

QBE Insurance Group

Type of Engagement: Annual Review

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Engagement Team:

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Introduction

In 2017, QBE Insurance Group (“QBE”) issued the Gender Equality Bond to finance or refinance investments in qualifying bonds that are rated according to criteria for gender equality in leadership in the 2017 Gender Equality Bond Framework (the “Framework”).¹ Sustainalytics provided a Second-Party Opinion on the Framework in October 2017.² QBE has since updated the Framework in 2018, 2019 and 2021.³ Sustainalytics provided a Second-Party Opinion on the 2019 update of the Framework.⁴ In January 2025, QBE engaged Sustainalytics to review the projects financed with proceeds from the Gender Equality Bond (the “Nominated Expenditures”) and provide an assessment as to whether they meet the use of proceeds criteria and whether QBE complied with the reporting commitments in the 2021 update of the Framework. This is Sustainalytics’ eighth annual review of allocation of QBE’s Gender Equality Bond, following reviews in March 2018, January 2019, April 2019, January 2021, January 2022, January 2023 and January 2024.⁵

Evaluation Criteria

Sustainalytics evaluated the Nominated Expenditures and QBE’s reporting based on whether they:

1. Meet the use of proceeds and eligibility criteria defined in the 2021 update of Framework; and
2. Reported on at least one key performance indicator (KPI) for each use of proceeds category defined in the Framework.

Table 1: Use of Proceeds Categories, Eligibility Criteria and Associated KPIs

Use of Proceeds Category	Eligibility Criteria	Key Performance Indicator
Gender Equality	1. The bond has been issued by a Company that is a signatory to the United Nations Women’s Empowerment Principles (UN WEP), a joint initiative of the UN Global Compact and UN Women. The principles being: • Principle 1: Establish high-level corporate leadership for gender equality • Principle 2: Treat all women and men fairly at work – respect and support human rights and non-discrimination • Principle 3: Ensure health, safety and well-being of all women and men workers • Principle 4: Promote education, training and professional development for women • Principle 5: Implement enterprise development, supply chain and marketing practices that empower women	Representation of women in leadership positions

¹ QBE, “Gender Equality Bond”, at: <https://www.qbe.com/investor-relations/debt-investor-centre/debt-investor-centre/social-bonds>

² Sustainalytics, “Qbe Insurance Group Gender Equality Bond Framework, Overview and Second Opinion by Sustainalytics, Second-Party Opinion, QBE”, (2017), at: <https://www.qbe.com/investor-relations/debt-investor-centre/debt-investor-centre/social-bonds>

³ Ibid.

⁴ Sustainalytics, “Second-Party Opinion, QBE Gender Equality Bond Framework”, (2019), at: https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/qbe-gender-equality-bond-framework-second-party-opinion-update.pdf?sfvrsn=aac2d08d_3

⁵ QBE, “Gender Equality Bond”, at: <https://www.qbe.com/investor-relations/debt-investor-centre/debt-investor-centre/social-bonds>

	• Principle 6: Promote equality through community initiatives and advocacy • Principle 7: Measure and publicly report on progress to achieve gender equality. 2. The bond has been issued by a Company recognized in the current Equileap Gender Equality Global Report and Ranking.	
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Issuer’s Responsibility

QBE is responsible for providing accurate information and documentation relating to the details of the projects, including descriptions, amounts allocated and impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of the use of proceeds from QBE’s Gender Equality bond. The work undertaken as part of this engagement included collection of documentation from QBE and review of said documentation to assess conformance with the QBE Gender Equality Bond Framework.

Sustainalytics relied on the information and the facts presented by QBE. Sustainalytics is not responsible nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by QBE.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight of the review.

Conclusion

Based on the limited assurance procedures conducted,⁶ nothing has come to Sustainalytics’ attention that causes us to believe that, in all material respects, the Nominated Expenditures do not conform with the use of proceeds criteria and reporting commitments in the 2021 update of the Framework. QBE has disclosed to Sustainalytics that the proceeds from the Gender Equality bond were fully allocated as of 31 December 2024.

⁶ Sustainalytics’ limited assurance process includes reviewing documentation relating to details of projects, as provided by the issuing entity, which is responsible for providing accurate information. These may include descriptions of projects, estimated and realized costs, and reported impact. Sustainalytics has not conducted on-site visits to projects.

Detailed Findings

Table 2: Detailed Findings

Framework Requirements	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of projects to determine alignment with the use of proceeds criteria outlined in the Framework.	The Nominated Expenditures comply with the use of proceeds criteria.	None
Reporting Criteria	Verification of projects or assets to determine if impact was reported in line with the KPIs outlined in the Framework.	QBE reported on at least one KPI per use of proceeds category.	None

Appendices

Appendix 1: Reported Impact by Eligibility Criteria

Table 3: Reported Impact for Eligible Projects

Use of Proceeds Category	Social Impact Reported	Scope of Calculated Impact
Gender Equality	Representation of women in leadership positions:⁷ - CBA: 44.9% - NAB: 56.0% - Westpac: 49.0%	Included roles in measurement of women in leadership: - CBA: Executive Management and above roles - NAB: Board only - Westpac: Senior Leadership includes the executive team, general managers, and their direct reports.

Appendix 2: Exclusionary Criteria

QBE's Gender Equality excluded investments in companies and bonds that are involved or finance any the following projects/activities:

- i. Production, distribution, or retail of alcoholic beverages
- ii. Production, distribution, or retail of tobacco products
- iii. Ownership or operation of gambling facilities
- iv. Production or distribution of adult entertainment materials
- v. Production or retail sale and distribution of weapons and civilian firearms
- vi. Predatory lending activities
- vii. Production of palm oil
- viii. Production (extraction) or refining of fossil fuels.
- ix. Large scale hydro projects (i.e., projects that generate greater than 20 MW of electricity)
- x. Transmission infrastructure and systems where 25% or more of electricity transmitted to the grid is fossil-fuel-generated.
- xi. Infrastructure used primarily for the transportation of fossil fuels.
- xii. Corporate issuers that have a Controversies Score of Zero '0' with MSCI or that are involved in 'Very Severe' environmental, social, or governance controversies.

⁷ QBE has confirmed to Sustainalytics that the companies met the eligibility criteria of being signatory to the United Nations Women's Empowerment Principles (UN WEP) and recognized in the current Equileap Gender Equality Global Report and Ranking.

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