

Climate change: working towards a net-zero future

Our approach to climate change is aligned with our commitment to supporting the SDGs, specifically SDG 13, Climate Action.

We acknowledge the goals of the Paris Agreement, which unites 191 countries and the European Union to limiting the global temperature rise this century to well below 2°C, and helping mitigate the impacts of climate change. As an insurer, we recognise our role is to financially protect people and their assets, support recovery efforts in times of catastrophe and reduce the economic and social impacts of climate change on our customers and communities. We accept scientific evidence, and assessments made by the Intergovernmental Panel on Climate Change, and continue to work towards net-zero emissions.

This year saw a significant increase in climate change-related activity globally, including the 26th United Nations Framework Convention on Climate Change Conference of the Parties (COP 26) meeting in Glasgow. Consistent with the key outcomes of COP 26, we believe we must take more rapid action to implement change and support the orderly transition to a net-zero economy.

We remain committed to identifying, managing and disclosing our climate-related risks and opportunities in line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Our physical and transition scenario analysis implications are considered within

business planning across the Group and in the development of new responsible underwriting strategies.

In 2022, we joined the UN-convened Net-Zero Insurance Alliance, a leading insurers' and reinsurers' initiative to help accelerate the transition to net-zero emissions economies. As part of this, we pledged our commitment to transitioning our underwriting portfolio to net-zero emissions by 2050.

i **More detailed disclosures on climate change can be found in our [2021 Annual Report](#).**

As a member of the UN-convened Net-Zero Asset Owner Alliance, an international group of institutional investors committed to transitioning to a net-zero economy, we have pledged to achieve net-zero greenhouse gas emissions in our investment portfolio by 2050. Consistent with this commitment, currently over \$950 million is invested in assets that finance the transition to a net-zero economy. This is 3% of assets under management (AUM) and, in line with our intermediate targets, we aim to grow this to 5% of AUM by 2025.

i **Refer to [Impact and responsible investments](#) for further information.**

The QBE Foundation has developed a new strategic framework with the

overarching theme of creating strong, resilient and inclusive communities. Climate resilience is one of two pillars of focus, alongside inclusion.

i **Refer to [Customer and community](#) for further information.**

Going forward, our focus for tackling climate change will continue to be on the following areas:

- building resilience for our customers and communities;
- transitioning our business towards a net-zero emissions economy;
- strategic integration of climate change risks and opportunities across QBE;
- aligning our business operations with the actions of our people to reduce our carbon footprint individually, and as an organisation, to support climate action; and
- continued transparency regarding our governance and performance.

Insurance Council of Australia (ICA) Climate Change Action Committee

We continued our involvement in the ICA's Climate Change Action Committee. The committee operates as a member working committee reporting as required through ICA management to the ICA Board. A strong focus of the committee is to collaborate with stakeholders and partners on initiatives



As an international insurer and reinsurer, we see first-hand the impacts of a rapidly changing climate on our customers, communities and partners. We consider climate change to be a material business risk, as well as a driver of innovation and opportunity. We know that climate change gives rise to acute and chronic physical, transition, liability and other risks associated with changes in policy, laws, regulation, technology, markets and societies.

designed to support community resilience in a changing climate and the transition to a net-zero economy. In 2021, the work of the committee resulted in the release of the ICA's Climate Change Impact Series of reports as well as a number of industry engagement forums including a Principles for Sustainable Insurance webinar co-hosted with QBE.

Renewable energy portfolio

The energy sector has an essential role in supporting the transition to a net-zero emissions economy and the scaling up of existing technology, and in driving the development of new technologies and innovation. We have had a long-standing role in insuring customers that support global energy markets, many of whom have committed to meeting a net-zero pledge by 2050 not only in their own business activities, but also for the end-users of their products. To support our customers in their transition to a net-zero economy, QBE International has launched a Sustainable Energies unit. The unit aligns QBE underwriting capabilities across construction, operational, casualty and Directors & Officers lines, focusing on underwriting the growing range of companies and energy systems that form part of a rapidly changing energy mix throughout the world. Projects include hydrogen, ammonia, hydro, solar, fixed and floating wind power and carbon capture and sequestration. The unit provides further levels of service and support for both new and existing energy customers who are looking to make meaningful changes to their business through an increased focus on sustainability.

Our global operations

As at 31 December 2021, we met our RE100 target across our global offices based on RE100 Materiality Threshold guidance¹. We have continued to maintain carbon neutrality and have set a new commitment to achieve net-zero emissions (Scope 1 and 2) across our

global operations by 2030. We also set a new target of a further 25% reduction in energy use by 2025 (from a 2019 baseline).

i Refer to [Operational excellence](#) for further information.



Insuring solar power in Asia

Solar energy is Singapore's most viable renewable energy source. But finding the space for large-scale solar facilities is challenging due to the nation's dense urban landscape and lack of available land. To overcome these issues, Singapore's national water agency is using the country's large expanses of water and reservoirs for floating solar farms that serve the dual purpose of water catchment and electricity generation; positioning Singapore as one of the few countries in the world to integrate green technology with water treatment. Floating solar farms were found to be more efficient than conventional rooftop solar farms due to the cooler reservoir environment. QBE has been involved in this project since inception - working closely with our broking partner and Singapore's leading energy and urban solutions provider.

In response to the liberalisation of solar power in Malaysia, QBE collaborated with a solar photovoltaic (PV) specialist insurance intermediary, Anora Agency, and a leading clean energy company, Solarvest Holdings Berhad, to provide a new product - SolarPro Line-Stoppage insurance - for solar PV energy projects. The policy covers general liability as well as including consequential loss cover, filling a gap in ordinary comprehensive general liability policies. The policy now covers loss such as accidents or damage to the property during and after the installation and construction of the PV system.



¹ In 2021, we aligned our reporting to the RE100. RE100's calculations (as per RE100 Materiality Threshold guidance) exclude electricity use from 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. The exclusion equated to 0.5% of our global electricity use in 2021.