

## 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:

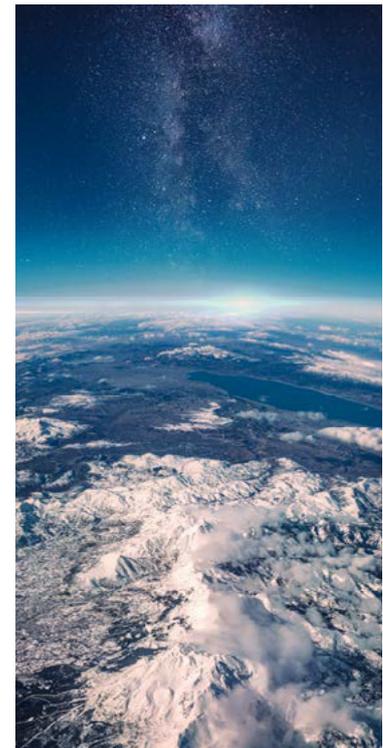
- minimise the potential or unintended misselling of products;
- promote greater customer and market confidence in our products;
- reduce the number of customer complaints about our products; and
- maximise the likelihood of adherence to internal and external compliance requirements.

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.

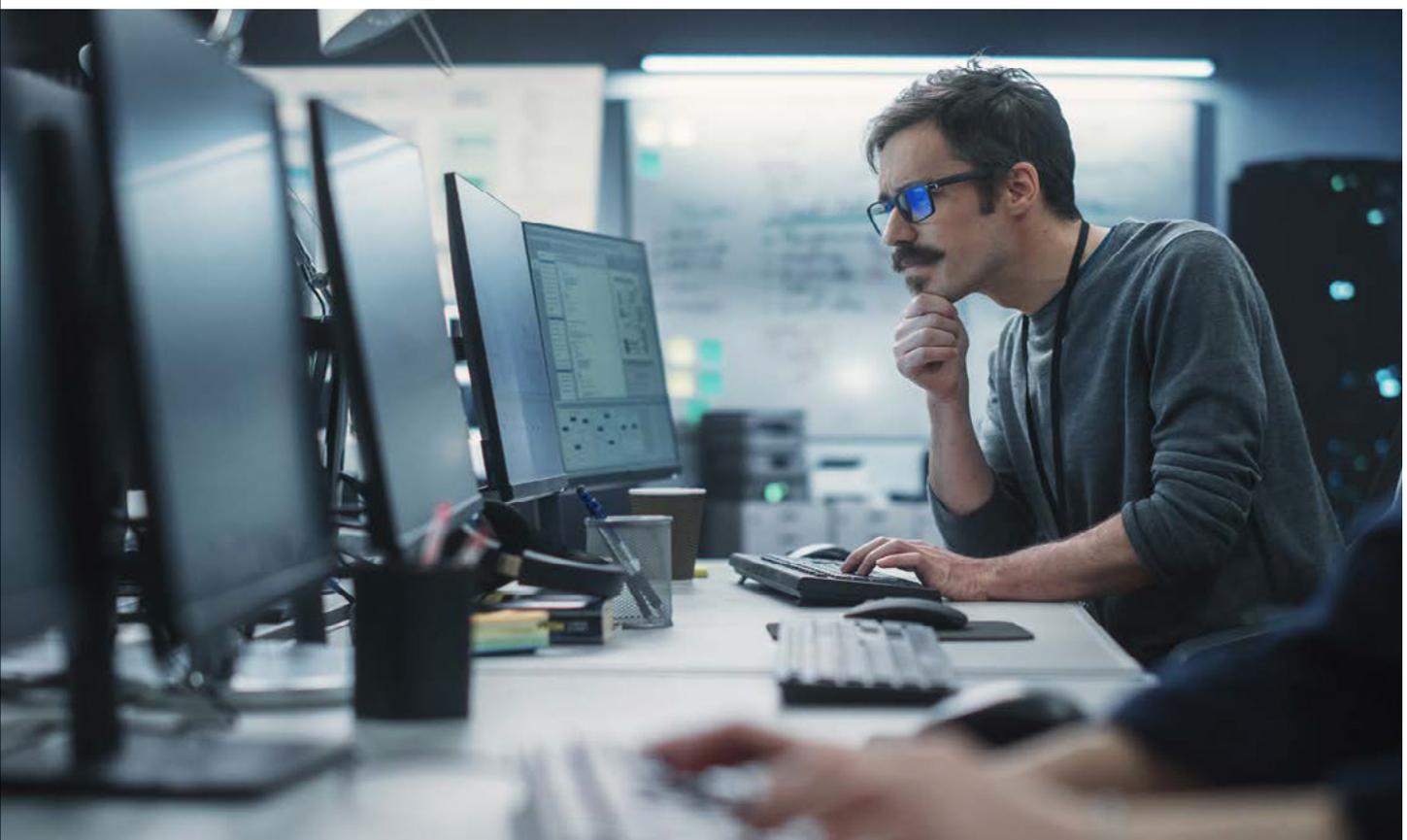
QBE has a Global Privacy Council (GPC) that is chaired by the Group Privacy Officer. Its membership includes local divisional privacy officers or privacy compliance leads (or equivalent), Legal, IT and Compliance personnel. The GPC is an advisory, information-sharing and evaluation group that considers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