



Operational excellence



In 2022, we continued our objective to minimise the potential harmful impacts of our operations on the environment, and communities in which we operate, through our new supplier onboarding process and through progressing operational policies to reduce emissions.

Third-Party Risk Management

QBE aims to mitigate any potential adverse impacts arising from our operations by taking appropriate action, including the leveraging of our business relationships. Our [Supplier Sustainability Principles](#) (SSPs) set minimum expectations of our suppliers. We seek to engage suppliers and partners who share our commitment to sustainability, and who will work with us to achieve our objectives. In 2022, we continued our human rights due diligence approach to supplier modern slavery risk. As part of our process, suppliers flagged for medium and high modern slavery risk exposure are subject to additional questions and internal reviews of their responses, risk profile, and of their policies and practices.

As part of embedding our strategy, commitments and philosophy, we developed the Third-Party Risk Management (TPRM) Policy, which outlines the approach for effectively managing risks related to the third parties with whom we work. The policy is fully aligned with our Third-Party Minimum Standard, which provides a consistent framework, or set of controls and metrics, to help manage our third-party relationships. The policy also provides clarity for relationship owners on their requirements for managing an external provider. The framework includes risk domains such as Information Security, Privacy, Modern Slavery, Financial Crime, Conduct Risk and Business Continuity. It provides clarity regarding relevant legislative and regulatory requirements applicable to QBE, and is expected to be applied to third parties we engage, at each stage of the TPRM life cycle. In 2022, we formed the TPRM Steering Committee, with responsibility for TPRM governance and oversight. The committee is also responsible for monitoring and horizon scanning for emerging legislation, reviewing the effectiveness of our TPRM framework regularly and recommending amendments.

91%

of new Australia Pacific suppliers comply with our Supplier Sustainability Principles

against our target of 90%

New target set of

Net zero

for QBE's operational emissions by 2030

expanding our commitment on operational Scope 1 and 2 to include material Scope 3

Sustainable procurement

QBE is committed to a fair sourcing process that seeks to offer equal opportunities to third-party suppliers globally. We work with our suppliers to promote and uphold high sustainability standards in our supply chain by clearly communicating our environmental and social expectations. We encourage Inclusion of Diversity in our global supply chain. Our SSPs outline our desire to work with businesses reflecting the diverse nature of the people and communities we serve, including minority and First Nations businesses, disability and social enterprises, female-owned and/or led businesses, our community and global aid partners, and other not-for-profit organisations.

QBE Australia Pacific

In Australia Pacific, our Indirect and Claims Procurement teams' approach to sustainable procurement is underpinned by our Sustainable Procurement Strategy, launched in mid-2021 with alignment to the global TPRM framework and the Group Sustainability Strategy. In 2022, we continued our relationship with Supply Nation and focused on alignment with the SSPs for all new suppliers, achieving adherence of 91% against our goal of 90%. The scope of the SSPs is currently being increased to include New Zealand and Pacific operations. We are driving a greater focus on supplier diversity across the business by highlighting the benefit and positive social impact of spend, and looking at the best ways to track and measure this. Where possible and appropriate, we are introducing an ESG sourcing component to sourcing initiatives to drive focus and business engagement.

In 2023, we will be progressing sustainability conversations with the larger suppliers in our global supply chain. We will focus on their net-zero commitments and initiatives they have in place. Our approach will be one of collaboration to share our learnings from supplier discussions across categories and global divisions.

QBE North America

North America (NA) Procurement is in the process of rolling out a more consistent approach to TPRM, taking into consideration risk domains in support of sustainability including modern slavery and conduct risk. The NA Procurement team established a licence with a supplier data provider that includes a module on ESG for use by our people. This information module will be evaluated in 2023 to determine its relevance to QBE's sustainability objectives.

QBE International

In Europe (EO), our Claims teams have launched initiatives such as the introduction of loss adjuster panel contracts that include commitments to reduce CO₂ emissions. They are also trialling with Sedgwick, a UK-based provider of technology-enabled risk, benefits and integrated business solutions, to identify viability and cost implications of 'building back better', improving resilience using post-disaster reconstruction and recovery methods. EO Indirect Procurement has been focused on implementing the SSPs into their sourcing process. We are currently making them a standard contractual requirement. This was launched in January 2023.



Driving operational performance improvements

We continue to drive improvements in operational performance with the goal of modernising our business to enhance customer experience and reduce complexity in our products and services.

QBE International

In 2022, QBE Asia won a total of three awards – two Digital Insurance Initiative of the Year awards and an Insurtech Initiative of the Year award at the Insurance Asia Awards. These awards are a recognition of our outstanding achievement in delivering exceptional value and operational excellence for our customers, business partners, employees and the community.

Our progress in two digital initiatives has elevated operational efficiency and sales productivity, while delivering a more seamless and personalised customer experience. Firstly, in Hong Kong and Singapore, QBE introduced a new end-to-end digital Interior Renovation Prestige product in August 2021. This product streamlines the administrative process to provide immediate issuance of online certificates of insurance to minimise delays in customer renovation works. The entire process is fast and effective, with built-in, easy-to-use features, allowing customers to access around-the-clock, one-stop-shop services. Secondly, as part of improving our operational efficiency, we launched a Renewal Pricing Strategies Solution, an optimisation and automation engine where technologies are uniquely configured in a way to enhance our pre-renewal process with data-driven and risk-adjusted insights.

QBE North America

In North America, our new pricing platform has helped progress our sustainability agenda by driving impactful improvements for our teams, customers, and the community.

It reduces the amount of key entry by underwriters, enables information lookups by linking to internal and external data sources, and reduces the amount of work our actuaries must do to monitor usage, performance and adherence to technical premium. This integration provides greater governance, offering a valuable, long-term solution that aims to increase monitoring of model performance and usage. It also allows for better tracking of sold premium to technical premium. The platform allows QBE to quickly and easily deploy new models to support our business in response to market changes, and for our program partners to connect to these models. The updated pricing platform has proven to be a valuable tool to support the success and sustainability of our business.

QBE Australia Pacific

In Australia Pacific, we have delivered the first iteration of our Claims Payments Automation initiative under our Claims Value Stream. This first iteration has automated the payment of certain supplier invoices for property claims, replacing manual processes. It reduces claim duration and saves our Claims teams significant effort, improving our responsiveness, our supplier relationships, and making QBE easier to do business with. Our Claims teams are close to deploying the second iteration of this initiative, which will expand the scope of automation for property claims. A third iteration will soon commence, with activities aimed at automating motor supplier invoice payments. We plan to further evolve and expand across multiple business lines and supplier types over the next two to three years.

Industry recognition

Digital Insurance Initiative
QBE Hong Kong



Digital Insurance Initiative QBE
Insurance (Singapore) Pte Ltd



Insurtech Initiative
QBE Hong Kong



Operational environmental performance

Wherever we operate, we are committed to understanding and managing the direct, and indirect, environmental impacts of our operations to try to minimise them.

Reducing our emissions

In 2022, we continued to deliver on our internal net-zero roadmap. We extended our 2030 commitment to net zero, for our global operations, to include material Scope 3 emissions (in addition to Scope 1 and Scope 2 emissions).

This year our Scope 1 and 2 emissions were 75% lower than in 2018 (our Scope 1 and 2 emissions target base year). Our Scope 3 emissions have increased just 4% since 2018 despite the inclusion of additional emissions sources such as those attributable to employee commuting, fuel and energy-related services (which includes upstream energy), capital goods and downstream leased assets. In 2022, relative to 2021, Scope 1, 2 and 3 emissions have increased as we've reverted to a business-as-usual operating environment that included increased office occupancy, business travel and commuting. Our emissions data and measurement approach are described in our [data book](#), and we will continue to improve the way we measure and capture our Scope 3 emissions as guided by appropriate practices, frameworks and standards.

Emissions from fuel use in fleet vehicles make up most of our Scope 1 emissions and, for United Kingdom-based employees, we have implemented an updated policy for our fleet vehicles, stipulating that we will only use hybrid and electric vehicles. Our Australian fleet is now made up of 49% hybrid vehicles and in North America, 87% of our fleet have RAM eTorque engines (a 'mild hybrid', fuel-efficient technology).

Our Scope 2 emissions are a result of purchased electricity and heat across our operations. This year, 100% of our electricity use across QBE offices (excluding the Pacific Islands and Bermuda) was certified as renewable, supporting our RE100 commitment to 100% renewable electricity by 2025. In our smaller operations in the Pacific Islands and Bermuda, where we are unable to source certified renewable electricity, we continued to implement energy efficiency opportunities during 2022 including LED lighting, appliance upgrades, and introducing sensors and timers for lights and air conditioning. We achieved our first 6 Star Green Star Interiors v1.3 rating for our new Parramatta office and have further optimised the office space we occupy in line with our new ways of working, releasing surplus floorspace in Australia, the United States, the United Kingdom, Canada and Hong Kong.

We have maintained carbon neutrality³ for our defined inventory of emissions related to our global operations, as defined in our sustainability data book. This is achieved by offsetting our residual emissions with certified carbon credits generated from renewable energy and land fire abatement projects.

Industry excellence

We continue to be recognised for our focus on environmental sustainability. In 2022, we were recognised as the inaugural winner of the Excellence in Environmental, Social and Governance Change at the 2022 Australian Insurance Industry Awards, hosted by the Australian and New Zealand Institute of Insurance and Finance. Additionally, we were awarded Green Insurer of the Year for the third year running by comparison site Finder.

Our targets

25%
reduction in energy use by 2025¹

30%
reduction in Scope 1 and 2 emissions by 2025²

100%
renewable electricity by 2025

Maintain carbon neutrality³



1 From 2019 levels.
2 1.5°C trajectory aligned science-based target from a 2018 base year.
3 On defined emissions inventory related to our operations, see [data book](#).