



Premiums4Good™

Investment Impact Report

2023



At a glance

About QBE

QBE is an international insurer and reinsurer offering a diverse portfolio of commercial, personal and specialty products, as well as risk management solutions. We are listed on the Australian Securities Exchange (ASX) and headquartered in Sydney. We employ more than 13,000 people in 27 countries and have more than USD 30 billion of investment funds under management as at 31 December 2023.

We are driven by our purpose - to enable a more resilient future - and we strive to make a positive contribution to the economies and communities in which we operate.

About Premiums4Good

Premiums4Good is an industry-first initiative started by QBE in 2016 where we allocate a portion of customer premiums to impact investments that aim to create positive environmental and/or social change, alongside a financial return.

We take a globally consistent approach across our North American, Asian, European and Australia Pacific operations, where we allocate a portion of our customer premiums to Premiums4Good. Our ambition is to grow our impact investments to USD 2 billion by 2025.

About our Premiums4Good investment approach

Premiums4Good supports our belief that we can deliver attractive risk adjusted returns, while also seeking to deliver positive social and environmental impact. Our investments include green, social and sustainability (GSS) bonds, social impact bonds, and impact investment funds, supporting a range of projects and programs. From renewable energy initiatives to programs that aim to support vulnerable people and communities. At no extra cost to customers, it's just another way we help to enable a more resilient future.

Front cover image: © World Bank

QBE Insurance Group Limited | ABN 28 008 485 014



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Message from the Group Chief Executive Officer

At QBE, our purpose is to enable a more resilient future - for our customers and partners, our people and communities.

Premiums4Good is just one example of how we are working to do this, by allocating customers' premiums to impact investments that aim to create positive environmental and/or social outcomes.

We launched Premiums4Good in 2016 as an industry-first initiative with the belief that we can deliver attractive risk-adjusted returns, while also having a positive impact on communities and environments around the world.

Our impact investments span 11 impact areas that help address some of the world's most pressing environmental and social needs.

From environmental impact areas including sustainable energy and water, to social impact areas including financial inclusion and health - Premiums4Good helps us, together with our customers, make a difference. I'm happy to share a few stories highlighting the impact these investments are having in our 2023 Report.

Thank you to our customers for choosing QBE as your risk partner. Your premiums are not only covering you or your business, but also helping to change lives and care for the environment.

Andrew Horton
Group Chief Executive Officer

Premiums4Good snapshot

108 securities

Invested in as a part of Premiums4Good as of 31 December 2023

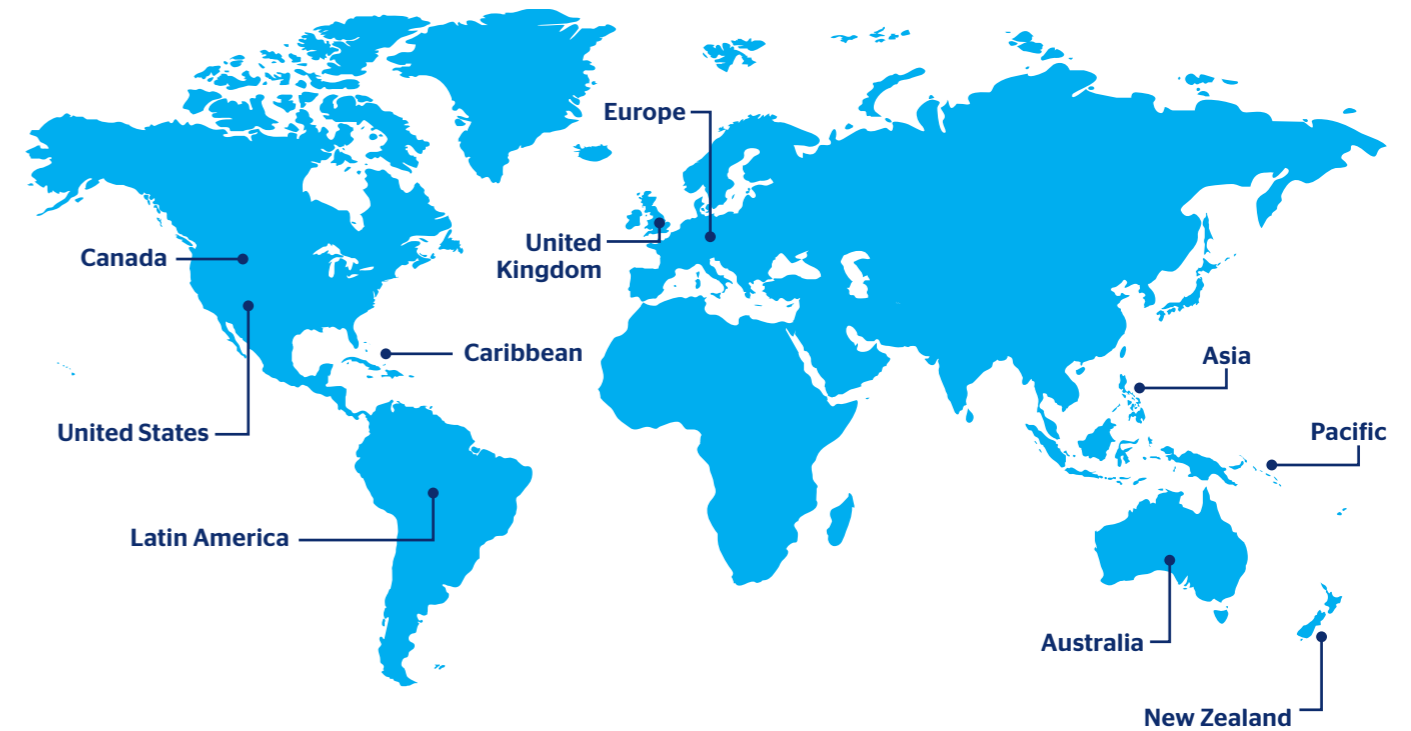
USD 1.58 billion

Invested as a part of Premiums4Good as of 31 December 2023

11 impact areas

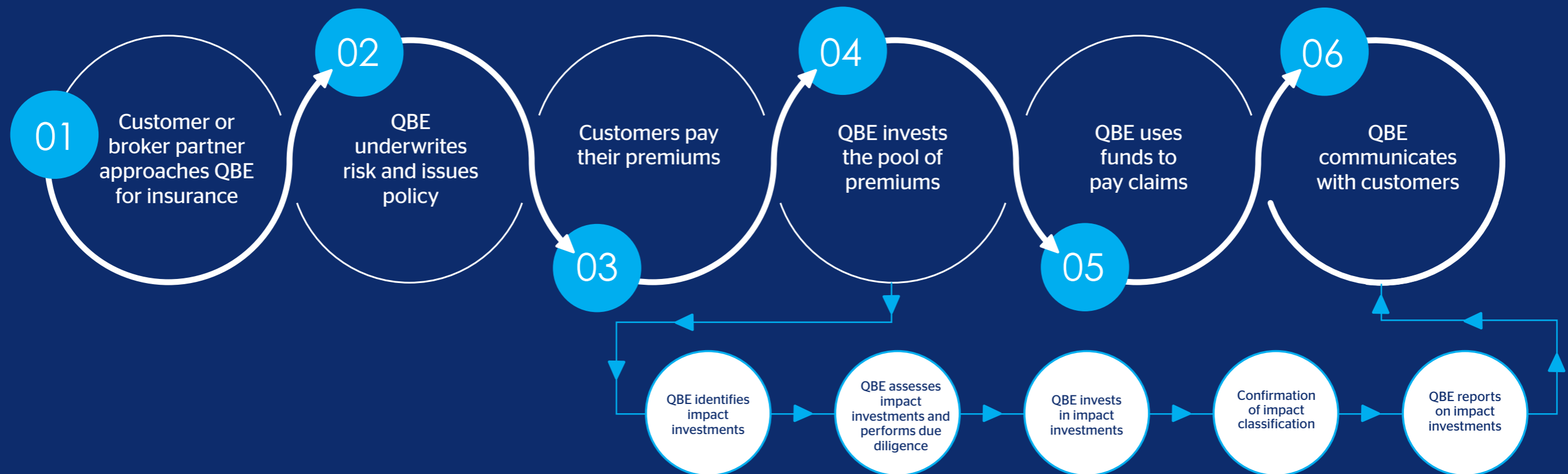


Key areas of geographical impact



For the first time since launching Premiums4Good, our year-on-year results show a slight decrease in the value of investments. This predominantly reflects market conditions, including the lower availability of assets considered suitable for Premiums4Good.

How does it work?



Impact areas

Through Premiums4Good, we invest in 11 impact areas that help to address some of the world's most pressing environmental and social needs.

As an international insurer and reinsurer with a local presence in 27 countries, QBE provides its customers around the world an innovative way to align their financial spend with their values around sustainability. These impact areas align with the United Nation's Sustainable Development Goals (SDGs) and our process maps each investment against the SDGs.

Environmental



Sustainable Energy

Expanding renewable energy infrastructure and improving energy efficiency

Example of our Investments

- European Bank for Reconstruction and Development (EBRD) Green Bond
- Nordea Bank Green Bond



Resource Efficiency, Recycling, Re-use, and Conservation

Supporting improved waste and resource management practices to help facilitate a stronger circular economy

Example of our Investments

- Canadian Government Green Bond
- Fedex Corporation Sustainability Bond



Food and Agriculture

Improving access to quality food, supporting sustainable land management, and bolstering resilient infrastructure in support of agriculture

Example of our Investments

- Starbucks Corporation Sustainability Bond



Urban and Community Development

Facilitating inclusive and sustainable community development through affordable, accessible, safe and resilient infrastructure

Examples of our Investments

- Auckland Council Green Bond
- NSW Treasury Corporation Sustainability Bond



Water

Expanding access to clean water, improving water resource management, and supporting sustainable marine practices

Examples of our Investments

- World Bank Sustainable Development Bond (highlighting Oceans & Water)

Social



Housing and Social Real Estate

Helping provide suitable and secure places to live and build community resilience for under-served people

Examples of our Investments

- YouthConnect Social Benefit Bond
- Bank of America 'Equality Progress' Sustainability Bonds (1, 2 & 3)



Education and Employment

Increasing suitable educational opportunities and employment pathways for vulnerable, marginalised, long-term unemployed or under-employed groups

Examples of our Investments

- Save The Children Impact Investment Fund
- European Union SURE Social Bond



Social Inclusion, Diversity and Gender

Helping to facilitate equitable social, economic and political inclusion across gender, race, religion, sexual orientation, disability or socio-economic background

Examples of our Investments

- Asian Development Bank Gender Thematic Bond
- Inter-American Development Bank Sustainable Development Bond



Financial Inclusion

Supporting the provision of targeted financial products and services that address income inequality and poverty to help improve social and economic wellbeing

Examples of our Investments

- The Reinvestment Fund Impact Investment Bond
- Citi Social Finance Bond



Health

Expanding access to affordable healthcare, services and facilities

Examples of our Investments

- Resolve Social Benefit Bond
- Asian Development Bank Health Thematic Bond



Social Care and Provision of Community Services

Services to improve quality of life for vulnerable, marginalised, long-term unemployed or underemployed groups

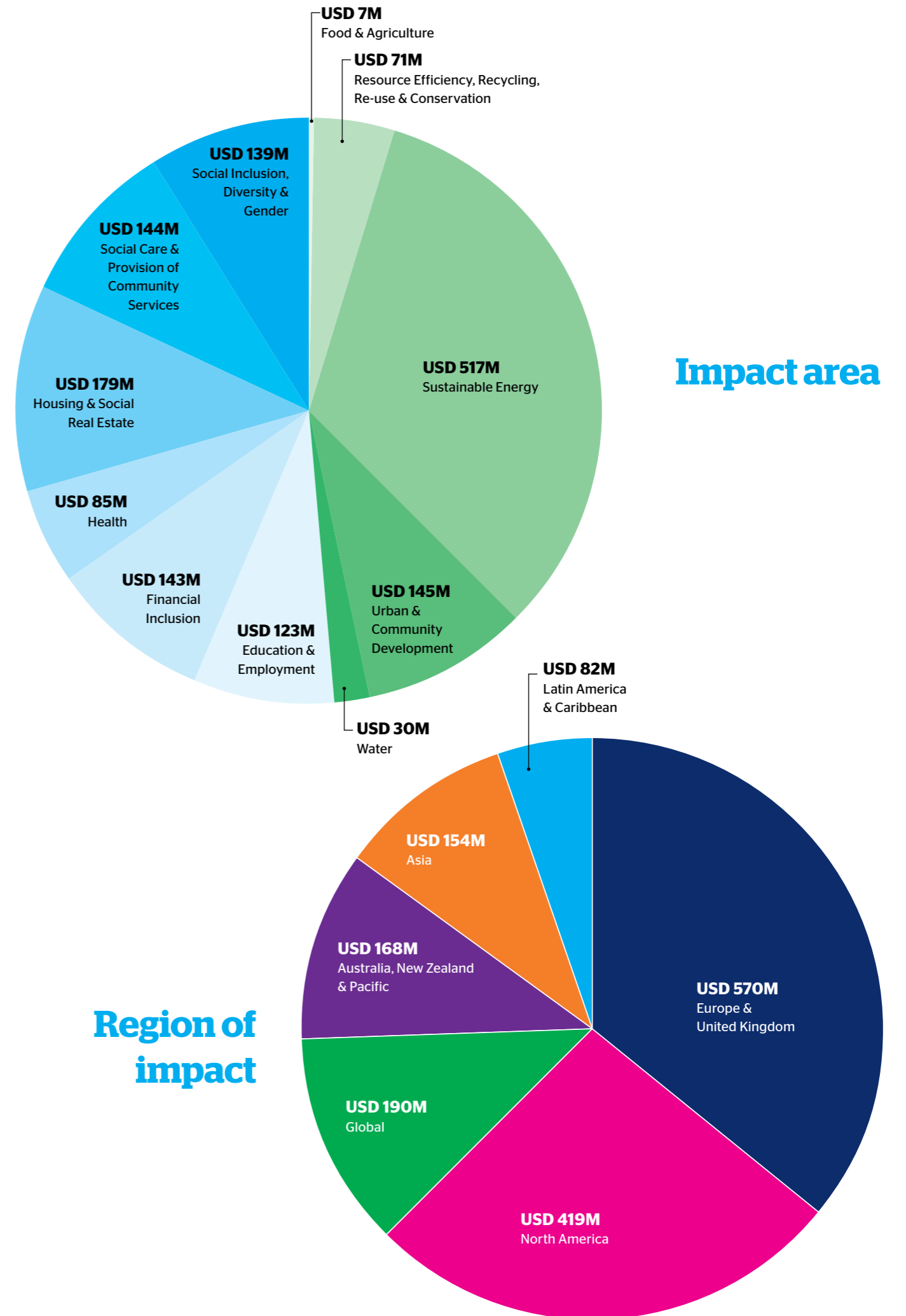
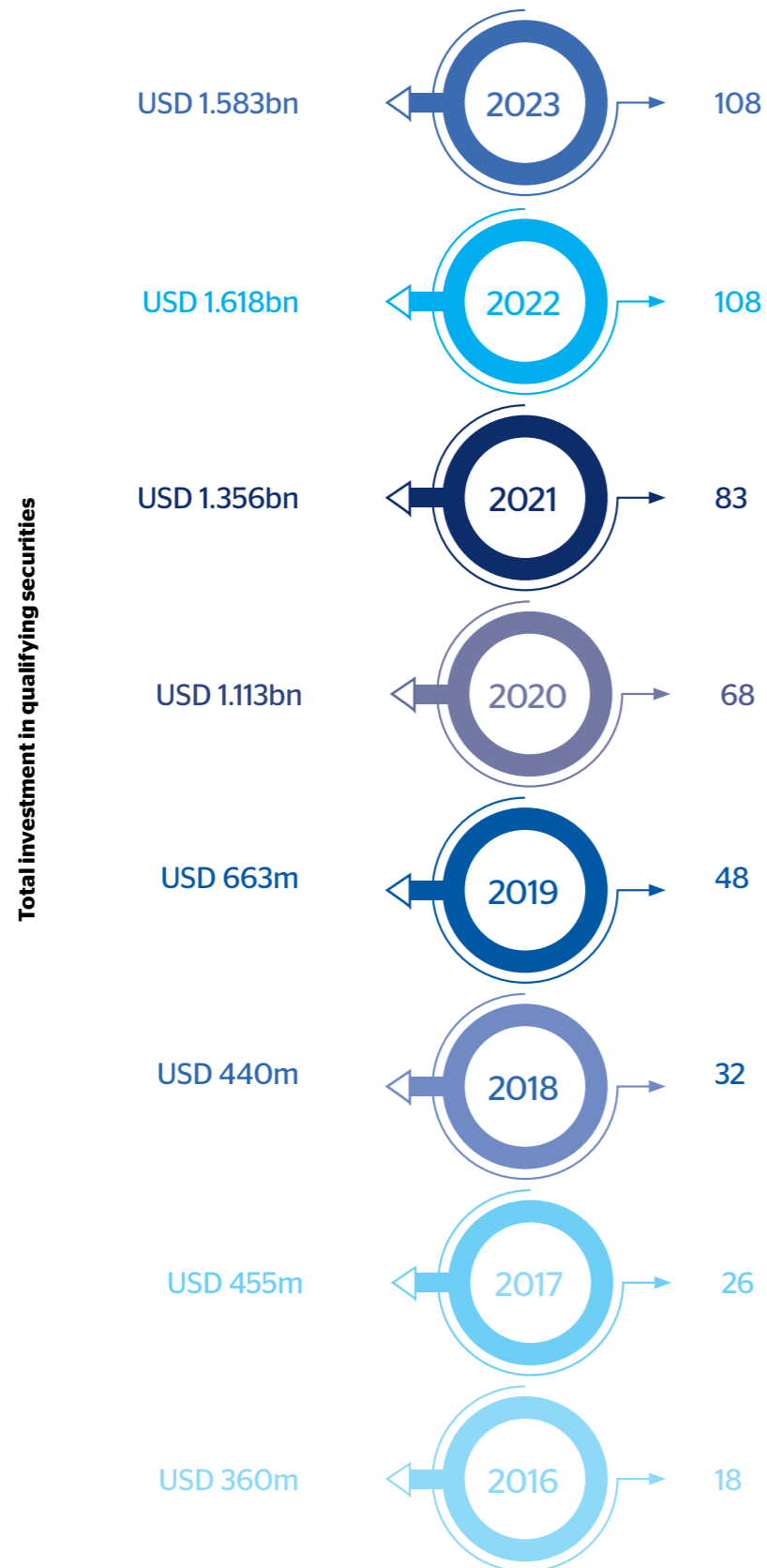
Examples of our Investments

- Bridges Social Outcomes Fund II
- Future Generation Global

Premiums4Good investments

Securities and investment totals 2016-2023

All of the below figures are as at 31 December of the respective year.



Resolve Social Benefit Bond

Impact area:
Health

Region of impact:
Australia

Type of Investment:
Social Impact Bond

SDG alignment:



From the Resolve Social Benefit Bond 2023 Report

The Resolve Social Benefit Bond (Resolve SBB) funds the Resolve Program, which provides community based mental health services in New South Wales, Australia. Resolve SBB is Australia's first impact investment aimed at improving mental health outcomes, led by peer workers with lived experiences of mental health issues¹. At the end of September 2022, 469 individuals in Western NSW and Nepean Blue Mountains Local Health District (LHDS) had been referred to the Resolve Program since its commencement, with 358 individuals completing their two-year service period².

Resolve Program

Mental ill-health can impact individuals at any life stage, with nearly half of all Australians experiencing mental health challenges at some point in their lives. People living with mental ill-health are at higher risk of facing physical health issues, unemployment, homelessness, and incarceration³.

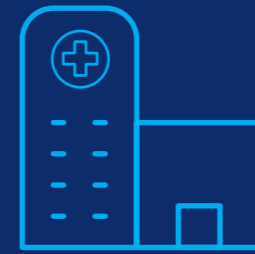
The Resolve Program aims to improve the well-being of individuals experiencing severe, persistent mental health issues. It operates as a community-based program led by peer workers with lived experience of mental health issues⁴. The program is facilitated by Flourish Australia and is a recovery-orientated community support program. It works with individuals who have spent between 40 and 270 days as a mental health inpatient over the year prior to their enrolment. Each participant receives support for up to two years.

Central to the program are Resolve centres - residential homes with 24/7 support - designed to help participants live well in the community. These centres provide a central hub for activities and other support services⁵.

Resolve participants have experienced a 66% reduction in health service utilisation compared to the year prior to their enrolment while supported by the Resolve program.

1. socialventures.com.au/work/resolve-sbb/ 2. socialventures.com.au/assets/Resolve_SBB_2023.pdf 3. health.gov.au/topics/mental-health-and-suicide-prevention/about-mental-health 4. nsw.gov.au/osii/social-impact-investments/resolve 5. socialventures.com.au/assets/Resolve_SBB_2023.pdf

Resolve Social Benefit Bond Highlights



68%
reduction in
hospital bed days*

54%
reduction in
hospital admissions*

30%
reduction in
average length of stay (days)*

40%
reduction in
emergency department visits*

*Compared to the year prior to their enrolment

6. socialventures.com.au/assets/Resolve_SBB_2023.pdf



A case study from Resolve Social Benefit Bond **Blake's Story⁶**

Blake, a 41-year-old First Nations man, was referred to the Resolve Program after spending lengthy periods of time in hospital receiving ongoing treatment for depression and drug dependency.

Blake received support from the Resolve program over a two-year period. During this time, Resolve played a pivotal role in helping Blake overcome physical and mental health challenges and enabled him to reclaim his independence. As a result, Blake has regained a sense of hope, pride, and excitement for the future.

The Resolve Program has helped Blake reach his recovery goals and secure housing suited to his disability needs. After his two-year support period came to an end, he was approved for his new accommodation.

The Resolve Program helped Blake move into his new home and replaced his old, worn-out furniture. Blake now lives in a safe area, closer to town and his family.

In addition to the Resolve Program and National Disability Insurance Scheme (NDIS) support, Blake has turned to his Mob for support. He has been reminded of his connection to his culture, Country and family - handed down from his grandfather - and his role in passing his knowledge and skills to the younger generation, including language, living off the land and bush medicine.

Since his support period has ended, Blake continues to work towards his recovery goals independently, with a sense of purpose and responsibility to his Mob.

The participant's name has been changed for privacy reasons.

Asian Development Bank Education Bond

Impact area:
Education and Employment

Region of impact:
Asia

Type of Investment:
Sustainability Bond

SDG alignment:



Through Premiums4Good, QBE has invested in various Asian Development Bank (ADB) thematic bond offerings, which fund projects that address quality education, gender equality, clean water and sanitation, and good health.

In ADB's vision to achieve a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, it seeks to address poverty and reduce inequalities. Through the ADB Education Bond, investment in education and training helps ensure the workforce can harness emerging opportunities and turn them into sustainable economic gains.

The importance of research, development and innovation¹

Many developing areas of Asia have experienced a learning crisis due to a lack of quality and relevant education. This has resulted in a disconnect between the skills gained through education and the demands of the industry.

Before the pandemic, limited economic growth and low productivity rates were an ongoing concern. These concerns were largely attributed to a lack of advanced technology.²

Despite the growing number of children receiving an education, many are leaving with inadequate literacy and numeracy skills. As a result, graduates are struggling to find good jobs, and employers are struggling to fill vacancies.

The ADB's education portfolio is focused on affordable, high-quality basic education for all. Support to developing member countries (DMCs) focuses on improving learning outcomes, enhancing employability, and developing entrepreneurial skills.

Education bonds can improve the quality, relevance, and access to education and training programs, which can improve outcomes for both students and industries.

1. [adb.org/sites/default/files/publication/655806/adb-theme-bonds-sustainable-development.pdf](https://www.adb.org/sites/default/files/publication/655806/adb-theme-bonds-sustainable-development.pdf)
2. <https://www.adb.org/projects/55063-001/main>

Case Study Highlights



Support for science and tech parks
across 4 x Indonesian universities



Increased jobs, training, and research opportunities
for women in Indonesia



Case study from the Asian Development Bank Education Bond

Promoting Research and Innovation in Indonesia with PRIME STeP³

The ADB recently expanded its education portfolio with several new initiatives, one of which is 'Promoting Research and Innovation through Modernisation and Enhancement of Science and Technology Park' (PRIME STeP) in Indonesia. This five-year project is geared towards supporting science and technology parks (STPs) across four universities in Indonesia.

The project will help upgrade research and development (R&D) and start-up incubation facilities, provide grants to conduct applied research, and upgrade the expertise of STPs researchers and administration staff.⁴

PRIME STeP aims to grow:

- Research and development at universities
- The capability for innovation in climate adaptation and mitigation
- Employment opportunities for graduates through technology start-up incubation programs
- The number of women in start-up businesses
- New enterprises in the technology sector
- Opportunities for training with a focus on jobs for women.

The four higher education institutions involved in the funding are Bandung Institute of Technology, IPB University, Gadjah Mada University, and the University of Indonesia. The project will help to improve the quality and relevance of higher education, and Indonesia's competitiveness in the industry.

3. <https://www.adb.org/sites/default/files/publication/655806/adb-theme-bonds-sustainable-development.pdf>
4. [adb.org/news/adb-supports-development-science-and-technology-parks-indonesia](https://www.adb.org/news/adb-supports-development-science-and-technology-parks-indonesia)

Kāinga Ora Wellbeing Bond

Impact area:
Housing and Social Real Estate

Region of impact:
New Zealand

Type of Investment:
Sustainability Bond

SDG alignment:



New Apartment Village, Te Mātāwai

Kāinga Ora Homes and Communities, previously known as Housing New Zealand (HNZ), provides public and social housing for people in need. Through the Wellbeing Bond Program, it has created an innovative village of new apartments for the people of Tāmaki Makaurau in Central Auckland, helping reduce homelessness and create much needed community connection.

Homelessness is a major issue across the world, with the United Nations Human Settlements Program estimating that 1.6 billion people live in inadequate housing¹, while in New Zealand it's estimated that more than 100,000 people are experiencing 'severe housing deprivation'².

In 2018, Kāinga Ora Homes and Communities began a Wellbeing Bond program with the intention of raising capital to create warm and dry homes, which combines permanent housing with Kāhui Tū Kaha providing 24/7 on-site support, for New Zealanders³.

In total, over five years, NZ \$7.6 billion of Wellbeing Bonds were issued. Kāinga Ora funding is now centrally met by the New Zealand Government⁴ and as the Wellbeing Bond program came to an end, the groundbreaking Te Mātāwai (139 Greys Avenue) development in Auckland was completed, marking a completely new approach to public housing⁵.

The new residential village combines permanent housing with round-the-clock, on-site support services. It is one of only two housing projects in the country to offer round the clock on-site support services⁶.

1. unstats.un.org/sdgs/metadata/files/Metadata-11-01-01.pdf

2. <https://www.hud.govt.nz/stats-and-insights/2018-severe-housing-deprivation-estimate>

3. kaingaora.govt.nz/assets/Investors-Centre/Documents/Sustainable-Impact-Report-2023.pdf

4. kaingaora.govt.nz/assets/Investors-Centre/Documents/Sustainable-Impact-Report-2023.pdf

5. kaingaora.govt.nz/assets/Investors-Centre/Documents/Sustainable-Impact-Report-2023.pdf

6. kaingaora.govt.nz/assets/Investors-Centre/Documents/Sustainable-Impact-Report-2023.pdf

Kāinga Ora Wellbeing Bond Highlights



200
new affordable (state) homes
with on-site support

76
non-public homes
owned and operated
by Kāinga Ora

Case Study Highlight



9.8%
of the contract
went to Māori or
Pasifika-owned
businesses or social
enterprises

7. kaingaora.govt.nz/assets/Investors-Centre/Documents/Sustainable-Impact-Report-2023.pdf



New Apartment Village, Te Mātāwai

Case study from the Kāinga Ora Wellbeing Bond

Te Mātāwai (Greys Avenue), Auckland⁷

Te Mātāwai replaced a seven-storey, 1950s apartment block on Auckland's iconic Greys Avenue that was no longer fit for purpose. The design and operating model for the development marked a new approach to public housing for Kāinga Ora.

With 276 apartments and 3000m² of communal and retail space, the building helps people create connections with their community. In addition to the three residential towers, the shared spaces include social lobbies, as well as a communal kitchen, dining, laundry and computer facilities. Carefully planned outdoor areas, art and recreational spaces, and shared seating areas are also available on each level, offering residents the opportunity to connect.

The 7-star Homestar rated building embraces the diversity of different rental tenures, by offering public and market rentals. The public homes have access to on-site support as part of the operating model, which provides 24/7 support to the 250 public housing residents within the new building and the existing heritage building next door.

Te Mātāwai was completed in 2023 and, during the build, the project created 28 apprenticeships. One third of the apprentices were Māori or Pasifika, while two people from the rough sleeping community were also employed onsite. In addition, 9.8% of the contract value went to Māori or Pasifika-owned businesses or social enterprises - higher than the 5-7% target.

NextGenerationEU Green Bond

Impact area:
Sustainable Energy

Region of impact:
Europe

Type of Investment:
Green Bond

SDG alignment:



The NextGenerationEU (NGEU) Green Bond is dedicated to supporting sustainable projects in Europe! Member countries receive funding from the NGEU which is directed towards plans to support green infrastructure, renewable energy, and other environmentally friendly projects.²

The beginnings of the NGEU Green Bond

The NGEU Green Bond was established in 2021 with the aim to support Europe's recovery from the COVID-19 pandemic and help build a greener, more digital, and more resilient Europe.³

Funding from the NGEU Green Bond is outlined in its Green Bond Framework and allocated across nine defined green expenditure categories including 'energy efficiency,' 'clean energy and network,' and 'climate change adaptation'.⁴

The framework also outlines how the funds from these bonds will support climate-related expenses within the Recovery and Resilience Facility (RRF). Each EU Member State is required to allocate at least 37% of their national Recovery and Resilience Plan towards climate-friendly investments and reforms. Many EU Member States plan to invest more than the minimum requirement.⁵

As of 1 August 2023, the NGEU Green Bond has resulted in a reduction of emissions equivalent to 224,143 tonnes of CO2 per year. This marks the initial phase of the projects, and it's anticipated that these emission reductions will continue to grow steadily until 2026.⁶

1. https://ec.europa.eu/commission/presscorner/detail/en/IP_21_5207 2. NGEU Green Bond Allocations and Impact Report 2023
3. https://ec.europa.eu/commission/presscorner/detail/en/IP_21_5207 4. NGEU Green Bond Allocations and Impact Report 2023
5. https://ec.europa.eu/commission/presscorner/detail/en/IP_21_4565 6. NGEU Green Bond Allocations and Impact Report 2023

Case Study Highlights



Switching to
**environmentally
friendly
heating solutions
in Denmark**



Replacement of
**10,100 oil burners
and gas furnaces
by 2026**



Installation of a heat pump. ©European Union, 2023

Case study from NextGenerationEU Green Bond

Phasing out oil and natural gas in Denmark⁷

A recent project in Denmark, funded by the NGEU Green Bond, aims to phase out oil and natural gas from the national heating system by 2026. This will be achieved by replacing oil burners and gas furnaces with electric heat pumps and district heating from renewable sources.

The project involves €65 million in subsidies for consumers to help ease the expense of transitioning to environmentally friendly heating solutions.

The support scheme is outlined by three sub-schemes:

1. District heating (Fjernvarmepuljen): providing a subsidy to expand district heating grids into new areas.
2. Decoupling (Afkoblingsordningen): exempting households from the payment of the decoupling fee charged by the Danish state-owned gas distribution company.
3. Scrapping (Skrottingsordningen): providing a subsidy for companies that offer subscription heat pumps for private year-round housing. This subsidy is particularly relevant for citizens who wish to convert to a heat pump but have limited financing opportunities.

The project aims to replace at least 10,100 oil burners and gas furnaces with electric heat pumps and district heating from renewable sources by 31 August 2026.

7. NGEU Green Bond Allocations and Impact Report 2023

Motability Operations Social Bond

Impact area:
Social Inclusion, Diversity and Gender

Region of impact:
United Kingdom

Type of Investment:
Social Bond

SDG alignment:



Motability Operations

The Motability Scheme is delivered by Motability Operations (MO) and supports people living with a disability by providing them with affordable transport solutions to help improve their independence and quality of life. Individuals in the United Kingdom (UK) who receive a qualifying disability allowance can elect to use their allowance towards the leasing fees for a new car, Wheelchair Accessible Vehicle (WAV), scooter or powered wheelchair. Since its foundation over 40 years ago, MO has supported more than 5 million customers living in the UK. It has invested in more sustainable transport options with a goal to operate only electric vehicles (EVs), whilst ensuring that people with disabilities are at the heart of this development.¹

The Motability Social Bond uses proceeds to fund both the existing fleet and future vehicles on the Scheme¹

People living with a disability in the UK often experience limited transportation options, which can leave them with less independence and freedom to do what they need. People who are eligible for a qualifying disability allowance as awarded by the Government can choose to use this to lease a car, WAV, powered wheelchair or scooter to access everyday freedom.

Motability Operations incorporated and headquartered in the UK operates over 750,000 vehicle leases through the Motability Scheme. Every lease comes with a complete worry-free package that includes a vehicle, insurance, replacement tyres, servicing and breakdown. Through the Scheme, customers are able to access life-changing freedom. MO is committed to provide a range of affordable vehicles that meet every customers individual needs.

Most of MO's funding is taken from the wholesale debt capital markets. Funding is required to finance the fleet and associated activities to ensure MO can deliver the intended social benefits² Any profit made is invested to help customers, keep the Scheme affordable, and to innovate for the future. If the financial position allows, MO also donates to The Motability Foundation.³

MO reports that its lease packages that include insurance, breakdown and servicing are on average 45% cheaper than an alternative solution.⁴

Motability Operations Social Bond Highlights



Affordable leasing to over **750,000 customers⁶**



Leasing options are on average **45% cheaper than alternative solutions⁷**

The Journey to EV

With the UK Government banning the sale of new petrol and diesel cars by 2035, the company is committed to supporting their customers with the transition to EVs.

To achieve this, Motability Operations is supporting the affordability of electric vehicles for customers and will cover the cost of installing a home chargepoint for first time EV customers. It is also working with a range of partners to build accessibility into the public charging network from the outset. At HY24, there were over 48,000 EVs on the Scheme.⁵



Motability Operations

Case study from Motability Operations Social Bond

Sam and Beth⁸

17-year-old Beth lives at home with her parents in the UK. Her family, including mum Sam, have been a part of the Motability Scheme for over 14 years.

For Beth to get around, she relies on a wheelchair accessible vehicle (WAV) to accommodate her wheelchair. As a part of the Scheme, the family leases a Fiat Diablo, which is a reliable 7-seater car with the space required by the family.

"We use it for everything. We've been to France in it, we've been camping. I can go more places which makes me a lot happier" says Beth.

There are three named drivers on the policy, which means Beth doesn't have to rely on just her parents to get around - her brother-in-law is also permitted to drive. The family is covered for new tyres, breakdowns, insurance, and more, they only need to manage fuel for the vehicle. "The Motability Scheme is amazing, it changed my life so much. It's made me more independent, and it's let me go out so much more" says Beth.

5. <https://www.mo.co.uk/media/nwboxvik/half-year-report-2024.pdf> 6. <https://www.mo.co.uk/about-us/> 7. <https://www.mo.co.uk/media/tb3fo2g5/motability-operations-impact-report-2023.pdf> 8. www.motabilityoperations.co.uk/media/tezi0smz/annual_report_2022.pdf

1. <https://www.mo.co.uk/media/Oqbonex5/motability-operations-annual-report-2023.pdf> 2. http://www.motabilityoperations.co.uk/media/5zmbq1mq/social_bond_framework_2020.pdf 3. <https://www.mo.co.uk/media/Oqbonex5/motability-operations-annual-report-2023.pdf> 4. <https://www.mo.co.uk/media/Oqbonex5/motability-operations-annual-report-2023.pdf>

World Bank Sustainable Development Bond highlighting Biodiversity

Impact area
Environment, Urban and Community Development

Region of impact:
Global

Type of Investment:
Sustainability Bond

SDG alignment:



The World Bank Group is a unique global partnership between five institutions, creating sustainable solutions to reduce poverty and build shared prosperity in developing countries.¹

The International Bank for Reconstruction and Development (commonly referred to as the World Bank, and the first of the five organisations that now comprise the World Bank Group) was established in 1944 and is an international organisation owned by 189 member countries, making it the largest development bank in the world.²

Three priorities guide the work the World Bank does with developing countries to end poverty and boost prosperity on a liveable planet. The focus is driving impact that is inclusive, particularly of women and young people, resilient to shocks, and sustainable.³

Post Covid, these countries are now responding to various ongoing crises, including fragility, conflict, food insecurity, climate change and biodiversity loss, inflation, rising interest rates, debt issues, low growth, and shocks in food and commodity prices.⁴

In FY22, proceeds from Sustainable Development Bonds contributed to \$28.2 billion in disbursements to World Bank projects, helping member countries make progress toward national priorities and the Sustainable Development Goals.⁵

1. <https://www.worldbank.org/en/who-we-are> 2. <https://thedocs.worldbank.org/en/doc/33420eed17c2a23660b46dc208b01815-0340022023/original/World-Bank-IBRD-Impact-Report-FY22.pdf> 3. <https://www.worldbank.org/en/who-we-are> 4. <https://thedocs.worldbank.org/en/doc/33420eed17c2a23660b46dc208b01815-0340022023/original/World-Bank-IBRD-Impact-Report-FY22.pdf> 5. <https://thedocs.worldbank.org/en/doc/33420eed17c2a23660b46dc208b01815-0340022023/original/World-Bank-IBRD-Impact-Report-FY22.pdf>



\$750 million committed

to supporting vulnerable groups in Colombia



185 permits

issued for sustainable use of wild flora and non-timber forest products.



83% of poor households

covered by Ingreso Solidario cash transfer program



MW (Mega Watt) battery storage project

in Atlántico started operation on June 30, 2023

Metrics as per The World Bank, Implementation Completion and Results Report⁶

Case study from World Bank Sustainable Development Bond Project Portfolio

Colombia's Equitable and Green Recovery Program^{6,7}

Colombia is facing challenges with equity, climate change, and biodiversity, and the COVID-19 pandemic only exacerbated these issues.

Additionally, the impact of climate change is expected to increase the country's existing high level of inequality, affecting the most vulnerable groups the most – the poor, those living in rural areas, and women. The World Bank has funded an Equitable and Green Recovery Program in Colombia to help:

- **Reduce income inequalities related to gender and build resilience**
The program not only supports social protection reforms that improve equity and household resilience, but also focuses on obstacles for women accessing economic opportunities. For example, it aims to narrow gender gaps through reforms that expand parental leave and reduce discrimination in the gender-based labour market.
- **Promote decarbonisation across the economy and adaption to climate change**
It includes measures to promote the shift towards a low-carbon energy transition by directly supporting the Government's climate strategy to reduce greenhouse gas emissions.
- **Mitigate climate change by protecting biodiversity and reducing deforestation**
The program will help to directly advance the country's agenda for biodiversity and natural capital conservation, contributing to climate change mitigation. It will formalise the production of nontimber forest products, increasing incentives for forest conservation.

6. <https://thedocs.worldbank.org/en/doc/33420eed17c2a23660b46dc208b01815-0340022023/original/World-Bank-IBRD-Impact-Report-FY22.pdf>

7. <https://documents1.worldbank.org/curated/en/302551648600963407/pdf/Colombia-Equitable-and-Green-Recovery-Development-Policy-Financing.pdf>

8. <https://documents1.worldbank.org/curated/en/302551648600963407/pdf/Colombia-Equitable-and-Green-Recovery-Development-Policy-Financing.pdf>

Government of Canada Green Bond

Impact area:
Environment, Resource Efficiency, Recycling, Re-use & Conservation

Region of impact:
North America

Type of Investment:
Green Bond

SDG alignment:



To help achieve Canada's target of net-zero by 2050 the Government of Canada launched the Green Bond Program in 2022 with an inaugural \$5 billion green bond¹ followed by an updated Green Bond Framework in 2023 and a second issuance of \$4 billion in 2024.² The Program reflects key climate and environmental priorities, and funds a variety of climate and environmental initiatives undertaken by the Government³

Included in the allocation of proceeds from the inaugural green bond, the Smart Renewables and Electrification Pathways Program (SREP) is investing up to \$1.564 billion over eight years into smart renewable energy and electrical grid modernisation projects.

The program supports investment into technology-based initiatives in areas such as wind, solar, geothermal and storage to help replace electricity generated by fossil fuels and reduce the energy system's reliance on traditional energy.

In addition, the program also aims to have economic and social benefits, including job creation, increased diversity, equity and inclusion, and encourages underrepresented groups to participate in the sector.⁴

1. <https://www.canada.ca/content/dam/fin/programs-programmes/fsp-psf/securities-titres/debt-program-programme-dette/gbar-covc/gbar-covc-eng.pdf>
2. <https://www.canada.ca/en/department-finance/news/2024/02/canada-issues-second-green-bond.html>
3. <https://www.canada.ca/content/dam/fin/programs-programmes/fsp-psf/securities-titres/debt-program-programme-dette/gbar-covc/gbar-covc-eng.pdf>
4. <https://www.canada.ca/content/dam/fin/programs-programmes/fsp-psf/securities-titres/debt-program-programme-dette/gbar-covc/gbar-covc-eng.pdf>

Case Study Highlights



1,360 megawatts
of additional clean
electricity capacity



**13 indigenous
owned projects**
across the program⁵



Case study from Government of Canada Green Bond

By October 2022, SREP had supported 94 market-ready technology projects to help increase clean energy capacity by approximately 1360 megawatts (MW).⁶ These projects include:

Métis Crossing Solar Project: A five MW solar power project that is expected to generate enough electricity to power all the Métis Nation of Alberta, displacing 4700 tonnes of CO2 annually.

Burchill Wind Energy Project: An Indigenous-owned project that will produce 42MW of renewable energy, as well as battery energy storage system.

Enabling Youth and Indigenous Energy Solutions: This project helps encourage youth participation in the sector, promoting clean energy development and adaptation in communities in Canada, focusing on underrepresented groups.

Clean Energy and Equity Network: This program will help build the knowledge, skills and tools needed to support clear energy solutions and leadership in Indigenous and African Nova Scotian communities. An important outcome for the program is to facilitate and support Indigenous involvement and ownership of clean energy projects.

Thirteen SREP projects are Indigenous-owned, while the program's capacity-building stream helps communities and organisations build the knowledge and acquire the tools needed to help develop renewable energy and grid modernisation projects.⁷

5. <https://www.canada.ca/content/dam/fin/programs-programmes/fsp-psf/securities-titres/debt-program-programme-dette/gbar-covc/gbar-covc-eng.pdf>
6. <https://www.canada.ca/content/dam/fin/programs-programmes/fsp-psf/securities-titres/debt-program-programme-dette/gbar-covc/gbar-covc-eng.pdf>
7. <https://www.canada.ca/content/dam/fin/programs-programmes/fsp-psf/securities-titres/debt-program-programme-dette/gbar-covc/gbar-covc-eng.pdf>

Governance, reporting and transparency

Governance

The Premiums4Good investment eligibility assessment and classification build on QBE's Impact and Responsible Investments approach, which guides our investment decision-making processes including considerations outlined in QBE's Environmental and Social Risk Framework. Our aim is to scale our impact investments with integrity through credible impact governance, investment selection, systems and reporting.

Premiums4Good investment eligibility assessment and classifications are made through an internal framework and confirmed by our Classification of Social and Environmental Investments (COSEI) Committee. The COSEI Committee is comprised of two QBE representatives and three independent advisors, who also support QBE in improving our impact investing approach. All eligible Premiums4Good investments are classified as Moderate, High or Deep impact, informed by Impact Frontiers' Impact Classes Matrix 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.

Premiums4Good COSEI Committee

Sally McCutchan, Executive Director, Breakthrough Victoria

Adrian Enright, Chief Customer Officer, Tasman Environmental Markets

Matt Brunton, Director, Insurance, Banking & Wealth Management Audit, KPMG

James Pearson, Head of Impact and Responsible Investments, QBE

Grant Clemence, Head of Insurance Risk and Corporate Insurance, QBE

Assurance

Our reported 31 December 2023 financial value invested in Premiums4Good (US\$ 1,583M) and number of securities invested in as part of Premiums4Good (108 securities) disclosed on page 6, form part of the annual limited assurance process conducted by an independent external auditor PricewaterhouseCoopers Australia. The Independent Limited Assurance Report can be found in the QBE 2023 Sustainability Data Book available at qbe.com/sustainability/performance-reporting

Reporting and transparency

We communicate with our customers and business partners about these investments through our annual reporting and on the QBE website. By communicating with customers, partners and peers through Premiums4Good annual investment reports and other channels, we aim to be transparent, and to encourage awareness of impact investing.





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