



Premiums4Good™

Investment Impact Report

2024



 QBE



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At a glance

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 26 countries and have more than US\$30bn of investment funds under management as at 31 December 2024.

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 where we allocate a portion of our customer premiums to Premiums4Good.

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.

We are driven by our purpose – to enable a more resilient future.

Executive Summary

At QBE, we believe we can help make a positive difference to the environment and communities around the world, while also delivering attractive risk-adjusted financial returns.

That's why we launched Premiums4Good in 2016, an industry-first initiative that allocates a portion of our customer premiums to impact investments that aim to change lives and care for the environment.

We currently have US\$2.3 billion in impact investments through Premiums4Good which puts us on track to achieve our ambition of having US\$2 billion in impact investments by the end of 2025. Even though our current investments exceed our ambition, we have expected maturities within the portfolio and acknowledge the potential for changes in the market value before the end of this year.

Our Premiums4Good investments support 11 impact areas that aim to help address some of the world's most pressing environmental and social needs, aligned with the United Nations Sustainable Development Goals.

We currently have US\$1.34 billion in investments that support Sustainable Energy, US\$173 million supporting Urban & Community Development and US\$167 million supporting Social Care & Provision of Community Services.

An investment highlight made in 2024 was in the Social Ventures Australia's Arc Social Impact Bond (SIB), which aims to generate a financial return while providing an innovative intervention to break the cycle of disadvantage for people leaving prison and at risk of homelessness in Victoria. Read more about this investment on [page 20](#).

We have made changes to how we allocate customer premiums to our impact investments. As of 15 August 2024, we increased the fixed percentage of premiums allocated to Premiums4Good from 5% to 7.5% and are no longer offering customers the option to opt-in 100% of their premiums. The increase in the fixed percentage allocation of premiums matches the contributions made by customers who previously elected to opt in. This change is intended to enable us to grow the size of our impact investments in proportion with our overall premium growth, while simplifying Premiums4Good for our customers and our people.



Premiums4Good snapshot

11 impact areas

Social

- Housing and Social Real Estate
- Education and Employment
- Financial Inclusion
- Social Inclusion, Diversity and Gender
- Social Care and Provision of Community Services
- Health

Environmental

- Sustainable Energy
- Urban and Community Development
- Resource Efficiency, Recycling, Re-use, and Conservation
- Food and Agriculture
- Water



US
\$2bn

Ambition for impact investments
by 31 December 2025

US
\$2.3bn

Invested as a part of Premiums4Good
as of 31 December 2024

135
securities

invested in Premiums4Good
as at 31 December 2024



Key areas of geographical impact



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. These impact areas align with the United Nation’s Sustainable Development Goals.



Environmental

01

Sustainable Energy

Expanding renewable energy infrastructure and improving energy efficiency

Examples of our Investments

- Australian Government Green Treasury Bond
- ING Group Green Bond
- Nordea Bank Green Bond

02

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

03

Urban and Community Development

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

Examples of our Investments

- Queensland Treasury Corporation Green Bond
- Australia & New Zealand Banking Group Sustainability Bond

04

Resource Efficiency, Recycling, Re-use, and Conservation

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

Examples of our Investments

- Colgate-Palmolive Sustainability Bond
- Amgen Inc Green Bond
- Mercedes-Benz Green Bond

05

Water

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

Example of our Investments

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

Impact areas continued

Social

06

Health

Expanding access to affordable healthcare, services and facilities

Examples of our Investments

- Asian Development Bank Health Thematic Bond
- Eli Lilly & Co Sustainability Bond

07

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

- The Ford Foundation Social Bond
- ARC Social Impact Bond

08

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

- Goldman Sachs Sustainability Bond
- American Express Sustainability Bond

09

Education and Employment

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

Examples of our Investments

- Foyer Central Social Impact Bond
- Save The Children Impact Investment Fund
- Inter-American Development Bank 'EYE' (Education, Youth & Employment) Bond

10

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

- Kainga Ora Wellbeing Bond
- National Housing Finance Investment Corporation (NHFIC) Social Bond

11

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
- Motability Operations Social Bond



Investment summary

Securities and investment totals 2016–2024

Total investment
in qualifying securities

2024 | us\$2.308bn



Total investment
in qualifying securities

Total number
of qualifying securities

US\$2.308bn

135

US\$1.583bn

108

US\$1.618bn

108

US\$1.356bn

83

US\$1.113bn

68

US\$663M

48

US\$440M

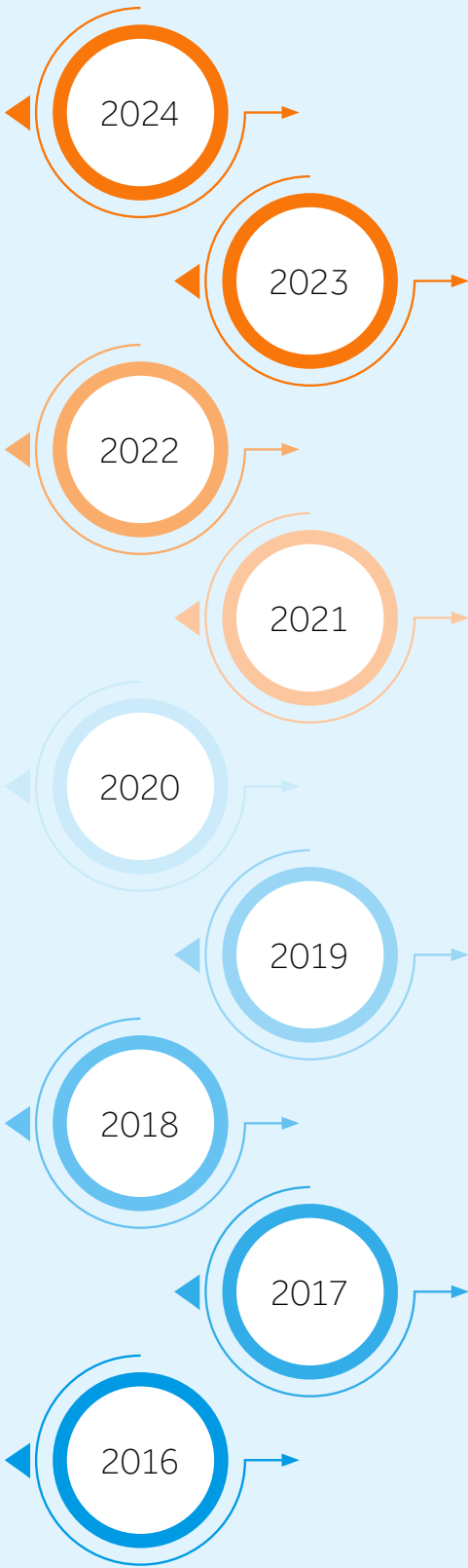
32

US\$455M

26

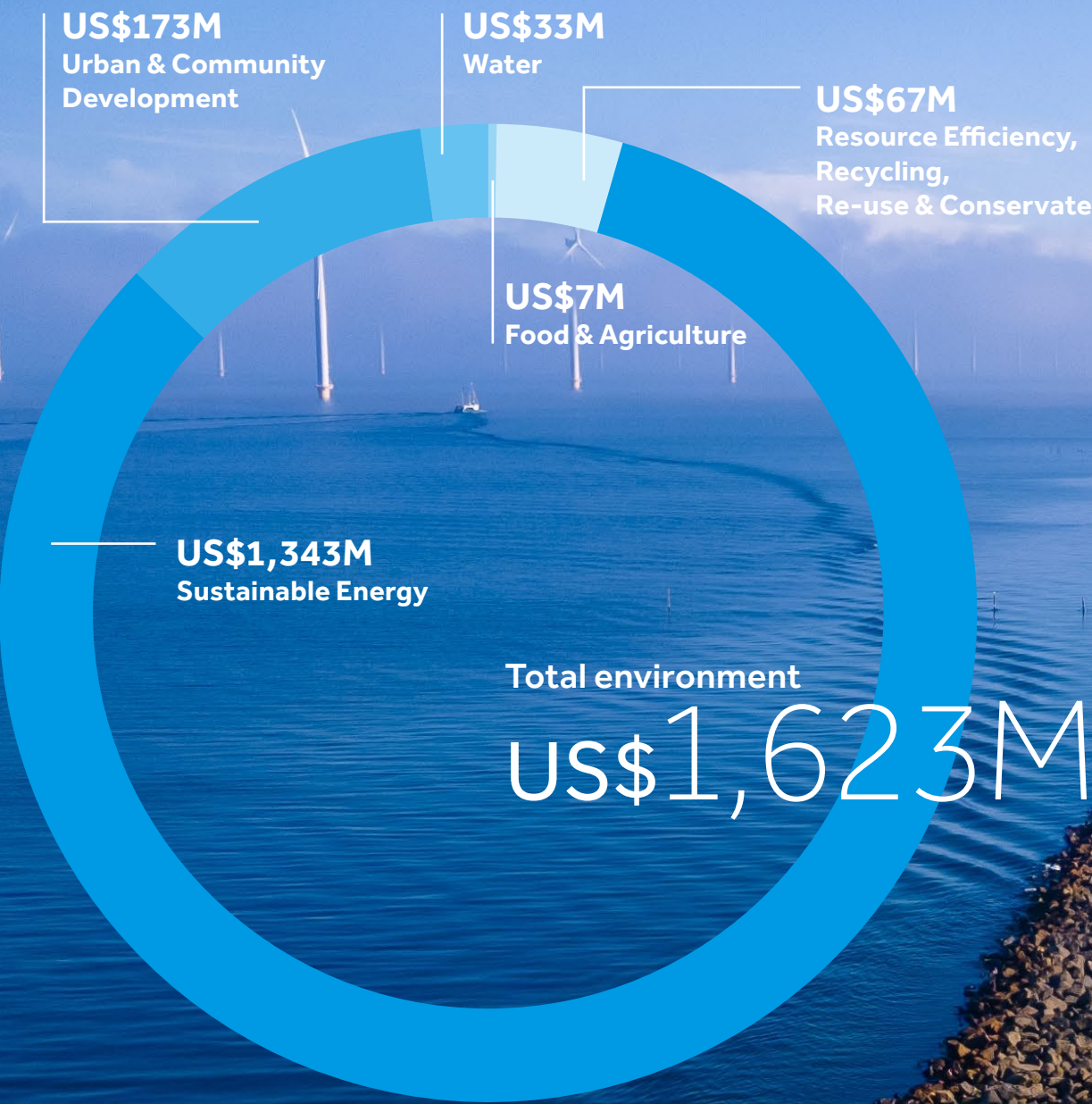
US\$360M

18



Impact area

Environment



Total
US\$2,308M

Social



Two Arc team members putting together Geoff's bed³

Australia's Arc Social Impact Bond

Impact area

Social Care
and Provision
of Community Services

Region of impact

Australia

Type of Investment

Social Impact Bond

SDG alignment



Reintegrating into society after serving time in prison can be challenging, particularly when it comes to finding stable housing. Almost 50% of people leaving prison in Australia face homelessness¹, with 46% of people returning to prison with a new sentence within two years.²

Through Premiums4Good, QBE has invested in Social Ventures Australia's (SVA) AU\$9M Arc Social Impact Bond. The Arc program aims to provide a solution, helping people released from prison to find stable accommodation, and to reduce the number of people being reincarcerated.

To deliver the program, a first-of-its-kind partnership was formed between SVA, reintegration service provider Vacro, the Victorian Government and housing providers, to help people released from prison establish themselves back into communities and help prevent them from reoffending by providing housing and intensive case support.

The Arc program is co-funded by the Arc Social Impact Bond and will support around 230 people leaving prison in Victoria with three months pre and two years of post-release support, as well as access to stable housing.⁴ One of those people is Geoff* – who found he had no accommodation prospects after he had been approved for parole.

Geoff's Story⁸

Geoff had been approved for parole from prison on the condition that he could secure suitable accommodation for his release. With no accommodation prospects, Geoff believed that parole was out of reach and that he would be facing homelessness upon release.

It was a prospect that caused Geoff distress and anxiety. The Arc team worked with a housing provider to find a suitable place for Geoff to live once released, and worked closely with Geoff before his release to understand how he would need to be supported.

Each week, Geoff and his Arc case manager met at the prison to develop a support plan, which focused on a range of psychosocial needs, to help Geoff reintegrate into the community and maintain his housing. On the day of his release, Geoff's case manager met him and his daughter at the new home to help set up furniture and hand over keys.

While Geoff expressed feelings of relief and safety with a place to call home, there were some significant challenges to overcome. On a practical level, bank accounts needed to be opened, Centrelink navigated and Community Corrections appointments attended. Counselling sessions to overcome past trauma had been held, while his medical team also helped him manage his physical health. Adjusting to a new life that did not involve full-time work needed resolve and resilience. However, having stability and certainty in terms of living arrangements provided a solid foundation for a new life.

Despite minor roadblocks, Geoff has demonstrated resilience and motivation to rebuild his life. He has settled into his home and is engaging in counselling to work through trauma he has experienced. Geoff receives help to manage his physical health and participates in social activities, including puzzles and writing.

Geoff is saving to purchase a car and hopes to explore part time employment opportunities in the future. He has also reconnected with family, a strong driving force in his life.

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



43%
of prison entrants

were homeless during the 4 weeks before they entered prison⁵



48%
of people

discharged from prison expected to be homeless once released⁶



100x
more likely

prison entrants are to be homeless than people in the general community⁷

¹, ², ⁵–⁸ Australian Institute of Health and Welfare, The health of people in Australia's prisons 2022
³ Arc Social Impact Bond, Investor Update 2024
⁴ Pioneering partnership to reduce reoffending in Victoria by providing housing and support 2023

How it works



01

Customer or broker partner approaches QBE for insurance



02

QBE underwrites risk and issues policy



03

Customers pay their premiums



04

QBE invests the pool of premiums



05

QBE uses funds to pay claims



06

QBE communicates with customers



QBE identifies impact investments



QBE assesses impact investments and performs due diligence



QBE invests in impact investments



QBE reports on impact investments



Confirmation of impact classification



Governance, reporting and transparency

Governance

QBE's Impact and Responsible Investments approach guides our investment decision-making processes. Our aim is to scale our impact investments with integrity, through credible impact governance and investments selection.

Premiums4Good investment eligibility assessments are made through an internal framework and confirmed by our Classification of Social and Environmental Investments (COSEI) Committee.

In 2024, we enhanced the governance of the committee by shifting from a 50/50 split of independent and QBE representation, to a majority of independent members with only one QBE representative.

Reporting and transparency

We communicate with our customers and business partners about these investments through reports such as this, updates in our annual and half-yearly 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.

Premiums4Good COSEI Committee

Cindy Mo

Head of Business Operations
& Investments Sustainability
QBE (Chair)

Adrian Enright

Head of Origination
Tasman Environmental Markets

Matthew Brunton

Partner Audit & Assurance
KPMG

Caroline Gurney

CEO
Future Generation

Our Premiums4Good investment governance process, including the value and number of confirmed Premiums4Good investments, forms part of the annual limited assurance process conducted by PWC as part of QBE's Sustainability Data Book.



