

A photograph of two offshore wind turbines in the middle of a vast, deep blue ocean. The sky is a clear, vibrant blue with a few wispy white clouds near the horizon. The water is dark blue with gentle ripples. The turbines are white with yellow bases. One turbine is in the foreground on the left, and another is further away on the right.

*Enabling a more resilient future*



## 2023 Sustainability Report

QBE INSURANCE GROUP LIMITED

# About this report

This Sustainability Report (Report) has been prepared with reference to the Global Reporting Initiative (GRI) Standards. It discloses the sustainability topics affecting QBE Insurance Group Limited (QBE) and our impacts on society and the environment considered important by our stakeholders. These are identified through our sustainability materiality assessment, described in the Report on pages 28-29 and detailed on our [website](#). Aligned to the GRI Standards, we assess our economic, environmental and social impacts (including positive, negative, actual and potential) on stakeholders, society at large, and on our business.

The results of our materiality assessment inform our sustainability focus areas (Focus Areas): 'Foster an orderly and inclusive transition to a net-zero economy,' 'Enable a sustainable and resilient workforce' and 'Partner for growth through innovative, sustainable and impactful solutions.' They also inform our commitments, targets and initiatives. Our progress on the [2023-25 Sustainability Scorecard](#) (Scorecard) is described in each of the Focus Area chapters.

This Report is for the period 1 January-31 December 2023 and should be read in conjunction with the [Sustainability Data Book](#) (data book) and the [Annual Report](#)'s climate-related risks and opportunities, on page 20. Further information around our [Sustainability Governance](#) and [Stakeholder](#)

[Engagement](#) can be found on our website. Financial figures in this Report are in US dollars unless otherwise stated.

The information in this Report has been collated and reviewed by subject matter experts across the business and is supported by evidence, where applicable, including by a verification process that records the information sources and consultation undertaken within QBE, or with external parties. The Report has been approved by the Group Board.

For the Report, PricewaterhouseCoopers conducted independent limited assurance over selected metrics contained within the data book which have been presented in the Report. The engagement has been conducted in accordance with Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3410 *Assurance Engagements on Greenhouse Gas Statements*.

The full limited assurance statement, which includes a summary of the specific reporting criteria used for each of the selected metrics, is available at the end of the data book.

For questions, comments or suggestions about this Report, please [contact us](#).

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## About the cover

Hywind Scotland is the world's first floating wind farm, operating since 2017. Situated off the coast of Aberdeenshire, the 30-megawatt farm provides electricity to 22,000 homes, displacing 63,000 tonnes of carbon emissions every year. It is operated by Equinor, a world leader in floating wind and one of the largest energy companies in Europe, as well as a valued customer of QBE's for over 20 years.

Offshore wind holds vast potential as a renewable power source throughout the world. As companies such as Equinor expand into floating wind, they open up new, deeper water areas for potential development, where the wind is both stronger and more consistent.

**Front cover image credit:** @Equinor.



**This is an interactive PDF designed to enhance your experience. The best way to view this report is with Adobe Acrobat Reader. Click on the links on the contents pages or use the  home button in the footer to navigate the Report.**

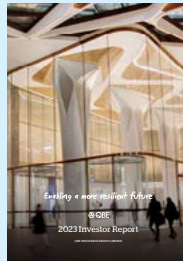
# 2023 reporting suite

This report forms part of our annual reporting suite which brings together information on the Group's financial and sustainability performance for the year, and other disclosures.



## Annual Report

Our primary disclosure document containing the operating and financial review, remuneration report, financial statements and key governance disclosures.



## Investor Report

Provides performance highlights and supplementary management commentary on the Group's strategic and financial performance for the convenience of analysts and institutional investors.



## Sustainability Report

Contains discussion of QBE's sustainability performance and progress, and discloses sustainability topics that affect QBE and our impacts on society and the environment.



## Sustainability Data Book

Provides data for key sustainability metrics and trends.



## Modern Slavery and Human Trafficking Statement

Describes how we identify, assess and address modern slavery risks within our operations and supply chains.



## Corporate Governance Statement

Describes our corporate governance framework, including key policies and practices.

### Where to find

	ANNUAL REPORT	INVESTOR REPORT	SUSTAINABILITY REPORT	SUSTAINABILITY DATA BOOK	MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT	CORPORATE GOVERNANCE STATEMENT
Business strategy and strategic priorities	●	●				
Risk management	●	○				
Corporate governance framework, policies and practices	○					●
Board membership, skills and experience	●					●
Financial performance	●	●				
Climate-related risks and opportunities	●					
Sustainability strategy	○	○	●			
Sustainability governance	○		●		○	
Sustainability performance	○	○	●	●	●	

**Key:** ○ Key messages ● Comprehensive





# Our sustainability focus supports our purpose

In 2023, we have continued our integrated approach to sustainability by progressing our updated Scorecard commitments to support our purpose of enabling a more resilient future.

## Progressing our commitments

QBE has been helping individuals, businesses, and communities manage their risks for over 130 years. We aim to reduce the uncertainty so that our customers can focus on what matters most to them – growing their business and caring for their family. Integrating sustainability into our business is how we work to reduce risk, stimulate innovation, and improve business performance, now and into the future.

In 2022, we refreshed our sustainability strategy to focus on three key areas most relevant to our business. In 2023, we reset and continued to progress our Scorecard goals aligned to these Focus Areas. We also conducted a deep-dive materiality assessment this year which validated our Focus Areas and confirmed our strategy. This Report details our progress on our Scorecard commitments, and a summary can be found on [page 32](#).

## Engaging our stakeholders

We recognise QBE's success relies on the collective progress made by individuals, businesses and economies to transition towards a low-carbon economy. To this end, in 2023, as part of our commitment to 'Foster an orderly and inclusive transition to a net-zero economy', we made progress against our Scorecard, particularly on engagement, to better understand how our customers, strategic suppliers and investees are transitioning. More specifically, we released a formal engagement target for underwriting to engage priority customers on a regular basis through to 2030. We commenced a strategic suppliers' engagement program across the business, and we continue to strengthen our engagement with all our external fund managers. We also progressed our targeted engagement with the top 20 highest emitters in our investment grade corporate credit portfolio.

In March, we included a set of sustainability questions in our Voice Pulse employee engagement survey to benchmark our employees' understanding of sustainability. Insights from this will help inform how we educate our people on sustainability in the future.

## Our priorities

Across our operations, we keep our people connected to our sustainability agenda and informed about the actions they can take to live more sustainably. We have offered local events and activities, both in person and virtually, aligned with World Environment Day and Earth Day.

As we continue to integrate sustainability into our business practices, we have formed a working group to progress our sustainability commitments. Progress is monitored with quarterly reports to the Group Board. In 2023, we also implemented new inclusion targets of belonging, based on ethnicity, disability, and LGBTIQ+ identification, measured through our Voice Pulse survey. In addition, new sustainability-linked measures are being included in the 2024 long-term incentive plan, which will further drive accountability. These measures include our sustainability performance and diversity representation.

Becoming a more sustainable business will help us to live our purpose of enabling a more resilient future, so that we can continue to be there for our customers.


**Andrew Horton**  
Group Chief Executive Officer





# Our approach to sustainability

As an insurer, we explore the actions we can take to control, impact and influence outcomes relating to the most material sustainability topics as identified in our formal materiality assessment.

To address our stakeholder expectations on material topics, we set initiatives and targets for each of the three Focus Areas of our sustainability strategy in our Scorecard. Our [Sustainability Governance Framework](#) enables the setting, execution and performance of our sustainability strategy.

 **Governance**  
Click to learn more

 **Materiality**  
Click to learn more

 **Sustainable Development Goals**  
Click to learn more

## 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, aligned with limiting warming to 1.5 degrees Celsius by the end of 2100. 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 and our customers.

#### Priority material topics:

- Climate change transition and emissions reduction.

## 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.

#### Priority material topics:

- Organisational culture and inclusion;
- Thriving workforce; and
- Accountable and transparent business.

## Focus Area 3

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

Our landscape is changing, presenting opportunities to innovate and 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 and the net-zero transition.

#### Priority material topics:

- Natural disaster resilience;
- Equity, poverty and financial inclusion;
- Responsible products and services;
- Sustainable and responsible policies, positions and advocacy; and
- Responsible technology and data.

## Focus Area 1

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



This Focus Area recognises that the transition to a net-zero economy and the reduction in emissions will help to reduce the risks associated with climate change that impact us and our customers, communities and economies. However, we understand that a successful transition will take the collective effort of multiple stakeholders, including governments, regulators, the finance sector and other industries, businesses, individuals and communities.

An orderly transition occurs when climate policies are introduced early to reduce emissions in a measured way to meet climate goals. This provides greater economic stability, business confidence, and lower risk of business failure through the transition process.

An inclusive transition is critical – one that aims to leave no one behind. For example, the energy transition is likely to significantly impact communities and businesses linked to non-renewable energy production. Additionally, the physical risks of climate change will disproportionately impact developing and island nations and those individuals, or less secure socioeconomic groups, within communities. The risks associated with climate change are likely to have global economic, physical and food security implications over time.

We continue to work toward our commitment of a net-zero underwriting portfolio by 2050, a net-zero investment portfolio by 2050 and net zero across our own operations by 2030, as outlined in the following pages.

<sup>1</sup> Based on the RE100 Climate Group's 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 via any credible sourcing options. We meet our RE100 commitment through a combination of contracts with electricity suppliers and purchasing unbundled energy attribute certificates.

## 100%

Electricity use across QBE's offices certified as renewable<sup>1</sup>

(achieved)

## 75%

Reduction of Scope 1 and 2 carbon emissions since 2018

**Target of 30% by 2025**

## 4.6%

Climate Solutions investments

**Target 5% of the total investment portfolio by 2025**

### Engagements in 2023

## 100%

external fund managers across our investment portfolio

## 20 highest emitters

in our investment grade corporate credit portfolio

# Our underwriting approach towards a net-zero economy

We continue to refine our approach to how we foster an orderly and inclusive transition, support our customers and communities and support the global transition to a net-zero economy through our underwriting strategy. QBE's success in reducing real-world emissions in our underwriting portfolio is reliant on many factors, including development of new technologies and methodologies to support emissions reduction and removal, government action, and continuous improvement in and access to quality emissions data. It will also rely on the collective progress made by individuals, businesses and economies to transition to net zero.

We are taking an outside-in approach – by putting customers' needs first – as we progress our 'Net zero in Underwriting' strategy. This work is being led by our Group Underwriting Committee, with regular updates to the Environmental and Social Group Executive Committee sub-committee, under the guidance of our Group Chief Underwriting Officer.

We are focused on three important areas:

## Customer engagement and insights

Engagement is key because our ability to reach a net-zero underwriting portfolio is dependent on our customers' ability to reduce their own emissions and ultimately become net zero. Initially, we are focused on customers in our Australasian, Canadian and European businesses, defined as Priority Customers, who:

- we have a material commercial relationship with, based on Gross Written Premium; and
- operate in higher-emitting sectors (e.g. fossil fuel extraction and use; transportation; agriculture).

Engagement with customers allows us to better understand how we can help support them to reduce their emissions. We look to engage at least our 50 Priority Customers at time of renewal to gather data that we have not previously captured

to understand their net-zero ambitions and how they plan to achieve these through decarbonisation efforts. Customer insights are invaluable to refining our net-zero underwriting approach, helping us to identify areas for improvement, guiding product and service innovation, and aligning our efforts with customers' expectations by co-creating solutions.

## Innovative products and services

In July 2023, we took another step towards aligning our underwriting capabilities with the transition by launching insurance for Australian renewable energy projects. We are the first insurer in the Australian market to offer 'cradle to grave' coverage across a project's lifecycle: from construction of renewable energy infrastructure, through to operation, upgrading and decommissioning.

## Emissions modelling and tracking

We support emissions reporting to provide transparency and to enable progress on transition planning across our value chain, recognising that poor data capture and quality may result in inaccurate estimations of emissions and progress on reductions. Insurers, including QBE, have a material data challenge in measuring and disclosing attributable emissions in relation to their underwriting portfolios as policyholders can range from small and medium enterprises, with limited publicly available emissions data and where emissions disclosures are yet to be standardised, through to large corporates. This initiative focuses on commercial lines and private motor, subject to available methodologies, data and regulation.

Our work is ongoing, as emissions data coverage and quality is expected to continue to improve globally, driven predominantly by growth in sustainability reporting regulations. QBE remains focused on supporting an orderly and inclusive transition to a net-zero economy through better data and reporting to inform decision-making.

## Biodiversity

Our Environmental and Social Risk Framework (E&S Risk Framework) outlines our approach to addressing key environment and social risks across our underwriting and investment portfolios, including risks relating to protected areas, such as UNESCO World Heritage Sites. This year, we contributed to the Insurance Council of Australia's *Valuing Nature for a Resilient Future* report, designed to assist the Australian insurance sector to prepare for the Taskforce on Nature-related Financial Disclosures framework and outlining practical steps for insurers to help protect the natural environment. QBE also contributed to the *Roadmap: Identification and integration of nature-related risks and impacts in underwriting and insurance brokerage*, through the ClimateWise Nature and Insurance Task Group. The roadmap seeks to provide a path towards nature-positive underwriting.

## Impact and responsible investments

QBE seeks to responsibly invest our premium income across the globe. We factor sustainability considerations into our investment decision-making processes, with a continued focus on climate change transition and emissions reduction, as we look to transition our investment portfolio to a net-zero economy.

Climate change continues to be a critical factor in our approach to impact and responsible investing. This is captured across four pillars and underpinned by our Investment Philosophy Framework, which is focused on the protection and growth of appropriate stakeholder value, consistent with our purpose of enabling a more resilient future. The Framework is designed to deliver an investment outcome that supports QBE's strategic objectives. It is also supported by our Impact and Responsible Investments Standard, which outlines our approach to responsible investments and supports compliance with QBE's Risk Management Strategy, QBE's E&S Risk Framework, and other relevant policies. The pillars demonstrate the investment strategies and activities utilised in QBE's responsible investments approach to drive real-world outcomes alongside investment returns for QBE. The pillars also support our commitment to maintaining a low-carbon risk rating in the Scope 1 and 2 weighted average carbon intensity of our investment grade corporate credit portfolio,<sup>1</sup> as measured in our data book. Further information is available in our E&S Risk Framework, and our Annual Report on page 20. QBE is a signatory to the United Nations (UN) Principles for Responsible Investment and the UN-Convened Net-Zero Asset Owner Alliance.

### Financing the transition to a net-zero economy

QBE continues to make progress on our 2025 intermediate targets through emissions reductions and investing in nature-based solutions that support carbon avoidance and removal. We are committed to aligning our investment activities with a net-zero future. In line with this, and supporting our target to have 5% of assets under management invested in climate solutions by 2025, we committed to our first investment into a nature-based solutions forestry fund in 2023, which will start investing in 2024. The fund will invest in both the productive use and long-term stewardship of forests and land through sustainable real asset investments, with a focus on investing in sustainable timber to meet rising demand for wood-based products, and generating carbon credits through increased carbon sequestration in trees and in soil, and from land management. Progress against our other Scorecard commitments can be found in our data book.

## Human rights modern slavery

As a global insurer and reinsurer with diverse and complex operations and supply chains, we understand the importance of embedding human rights due diligence and considerations across our business. Any actual, or potential, violation of human rights is likely to have multifaceted risk consequences, such as reputation, brand, financial, legal, regulatory and operational risk, as well as risk to our people, customers and broader stakeholders.

In 2023, we refreshed our Group Human Rights Policy, outlining the principles governing how we manage human rights across our operations and supply chains. Our Group Sustainability team is responsible for policy implementation and monitoring our progress in consultation with stakeholders across the business. Further information about our approach to managing human rights and our Modern Slavery and Human Trafficking Statement can be found on our website.

[+ Click here to see our approach to Human Rights.](#)

<sup>1</sup> Carbon risk rating measures exposure to carbon-intensive companies. MSCI Carbon Risk is categorised as Very Low (0 to <15), Low (15 to <70), Moderate (70 to <250), High (250 to <525) and Very High (>=525).





# Operations

In 2023, we progressed our commitment to net zero by 2030 for our global operations. Across each of our divisions, we formed working groups to identify further initiatives to reduce our operational emissions.

This year, our Scope 1 and 2 emissions were 75% lower than our 2018 baseline year emissions (and consistent with our 2022 emissions). While our gas and electricity use has decreased from last year, this decrease was offset by a 15% increase in emissions from fleet vehicles, in line with business growth. Our material Scope 3 emissions that form part of our net-zero operational commitment, have increased by 22% from 2022 as business travel returns to pre-COVID-19 levels.

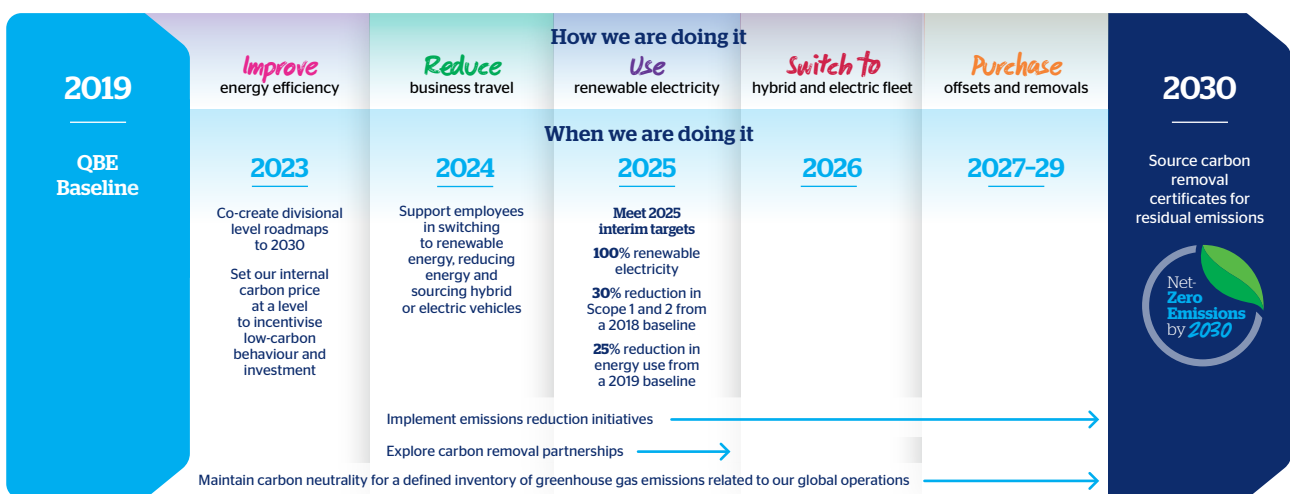
We have continued transitioning our fleet to low-emissions vehicles, where infrastructure is available to support this. In Australia and New Zealand, our fleet comprises 69% hybrid and 65% hybrid/electric vehicles, respectively, and in North America, our fleet includes one fully electric and 54 full-hybrid trucks.

We also continued to optimise our office space, releasing surplus floorspace and improving resource efficiency, where possible. In North America, we installed solar panels at our Ramsey, Minnesota office. We also upgraded the fit-out for our largest campus, Sun Prairie, Wisconsin, installing automated lighting controls with motion sensors and automatic shutoff during non-core hours. In Australia, we achieved our second 6 Star Green Star Interiors v1.3 rating for our Sydney CBD office.

In 2023, 100% of our electricity use across QBE's offices (excluding Bermuda and the Pacific Islands) was certified as renewable,<sup>1</sup> meeting our 2025 RE100 target for the third year, using a combination of electricity contracts and unbundled energy attribute certificates. In 2023, QBE maintained carbon neutrality<sup>2</sup> by purchasing renewable energy and fire abatement carbon offset certificates to cover residual emissions for a defined inventory<sup>3</sup> of greenhouse gas emissions related to our global operations, as described in our data book. To further embed climate considerations into operational decision-making, we have set our internal carbon price at \$65 per metric tonne of carbon dioxide equivalent. We plan to use this to support internal investment in emissions reduction initiatives as well as any expenditure required to maintain our environmental commitments.

In 2023, our Employee Champion Networks delivered local initiatives to support our employees' participation in sustainability-related activities. For example, in 2019, our employees in Cebu planted mangrove propagules along the coastline of Naga, Cebu. In 2021, the mangroves played an important role by absorbing some of Typhoon Rai's devastating force and mitigating its impact on coastal areas. Encouraged by this, in 2023, the team planted 10,000 mangrove propagules in Barangay Tuyom, Carcar City to preserve biodiversity and fortify natural defences against the impacts of typhoons and storm surges.

## Net-zero operational roadmap



1 Based on the RE100 Climate Group's 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 via any credible sourcing options. We meet our RE100 commitment through a combination of contracts with electricity suppliers and purchasing unbundled energy attribute certificates.

2 Please refer to our data book (Focus Area 1 and Metrics Criteria) for all definitions, calculations, assumptions and methodologies.

3 Defined inventory includes some purchased goods and services, capital goods, fuel- and energy-related activities, waste generated in operations, business travel, employee commuting and downstream-leased assets. Please refer to our data book for further information.

## Focus Area 2

# Enable a **sustainable and resilient workforce**

At QBE, our people and culture are two of six strategic priorities underpinning the performance of the business. They are fundamental to how we seek to deliver on our purpose to enable a more resilient future.

This second Focus Area recognises the important role our people and culture plays in attracting and retaining talent over the long term. It also recognises the importance of our people's technical knowledge, skills and capabilities in supporting our business and customers, and addressing the risks and opportunities that arise across our globally diverse business.

### QBE DNA

Everything we do is informed by our QBE DNA: seven cultural attributes that describe who we are, what we stand for, and how we conduct ourselves. The framework sets out expected behaviours for the whole of QBE working in conjunction with QBE's [Group Code of Ethics and Conduct](#).

We are  
**customer focused**

We are  
**technical experts**

We are  
**inclusive**

We are  
**courageous**

We are  
**fast paced**

We are a  
**team**

We are  
**accountable**

No matter the role or country, or whether a QBE employee works in one of our offices or in a hybrid environment, our **QBE DNA** is what connects us all.

## 40.0%

Women on Group Board

**Target of 40% by 2025**  
(achieved)

## 54.5%

Women on Group Executive Committee (GEC)

**Target of 40:40:20**  
(40% women, 40% men,  
20% any gender) **by 2023**  
(achieved)

## 40.0%

Women in Leadership<sup>1</sup>

**Target of 40% by 2025**  
(achieved)

## Achieved target

of equal sense of belonging in dimensions of LGBTIQ+ identification and ethnicity

[+ Click here to learn how we engage our people on sustainability.](#)

<sup>1</sup> Level 0 (GEC) and the next three tiers of employees below.

# Culture and inclusion

Who we are and how we do things at QBE is guided by our DNA attributes and underlying behaviours. Fundamental to our culture is living our purpose of enabling a more resilient future, and being inclusive of diversity, so we can unlock the value of the varied perspectives and experiences of our people.

## Living our purpose

Following the launch of QBE's new purpose – enabling a more resilient future – we continued to embed living our purpose into our culture in 2023. We do this through visual campaigns and intranet articles, sharing stories of our purpose being lived, regular communications from senior leaders and including purpose-alignment in QBE's decision-making tools. Helping our people explore the link between their purpose and the work they do has also been integrated into annual career and development conversations. Our Voice Pulse survey results indicate that, just over a year from launch, most employees are inspired by, and are using, our purpose to guide how they work.

## Safety to Speak Up

Safety to Speak Up is part of QBE's culture, and fostering this safety is crucial to enabling our culture priorities. Our approach has different aspects, including calling out undesirable behaviours, experimenting, challenging, participating and supporting others. We know that maintaining a culture of speaking up requires all of us to contribute through small, deliberate acts every day, done consistently over time. To help build on an already strong foundation, the 2023 focus has included:

- Empowering our employees with a Safety to Speak Up Playbook as a guide to help all our people foster a safe environment and understand where to raise suggestions, challenges or concerns.
- Increasing transparency around speaking up, including sharing insights and education relating to conduct issues, reporting rates and consequences.
- Conducting deep dives into measurement via our Voice Pulse, including identifying hot spots, and introducing new survey questions to help explore potential barriers to speaking up.

## Our Inclusion of Diversity approach

Our approach to Inclusion of Diversity sets out our expectations for how we interact with each other, and our aspiration to be a positive influence for the inclusion of diversity beyond QBE's boundaries.

At QBE, we have a broad view of diversity that includes all the ways that people are visibly, and invisibly, different, defined in our [Inclusion of Diversity Policy](#). We know that to realise the benefits of this, we must create an environment where everyone is, and feels that they are, included.

## Belonging targets

This year, to support a meaningful and global approach to Inclusion of Diversity, we introduced innovative new targets focused on fostering an equal sense of belonging across the dimensions of gender, ethnicity, disability status, and LGBTIQ+ identification. These build on our existing Women in Leadership targets and signal that, at QBE, it is not just about being represented or counted, but also about being included.

The targets aim to have minimal variation (<5%) in the 'sense of belonging' Voice Pulse survey responses, regardless of how an individual identifies. In 2023, we met targets for ethnicity and LGBTIQ+ identification, however, belonging gaps remained above the 5% threshold within the dimension of disability status and for gender identity, with no gap between men and women, but a gap for those who identify as non-binary/another gender. We know there is more work to do, and these results will guide our future strategies.

## Focus Area 2 - Enable a sustainable and resilient workforce (continued)

### Gender equality progress



In 2023, we achieved our 2025 target of 40% Women in Leadership<sup>1</sup> across QBE early, with an increase over last year from 38.6% to 40.0%. We continue to focus on women in leadership to maintain this result. QBE also continued to meet our 2025 goal of 40% women on the Group Board. In 2022, we pledged support for the industry-led 40:40 Vision, with a goal to meet the principle of 40% women, 40% men and 20% any gender on the GEC by 2025, a target we currently meet with 54.5% women on our GEC.

QBE's continued progress in increasing representation of women in leadership has been driven through our innovative Inclusion of Diversity approach, which covers the whole employee lifecycle. Examples of actions we have taken include:

- leadership development and succession planning to foster an internal pipeline of female leaders;
- introducing new global Inclusive Recruitment Principles setting out best practice for how we design roles, source candidates, shortlist, interview and make selection decisions that support diverse candidates; and
- increasing flexibility and gender-neutral leave offerings such as parental leave that reduces the distinction between primary and secondary carers, contributing to shifting societal expectations regarding gender norms.

We continue to use data analysis and employee listening to identify opportunities for further progress, and inform new targeted initiatives to address attraction, progression, and retention of women in leadership at QBE.

To further the impact of our work, we also engage beyond QBE, such as through committing to pledges like the 40:40 Vision and with GEC members engaging with groups like the Champions of Change Coalition.

In support of

#### WOMEN'S EMPOWERMENT PRINCIPLES (WEPs)

These icons denote integration of the WEPs



+ Refer to the [WEPs website](#) for icon descriptors.

### Pay equity and pay gap

QBE implements equitable remuneration practices, designed to result in equal pay for equal work. We regularly assess pay equity in our workforce to give us confidence that we have gender pay equity on a like-for-like basis, based on key factors such as role, location, and performance. We recognise that some pay differences remain at an individual level, and we continue to work to address any differences through our ongoing annual salary review processes.

This year, we also undertook a global gender pay analysis that examined raw pay data between males and females across the entire organisation. This analysis was done without adjustment for factors such as role, level, tenure, or geographic location; it simply compared the median pay for all women employed by QBE to that of all men employed by QBE. We undertook this analysis recognising that a gap in median pay data is not an accurate measure of equal pay for equal work but, rather, could help us to identify over or under representations of either gender in various roles and levels throughout the organisation and the impact of societal trends on our own workforce.

### Diversity in our supply chain

QBE's Supplier Sustainability Principles (SSPs) were reviewed during the year and will be replaced with the [Supplier Code of Responsible Conduct](#) in 2024. The SSPs outline our desire to work with businesses reflecting the diverse nature of the communities we serve. This includes minority and First Nations businesses, disability and social enterprises, and female-owned and/or led businesses.

<sup>1</sup> Level 0 (GEC) and the next three tiers of employees below.

# Resilient workforce

A core part of living our purpose of enabling a more resilient future is enabling a more sustainable and resilient workforce. We deliver a range of experiences and benefits to our people to support their wellbeing and provide opportunities for them to grow and build skills.

## Learning and development

At QBE, we offer employees access to 16,000+ digital learning content items available anytime through our MyLearning platform. 'Hot Skills' modules are available through MyLearning, designed to empower our people with greater confidence, skills and experience to help them feel fulfilled in their roles, build their career at QBE and meet customer needs.

Additionally, to build greater awareness and capability within QBE regarding key sustainability topics, we have:

- refreshed the QBE Sustainability Hub on the intranet;
- refreshed our e-learning modules on climate change and net zero; and
- launched four new 'Net zero in Underwriting' modules.

We also offer local learning, such as the AUSPAC Future Festival in September 2023. This event included 24 future-focused events designed to inspire and empower employees to own their development journey and become future ready in their chosen QBE career. Over 865 employees attended the series, which included virtual, future-focused events, keynote speakers, and 1:1 coaching opportunities with senior leadership members.

## Leadership development and succession planning

In 2023, we continued to invest in the development of our future leaders through our Enterprise Leadership initiatives, particularly through the Growth Leaders Forum (GLF) and Enterprise Talent Group (ETG) cohorts, who demonstrate the potential to take on broader, more complex roles. The GLF maintained its focus on discussing and advancing our strategic priorities and applying greater diversity of thinking to strategic challenges and opportunities at QBE. The ETG has been mobilised around specific business challenges and providing innovative solutions to those challenges, while also increasing its exposure across QBE. Both cohorts have also enhanced their leadership capability through masterclasses and peer learning groups.

The Enterprise Leaders' Network brings together our top 350 leaders and continues to play a pivotal role in communicating and embedding our strategy across the business, bringing our shared purpose and vision to life. The continuous development of our people within these

groups has not only reinforced our succession pipelines but has also resulted in several of them being appointed to senior leader or executive positions.

## Engagement

Our engagement score serves as a measure of the overall success of QBE's collective efforts in enhancing individual engagement. Our engagement index, derived from regular employee Voice Pulse surveys, captures various aspects of an employee's enthusiasm, and dedication to long-term involvement.

In 2023, we continued to prioritise key indicators of engagement, and placed a strong emphasis on ensuring that employees felt valued and a sense of belonging. In addition to our culture and inclusion initiatives, we have introduced programs that define and bring to life our Employee Value Proposition - 'Why QBE' - to raise awareness of our strategic and sustainability initiatives.



## Focus Area 2 - Enable a sustainable and resilient workforce (continued)

### Performance

A focus on *what we achieve* (goals) and *how we achieve it* (behaviours demonstrated) underpins the QBE performance framework. With formal goal setting done early in the performance year to align with the setting of our strategic priorities, and regular conversations or 'check-ins' throughout the year, our employees are encouraged to maintain focus on their performance, career and development. These activities are supported by a variety of guides, playlists, and workshops to promote career pathways and skills development.

Our annual 'My Year in Review' process encapsulates the above approach and provides an overall performance outcome for our employees. This outcome is an input into the 'Annual Merit Review,' which, in combination with QBE's financial and non-financial performance criteria, determines each employee's total remuneration package.

Our Minimum Corporate Standards set the minimum standards of behaviour and conduct for all QBE employees. Our people are required to meet these standards and complete a self-declaration during the 'My Year in Review' process. Failure to meet the standards may impact the employee's incentive entitlements in the relevant performance year. Additionally, an assessment of each senior executive's approach to risk management is completed using input from the Group Chief Risk Officer. This process recognises positive and negative risk culture and risk management via a range of consequences that includes executives being asked to leave the organisation, and upward or downward adjustment of performance ranges and incentive payouts.



### Reward

QBE's reward framework aims to align employee remuneration with robust risk management practices and governance principles. It provides a globally consistent, but locally competitive, remuneration structure that seeks to attract, retain and motivate high-quality and talented people, while bringing reward in line with:

- the creation of sustained shareholder value;
- regulatory requirements; and
- QBE's Group Code of Ethics and Conduct.

The reward framework is regularly reviewed to ensure that it remains relevant and appropriate in the context of QBE's purpose, DNA and our strategic priorities.

## Benefits

Our global benefits programs are designed to empower our employees to build resilience and thrive, both at work and at home. Our range of programs cater to the diverse needs of our employees, including workplace flexibility, financial and personal wellbeing, and community volunteering. Our goal is to enable our employees to lead fulfilling lives while also contributing to the success of QBE.

Our offerings vary across our different divisions according to local needs and preferences. For example, in 2023 in Australia and New Zealand:

- we launched the Menopause Café, included menopause symptom management in our flexible leave offering, and created a menopause guide to help build awareness and understanding around this often-difficult stage of life.
- for National Families Week, we enhanced our flexible leave offering to acknowledge the diversity of all families and partners, the importance of our family members, and to cater for elite sporting events for athletes, graduation ceremonies and a range of family planning support and treatment options.

In North America, we partnered with Progyny, a leading fertility and family building benefits solution, to provide an inclusive family building benefit for our employees. Progyny's mission is to provide a healthy, timely, and supported family building journey. The benefit is designed to support all paths to parenthood, including LGBTIQ+ and single-by-choice employees.

In the United Kingdom, in 2023, we further enhanced family leave offerings and added new wellbeing benefits. United Kingdom employees now receive 26 weeks of gender-neutral parental leave, giving the option for it to be taken in two blocks to provide more flexibility.

## QShare scheme

In 2023, we launched QShare, an employee share purchase and matching plan. QShare was designed with the aim of engaging our people as investors, bringing the enterprise together, and showing our appreciation for their commitment through matching after-tax employee contributions when they remain with QBE for three years, up to a prescribed limit.

Already rolled out in a number of countries across the globe, the phased approach will see the plan offered to the majority of QBE employees by the end of 2024.

## Work health and safety

QBE maintains robust work, health and safety (WHS) controls across the business, with detailed risk assessment and control plans in place to mitigate WHS hazards. A Group policy governs our standards, with oversight by the Group Board. Our WHS processes and resources include ergonomic assessment, support, and equipment, as appropriate; workers' compensation personnel; psychological health initiatives; online mandatory training; regular site safety inspections; workplace incident, 'near miss' and claims registers; first aid, mental health and domestic violence support training; and online counselling. Divisional WHS committees and working groups convene to share initiatives, trends and best practice, and update the Group Board on global WHS developments and risks.



## Accountable and transparent business

QBE seeks to maintain a culture that rewards transparency, integrity, and performance. We believe this promotes the long-term sustainability and ongoing success of our business, is critical to better stakeholder outcomes, and protects our people. We are committed to the highest standards of corporate governance, conduct and compliance.

### Compliance and conduct

Our Group Chief Compliance Officer leads our Group Compliance function, providing internal assurance and oversight that compliance is managed appropriately across QBE. Our Group Code of Ethics and Conduct (Code) sets the professional standards we expect of everyone at QBE. We review our Code annually, seeking to ensure it remains current and effective in a rapidly evolving risk environment. It outlines expected standards of professionalism across the Group, emphasising our commitment to governance and accountability, and to our purpose and vision. QBE employees are required to complete mandatory training annually, including Code training, and 99.6% of employees completed their mandatory training by the due date in 2023.

Breaches of our Code are taken seriously and are reviewed to determine if, and what, consequences should apply (see 'Consequence management'). We believe that managing obligations and non-financial risks is critical to achieving better stakeholder outcomes. We also recognise the importance of managing conduct risk, which we define as the risk that actions by QBE (including inaction) result in unfair outcomes for our customers, communities or stakeholders, or detriment to market integrity. Our Executive Risk Committee, one of the committees within our Group Executive structure, has oversight of conduct risk.

### Consequence management

QBE's Global Consequence Management Policy was introduced in June 2023 and applies globally to all QBE employees. The policy outlines QBE's expectations of our people, the consequence management process, and guidance for appropriate decision-making in determining consequences across QBE. The policy contains a Consequence Matrix that serves as a guide to understanding the types of conduct where a consequence may arise, and the consequences that may be appropriate for that conduct. Potential consequences can range from informal coaching and development, through to a formal warning, an impact on remuneration, or termination of employment (in the case of more serious misconduct). The policy seeks to ensure the consequences applied across QBE are fair, reasonable and proportionate to the conduct, are applied consistently, and are transparent, with responsibility attributed to the right people.







## Whistleblowing

The [Group Conduct Reporting & Whistleblower Policy](#) encourages and supports the raising of concerns about actual or suspected wrongdoing within QBE's workplace or business. The policy is available on internal systems and through our public website and QBE provides whistleblowing training and ongoing communications to employees. QBE will not tolerate actual or threatened detrimental treatment, including retaliation, against anyone who has, or intends to, raise a concern.

All QBE employees, officers and directors can report relevant concerns through various channels. Depending on the location, this may extend to third parties, such as contractors, contingent workers, brokers, suppliers, relatives of employees, former employees, and similar individuals. Reporting channels will depend on the nature of the concern and location and can include reporting concerns to a manager, Compliance, Legal, or People teams. The criteria for legal whistleblowing protections are jurisdiction dependent. Concerns can be reported confidentially and anonymously (where permitted).

One option QBE provides is our [Ethics Hotline](#), which is available via phone or website at any time. This is a specialist third-party reporting service available in most QBE locations supporting numerous languages.

Any concerns raised will be reviewed and assessed, with the most appropriate response determined. Where applicable, concerns will be investigated in accordance with the

requirements of the relevant whistleblowing protections, policy, and associated documents. Investigations will be conducted in an independent, unbiased, and timely manner. To the extent possible, reports will be kept confidential, and those who report will be kept updated. Where reports are substantiated, QBE will take appropriate action and document outcomes. Where employee misconduct has been substantiated, action will be in line with the Consequence Management Policy.

Responsibilities for whistleblowing are outlined at the Board level and cascaded down to relevant functions, teams, and individuals. Group Compliance provides regular updates, including a dashboard, to a committee of the Group Board. Matters are escalated as needed, including to our Group Whistleblowing Committee. This is supported by local and divisional reporting and processes.

## Focus Area 3

# Partner for growth through innovative, sustainable and impactful solutions

At QBE, we want to grow our business into the future and seek opportunities to work with other organisations to address challenges together. We believe that most solutions will come from working with our customers, communities and other stakeholders to understand their risks and challenges, and collaborate on innovative solutions.

Across many parts of our business, from underwriting and investments to procurement, from our QBE Foundation to QBE Ventures, we work with others who may be seeking to solve similar problems, or reduce and better manage risk. Together, we can pilot opportunities, explore new technologies or use existing technology in new ways.

Beyond traditional insurance industry alliances, QBE has developed impactful relationships through the [QBE Foundation](#), [QBE Ventures](#) and impact investing through [Premiums4Good](#). The work we are doing with these relationships is described in this Focus Area.

At QBE, we are selective with our pilot opportunities. As far as practicable, we will share non-competitive learnings from our pilots with others in the industry, and scale successful opportunities for sustainable growth in our business and grow the technical capabilities of our people. An example of this has been the innovation through leveraging the expertise in our International Sustainable Energies Unit in Europe to launch 'cradle to grave' [insurance in our Australian business for renewable energy projects](#).

**\$1.6B**

Market value of Premiums4Good Investments

Target of \$2B by 2025

**108**  
Securities

Number of Premiums4Good investments

**47.2%**

Increase in Corporate Community investment by QBE Foundation



# Natural disaster resilience

As an insurer and reinsurer, we provide products and services that help customers and communities recover from natural disasters. We are part of the frontline response when our customers are impacted by extreme weather such as heatwaves, heavy precipitation, droughts, and tropical cyclones. In 2023, QBE incurred \$1,092 million in net catastrophe costs across 61 events in 36 countries.

The insurance sector plays a vital part in the resilience of people, communities and economies, particularly in relation to natural disasters. When one occurs, QBE plays an important role in helping customers and communities recover, but this becomes more challenging when the same communities are repeatedly impacted by separate events.

Through industry partnerships, we can share our experience and knowledge to stimulate investment into the area of climate finance to improve natural disaster resilience in the face of a changing climate. For example, QBE is a member of the Hazards Insurance Partnership (HIP), a partnership between the Australian Government and the insurance industry, managed by the National Emergency Management Agency (NEMA). Through the HIP, the Australian Government and insurers are working together with the aim of addressing

insurance affordability and availability issues as driven by natural hazard risk, to reduce risk for communities and improve Australia’s resilience to natural hazards.

In 2023, QBE continued our active involvement in the Insurance Council of Australia’s (ICA) Climate Change and Resilience Committee & Net Zero Working Group, contributing to the national debate on improved land use planning, building codes, relocation of communities with repeated flood impacts, investment in community resilience to reduce risk and insurance premiums, the net-zero transition, and the value of nature for a more resilient future. We are also working to reduce the risk of natural perils and improve resilience via the QBE Foundation, discussed in more detail in the following pages.



## Disaster preparedness

The QBE Foundation partners with Red Cross and Save the Children to support communities to prepare for, respond to and recover from, disasters. This year, QBE Foundation provided funding towards the Italian Red Cross’ Early Warning Systems Project, which aims to enhance local preparedness, management and response capabilities through capacity-building initiatives. QBE’s funding purchased one training kit and enabled 129 civil protection trainers to be trained in disaster risk reduction and climate change adaptation. Over 500 Red Cross local emergency volunteers have subsequently been on-trained, as part of over 60 courses held in the first quarter of 2023 by Italian Red Cross Emergency Operations.

## Focus Area 3 - Partner for growth through innovative, sustainable and impactful solutions (continued)

### QBE Foundation

The QBE Foundation partners with community organisations, focusing on climate resilience and inclusion. Investing in communities globally, our QBE Foundation operates locally across our divisions. Each division works through local partnerships, grants and employee engagement opportunities. QBE launched its Global Disaster Relief and Resilience tri-partnership with Red Cross and Save the Children in November 2019. Since inception, by partnering with QBE, Save the Children and Red Cross have supported community need during disaster response and recovery while also investing in preparedness and mitigation initiatives in 21 countries through 71 initiatives, achieved through the provision of \$4.6 million in funding. Other partnerships across our divisions can be found [here](#).

### Measuring our impact

We measure our corporate community investment<sup>1</sup> against the globally recognised Business for Societal Impact (B4SI) benchmark and track outcomes through our social impact dashboard. In 2023, we worked with Corporate Citizenship to take some of our partners through workshops to develop an impact framework that articulates the needs we are addressing in the community and that identifies metrics and indicators to track progress. We will continue to evolve this model in 2024 to understand impact more deeply.

COMMUNITY NEED	IMPACTS	INDICATORS	B4SI METRICS		COMMUNITY NEEDS ADDRESSED
			TYPE	DEPTH	
Building understanding of risks associated with natural disasters	People are aware of risks associated with natural disasters	% change in people reporting difference in understanding	Behaviour	Connection	Safer and resilient communities who are prepared and can respond and recover from natural disasters
Increasing capacity of people to respond to natural disasters	People know how to respond to and mitigate the impact of natural disasters	% change in people with intention to take action	Behaviour	Improvement	
Supporting mental resiliency in communities affected by natural disasters	People are able to cope mentally/have increased resilience to deal with natural disasters	% change in people that have taken action	Skill or personal effectiveness	Transformation	
Improving partners' ability to respond to emergency	Partners' workforces are better prepared in responding to natural disasters	% change in people that feel more prepared/able to cope	Behaviour	Connection	
		% change in workforce feeling more prepared to respond to emergencies	Impact on community organisation: Improved existing/delivered new services		

Using this approach, we have captured the impact of some of QBE Foundation's financial contributions:

- **Hong Kong Red Cross' Urban Resilience Project** continues to deliver meaningful change based on the needs of the vulnerable in the Tai O and Pok Fu Lam communities. Key areas of impact in enhancing community resilience to disaster-related risks are outlined below:
  - strengthening community cohesiveness;
  - enhancing disaster- preparedness knowledge and skills;
  - fostering ownership, empowerment and sustainability; and
  - establishing new community networks.
- **Save the Children Vietnam's Green School Project** towards net-zero emissions was designed to empower school children to reduce carbon emissions and enable them to proactively gain skills and knowledge in environmental protection. A key area of impact was focused on strengthening connection and collaboration between schools and communities.

<sup>1</sup> Please see the data book for the definition of corporate community investment.

# Equity, poverty and financial inclusion

In Australia, we continue to develop strategies to assist our financially vulnerable customers, including developing our [Financial Inclusion Action Plan \(FIAP\)](#).

## Our approach to financial inclusion

As an insurance company, we support our customers through different stages of their lives, especially in times of need. It is important that we are able to recognise when our customers may need a little more support from us.

In our Australia Pacific division, we work with Assure Programs, providing free and confidential counselling, including financial counselling. This support extends to our employees, brokers, and distributors through our REACH Program. For those facing financial hardship, we offer assistance programs which guide them through applications, mortgage insurance, and premium payment contracts. Additionally, we have a Family and [Domestic Violence Customer Support Policy](#), supporting policyholders who may be suffering from financial abuse.

In 2023, QBE Australia embarked on a second iteration of our FIAP, refreshing existing commitments and incorporating new programs of work as part of our ongoing commitment to financial inclusion. The plan incorporates 25 initiatives aimed at improving financial inclusion, resilience and wellbeing for our employees, customers, communities, partners, and suppliers. Examples include embedding the use of an Interpreter & Translator Panel to support vulnerable customers and improve accessibility for culturally and linguistically diverse customers; and enhancing training across QBE frontline employees and their leaders with respect to identifying and supporting customers experiencing vulnerability.

## QGiving

The QGiving program was launched across QBE in April 2023 to create a globally consistent program that allows employees to give their way, through personal contributions, fundraising and/or volunteering, with donations for eligible causes automatically matched by the QBE Foundation. Employees can also earn rewards when volunteering for eligible causes that can be used to donate to other eligible charities on the QGiving platform.

The launch campaign provided seed funding to the first 500 employees to register, and larger amounts to six competition-winning employees. Since the launch we have seen:

- \$317,797 employee donations
- \$405,578 matched by the QBE Foundation
- 868 causes supported through giving
- 1,044 employees who volunteered 5,897 hours.

## Reconciliation Action Plan

As a global organisation founded in Australia, we are committed to reconciliation. We strive to drive change, foster respectful relationships, and promote sustainable opportunities with Aboriginal and Torres Strait Islander peoples, communities and organisations.

In 2023, we launched the [2023-2025 QBE Reconciliation Action Plan \(RAP\)](#) and reaffirmed our commitment to reconciliation through:

- ongoing investment in education and cultural awareness;
- broadening employment pathways;
- building our procurement commitments through Supply Nation; and
- working with First Nations communities through the QBE Foundation (Australia Pacific).

Our RAP Committee plays an active role in driving greater inclusion within QBE for Aboriginal and Torres Strait Islander employees, customers, suppliers and community.

## Responsible products and services

QBE's Group Underwriting Standards are embedded in our businesses. Our Group Underwriting Committee is responsible for the oversight of QBE's Group Underwriting Standards, containing our product governance controls. We strive to conduct business that emphasises sustainability, ethical practices, social responsibility, and our [Group Code of Ethics and Conduct \(Code\)](#) supports this commitment, by setting professional standards that apply to everyone at QBE.

Our Code is integrated throughout QBE's insurance value chain from our marketing and communication of products and services and managing our customers' data securely and confidentially, through to our claims handling and complaints management processes.

In line with our legal obligations, we seek to continuously and consistently assess how well our products meet the likely needs and objectives of the target customers for whom the product is designed. Our approach to product development and management aims to:

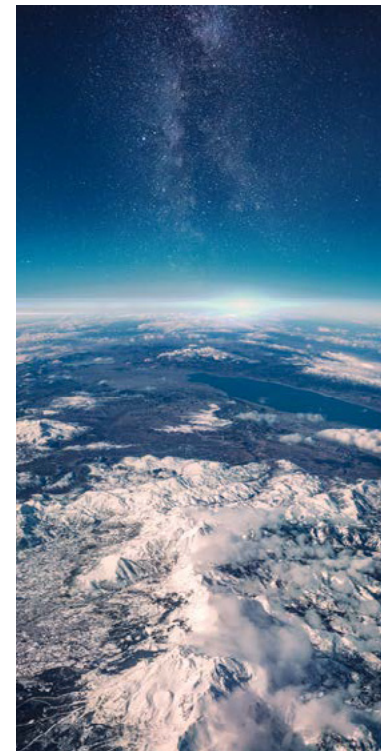
- minimise the potential or unintended misselling of products;
- promote greater customer and market confidence in our products;
- reduce the number of customer complaints about our products; and
- maximise the likelihood of adherence to internal and external compliance requirements.

In our Australian business, our 'Home and contents insurance for homeowners' policy offers the opportunity to upgrade to environmentally responsible options. Under this policy, QBE will pay a maximum of A\$2,500 per period of insurance (limited to up to A\$500 towards the additional cost of replacing a fridge, freezer, washing machine or dishwasher with one that has similar features and a better environmental rating). This is dependent on QBE's acceptance of the claim and where the customer would like a more environmentally friendly appliance. In addition, QBE will pay up to A\$2,500 of the cost to policyholders, after the deduction of any rebate, to purchase and install a rainwater tank, solar power system, solar hot water heating system or photovoltaic electricity system, a hot water heat exchange system or grey water recycling system.

In Europe, QBE has progressed its 'Build Back Better' initiative with Sedgwick and has so far processed 26 claims through this program. 'Build Back Better' aims to reduce the carbon impact of commercial property insurance repairs. It does this by calculating an estimate of the carbon value of commercial property claims and identifying opportunities to influence the supply chain to reduce the carbon footprint of the repairs. After a six-month pilot program of 50 fire, water escape, and flood losses, we saw approximately 440kg CO<sub>2</sub>e reduction on a completed £40,000 claim and anticipate a 60-70% reduction in the rebuild of an industrial building. This year the initiative won the [ESG: Sustainable Claims Management Award](#) at the 2023 Insurance Post 'Claims & Fraud Awards' in London.

## Geospatial solutions

In 2023, QBE deepened its focus on leveraging data and emerging technology to improve being there for customers after a natural catastrophe. Resiliency in the face of increasing frequency and severity of natural disasters is a priority for us. Through [QBE Ventures'](#) investments in [Geosite](#) and [TensorFlight](#), QBE has accelerated access to next generation spatial data, machine learning and computer vision capability. These capabilities are being applied to understand the damage profile of a disaster more quickly, for example, Hurricane Ian in Florida, and the Maui wildfires. These solutions enable us to activate QBE's claims teams more quickly, as they are able to access a digital version of what is happening on the ground.





## Premiums4Good

Premiums4Good is our industry-first initiative where we allocate a portion of our customer premiums to impact investments that aim to create positive environmental and/or social outcomes. At no extra cost to customers, it is another way we help to enable a more resilient future. As a responsible investor, we believe that we can deliver attractive risk-adjusted returns, while also seeking to deliver positive social and/or environmental impact.

QBE's Impact and Responsible Investments (IRI) approach guides our investment decision-making processes. Our aim is to scale our impact investments with integrity, through credible impact governance and investments selection, which is supported by systems and reporting. Our dedicated internal IRI team and portfolio managers jointly source investment opportunities. All eligible Premiums4Good investments are classified as Moderate, High or Deep impact, informed by Impact Frontier's 'Matrix of impact classes' and research by the Global Impact Investing Network. We aim to continually iterate and mature our impact management practices with the development and harmonisation of global impact measurement and management standards.

We invest in 11 impact areas that help to address some of the world's most pressing environmental and social needs. These impact areas align with the UN Sustainable Development Goals (SDGs) and our process maps each investment against the SDGs. Our investments are made across various asset classes and include green, social and sustainability bonds, social impact bonds, and impact investment funds. These investments support a range of projects and programs, from renewable energy initiatives to programs that aim to support vulnerable people and communities.

### City of New York Social Bond

One of our investments that supports Premiums4Good is the City of New York Social Bond. The City of New York Social Bond will help increase the supply of affordable housing in Brooklyn, the Bronx, Manhattan, and Queens, for low-income earners and those previously experiencing homelessness.

In New York City, homelessness is a social issue that affects many low-income earners. While the paths that lead people into homelessness are complex and unique, there are recurring themes, including people leaving home care, experiencing financial difficulties, mental illness and domestic violence. The continued shortage of housing options further contributes to the ongoing affordability and homelessness crisis, impacting millions of New Yorkers every year.

In a first for New York City, the government has issued social bonds to help accelerate and increase capacity for new housing supply citywide. It will fund the development of more than 3,200 affordable housing units across 16 projects in Brooklyn, the Bronx, Manhattan and Queens.

## Sustainable and responsible policies, positions and advocacy

Adopting responsible policies and positions and engaging in advocacy are other ways QBE can share its expertise and knowledge to address the challenges that face the insurance sector. We believe our positions align with our purpose, and with evolving societal expectations and regulations.

### Consistency to progress our sustainability commitments

QBE participates in a range of sustainability-related collaborations with external stakeholders, primarily through industry bodies or working groups within sustainability-related memberships such as with the [ICA](#), [Climatewise](#), UN-supported [Principles for Responsible Investment](#) and others that are outlined on our [website](#). QBE has contributed to the development of consultation papers, sustainability standards, roadmaps and frameworks that align with our sustainability strategy. In 2023, QBE contributed to the ICA's updated Climate Change Roadmap: [Towards a Net-Zero and Resilient Future](#), through working with both the ICA's Climate Change & Resilience Committee and Net Zero Working Group.

During 2023, QBE's [Group Environment Policy](#) and [Group Human Rights Policy](#) were refreshed. These policies help drive consistency across the enterprise. Communicating our sustainability strategy and Focus Areas to our employees has also played a role in the wider awareness of what sustainability at QBE means. This includes the link to our purpose of enabling a more resilient future, why sustainability is important for a global insurer, and how it forms part of our desired future capability for all of our people.

### QBE Ventures

We recognise the importance of looking externally and working with early-stage companies to access novel ideas, emerging technologies and talent to help us deliver on our strategic priorities, including portfolio optimisation, modernisation and growth. [QBE Ventures](#) is the InsurTech-focused investment and development arm of QBE. The team takes a multi-pronged corporate venture capital approach. This means that we not only invest in, but also build alongside, technology companies with the objective of creating long-term, strategic value.

In 2023, our new investments were focused on the application of data and analytics. Highlights include QBE Ventures investing in, and working with, [Illuminr](#), an award-winning SaaS platform that increases emergency preparedness and responsiveness through immersive, targeted micro-simulations and digitised playbooks that build resilience against cyberattacks, supply chain disruptions and natural disasters. We also welcomed [Yellowbird](#), a leading marketplace for environmental, health and safety expertise and a certified disability-owned business enterprise, to the portfolio.

In addition to these investments, QBE Ventures has continued to strengthen its alliances with current start-ups and portfolio companies, with several contributing to QBE's sustainability priorities. Responsiveness to natural disasters remains a key focus for us. As noted earlier, having access to cutting edge spatial data, and computer and machine learning to improve response times, continues to be an ongoing priority for us, and we continue to experiment and undertake scaled deployments with portfolio companies such as [TensorFlight](#), a property insights platform, and [Geosite](#), which specialises in geospatial data aggregation for the insurance sector.

The ongoing exploration, development and application of InsurTech is essential to the development and evolution of the insurance industry - and we look forward to the possibilities it holds.

[Click here to learn more about QBE Ventures.](#)



## Third party risk management

QBE seeks to mitigate any potential adverse impacts arising from our operations, including through effective management of the risks associated with third party service providers.

Our Group Third Party Risk Management (TPRM) framework is comprised of the TPRM Policy and TPRM Minimum Standards. They set the approach for managing third party risk across our enterprise by outlining a consistent set of controls and metrics and assigning appropriate responsibilities to relationship owners at QBE. Risk domains such as Information Security, Privacy, Modern Slavery and Conduct Risk raise a broad range of relevant risks for assessment, with the right subject matter experts engaged for support. The framework seeks to align with relevant legislative and regulatory requirements and is expected to be applied at each stage of the TPRM life cycle. We also conduct human rights due diligence as part of our modern slavery risk assessment process, please see our [Modern Slavery and Human Trafficking Statement](#) for further detail.

We seek to engage suppliers and other stakeholders who share our commitment to sustainability and good governance, and who will work with us to achieve our objectives. QBE's Supplier Sustainability Principles were reviewed during 2023. They will be replaced with a [Supplier Code](#) that outlines a range of sustainability topics and clearly communicates the standards we expect of our suppliers, as well as the practices in which we encourage them to engage.

## Supplier engagement

In 2023, in line with our Scorecard commitment to 'Commence formal engagement on net-zero progress with strategic suppliers in our global supply chain in 2023, with the goal of setting our own targets by 2025', we began net-zero discussions with strategic suppliers across our global supply chain. Discussions were centred around climate risks and opportunities and measuring and reducing emissions.

Initially, a pilot supplier engagement project for 55 suppliers was launched in the Australia Pacific division for the Claims and Indirect Procurement teams, and the Global Information Technology (IT) Procurement team. Strategic suppliers were selected based on QBE's annual spend and importance to QBE's operations. Engagement was initiated by sending a survey to the selected suppliers with an invitation to join an engagement session to discuss QBE's public targets and obtain details of the supplier's approach to transitioning to a low-carbon economy. Details of emissions calculations, target setting and ongoing sustainability initiatives were collected from the suppliers. This program was then extended to 74 more suppliers from the global supply chain across the Procurement teams in Europe, North America, our Group Shared Services Centre (GSSC), based in the Philippines, and Asia. Through this process, we have identified several emissions reduction opportunities for exploration. Going forward, we will aim to set supplier-related targets by the end of 2025.



## Sustainable procurement

Our global Procurement teams work with our suppliers to promote our sustainability standards in our supply chain by communicating our environmental and social expectations through our Supplier Sustainability Principles.

### QBE Australia Pacific

In 2023, our Australia Pacific Indirect and Claims Procurement teams, guided by the Australia Pacific Sustainable Procurement Strategy, took another step in our commitment to sustainability. We integrated sustainability considerations into our sourcing process by including diversity and other sustainability factors in our supplier questionnaires, where possible and appropriate. We partnered with Supply Nation to support Aboriginal and Torres Strait Islander businesses, contracting with Supply Nation-verified companies and increasing our spend from the prior year. Supply Nation maintains a listing of verified Indigenous businesses in Australia on their website. In addition, 100% of our newly contracted or re-contracted strategic suppliers agreed to adhere to our Supplier Sustainability Principles. We also commenced the first phase of engagement with our strategic suppliers on their net-zero journey, hosting information sessions on QBE's net-zero commitments and initiatives and collecting emissions baseline data. In 2024, we plan to review our Sustainable Procurement Strategy for consistency with QBE's sustainability objectives.

### QBE North America

In 2023, our North American Claims and Indirect Procurement teams commenced formal engagement on net-zero progress with strategic suppliers via surveys seeking baseline emission data. The team also conducted a review of the Supplier Sustainability Principles, built into master service agreements, anticipating the roll out and adoption of the Supplier Code in 2024. In addition, in line with our commitment to source 100% renewable electricity for our operations by 2025, we started purchasing green power for our Greensboro, Chicago, Eau Claire, Wisconsin and Marblehead offices. QBE was also the first company in Marblehead, Massachusetts, to purchase renewable energy certificates. In 2023, we also explored vehicle options as we transition to a more sustainable fleet.

### QBE International and GSSC

During 2023, Group Sustainability conducted a walkthrough with the GSSC Procurement team in the Philippines, with the aim of embedding the Supplier Code for GSSC suppliers and expanding supplier sustainability awareness during 2024. In Europe, the Claims Procurement team engaged

with numerous suppliers, with 22 of them signing a Supplier Sustainability Commitment and over 60% agreeing to reduce their carbon footprint with the aim of achieving net-zero by 2050. The European Indirect Procurement team has also started a project to have sustainability conversations with strategic suppliers in our supply chain, focusing on net-zero commitments and will progress this further in 2024.

### IT Procurement

QBE's approach to IT procurement is managed by our Group IT Procurement team. Our Global IT Supplier Relationship Management team works collaboratively with strategic IT and consulting partners. This includes engaging with them on the commitments they are making on sustainability-related topics such as an orderly and inclusive transition to net-zero. This is in line with our Scorecard commitment to 'Commence formal engagement on net-zero progress with strategic suppliers in our global supply chain in 2023, with the goal of setting our own targets by 2025'.



# Responsible technology and data

We take a responsible approach to technology and data, seeking to secure and protect our employee, supplier and customer data while equipping our people with the necessary technology for their roles and the skills to future-proof their careers.

## Privacy

We are committed to respecting the privacy of our customers, employees, and other stakeholders, the protection of their personal data from misuse, loss or unauthorised disclosure, and compliance with privacy laws wherever we operate.

QBE maintains a Global Privacy Framework that defines the core principles of our privacy program, providing the foundation for how QBE seeks to comply with applicable privacy laws globally. This framework was reviewed and updated in 2022 and is summarised at [Global Privacy Framework and Privacy Approach Summary](#). Our Global Privacy Framework is governed centrally through our Group Compliance team. Divisional privacy programs are also managed locally.

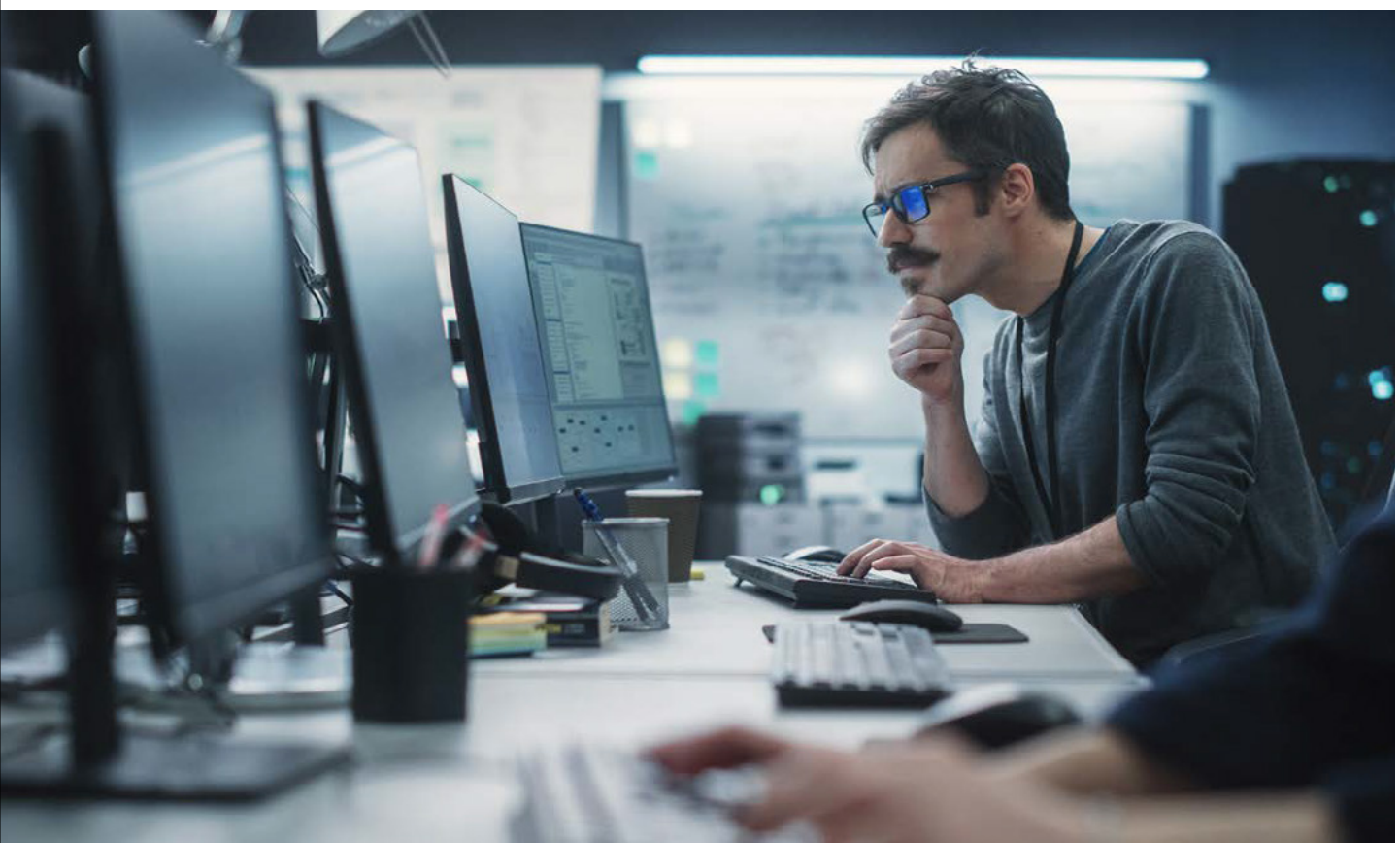
QBE has a Global Privacy Council (GPC) that is chaired by the Group Privacy Officer. Its membership includes local divisional privacy officers or privacy compliance leads (or equivalent), Legal, IT and Compliance personnel. The GPC is an advisory, information-sharing and evaluation group that considers global (or multi-divisional) matters with high potential for,

or actual, privacy implications. QBE considers and assesses privacy risk locally and globally, including undertaking global privacy impact assessments via the GPC for activities that involve multiple divisions with high, or potentially high, privacy risk.

All QBE staff receive annual compliance training. This includes Information Security and Privacy training that is relevant to the employee's role. The online training course content includes topics such as data protection; collection, storage and security of personal data; sensitive personal data; and dealing with data breaches.

We maintain a Group Personal Data Breach Standard that was reviewed and renewed in 2022. This outlines our procedures, including steps for responding to actual, or potential, QBE Group personal data breaches.

QBE Group Compliance (including Group Privacy) has undergone an internal audit in 2023 to assess its processes and controls. Our Group Privacy Policy is available on our [website](#).



## Focus Area 3 - Partner for growth through innovative, sustainable and impactful solutions (continued)

### Cybersecurity

QBE is committed to the ongoing management of internal and external cyberthreats to the confidentiality, integrity and availability of our customer and corporate data.

QBE's Cybersecurity Strategy seeks to ensure effective controls are in place across people, process, and technology, including proactive monitoring and response to known and emerging threats.

QBE's approach to cybersecurity is guided by our Cybersecurity Framework, which is aligned to the U.S. Department of Commerce's National Institute of Standards and Technology (NIST) Cybersecurity Framework. Our framework seeks to help us continually improve our cyber risk identification, prevention, detection, response, and recovery capabilities. It sets out our operating model, security policies and standards, cyber risk culture, metrics and reporting, and risk identification and management processes.

QBE employs a defence-in-depth approach to security coupled with proactive and reactive security controls to protect our environment. This includes threat intelligence, monitoring, vulnerability management and incident response. Our Global Security Operations Centre performs containment activities when malicious activity is detected. We have robust business recovery plans in place that are tested annually. QBE believes that cybersecurity is everyone's responsibility, which is demonstrated through our comprehensive multi-channel global awareness program.

QBE has a rolling, three-year Cybersecurity Strategy designed to improve the security and resilience of QBE technology and business services against cyberthreats or disruption. The strategy's key drivers are technology modernisation, the evolving threat landscape (including criminal activity and techniques), internal and external risk assessments, and changes in the regulatory environment.

QBE's Cybersecurity Strategy is approved by QBE's Group Board. Divisional and Group executives and Boards receive assurance through regular reporting. QBE also conducts internal and external assessments on security control effectiveness to assist us to prioritise investment and areas of focus. QBE has a comprehensive cybersecurity capability, including security architecture and design, data security, cyber engineering, governance and assurance, identity and access management, and cyber safety awareness. These capabilities are delivered via a central, global function that enables strategic direction for, and common security goals with, our people, suppliers and regulators. Activity is also delivered via divisionally based subject matter experts, who tailor solutions to meet local business requirements and regulations.

QBE's cybersecurity risk and compliance activities are aligned with the QBE Group Risk and Compliance Frameworks, which seek to ensure that cyber risks are consistently assessed, monitored and managed in line with wider enterprise risks and compliance obligations. In 2023, QBE established a Global Data Security Council to seek global alignment across our divisions on risk appetite and input into our data security posture, incorporating a range of stakeholders from Privacy, Risk and Compliance, Legal, Data Governance and, of course, Cybersecurity.

Ransomware resilience and prevention remains a key focus for QBE and a prevalent threat to organisations worldwide. In response, QBE has dedicated programs focused on ransomware business resiliency. We prioritise application recoverability for core business processes across all technology dependencies. Internal and external assessments are regularly conducted to test controls.

### Data loss prevention

Data is critical to QBE's business, with insights from data shaping our business strategy and supporting continuous improvement. Data loss risks for businesses have risen in recent years, in line with the increased volume and sophistication of cybersecurity threats. Recent high-profile data breaches reflect this reality. In response, QBE has dedicated programs focused on data loss prevention. These include reinforcing our data security culture, in which all employees and business units understand their role in data security. QBE believes that cybersecurity is everyone's responsibility, demonstrated through our robust multi-channel global awareness program. In 2023, QBE ran a global series of half-day cybersecurity workshops for Boards and senior executives. This year, we also released newly designed mandatory cyber safety training to all QBE employees. The training addresses the changing cyberthreat environment.





## Innovation and technology

Technology is central to our business – our customers and our people depend on technology to access our products and services. Striving to provide an IT environment that is stable, modern, secure, and sustainable, is central to QBE's overall approach to operational resilience.

QBE maintains divisionally aligned technology teams responsible for the technology assets of the local business, supported by shared services functions providing enterprise-wide capabilities, such as service management, security services, networks, infrastructure support and workplace technologies. We use trusted third parties to provide a range of application development and management services. We leverage our TPRM framework and related policies, such as our Group Material Outsourcing Policy, to govern these arrangements. Our technology priorities are aligned with divisional business strategies and form part of the overarching technology strategy, overseen by QBE's Group Board. A clear emphasis within this strategy is on keeping our IT current to mitigate against security and stability risks arising out of exposure to older technologies.

In 2023, QBE maintained focus on application simplification and modernisation, such as moving applications to the Cloud and convergence of core platforms. Operational simplification continued with the implementation of key platforms capable of automating administrative processes. QBE's transformation activities are tracked divisionally and centrally to ensure visibility of change and that delivery risks are appropriately managed.

This year, QBE developed, and began executing, an enterprise-wide Group Data Strategy seeking to promote effective use and control of data assets. A key part of this strategy is leveraging the use of generative artificial intelligence (AI) to enhance our capabilities and become the most consistent and innovative risk partner in the insurance sector. QBE's approach to AI acknowledges that

careful experimentation and robust governance are essential to responsibly navigate the challenges that AI represents. QBE is committed to harnessing the potential of AI responsibly, ethically, and safely. We will continue to develop our established governance and boundaries for responsible use of AI and build our capabilities to use AI by providing education and training to our people.

QBE's technology teams operate in accordance with the IT Risk Management Framework, with minimum control standards in place across the IT delivery life cycle, including expectations for ongoing disaster recovery and security testing. Adherence to control standards is tested annually through the Risk and Control Self-Assessment process to identify areas requiring improvement. Key Risk Indicators and Service Level Agreements are monitored monthly across both external partners and internal teams to ensure effective delivery of activities within our risk appetite and against stakeholder expectations. In 2023, QBE IT commenced establishment of an independent controls assurance capability to provide a further layer of active controls validation.

Innovation and technology will continue to be central to QBE's overall purpose and strategy. Increasing digitisation and automation of processes are fundamental to meeting customer and partner expectations, as well as supporting our overall organisational effectiveness. In 2023, our shared services centre continued its focus on process automation and improved customer experience.

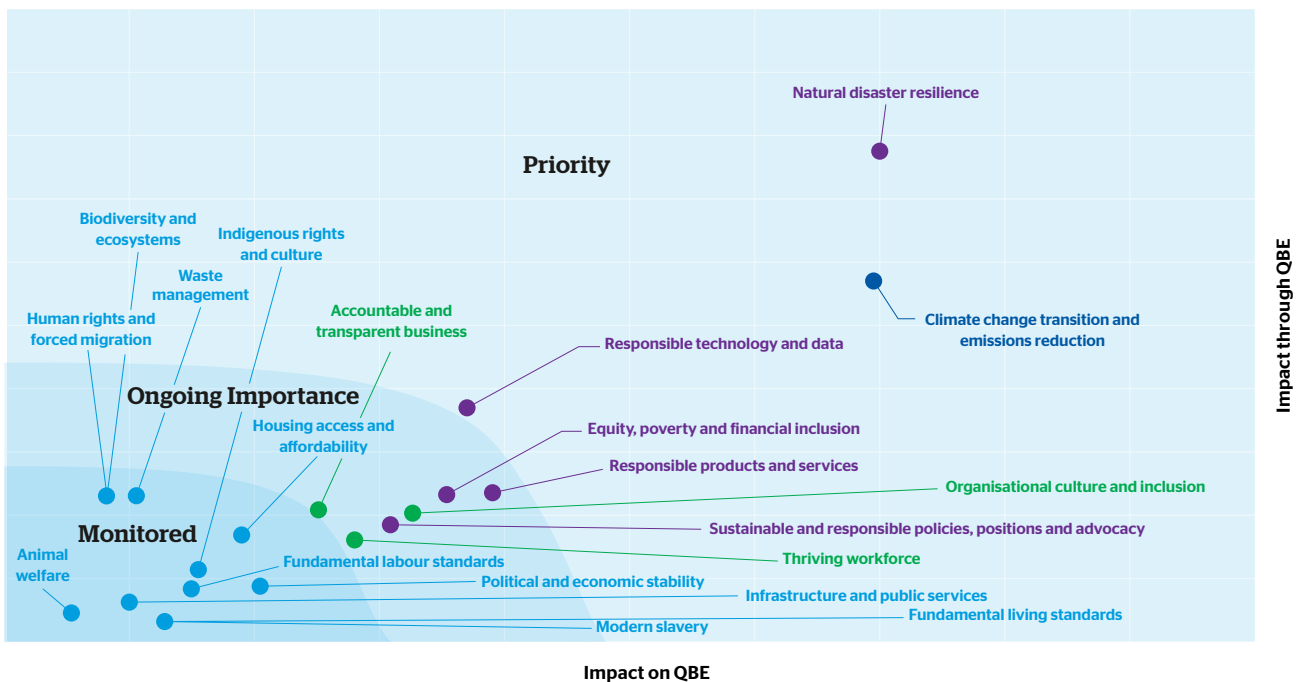
Our Business Continuity Management Policy seeks to ensure a consistent approach to business continuity management (BCM) across our global operations. In 2023, our BCM program continued to strengthen QBE's operational resilience and crisis management capability via testing of various disaster scenarios and continual enhancement of emergency playbooks and cyber response plans.

# Our approach to materiality

In 2023, we undertook an in-depth materiality assessment through which we reprioritised and reduced the number of material topics for our business from 38 to 20. A mapping of the previous topics to the new topics can be found on our [website](#).

In 2023, our approach has focused on societal and environmental impacts on, as well as through, QBE's business activities and value chain. This is reflected in the updated materiality matrix below.

## QBE materiality matrix - Group



**Key:**

- **Focus Area 1** - Foster an orderly and inclusive transition to a net-zero economy
- **Focus Area 2** - Enable a sustainable and resilient workforce
- **Focus Area 3** - Partner for growth through innovative, sustainable and impactful solutions
- **Monitored**

- Priority** - Topics of high importance to our stakeholders, with a significant impact on the environment, economy and society. These require significant management and strategic focus.
- Ongoing Importance** - Topics of strategic significance for which we have well-established management processes. Stakeholder interest in these topics may vary.
- Monitored** - Topics of relevance to our stakeholders, not primary priorities. Several will benefit from activities related to Priority and Ongoing Importance topics.

# Our materiality assessment

In 2023, we refreshed our material topics to better reflect the current reporting landscape and frameworks, and to prepare for emerging reporting requirements.

This year, we have based our approach to assessing the materiality of sustainability topics on financial sector frameworks developed by the UN Environment Programme Finance Initiative (UNEP FI). In addition, we mapped definitions and impact areas to key sustainability disclosure frameworks and standards to better prepare for future mandatory reporting. Once we consolidated the impact areas, we conducted a desktop assessment to determine impacts on, and through, QBE's operations and business. We then mapped sustainability topics and prioritised them to feed into the stakeholder engagement phase.

We engaged internal and external stakeholders using structured online surveys, through which we asked them to rank material sustainability topics. We then validated and further prioritised the results to identify the most significant impact areas for disclosure and mapped to our three sustainability Focus Areas. We validated the results in workshops with the executive management of our Australia Pacific, North America and Europe operations. A detailed materiality assessment methodology can be found on our [website](#).

The prioritisation exercise resulted in three clusters. The top three material sustainability topics are of high importance to our stakeholders. These are 'Natural disaster resilience,'

'Climate change transition and emissions reduction' and 'Responsible technology and data' and are described below.

Responsible technology and data is an area of increasing materiality, as exposures to risks and opportunities associated with AI increase alongside complex and sophisticated threats such as cyberattacks.

The second cluster of 6 topics are of strategic significance and have well-established management processes. The final cluster of 11 topics are of relevance to our stakeholders, and while not primary priorities, they are monitored for issues and opportunities that may elevate their materiality.

The materiality assessment validated our three Focus Areas.

+ Further information on our materiality process can be found [here](#).

+ Further information on our stakeholder engagement can be found [here](#).

## QBE's materiality assessment process

Understanding QBE's context	Identification	Assessment	Engagement	Prioritisation	Validation
<p>Review of sector-specific standards and sustainability frameworks - UNEP FI, GRI, UN Principles for Sustainable Insurance</p> <p>Review of QBE's ESG risks horizon scan</p>	<p>Identify existing and potential impacts on QBE and by QBE</p> <p>Develop list of material topics for assessment</p>	<p>Evaluate significance of existing and potential impacts through desktop assessment</p> <p>Seek endorsement from internal subject matter experts</p>	<p>Engage internal and external stakeholders through workshops and structured surveys</p>	<p>Rank material topics through combination of desktop assessment and stakeholder feedback</p>	<p>Validate results with executive stakeholders</p> <p>Seek endorsement from Group Board</p>

Based on GRI 3: Material Topics 2021.

## Our priority material topics for 2023

The following topics are presented in order of ranking after undergoing an analysis of financial, strategic and external impacts, stakeholder engagement and a prioritisation exercise. They were then further validated through additional stakeholder and executive workshops.

### Natural disaster resilience

Insurers play a key role in helping customers, businesses and communities recover following the impact of natural disasters. The insurance sector can enable greater resilience through accessible and innovative insurance products and services, the sharing of knowledge for better risk management and to attract investment for better adaptation of our homes, businesses, and communities.

+ Refer to [pages 17-18](#).

### Climate change transition and emissions reduction

A focus on the reduction of emissions now is key to avoiding the impacts of climate change in the future. Emissions reduction, often referred to as emissions mitigation, involves finding ways to reduce and avoid emissions, to switch to lower emissions energy sources and to remove emissions either through protection of natural environments that sequester emissions, or through new technological approaches.

+ Refer to [pages 4-7](#).

### Responsible technology and data

Responsible privacy practices when collecting, using and sharing data, and the security and protection of it, mitigate the risk of harm to our operations and stakeholders. This includes the ethical use of data and analytics, artificial intelligence, innovation and technology and cybersecurity.

+ Refer to [pages 25-27](#).

### Responsible products and services

This topic covers the creation and distribution of products and services that provide value to the customer, and wider value to society. This includes providing high-quality products and services that adequately address customer needs, supported by appropriate, clear and honest customer communications.

+ Refer to [pages 20-21](#).





## Equity, poverty and financial inclusion

This topic addresses income inequality and poverty, including access to useful and affordable financial products and services such as insurance. It includes initiatives to support our customers experiencing hardship, address underinsurance and accessibility, develop affordable products, and support improved financial wellbeing and literacy.

+ Refer to [page 19](#).

## Organisational culture and inclusion

QBE aims to be a workplace that is inclusive and diverse, in gender, ethnicity, thinking and ideas, with a culture that enables achievement of vision, purpose, and strategic objectives. We achieve this by seeking to ensure that 'how' people go about their work is just as important as 'what' gets achieved. We encourage a psychologically safe and fair environment where employees can be themselves and feel supported to speak up.

+ Refer to [pages 8-10](#).

## Sustainable and responsible policies, positions and advocacy

QBE has made certain sustainability commitments and set policies in relation to the environment and human rights with a view to supporting the long-term sustainability of the business and our environment, economies and society. Where appropriate, QBE plays a role in collaborating across our ecosystem to address sustainability matters such as climate risks and the affordability and accessibility of insurance.

+ Refer to [pages 22-24](#).

## Accountable and transparent business

We seek to fairly represent our financial and non-financial performance as we execute on our strategic priorities and integrate sustainability across the business. We are required to meet extensive local and international laws, regulatory requirements and obligations, policy, industry codes, and business and ethical standards across our activities, wherever we operate. Further, we provide additional voluntary disclosures where these are relevant to QBE's performance and relevant to our stakeholders, where we have sufficient confidence in the integrity of our data.

+ Refer to [pages 14-15](#).

## Thriving workforce

QBE seeks to provide workplace conditions that enable employees to thrive and contribute to our sustainability goals. This includes performance and reward, learning and development, employee engagement and relations, employee benefits and support, leadership development, and other strategies to attract and retain leading talent and enable all our employees to speak up without fear.

+ Refer to [pages 11-13](#).

# 2023-25 Sustainability Scorecard

## Focus Area 1 - Foster an orderly and inclusive transition to a net-zero economy.

INITIATIVE/TARGET	PROGRESS
Set interim target(s) for our underwriting portfolio. <sup>1</sup> Formal engagement with priority commercial customers.	🔄
Target an increase in our Climate Solutions investments to 5% of the total investment portfolio by 2025.	🔄
Target a 25% reduction in the Scope 1 and 2 carbon intensity of our developed market equity portfolio by 2025 (relative to a 2019 baseline).	🔄
Maintain a low carbon risk <sup>2</sup> rating in the Scope 1 and 2 weighted average carbon intensity of our investment grade corporate credit portfolio.	✅
Engage at least annually with the top 20 highest emitters in our investment grade corporate credit portfolio and with all of our external investment managers.	✅
Use 100% renewable electricity for our operations by 2025.	✅
Reduce Scope 1 and 2 carbon emissions by 30% by 2025 (1.5 trajectory aligned science-based target).	✅
Reduce energy use by 25% by 2025 (from 2019 levels).	🔄
Maintain carbon neutrality on defined inventory related to our global operations.	✅
Reach net-zero for QBE's operational emissions by 2030, expanding our commitment on operational Scope 1 and 2 to include material Scope 3.	🔄
Commence formal engagement on net-zero progress with strategic suppliers in our global supply chain in 2023, with the goal of setting our own targets by 2025.	🔄

<sup>1</sup> Updated in June 2023 following QBE's resignation from the Net Zero Insurance Alliance in May 2023.

<sup>2</sup> Carbon risk rating measures exposure to carbon intensive companies. MSCI Carbon Risk is categorised as Very Low (0 to <15), Low (15 to <70), Moderate (70 to <250), High (250 to <525) and Very High (>=525).

## Focus Area 2 - Enable a sustainable and resilient workforce.

INITIATIVE/TARGET	PROGRESS
Progress the initiatives and priorities in our Culture Blueprint for Change to drive QBE towards the target culture.	🔄
Maintain 40% of women in leadership and maintain 40% women on Group Board by 2025.	✅
Continue to focus on equality and inclusion of diversity, including maintaining targets for equal belonging for gender, ethnicity, disability and LGBTIQ+.	🔄
Measure the integration of sustainability into our business through growth in the sustainability capability of our business, engaging employees and through relevant sustainability-related metrics in executive variable remuneration by 2025.	🔄
Increase trust and transparency through disclosing our Group Code of Ethics and Conduct Standards applicable to all employees, performance in relation to Material Topics and policies, including mandatory training completion and consequence management.	🔄

## Focus Area 3 - Partner for growth through innovative, sustainable and impactful solutions.

INITIATIVE/TARGET	PROGRESS
Explore and target partnership opportunities to enhance re/insuring the transition and sustainable growth.	🔄
Ensure QBE's collaboration with external stakeholders is driving consistent advocacy and progress towards our sustainability commitments.	🔄
Achieve our ambition to grow our total impact investments to US\$2 billion by 2025.	🔄
By 2025, obtain acknowledgement from 90% or more of all newly contracted or re-contracted strategic suppliers that they will adhere to QBE's Supplier Code of Responsible Conduct or their own equivalent code of conduct.	🔄
Grow QBE Foundation strategic partnerships and initiatives globally, aligned to the Foundation's vision of creating strong, resilient, and inclusive communities and social impact objectives.	🔄

Key for progress symbols: Achieved On track Refreshed New



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