in tar sands, or with production inside the Arctic Circle.

From August 2020, Suncorp will not *directly invest* in or hold investments in any company globally who derives *revenue from direct involvement* in *oil & gas exploration or production* in the Great Australian Bight. While it is not possible to use a revenue threshold due to data screening limitations, screening will take place for exploration permits, leases or production licences from public sources.

From 1 July 2025, Suncorp will not *directly invest* or hold special purpose corporate bonds issued globally to provide ring-fenced financing to new or additional *oil & gas exploration or production* projects.

Exemptions

The Standard does not apply to:

- entities that provide capital or financing
- entities that provide ancillary services to thermal coal extraction or generation, or oil & gas operators, such as the provision of labour hire, catering, engineering, consultancy, transport or construction companies
- exposures via pooled investment vehicles.

Limitations

The exclusion boundary is limited to the data available through our third-party data provider including the reliance on the classification of companies by the provider and the availability of relevant emissions and revenue information for deriving absolute emissions, *emissions intensity* and the use of revenue base.

Fossil Fuel exposure is managed through an active investment exclusion list (for the period 1 July to 30 June) that Suncorp supplies to our external investment managers, with oversight from the custodian. The data is reviewed annually based on the most recent revenue and emissions data as sourced from our third-party provider.

1. Mandates are specific investment structures where Suncorp sets the portfolio rules, parameters and limitations in an Investment Management Agreement and the External Investment Manager, manages the investments in line with those rules.

Climate Assessment Framework for our investment portfolio

From 1 July 2025, Suncorp implemented a *Climate Assessment Framework* (CAF), to assess a company's *climate transition plan* against the CAF criteria. Our CAF leverages and adapts aspects of the Climate Action 100+[1] disclosure framework indicators such as climate ambition, *targets*, strategy, governance, and disclosure. Climate Action 100+ is widely recognised and referenced by the Glasgow Financial Alliance for Net Zero[2] and the NZAOA[3]. As *climate transition plan* frameworks and standards mature, we will consider updates to these criteria.

The CAF will apply to the investment portfolio only and is limited to thermal coal power generation and upstream oil & gas exploration and production investee companies globally otherwise excluded. The CAF seeks to remove Suncorp investment barriers into companies that meet the assessment criteria towards commitment to the climate transition.

While there is no current intention to use the CAF for underwriting, as the market evolves to a *lower-carbon economy* and as our maturity increases, we will assess the future applications of a CAF as appropriate at the time.

Exclusion	Standard status[4]
Investments exclusion thermal coal extraction	Met
Investments exclusion thermal coal power generation	Met
Investments exclusion oil and gas exploration and production	Met[5]

Commercial Underwriting

The following exclusions apply to insurance cover underwritten through our brokers in Australia and New Zealand.

Thermal Coal

From 1 January 2025, Suncorp will not *directly underwrite* (new policies or renew existing policies) for companies with more than 10 per cent revenue from thermal coal extraction or thermal coal power generation.

Oil & gas exploration and production

From 1 January 2025, Suncorp will not *directly underwrite* (new policies or renew existing policies) for companies with more than 10 per cent revenue from *oil & gas exploration and production*.

From August 2020, Suncorp will not *directly underwrite* any company that derives greater than 5 per cent revenue from unconventional *oil & gas exploration and production* in tar sands, or *oil & gas exploration or production* inside the Arctic Circle.

From August 2020, Suncorp will not *directly underwrite* any company that derives revenue from *oil & gas exploration or production* in the Great Australian Bight. While it is not possible to use a revenue threshold, screening will take place for exploration permits, leases or production licences from public sources relating to activity in the Great Australian Bight.

Exemptions

The Standard does not apply to the following:

- business package insurance (total asset sum insured value less than A$10M per asset in Australia, NZ$30M per asset in New Zealand indexed to 2024) and non-fleet motor up to 25 vehicles
- consumer personal insurance lines and statutory or compulsory insurance such as workers' compensation and compulsory third-party insurance
- the provision of insurance to entities that provide capital or financing
- the provision of insurance to entities that provide ancillary services to thermal coal extraction or generation, or oil & gas exploration and production operators, such as the provision of labour hire, catering, engineering, consultancy, transport or construction companies
- joint venture partners including NTI and AA Insurance, New Zealand
- related companies, customers, or suppliers of the entity being underwritten by Suncorp, and its wholly owned subsidiaries.

Limitations

Suncorp applies sector classifications to allocate policies to a specific sector using Australia and New Zealand Standard Industrial Classification (ANZSIC) and/or occupation codes in New Zealand. The allocation is intended to reflect the primary activity of the customer in terms of the primary risk insured. Where a customer operates in more than one industry, Suncorp will select the most relevant ANZSIC or occupation code. Industry codes are allocated by underwriters, internal support staff, directly by clients or through integrated systems with our broking partners or through broking slips. Due to the manual nature of code application, there is a possibility of error in assigning industry codes at the time of onboarding or due to changes in customer activity over time. For use in our Sensitive Sector Standard (fossil fuel), we apply screening procedures to coal, oil & gas, energy and mining codes, as well as detective controls through comparisons with public coal and oil & gas registers. For diversified clients that primarily operate in other industries it may be difficult to screen for these policies. We are continuing to refine our screening processes and educate our broking partners on our risk appetite.

Exclusion	Standard status[4]
Insurance exclusion thermal coal extraction and power generation	Met
Insurance exclusion oil and gas exploration and production	Met

1. Climate Action 100+, https://www.climateaction100.org/.
2. Glasgow Financial Alliance for Net Zero (2022), Financial Institution Net-zero Transition Plans, https://www.gfanzero.com/our-work/financial-institution-net-zero-transition-plans/.
3. UN-convened Net-Zero Asset Owner Alliance (2024), Target-Setting Protocol, Fourth edition, https://www.unepfi.org/wordpress/wp-content/uploads/2024/04/NZAOA-TSP4_FINAL.pdf.
4. Progress against our Sensitive Sector Standard - fossil fuels is subject to independent assurance by KPMG for Suncorp Insurance Australia only and investments. Please refer to the assurance opinion included on the Suncorp website, https://www.suncorpgroup.com.au/corporate-responsibility/reports.
5. Status against 2025 commitment is met. The percentage of oil and gas production and exploration companies excluded increases in 2030 and 2040 under Suncorp's Sensitive Sector Standard – Fossil Fuels. See commitment details on page 16, under oil & gas exploration and production.

Risk Management

Suncorp's Risk Appetite Statement and Enterprise Risk Management Framework recognise climate-related physical and *transition risks* impacting the Group's operating environment and business plan. Physical and *transition risks* are recognised as both stand-alone risks and risk causes for other material risks. These risks are managed in accordance with business-as-usual risk management practices, prioritised by their risk rating.

How we define climate-related risks

Climate-related physical risk relates to the physical impacts of climate change, which can include both longer-term changes in climate (chronic risk) and changes to the frequency and magnitude of extreme weather events (acute risk), can cause direct damage to assets or property, changes to income and costs, and changes to the cost and availability of insurance.

Climate-related transition risks arise from the economic transition to a lower-carbon economy, including changes in domestic and international policy and regulatory settings, technological innovation, social adaptation and market changes, and legal and reputational risks.

Identify, assess and manage climate-related risk

Our processes for identifying, assessing and managing climate-related risks are integrated into the Group's overall risk management framework, following risk, obligation and control self-assessments (ROCSA) processes. Climate-related risks are managed through natural peril pricing, natural hazard allowance, access to reinsurance, advocacy and alignment of our business activities to our Risk Appetite Statement.

We use forecasting and scenario analysis to deepen our understanding of the impacts, and explore the potential changes as part of standard risk management practices. Our insurance pricing team reviews all weather-related perils that have a material impact on the consumer.

We model historical claims experience together with climate, event and engineering information sourced from industry experts. This allows our insurance pricing to maintain the most complete and current view of risk each peril poses to the business. Our modelling also enables us to assess a range of possible events and losses, beyond the expected losses over the course of the next year, to assist in our capital management processes.

Climate scenario analysis is an important theoretical and forward-looking risk management tool enabling us to explore how *climate-related physical and transition changes* and uncertainties could manifest. These findings allow us to adjust our strategy and improve our control environment. The physical risk analysis considers the direct financial impact to Suncorp's claims costs, using AAL gross of reinsurance as the risk metric.

Considerable variation around the *long-term* AAL is expected year to year due to inter-annual climate variability dominated by weather cycles such as El Niño-Southern Oscillation and inherent randomness in weather patterns. Results provide limited insights due to limitations in the scientific understanding of how weather extremes will respond to climate change.

Climate-related opportunities

Climate-related opportunities are not considered within Suncorp's risk management framework however they are considered during Suncorp's business strategy development.

Metrics and Targets

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This section details performance in relation to select climate-related metrics and targets and should be read alongside our Climate Reporting Supplement and the Environment section within our FY25 Sustainability Data Pack.

Read more

For our investment sub-portfolio's emissions performance (page 14) and procurement supplier metrics (page 13), there is a reporting lag due to the timing and availability of third-party data.

Value chain performance summary

Metric / target	Type	Scope	Unit	FY23	FY24	FY25	Status
Scope 1 & 2 and upstream Scope 3							
Scope 1 & 2 *net-zero* by 2030[1, 2, 7]	Target	% market-based emissions reduced from an FY20 baseline	% tCO2-e market-based	74%	83%	**85%**	
RE100 - 100% renewable electricity by 2025[7]	Target	% renewable electricity generated/ purchased at 30 June	% MWh	75%	77%	**89%**[1]	
Upstream *Scope 3 emissions*[3, 7]	Metric	Total upstream Scope 3 emissions	tCO2-e	15,980	19,551	**17,964**[1]	
Suppliers							
Procurement suppliers measuring their Scope 1 & 2 emissions	Metric	Operational purchased goods and services suppliers	% suppliers	82%	81%	—[4]	
Procurement suppliers with Scope 1 & 2 commitments	Metric	Operational purchased goods and services suppliers	% suppliers	74%	79%	—[4]	
Investments							
Investments sub portfolio (listed equities and corporate bonds) *emissions intensity* to be at least 60% lower at the end of FY30 compared to FY20	Target	% emission intensity reduction of listed equities and corporate bonds (investees' Scope 1 & 2) from an FY20 baseline[6]	% tCO2-e	75%[1]	71%[1]	—[5]	
Scope 1 and 2 *emissions intensity* of listed equities and corporate bonds	Metric	Global listed equities and corporate bonds	tCO2-e/ A$M	26.5[1]	30.5[1]	—[5]	
In-scope FUM for sub-portfolio *target*	Metric	Global listed equities and corporate bonds	A$B	10.6	11.1	—[5]	
Sub-portfolio FUM as a % of total FUM	Metric	Global listed equities and corporate bonds	% A$B	66%	63%	—[5]	
PCAF data quality score	Metric	Global listed equities and corporate bonds	1 to 5	2.6	2.2	—[5]	
At least 5% social- and lower-carbon impact investments	Target	Shareholder funds invested[8]	%	6.5%	7.2%	**7.5%**[1]	

Target on track | New target | Metric measured | Measurement in progress —

1. Subject to limited independent assurance by KPMG. Please refer to the assurance opinion included on the Suncorp website, https://www.suncorpgroup.com.au/corporate-responsibility/reports.
2. Restated due to the recent divestment of Suncorp Bank and Asteron Life resulting in a change to our organisational boundary. Refer to page 12 for additional information.
3. Measured upstream Scope 3 emission categories include: Category 1 - purchased goods and services (paper only); Category 3 - fuel and energy related activities; Category 5 - waste generated in operations; Category 6 - business travel; Category 7 - employee commuting (including work from home); Category 8 - upstream leased assets. Refer to the FY25 Sustainability Data Pack for further details and associated emissions.
4. Procurement supplier percentages are calculated based on total operational spend associated with Scope 3 Category 1 - purchased goods and services, and suppliers within this boundary ranked by related supplier spend. In FY25, prior year operational spend (FY24) is used. Supplier Scope 1 & 2 emissions and target data is used from the FY23 and FY24 reporting periods, where publicly available. Refer to FY24 metrics
5. For our investment sub-portfolio's emissions and associated metrics, due to the timing and availability of data, the most recently measured investments metrics rely on FY24 holdings data and are reported under FY24 performance. For additional detail on methodology, refer to the Investments emissions reporting section on Page 14.
6. Baseline of 8.1 in-scope FUM (A$B).
7. FY25 GHG metrics reported on a 10+2 basis. FY24 GHG metrics restated from the previously disclosed 10+2 metric to reflect the full FY24 reporting period.
8. Based on Global Investor Coalition definition. Excludes New Zealand.

Glossary

Term	Definition
AASB S2 Climate-related Financial Disclosures	A mandatory sustainability reporting standard developed, issued and maintained by the Australian Accounting Standards Board (AASB). The AASB is an Australian Government entity under the Australian Securities and Investments Commission Act 2001. Standard Two requires an entity to report on climate-related risks and opportunities that could reasonably be expected to affect an entity's financial position or performance over the short, medium and long term.
Carbon dioxide equivalent (CO2e)	A measurement used to compare emissions from various greenhouse gases based on their global warming potential. Other gas amounts are converted into the equivalent amount of carbon dioxide to provide a single emissions metric. Conversion factors vary based on the underlying assumptions.
Carbon credit	A carbon credit is a unit generally representing 1 tonne of CO2 equivalent that has been reduced, avoided, or sequestered through a certified project.
Climate Assessment Framework (CAF)	Suncorp's framework to assess an investee company's climate transition plan, which leverages and adapts aspects of the Climate Action 100+ disclosure framework indicators such as climate ambition, targets, strategy, governance, and disclosure.
Climate-related opportunities	The potential positive effects arising from climate change for an entity.
Climate-related physical risk or physical risk	Risks related to the physical impacts of climate change, which can include both longer-term changes in climate (chronic risk) and changes to the frequency and magnitude of extreme weather events (acute risk), can cause direct damage to assets or property, changes to income and costs, and changes to the cost and availability of insurance.
Climate-related transition risk or transition risk	Risk arising from the economic transition to a lower-carbon economy, including changes in domestic and international policy and regulatory settings, technological innovation, social adaptation and market changes, and legal and reputational risks.
Climate transition plan	Publicly disclosed climate targets and supporting governance structures outlining a company's plans to reduce their GHG emissions and align their business model to a lower-carbon economy by 2050.
Compulsory Third Party	A statutory motor insurance product within Australia.
Coupled Model Intercomparison Project (CMIP)	A climate modelling activity from the World Climate Research Programme which coordinates standardised climate model simulations using RCP scenarios.
Decarbonise/ decarbonisation/ decarbonising	The process of significantly reducing or eliminating the emission of carbon dioxide and other greenhouse gas emissions into the atmosphere.
Directly invest	Investing in a company's equity or general bond issuance.
Directly underwrite	Insurance cover for the entity being underwritten, not any other related companies, customers, or suppliers.
Electric Vehicles (EVs)	Electric vehicles (EVs) refers to cars or other vehicles with motors that are powered by electricity rather than liquid fuels.
Emissions intensity	The amount of GHG emissions emitted per unit of measure (e.g., GDP, amount of investment, or number of employees).
Emission factor	A figure provided by a credible third party that provides an estimated amount of CO2 emitted for a specific activity, e.g., emissions per barrel of oil combusted. These can be multiplied with production figures to estimate emissions.
Enterprise Value Including Cash (EVIC)	Enterprise Value Including Cash (EVIC) is calculated as the sum, at year-end, of the market capitalisation of ordinary shares, the market capitalisation of preferred shares, and the book value of total debt and non-controlling interests, without the deduction of cash or cash equivalents.
Funds under management (FUM)	Total market value of the investments managed by a person or entity on behalf of Suncorp Group Limited and its subsidiaries.
Green Bonds	Green Bonds are bond instruments where the proceeds will be exclusively applied to finance or re-finance eligible Green Projects, which are applied with the core components (use of proceeds, process for project evaluation and selection, management of proceeds and reporting) of the Green Bond Principles.
Greenhouse gas (GHG)	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 GHGs leads to an enhancement of the greenhouse effect changing the nature of the climate and life on earth. The seven greenhouse gases listed in the Kyoto Protocol are: carbon dioxide (CO_2); methane (CH_4); nitrous oxide (N_20); hydrofluorocarbons (HFCs); nitrogen trifluoride (NF_3); perfluorocarbons (PFCs); and sulphur hexafluoride (SF_6).
Global Industry Classification Standard (GICS)	GICS® is an industry analysis framework that helps investors understand the key business activities for companies around the world. MSCI and S&P Dow Jones Indices developed this classification standard to provide investors with consistent and exhaustive industry definitions.
Insurance Council of Australia (ICA)	The representative body for the general insurance industry of Australia.
Lower-carbon	Refers to activities, products, or processes that result in reduced greenhouse gas emissions compared to historical trends and conventional alternatives.
Lower carbon economy	An economy that produces lower levels of greenhouse gas emissions relative to today's economy.

Term	Definition
Net-zero	Net-zero emissions are achieved when anthropogenic emissions of greenhouse gases to the atmosphere are balanced by anthropogenic removals over a specified period. Where multiple greenhouse gases are involved, the quantification of net-zero emissions depends on the climate metric chosen to compare emissions of different gases (such as global warming potential, global temperature change potential, and others, as well as the chosen time horizon).
Net-Zero Asset Owner Alliance (NZAOA)	The UN-convened Net-Zero Asset Owner Alliance (NZAOA) is a member-led initiative of institutional investors committed to transitioning their investment portfolios to net-zero GHG emissions by 2050 – consistent with a maximum temperature rise of 1.5°C.
Oil & gas exploration or production	The upstream activities of the oil & gas sector. Upstream oil extraction refers to entities whose principal operations include the exploration and development of oil fields for the purposes of extracting and producing crude oil. Upstream gas extraction refers to entities whose principal operations include exploration, development and management of gas fields used for the purpose of natural gas production or liquefied natural gas production. Principal operations are irrespective of the owner of the fossil fuel asset. Upstream activities do not include processing, transportation, storage, power generation, refining, distribution or other activities further downstream.
Procurement suppliers	Suppliers under Scope 3 Category 1 – purchased goods and services, that support the operations of Suncorp but do not provide goods and services in relation to the provision of claims.
Paris Agreement	The Paris Agreement is a legally binding international treaty on climate change, which sets long-term goals to limit global warming to well below 2° Celsius, preferably to 1.5 degrees compared to pre-industrial levels.
Partnership of Carbon Accounting Financials (PCAF)	A global partnership of financial institutions that work together to develop and implement a harmonised approach to assess and disclose the GHG emissions associated with their loans and investments.
RE100	RE100 is a global initiative led by the Climate Group and in partnership with the CDP bringing together companies to commit to purchase 100% renewable energy.
Representative Concentration Pathways (RCPs)	Greenhouse gas emissions and concentration pathways used in climate models to depict different possible futures of climate change.
Revenue from direct involvement	Revenue from the investee company itself that is directly involved in a product or service (such as production or distribution) and revenue from an involved subsidiary that the company holds more than 50 per cent ownership.
Scope 1 emissions	Scope 1 emissions are measured from direct fuel combustion represented by fuel used in our owned and operated corporate vehicles and stationary fuels such as diesel generators used in our buildings.
Scope 2 location-based emissions	Emissions associated with our total electricity consumption using grid average emission factors. This approach does not account for our own renewable energy purchased.
Scope 2 market-based emissions	Scope 2 market-based accounts for emissions associated with electricity purchased from the grid plus emission avoidance through voluntary action such as renewable electricity generation and purchases. We do this in alignment with the GHG Protocol and RE100 Technical Criteria.
Scope 3 emissions	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, sold products, end-of-life treatment). Scope 3 emissions also include financed emissions.
Short, medium, and long term	This report refers to ranges of time from now as follows: short term - up to 3 years; medium term - 3 to 20 years; long term - 20 years and beyond.
Social- and lower-carbon impact investments	Lower-carbon investments include Green Bonds that finance environmentally sustainable projects to transition to a lower-carbon economy. Other lower-carbon assets include renewable energy infrastructure, renewable energy credit and equity securities, and energy efficient real estate. Social impact investments are defined by their dual objective of achieving a measurable social or environmental return alongside a financial return. Key underlying aspects include an investor's intention to have a positive social or environmental impact combined with an expectation of some level of financial return, and the commitment to measure and report the social and environmental performance and progress of underlying investments.
Sustainability / Sustainable (business context)	The responsible management of environmental, social and governance (ESG) risks and opportunities to support a resilient organisation that creates long-term value for people, customers, communities and shareholders.
Target	An intended outcome in relation to which we have identified one or more pathways for delivery of that outcome, subject to certain assumptions or conditions.
Tonnes carbon dioxide equivalent (tCO2e)	Metric tonnes of CO2 equivalent.
Top percentage of oil & gas exploration and production companies globally	The exclusion boundary includes companies globally, however is limited to the data available through Suncorp's chosen third-party data providers. The top percentage of companies globally is defined using measure of the metric tonne of CO2 equivalent per million of USD revenue for Scope 1 & 2 emissions and/or metric tonne of CO2 equivalent for Scope 1 & 2 emissions.

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