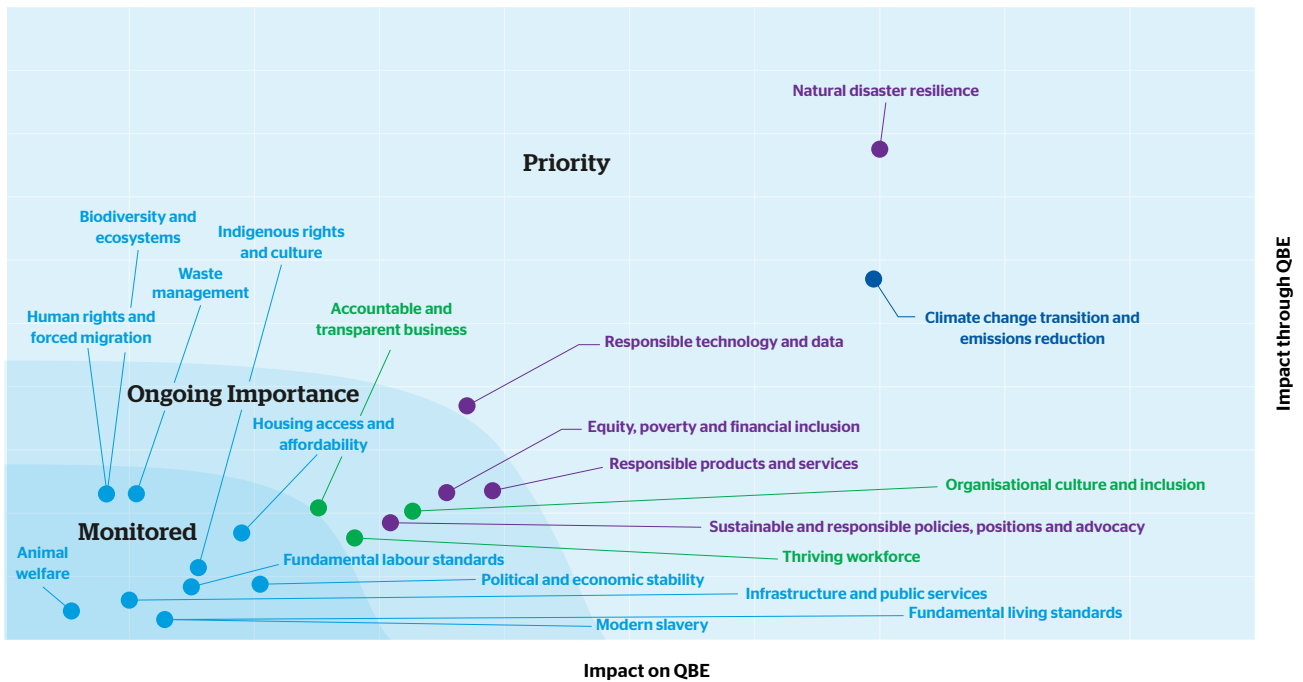


# Our approach to **materiality**

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.