

Chair's message

Commitment to consistent profitability and growth

The past year has seen unique challenges and uncertainties for people and businesses across the globe. We are acutely aware that these challenges are global, vast and complex, and we remain conscious of their ongoing impact.

Providing support in a challenging year

As a global insurer, we understand how devastating natural disasters are for our customers and the communities in which we operate

Our purpose of enabling a more resilient future remains acutely relevant and meaningful

2022 in review

Around the world, our changing climate has brought significant challenges for people and their way of life. As an insurer, we witness first-hand the impact of these events, working alongside our customers to help restore their lives following devastating catastrophes.

Flooding in the eastern states of Australia through early 2022 was one of the largest Australian catastrophes on record, while Hurricane Ian in North America was the second largest on record. Reflecting on the devastation faced by many communities, our purpose of enabling a more resilient future remains acutely relevant and meaningful.

We are living in extraordinary times. After the global pandemic, we are faced with heightened geopolitical tensions, global inflationary pressures, significant market volatility and supply chain challenges.

The situation in Ukraine remains deeply saddening and we hope for a speedy resolution to the crisis facing the Ukrainian people.

Against this backdrop, QBE has maintained its focus and its commitment to delivering improved profitability and growth. We are pleased with our statutory net profit after tax of \$770 million and the growth across our divisions. Our capital position and balance sheet remain prudently positioned. Reflecting our confidence in the outlook, the Board has declared a final dividend of 30 Australian cents per share, compared to the final dividend of 19 Australian cents per share in 2021.

Operating sustainably

QBE remains dedicated to sustainably meeting our commitments, today and for the future. We continue to evolve to meet the rapidly changing needs of our people, environment, customers and community. As Andrew Horton outlines in his Group Chief Executive Officer's report, QBE has refreshed its sustainability strategy and this provides clear direction for our ongoing sustainability commitments. We have made pleasing progress against our 2022 Sustainability Scorecard which can be found in the 2022 Sustainability data book on our [website](#).

In January 2022, QBE was proud to become the first Australian listed insurer to join the United Nations (UN)-convened Net-Zero Insurance Alliance (NZIA), a group of leading insurers and reinsurers that have pledged to contribute to limiting warming to 1.5 degrees by the end of 2100, through a NZ2050 underwriting portfolio.

QBE is committed to transitioning our insurance and reinsurance underwriting portfolios to net-zero greenhouse gas emissions (GHG) by 2050. This commitment complements our 2020 commitment to become the first Australian-based insurer to join the UN-convened Net-Zero Asset Owner Alliance (NZAOA), committing to transition our investment portfolio to net-zero GHG by 2050. We also set a new target to achieve net-zero emissions for our global operations by 2030 and remain focused to reduce our overall energy use and source 100% renewable electricity for our operations by 2025.

In the past year, we have made pleasing progress through our involvement with the NZIA working groups. QBE has participated in the collaborative working group between the Partnership for Carbon Accounting Financials (PCAF) and NZIA members to develop the first global GHG accounting and reporting standard to measure and disclose insurance-associated emissions for specific commercial classes and private motor. The first NZIA Target-Setting Protocol (Protocol) was published in January 2023 and QBE will publish one or more interim targets in accordance with the Protocol.

We remain proud of our impact investment initiative, Premiums4Good, which achieved another year of growth. There are now 108 securities invested to help make a positive environmental and social impact and now totals \$1.6 billion. We maintain our ambition to reach \$2 billion in impact investments by 2025.

Throughout 2022, we continued to use our 2021 Human Rights Policy to guide our approach and commitment to human rights. Our consideration of human rights in our employment, procurement, investment, and underwriting practices is part of how we enable a resilient future.

In January 2022, we launched our new Inclusion of Diversity Policy. One of the ways we are taking action is to drive diverse leadership representation, and across the Group we have a target of 40% women in leadership by 2025.

Over the last year, we have seen an increase from 35.9% to 38.6%, supported by our ongoing focus on inclusion at every stage of the employee life cycle. Across QBE, we are cognisant of gender diversity, as well as all the ways we differ, including diversity of thought, skills and experience.

The appointment of Yasmin Allen to our Board in July 2022 supports our commitment to diversity, with our Board now comprising 44% women, already meeting our target of 40% by 2025. Non-Executive Directors John Green and Stephen Fitzgerald made the decision to retire from the QBE Board in May and we are grateful for their many years of service and commitment to QBE.

Supporting our customers and communities

Around the world, we continue to experience increased catastrophe events. The impact of these events is often overwhelming for families, businesses and communities.

Our teams have continued to respond to these extreme weather events: expanding and scaling up to be there for our customers, paying claims efficiently and working with partners and suppliers to get people and businesses back on their feet as quickly as possible. As an insurer, this is fundamentally why we exist – to deliver for our customers when they need us most.

In October 2022, we were proud to announce a new three-year global Disaster Relief and Resilience Partnership between QBE, Red Cross and Save the Children. We increased our funding to A\$1.5 million for each partner over three years. We have a key emphasis on supporting strategic initiatives focused on climate adaptation and mitigation to support communities to be better prepared and build resilience. Since this unique partnership began in 2019, we have helped over 490,000 people in 19 countries respond to and recover from catastrophic events and supported our partners to deliver their programs and relief efforts through the deployment of US\$2.7 million. We look forward to our continued partnership efforts to help make a difference for people and communities in need.

Looking ahead

Over the past few years QBE has refined its purpose and operations, building a platform for future success. In establishing this platform, it is important to recognise the vital role that all our people play and to that end I extend my sincere thanks to the people of QBE who live our purpose of enabling a more resilient future and deliver each day for our customers.

Andrew and the Group Executive Committee have set a clear strategy for the organisation, underpinned by a purpose and vision that resonates well with our people. I also thank them for the focus and leadership they have displayed during the year.

Equally, I thank my Board colleagues for their expertise and perspectives which have guided our collective and considered decision making this year.

Finally, thank you to our shareholders for your continued support.

Mike Wilkins AO
Independent Chair