

# Sustainability review

QBE continues to focus on embedding sustainability into our business activities and culture. Our sustainability strategy focuses on the environmental and social challenges most relevant to our business, and delivering on our purpose of enabling a more resilient future.

Climate risks and opportunities and the associated economic, social and environmental implications, remain a priority for our stakeholders. Addressing the impacts of severe weather and supporting the transition to a net-zero economy will require considerable capital investment, innovation, and change. Additionally, we know that climate change can exacerbate socio-economic inequalities and that it will take focus for the transition to a net-zero economy to be inclusive.

QBE supports an orderly and inclusive transition to a net-zero economy. We have committed to supporting the objectives of the Paris Agreement by working towards being a net-zero emissions organisation across our operations by 2030 and through our investment and underwriting activities by 2050 with consideration of the latest science. We recognise the important role we can play as an insurer. Our success is reliant on many factors and is intrinsically linked to the progress we all can make collectively, particularly in developed countries with net-zero commitments.

Ensuring that sustainability is a fundamental part of our organisational culture, and partnering to develop innovative solutions to address climate and other sustainability challenges, form the other two focus areas of our sustainability strategy.

## The story so far...

2016

- Developed Sustainability Framework
- Launched Premiums4Good
- Developed Group Diversity & Inclusion Policy
- First participated in annual PSI public disclosures

2017

- Premiums4Good grew to \$455 million in first year
- Signed up to the Women's Empowerment Principles (WEPs)

2018

- Adopted the Task Force on Climate-related Financial Disclosures (TCFD)
- Achieved carbon neutrality<sup>1</sup> for our business operations and have maintained this since
- Released our Supplier Sustainability Principles

2019

- Launched the Global Disaster Relief and Resilience partnerships with Save the Children and Red Cross
- Joined RE100, committing to 100% renewable electricity across global operations by end of 2025
- Released our Group Environment Policy
- Developed our Sustainability Scorecard to drive sustainability commitments
- Joined Business for Social Impact (B4SI) and implemented social impact measurement framework

2020

- Net zero 2050 investment commitment in line with UN-convened NZAOA
- Membership of the UN Global Compact (UNGC)

2021

- Committed to net-zero emissions across global operations by 2030
- Developed our Environmental and Social Risk Framework
- Released our Group Human Rights Policy
- Celebrated 10 years of the QBE Foundation with new strategy launch

2022

- Net zero 2050 underwriting commitment in line with UN-convened NZIA
- Extended our Global Disaster Recovery and Relief Partnerships with Red Cross and Save the Children for a further three years
- Incorporated sustainability-aligned metrics based on culture, women in leadership and risk in executive variable remuneration scorecard

<sup>1</sup> On defined emissions inventory related to our operations, see [Data Book](#).

# 2022 highlights

37 initiatives and targets completed or on track in 2022.  
See our [data book](#) for progress on our 2022 scorecard.



## Sustainable insurance

Laying the foundation to publish one or more interim targets in accordance with the

### NZIA Target-Setting Protocol



## Impact and responsible investments

**\$1.6B**

Market value of Premiums4Good investments

⬆️ **\$200 million from 2021**

**108 securities**

Number of Premiums4Good investments

⬆️ **25 securities from 2021**



## Operational excellence

**RE100**

Sourced 100% renewable electricity for our operations globally<sup>1</sup>

**20% reduction**

Energy usage reduction against baseline year of 2019



## Customer and community

**408,698**

People supported through QBE Foundation

⬆️ **135,962 people in 2021**



## People and culture

Recognition of our Culture Transformation by AHRI



## Governance

**99.4%**

Percentage of employees who completed mandatory training

⬆️ **97.4% in 2021**



Relaunched our Global Disaster Relief and Resilience Partnership for another three years



Awarded Platinum Employer status in the Australian Workplace Equality Index



Winner of ANZIIF ESG Change Award

<sup>1</sup> Based on RE100 Materiality Threshold guidance which excludes countries with small electricity loads (<100MWh/year and up to a total of 500MWh/year) and where it is not feasible to source renewable electricity.



# Our areas of sustainability focus

QBE's purpose is enabling a more resilient future. We've been enabling resilience for 136 years through products and services that transfer risk and allow customers to recover after loss.

## Focus area 1

### Foster an orderly and inclusive transition to a net-zero economy

We support an orderly and inclusive transition to a net-zero emissions economy. We recognise the importance of addressing climate change and incorporating climate-related risks and opportunities into our decision making, facilitating a resilient future for our business, customers and people. QBE has made net-zero commitments in relation to our own operations, investments, and underwriting. In line with our NZAOA net zero 2050 investment portfolio commitments, we are progressing on our interim targets for 2025.

Since joining the NZIA in 2022, we are laying the foundations to set interim targets for our underwriting portfolio. QBE has contributed to the development of insurance-associated

emissions through the Partnership for Carbon Accounting Financials (PCAF) and NZIA. In January 2023, the NZIA issued the first Target-Setting Protocol for the global insurance sector. The Protocol will guide the form of QBE's interim targets for 2030.

Our supply chain can also be a significant source of emissions and we have committed to commencing formal engagement on net-zero progress with large suppliers in our global supply chain, with the goal of setting targets for those large suppliers by 2025. We have initiated contact with a sub-set of suppliers, with engagement scheduled to commence in early 2023.

## Focus area 2

### Enable a sustainable and resilient workforce

The culture and capability of our people are drivers of value for QBE. A sustainable and resilient workforce is underpinned by how we engage and connect our people to our purpose and vision. Investing in our people's career development, and supporting flexibility and wellbeing can allow us to continue to attract and retain the best talent.

Our people strategy is focused on driving culture through performance and reward, growing leadership capability and improved internal succession. We continue to prioritise investing in our people and strategic workforce planning for the future.

Our strategy enables us to support our workforce and our customers and communities to adapt in response to economic, environmental and social changes, such as climate adaptation and emissions reduction.

We recognise the value of developing our people. We will seek to integrate sustainability and drive engagement by harnessing the energy and enthusiasm of our people. Everyone will have a role to play.

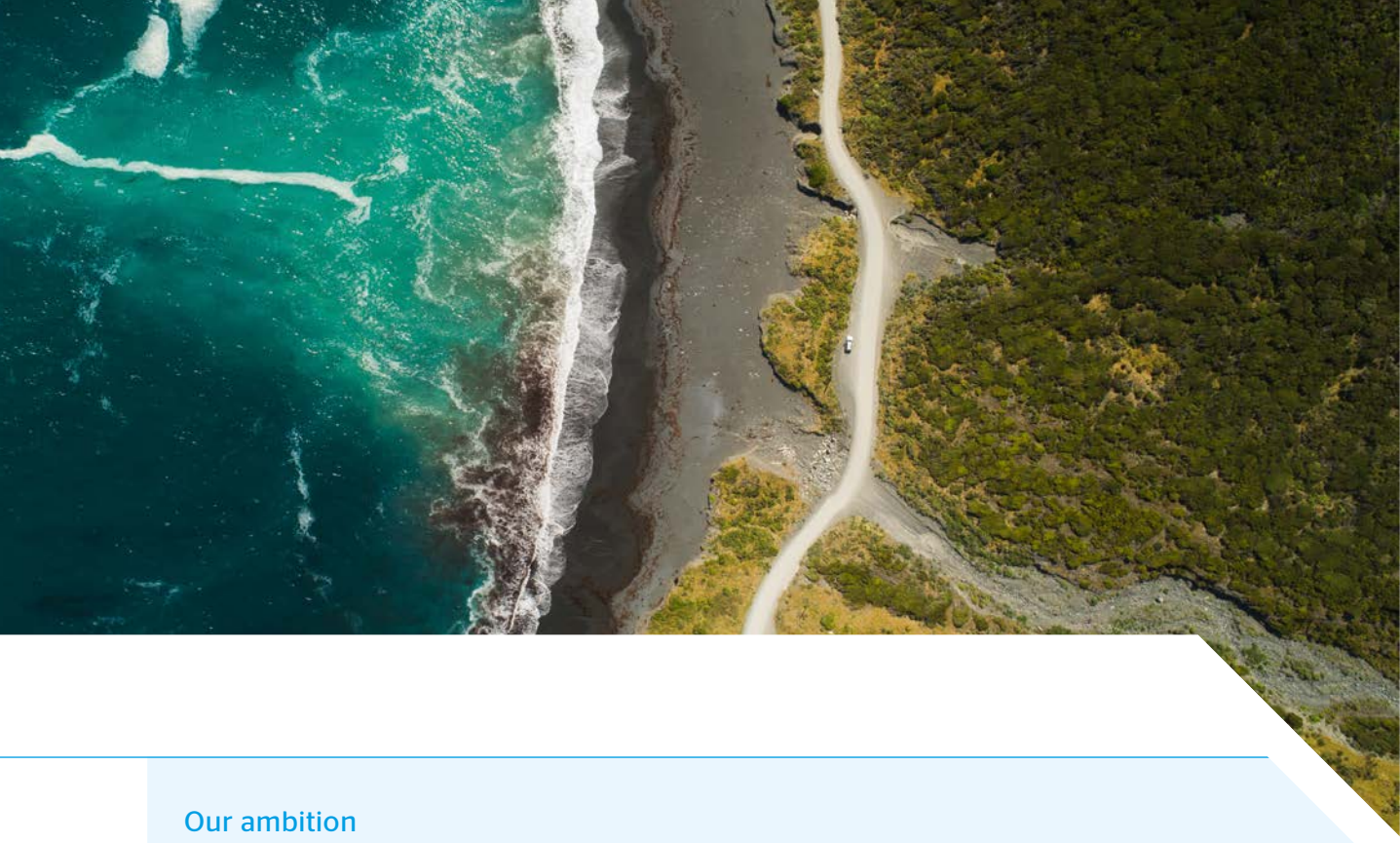
## Focus area 3

### Partner for growth through innovative, sustainable and impactful solutions

Our landscape is changing, presenting opportunities to partner with our customers and others for growth through innovation. There are opportunities beyond insurance products to partner on impactful solutions through our investments, supplier and

broker relationships, the QBE Foundation and QBE Ventures. We can explore ways to co-create solutions to meet the changing needs of our customers, and support communities affected by climate impacts, the net-zero transition and rising inequality.





### Our ambition

We are working to support an orderly and inclusive transition to a net-zero economy, aligned with UN objectives of limiting warming to 1.5 degrees by the end of 2100. We will take actions within our control, engage for impact and advocate to influence progress on the decarbonisation of the real economy. We are setting interim targets and engaging with our customers and other partners to foster an orderly transition.

Our ambition includes consideration of the social implications of climate risk and transition.

Through our QBE Foundation partners, we continue to support initiatives that increase the resilience to, and mitigation of, the impacts of a changing climate. We focus on helping communities experiencing vulnerability to adapt and expand their food and water security, especially those at risk of displacement. We will continue to strive to meet our existing sustainability commitments through our underwriting, investments, own operations, and how we engage with our supply chain. This includes turning our focus to sustainable claims management practices.

### Our ambition

By 2025, we seek to increase our enterprise-wide understanding of sustainability to better deliver on our strategic priorities. We are strengthening a sustainability connection to our purpose, vision and DNA, and ensuring our people understand the role they play and have opportunities to engage and meaningfully contribute.

Sustainability metrics are embedded into our executives' variable remuneration and will evolve over time to reflect our sustainability ambitions. In addition, we will expand

our Inclusion of Diversity targets beyond gender to focus on ethnicity, disability, and LGBTIQ+ to continue to foster a culture of belonging.

Across the enterprise, we will continue to strengthen and build our workplace culture, and embed sustainability into strategic decision making, linked to our purpose of enabling a resilient future.

### Our ambition

Our ambition by 2025 is to have explored new partnership opportunities across the many stakeholders with which we can work, to grow through innovative, sustainable and impactful solutions. We will seek to amplify any successful solutions in one division across our global enterprise to improve outcomes for customers, communities, society, the environment and the economy.

We continue to support programs that respond to catastrophes, often caused by severe weather events, and in October 2022, we renewed our three-year partnership with the Red Cross and Save the Children. We will also continue to collaborate with industry, government and civil society to support the achievement of our priority UN Sustainable Development Goals.

