

# Strategy

Our purpose is to enable a more resilient future. As an organisation, we have been helping our customers grow, innovate, explore, prepare and recover from setbacks since 1886. Our strategy should ensure we build on this legacy.

## Our strategic priorities

	WHAT WE ACHIEVED IN 2023	FUTURE FOCUS
 <b>Portfolio optimisation</b> Strive for both improved and more consistent risk-adjusted returns by actively managing portfolio mix and volatility	<ul style="list-style-type: none"> <li>• Considerable improvement in property portfolio quality driven by portfolio exits, improved terms and targeted rate increases in excess of 20% across standalone property</li> <li>• Completion of transformational reserve transaction which de-risked the Group's exposure to long-tail reserves totalling ~\$1.9 billion</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to execute against medium-term portfolio mix targets, and drive incremental reduction in potential volatility</li> <li>• Incorporate evolving view of insurance-associated emissions into medium-term portfolio mix targets</li> </ul>
 <b>Sustainable growth</b> Achieve consistent growth through innovative risk solutions, leveraging improved digital capability and existing skill-set across the enterprise	<ul style="list-style-type: none"> <li>• Strong momentum across a number of growth focus areas including reinsurance, global specialty and QBE's UK commercial business</li> <li>• Progressed a number of growth opportunities including cyber, and added capability in adjacent specialties in North America</li> </ul>	<ul style="list-style-type: none"> <li>• Become an easier partner to do business with and build deeper distribution relationships around our growth focus areas</li> <li>• Focus investment in target growth segments to build and enhance capability</li> </ul>
 <b>Bring the enterprise together</b> Simplify what we do and achieve greater consistency across the enterprise. Explore new ways to better leverage our global footprint and scale	<ul style="list-style-type: none"> <li>• Improved enterprise alignment has supported the pace of property initiatives, the aforementioned reserve transaction, and a global approach to new growth opportunities</li> <li>• Commenced a new corporate branding project to build on the deep relationships and strong presence cultivated in our markets over the past 130+ years</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to identify enterprise opportunities unlocked through better sharing of knowledge and relationships</li> <li>• Further expand our underwriting capabilities to create a globally consistent approach that supports the resilience of our customers in an increasingly complex risk environment</li> </ul>
 <b>Modernise our business</b> Strategically innovate and invest in differentiating capabilities that make things easier for our customers, partners and people	<ul style="list-style-type: none"> <li>• Commenced a review to assess opportunities for simplification and operational efficiency to ensure QBE is future fit, and investment spend is optimised</li> <li>• Deepened application of AI across underwriting and operations, with numerous additional future use cases identified</li> </ul>	<ul style="list-style-type: none"> <li>• Further progress against data strategy including acceleration of AI integration will be a key focus for 2024</li> <li>• Support sustainable growth agenda through continued enhancement of underwriting tools, process and data capability</li> </ul>
 <b>Our people</b> Empower a sustainable and diverse pipeline of leaders, while becoming an employer of choice in our markets	<ul style="list-style-type: none"> <li>• QShare, QBE's new employee share plan, successfully launched, with 27% of eligible employees enrolling</li> <li>• Launched innovative new targets focused on equal sense of belonging across the dimensions of gender, ethnicity, disability status and LGBTIQ+ identification</li> </ul>	<ul style="list-style-type: none"> <li>• Modernise approach to workforce planning through improved global workforce processes and integrated tools</li> <li>• Increase the diversity of our workforce in line with targets including increasing representation of women in all leadership roles</li> </ul>
 <b>Our culture</b> Be a purpose-led organisation, and ensure our purpose is visible every day, in all our interactions. Strengthen the alignment and collaboration across the enterprise	<ul style="list-style-type: none"> <li>• Successful launch of QGiving, QBE's employee fundraising and volunteering platform that brings our people together with our community partners</li> <li>• Launched QBE's Safety to Speak Up Playbook, equipping all employees to build psychological safety in support of participation and innovation</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to embed our purpose through decision-making and team exploration activities</li> <li>• Strengthen and further embed Safety to Speak Up practices in how work gets done at QBE</li> </ul>



# 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 materiality assessment which considers impacts on QBE and our impacts on society and the environment. To address the stakeholder expectations on material topics, we set initiatives and targets for each of the three focus areas (Focus Areas) of our sustainability strategy in our Sustainability Scorecard.

OUR AREAS OF SUSTAINABILITY FOCUS	WHAT WE HAVE ACHIEVED IN 2023
<p><b>Focus Area 1</b> Foster an orderly and inclusive transition to a net-zero economy</p> <p>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.</p> <p>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.</p> <p>We continue to work toward our ambitions of a net-zero underwriting portfolio by 2050, a net-zero investment portfolio by 2050 and net zero in our own operations by 2030.</p>	<p><b>100%</b> electricity use across QBE's offices certified as renewable <sup>1</sup></p> <p><b>75%</b> reduction of Scope 1 and 2 carbon emissions since 2018 <i>Target of 30% by 2025</i></p> <p><b>24%</b> energy reduction <i>Target to reduce energy use by 25% by 2025 (from 2019 levels)</i></p> <p><b>4.6%</b> Climate Solutions investments <i>Target 5% of the total investment portfolio by 2025</i></p> <p><b>ENGAGEMENTS IN 2023:</b></p> <p><b>100%</b> external fund managers across our investment portfolio, and 20 highest emitters in our investment grade corporate credit portfolio</p>
<p><b>Focus Area 2</b> Enable a sustainable and resilient workforce</p> <p>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.</p> <p>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.</p>	<p><b>40%</b> Women on Group Board <i>Target of 40% by 2025 (achieved)</i></p> <p><b>55%</b> Women on Group Executive Committee (GEC) <i>Target of 40:40:20 (40% women, 40% men, 20% any gender) by 2023 (achieved)</i></p> <p><b>40%</b> Women in Leadership <sup>2</sup> <i>Target of 40% by 2025 (achieved)</i></p> <p>Achieved target of equal sense of belonging in dimensions of LGBTIQ+ identification and ethnicity</p>
<p><b>Focus Area 3</b> Partner for growth through innovative, sustainable and impactful solutions</p> <p>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.</p> <p>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 or better manage risk.</p>	<p><b>\$1.6BN</b> market value of Premiums4Good investments <i>Target of \$2 billion by 2025</i></p> <p><b>108</b> number of securities of Premiums4Good investments</p> <p><b>47%</b> increased Corporate Community investment by QBE Foundation since 2022</p>

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 Defined as the next three tiers below the GEC.