

Proxy Voting Report 2022-23

**SUNCORP**



**Building futures and  
protecting what matters**

Suncorp Group Limited  
ABN 66 145 290 124



## Our approach

During the 2023 financial year, no changes were made to the Proxy Voting Principles (the Principles) with a minor refinement of the standing instructions (or rules) occurring. One change that occurred to the rules during the year related to votes on fixed interest securities. Previously we were largely abstaining on these votes due to inadequate information from our proxy advisor (given the financial/technical nature of the votes). We now require our fixed interest external investment managers to provide a recommended voting position (given their expertise) with Suncorp retaining the right to review and ensure consistency in these votes.

During FY23, we also continued to review voting positions on key environmental, social and governance (ESG) related matters, to ensure alignment with both Suncorp's Corporate Sustainability Principles and Responsible Investment Policy (2023).

### Proxy voting principles

The Principles inform the standing orders and rules that are provided to our appointed proxy advisor and are based on Suncorp's Corporate Sustainability Principles and our responsibilities to shareholders and customers.

These are:

- Vote in accordance with the long-term creation of shareholder value.
- Vote to protect the rights of shareholders: one share — one vote — one dividend.
- Vote to promote board structures that are independent, efficient and diverse.
- Vote to promote transparency: accurate, adequate and timely disclosure.
- Vote to promote good corporate citizenship and environmental and social responsibility.

### Proxy voting governance

Suncorp votes proxies according to a set of standing instructions, which are in the form of rules that are derived from the Principles and based on commitments in the Suncorp Responsible Investment Policy.

Suncorp has appointed a proxy voting advisor who provides proxy voting recommendations, research and market information and facilitates the voting of proxies through its voting platform. We review the recommendations from the proxy advisor, particularly where the matter relates to an ESG-related issue. Suncorp also reviews share-related votes where additional relevant research and information is provided by our investment managers prior to execution.

### Summary of voting activity

During FY23, Suncorp voted at 245 meetings on 2,366 resolutions in 20 countries. Suncorp did not vote at Suncorp's own Annual General Meeting (AGM), and voted on 99.7% of all remaining resolutions, abstaining from 0.3% of total resolutions, primarily where proxy research indicated a less clear voting position or where there was insufficient information on the voting matter.

## Australian share voting — Suncorp’s approach in the past year

Suncorp voted at 127 Australian company meetings and on 747 individual proposals (not voting on six proposals at the Suncorp AGM), with the level of meetings and proposals falling relative to FY22 (from 197 & 1,137). This reflects a slower pace of overall voting activity for Australian companies in which Suncorp invested over FY23.

Suncorp voted against 53 separate resolutions or 7.2% of all proposals, noting this includes 45 votes against management and eight resolutions management can’t vote on. This is a drop from 101 (or 8.9% of all proposals) in FY22. We abstained on one Australian management proposal due to insufficient information.

The most common reasons for voting against management were:

- election or re-election of directors, in particular involving lack of independence
- remuneration structure and policy (given proxy recommendations and research), and
- changes to company statutes & constitution that are not in the best interests of shareholders.

Suncorp evaluates all non-binding ESG-related shareholder resolutions on a case-by-case basis given proxy research on company positioning, and determines the vote after assessing alignment with the Proxy Principles and Responsible Investment Policy.<sup>1</sup>

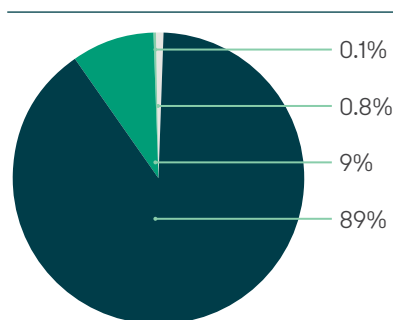
More specifically, considerations over the past year have included:

- Good governance and leadership through high levels of disclosure and transparency .
- Effective management of climate and environmental risks.
- Clear policy and strategies to address human capital and human rights issues.

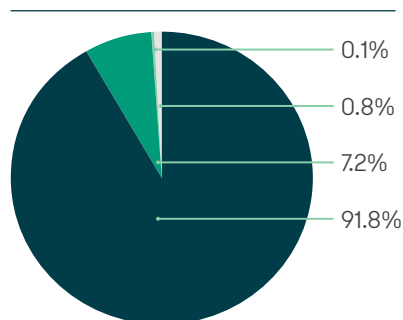
The number of Australian shareholder resolutions for companies we invested in fell significantly from 25 in FY22 to 15 in FY23 (after a record high in FY20 of 31). Fewer of these proposals received widespread market support relative to previous years, given many of the proposals were first initiated in earlier years and companies have since implemented strategies to address the issues raised (eg. proposals requiring more disclosure on climate strategy).

During FY23, Suncorp voted against all of the shareholder resolutions given our proxy research indicated that in each case the company was adequately addressing the issues raised by the resolution. This applied to resolutions requiring large Australian companies to provide additional analysis and reporting on alignment of climate policies and strategies with achieving objectives and targets. We also continued to vote against proposals that were facilitating non-binding shareholder resolutions, on the basis that regulatory changes are necessary to ensure an orderly process of initiating resolutions in the best interests of the majority of shareholders and the company.

Australia — total votes



Australia — votes on management resolutions



■ For ■ Against ■ Abstain ■ Did not vote

### Australia — votes against management

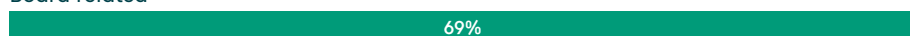
Compensation



Changes to company statutes



Board related



Audit/financials



1. Shareholder resolutions are a proposal by a shareholder group to escalate a matter of concern.

## International share voting — Suncorp’s approach

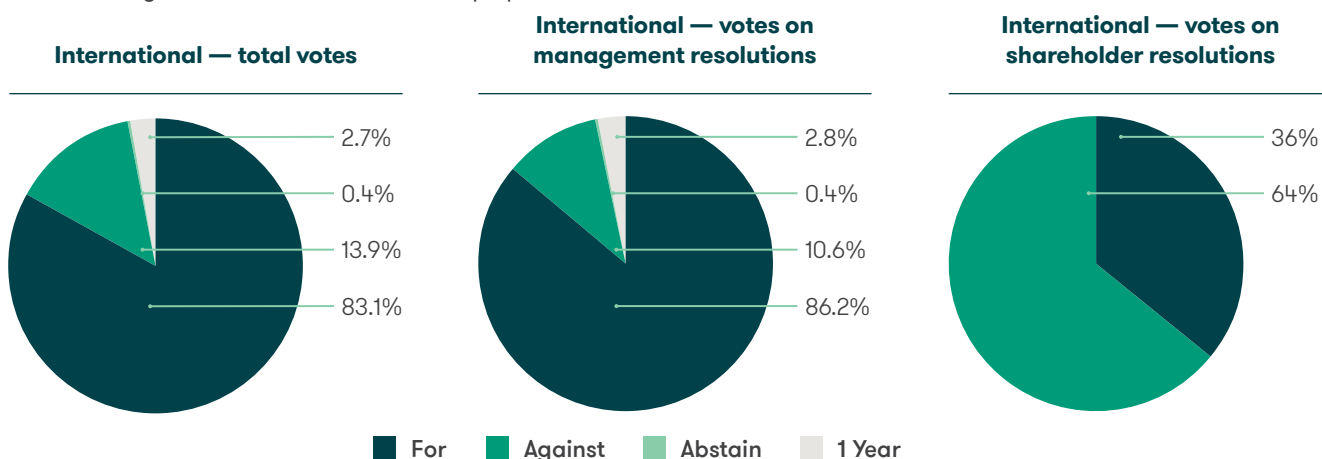
Our international proxy voting activity during FY23 continued at similar levels to the previous year, with Suncorp voting at 118 meetings and 1,619 proposals for which we had a proxy interest (compared to 130 and 1,608 in FY22). Suncorp abstained on six resolutions due to inadequate information on the proposals and on noteholder resolutions where the matters were not ESG-related.

Suncorp voted against on 225 resolutions or 13.9% of total votes noting this includes 208 votes against management, 10 resolutions management can’t vote on and the remaining are shareholder proposals. This is similar to that occurring during FY22 (at 198 or 12% of all votes). The most common reasons Suncorp voted against management were:

- board related: election or re-election of directors, in particular involving lack of independence
- compensation: remuneration structure and policy (given proxy advice)
- changes to capital management
- social and governance related shareholder proposals.

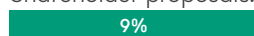
The number of international shareholder proposals continued to increase during FY23 to 100 (from 91 in FY22), with Suncorp voting in favour of around 36% (slightly down from 50% previously) of these resolutions. Suncorp voted in favour of fewer shareholder resolutions related to additional reporting on environmental strategies in place where the company had already demonstrated responsiveness and adequate disclosure on the issue raised.<sup>1</sup>

The shareholder resolutions Suncorp voted in favour of included: proposals involving better corporate governance and in particular the need for board independence; proposals involving further disclosure on human capital and human rights practices; as well as proposals on increased transparency on political spending and lobbying activities where company disclosure or policy could be improved.



### International — votes against management

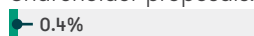
Shareholder proposals: social and other



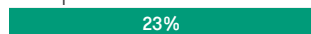
Shareholder proposals: governance



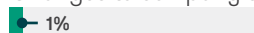
Shareholder proposals: environment



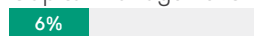
Compensation



Changes to company statutes



Capital management



Board related



Audit/financials



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