

Independent assurance report

to the Board of Directors of QBE Insurance Group Limited



Independent assurance report on selected Sustainability Metrics presented in QBE's 2022 Sustainability Data Book

Scope

In accordance with the terms of engagement letter dated 16 November 2022, we were engaged by QBE Insurance Group Limited ("QBE") to perform an independent limited assurance engagement in respect of the following Sustainability Metrics presented in its 2022 Sustainability Data Book (the "Subject Matter") for the 12 months ended 31 December 2022 (the "Period"):

Subject Matter

Impact and responsible investment metrics

- Number of securities invested as part of Premiums4Good at 31 December
- Financial value invested in Premiums4Good as at 31 December (US\$M)

Customer and community metrics

- Financial contributions (US\$)

People and Culture metrics

- Overall workforce by gender (%)
- Geographic footprint by division (headcount)
- Workforce by employment level and gender (%)
- Average tenure by level and gender (years)
- Diversity breakdown of workforce – Part-time employees by gender (headcount)
- Workforce by age and gender (headcount)
- Headcount breakdown by age and gender (%)
- Attrition (headcount)
- Workforce diversity indicators: Ethnicity; Gender; Disability; Carer responsibility; Carer responsibility – care provided to (%)
- Parental leave (%); Return from parental leave (by year due of return) (number); Retained one year after returning from parental leave (by year of return) (number)
- QBE Voice Survey results: % sense of wellbeing; % feeling respected; % engaged employees
- New employee hires by gender, age and division (number)
- Diversity of governance bodies (number)



Subject Matter

Operational Excellence metrics

- 2022 performance against targets (excluding baseline) for
 - Energy use (GJ)
 - Scope 1 and 2 emissions (tCO₂-e)
 - Renewable electricity use (MWh)
- Greenhouse gas emissions (tCO₂-e) by activity
 - Total Scope 1
 - Scope 2 - electricity (location-based)
 - Total Net Scope 2 (heat and market based electricity)
 - Total of selected Scope 3
 - Total GHG emissions (Scope 1, Scope 2 and selected Scope 3 emissions)
- Key performance indicators - GHG emissions intensity
 - Scope 1 and 2 GHG emissions per Gross Earned Premium (GEP) US\$M
 - Scope 1 and 2 GHG emissions per FTE
 - GHG emissions per GEP US\$M
 - GHG emissions per FTE

Governance metrics

- % of employees who completed annual mandatory trainings by due dates

This Subject Matter included in the scope of our engagement has been identified in the 2022 Sustainability Data Book with the following symbol

The criteria (the "Criteria") against which we assessed the Subject Matter is the 'Metrics Reporting Criteria' prepared by QBE and included in the 2022 Sustainability Data Book.

QBE Management's responsibilities

QBE Management are responsible for the Subject Matter and for the preparation of the Subject Matter in accordance with the Criteria.

Our Independence and Quality control

We have complied with the ethical requirements of the Accounting Professional and Ethical Standard Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* relevant to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

In accordance with Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* and Related Services Engagements the firm maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Our responsibilities

Our responsibility is to express a limited assurance conclusion based on the procedures we have performed and the evidence we have obtained.

Our engagement has been conducted in accordance with the Australian Standard on Assurance Engagements (ASAE 3000) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and Australian Standard on Assurance Engagements (ASAE 3410) *Assurance Engagements on Greenhouse Gas Statements*. These standards require that we plan and perform this engagement to obtain limited assurance about whether anything has come to our attention to indicate that the Subject Matter has not been prepared, in all material respects, in accordance with the Criteria, for the Period. The procedures we performed were based on our professional judgement and included:

- Performing enquiry procedures with management to understand processes, systems and controls involved in the collection, measurement and presentation of the Subject Matter;
- Reconciling the Subject Matter with the QBE's underlying records;
- Agreeing data sources back to source or third-party documentation on a sample basis;
- Undertaking analytical review procedures over data and obtaining explanations from management regarding unusual or unexpected amounts;
- Assessing the reasonableness of measurement methods, any material estimates, and assumptions described in the Reporting Criteria and used in preparing the Subject Matter;
- Reperforming a sample of calculations performed by management in the measurement of the Reporting Criteria; and
- Reviewing the Group's Reporting Criteria and testing its application in preparation of the Subject Matter.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Use of report

This report was prepared for the Directors of QBE. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the Directors of QBE, or for any purpose other than that for which it was prepared.

Inherent limitations

The Subject Matter reported by the Group needs to be read and understood together with the Criteria, which the Group is solely responsible for selecting and applying. The absence of a significant body of established practice on which to draw to evaluate and measure the Subject Matter allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the underlying subject matter and the methods used for determining such information. The precision of different measurement techniques may also vary.

Because of the inherent limitations of any assurance engagement due to the selective testing of information examined, it is possible that fraud, error or non-compliance may occur and not be detected. A limited assurance engagement is not designed to detect all instances of non-compliance of the Subject Matter with the Criteria, as it is limited primarily to making enquiries of management and applying analytical procedures. The limited assurance conclusion expressed in this report has been formed on the above basis.



Emphasis of matter - Estimation of 'Total of selected Scope 3 emissions' metric

The estimation of 'Total of selected Scope 3 emissions' reported by QBE relies on assumptions and available sources of primary, secondary and proxy data across different sources of Scope 3 emissions. We draw attention to the Reporting Criteria that describes these assumptions and data sources for different Scope 3 emissions sources along with the exclusion of *Category 1: Supplier Emissions* and *Category 15: Investments* from calculation of 'Total of selected Scope 3 emissions' metric.

Our opinion is not modified in respect of this matter.

Basis for qualified conclusion

During the course of our engagement, QBE made changes to the processes used to extract and aggregate data used in the preparation of the 'Parental leave - return and retention' metrics. These changes were made to improve management's confidence that underlying data had been prepared on a consistent basis across geographies and in accordance with the Reporting Criteria.

The timing of the changes to QBE's processes meant that we were unable to undertake procedures that would provide us with sufficient and appropriate evidence to conclude on the 'Parental leave - return and retention' metrics as at the date of this limited assurance report.

Qualified conclusion

Based on the procedures performed and evidence obtained, except for the matter disclosed in the Basis for Qualification paragraph above, nothing has come to our attention that causes us to believe that the Subject Matter have not been prepared, in all material respects, in accordance with the Criteria for the period 1 January 2022 to 31 December 2022.

PricewaterhouseCoopers

PricewaterhouseCoopers

John Tomac

John Tomac

Partner

Sydney

10 February 2023¹

¹ The maintenance and integrity of the QBE website is the responsibility of the directors; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Subject Matter Information or Reporting Criteria when presented on QBE's website at <https://www.qbe.com/sustainability/performance-reporting>.