



LEA 02	Disclosures: Mandatory	Reason for Interaction	Principle: PRI 1, 2, 3
Individual/ internal staff engagements	<p><input checked="" type="checkbox"/> To support investment decision-making in a company's business</p> <p><input checked="" type="checkbox"/> To influence corporate practice or identify the need for a material or ESG issue</p> <p><input checked="" type="checkbox"/> To engage internal ESG advisors</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p>	<p><input checked="" type="checkbox"/> To support investment decision-making in a company's business</p> <p><input checked="" type="checkbox"/> To influence corporate practice or identify the need for a material or ESG issue</p> <p><input checked="" type="checkbox"/> To engage internal ESG advisors</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p>	
Collaborative engagements	<p><input checked="" type="checkbox"/> To support investment decision-making in a company's business</p> <p><input checked="" type="checkbox"/> To influence corporate practice or identify the need for a material or ESG issue</p> <p><input checked="" type="checkbox"/> To engage internal ESG advisors</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in collaborative engagements</p>	<p><input checked="" type="checkbox"/> To support investment decision-making in a company's business</p> <p><input checked="" type="checkbox"/> To influence corporate practice or identify the need for a material or ESG issue</p> <p><input checked="" type="checkbox"/> To engage internal ESG advisors</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in collaborative engagements</p>	
Service provider engagements	<p><input checked="" type="checkbox"/> To support investment decision-making in a company's business</p> <p><input checked="" type="checkbox"/> To influence corporate practice or identify the need for a material or ESG issue</p> <p><input checked="" type="checkbox"/> To engage internal ESG advisors</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in service provider</p>	<p><input checked="" type="checkbox"/> To support investment decision-making in a company's business</p> <p><input checked="" type="checkbox"/> To influence corporate practice or identify the need for a material or ESG issue</p> <p><input checked="" type="checkbox"/> To engage internal ESG advisors</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in service provider</p>	

# RI TRANSPARENCY REPORT

## 2018

QBE Insurance Group Limited

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2018 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
⚠	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		-	n/a							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Private							✓
OO 08	Segregated mandates or pooled funds	✓	Private							✓
OO 09	Breakdown of AUM by market	✓	Private							✓
OO 10	Active ownership practices for listed assets	✓	Public							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown by passive, active strategies	✓	Private							✓
OO FI 02	Option to report on <10% assets	🔒	n/a							✓
OO FI 03	Breakdown by market and credit quality	✓	Private							✓
OO SAM 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private							✓
OO PE 01	Breakdown of investments by strategy	🔒	n/a							✓
OO PE 02	Typical level of ownership	🔒	n/a							✓
OO PR 01	Breakdown of investments	🔒	n/a							✓
OO PR 02	Breakdown of assets by management	🔒	n/a							✓
OO PR 03	Largest property types	🔒	n/a							✓
OO INF 01	Breakdown of investments	🔒	n/a							✓
OO INF 02	Breakdown of assets by management	🔒	n/a							✓
OO INF 03	Largest infrastructure	🔒	n/a							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public							✓
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Public							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Public							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	🔒	n/a							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	✓	Private	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 14	Long term investment risks and opportunity	✓	Private	✓						
SG 15	Allocation of assets to environmental and social themed areas	✓	Public	✓						
SG 16	ESG issues for internally managed assets not reported in framework	✓	Public							✓
SG 17	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 18	Innovative features of approach to RI	✓	Public							✓
SG 19	Communication	✓	Public							✓
SG End	Module confirmation page	✓	-							

Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	ESG incorporation strategies	✓	Public	✓						
SAM 02	Selection processes (LE and FI)	✓	Public	✓						
SAM 03	Evaluating engagement and voting practices in manager selection (listed equity/fixed income)	🔒	n/a		✓					
SAM 04	Appointment processes (listed equity/fixed income)	✓	Public	✓						
SAM 05	Monitoring processes (listed equity/fixed income)	✓	Public	✓						
SAM 06	Monitoring on active ownership (listed equity/fixed income)	🔒	n/a	✓						
SAM 07	Percentage of (proxy) votes	🔒	n/a		✓					
SAM 08	Percentage of externally managed assets managed by PRI signatories	✓	Private	✓						
SAM 09	Examples of ESG issues in selection, appointment and monitoring processes	✓	Public	✓						✓
SAM End	Module confirmation page	✓	-							

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Incorporation strategies applied	✓	Public	✓						
FI 02	ESG issues and issuer research	✓	Private	✓						
FI 03	Processes to ensure analysis is robust	✓	Public	✓						
FI 04	Types of screening applied	✓	Public	✓						
FI 05	Negative screening - overview and rationale	✓	Public	✓						
FI 06	Examples of ESG factors in screening process	✓	Private	✓						
FI 07	Screening - ensuring criteria are met	✓	Public	✓						
FI 08	Thematic investing - overview	✓	Private	✓						
FI 09	Thematic investing - themed bond processes	✓	Public	✓						
FI 10	Thematic investing - assessing impact	✓	Public	✓						
FI 11	Integration overview	✓	Public	✓						
FI 12	Integration - ESG information in investment processes	✓	Public	✓						
FI 13	Integration - E,S and G issues reviewed	✓	Public	✓						
FI 14	ESG incorporation in passive funds	🔒	n/a	✓						
FI 15	Engagement overview and coverage	✓	Private		✓					
FI 16	Engagement method	✓	Private	✓	✓					
FI 17	Engagement policy disclosure	✓	Private	✓	✓					
FI 18	Financial/ESG performance	✓	Private							✓
FI 19	Examples - ESG incorporation or engagement	✓	Private	✓	✓					
FI End	Module confirmation page	✓	-							

Assurance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01.1	Assurance, verification, or review	✓	Public							✓
CM1 01.2 & 01.8	Assurance of this year's PRI data	✓	Public							
CM1 01.3 & 01.9	Assurance of last year's PRI data	✓	Public							✓
CM1 01.4, 10-12	Other confidence building measures	✓	Public							✓
CM1 01.5	External assurance	🔒	n/a							✓
CM1 01.6	Assurance or internal audit	🔒	n/a							✓
CM1 01.7	Internal verification	✓	Public							✓
CM1 01 End	Module confirmation page	✓	-							

# QBE Insurance Group Limited

## Reported Information

### Public version

### Organisational Overview

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Basic information

OO 01	Mandatory	Public	Gateway/Peering	General
-------	-----------	--------	-----------------	---------

**OO 01.1** Select the type that best describes your organisation or the services you provide.

- Non-corporate pension or superannuation or retirement or provident fund or plan
- Corporate pension or superannuation or retirement or provident fund or plan
- Insurance company
- Foundation
- Endowment
- Development finance institution
- Reserve - sovereign or government controlled fund
- Family office
- Other, specify

OO 02	Mandatory	Public	Peering	General
-------	-----------	--------	---------	---------

**OO 02.1** Select the location of your organisation's headquarters.

Australia

**OO 02.2** Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

**OO 02.3** Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

14000

OO 03	Mandatory	Public	Descriptive	General
-------	-----------	--------	-------------	---------

**OO 03.1** Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No



OO 04	Mandatory	Public	Gateway/Peering	General
-------	-----------	--------	-----------------	---------

**OO 04.1** Indicate the year end date for your reporting year.

31/12/2017

**OO 04.2** Indicate your total AUM at the end of your reporting year, Exclude subsidiaries you have chosen not to report on and any advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM		26	000	000	000
Currency	USD				
Assets in USD		26	000	000	000

OO 06	Mandatory	Public	Descriptive	General
-------	-----------	--------	-------------	---------

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**OO 06.1** Select how you would like to disclose your asset class mix.

as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	1.9	0
Fixed income	87.7	2.2
Private equity	0	0.3
Property	0	4.1
Infrastructure	0	3.4
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0

Cash	0	0
Other (1), specify	0	0.4
Other (2), specify	0	0

'Other (1)' specified

Alternatives

- as broad ranges

OO 06.2 Publish asset class mix as per attached image [Optional].

**Asset class implementation gateway indicators**

OO 10 **Mandatory** **Public** **Gateway** **General**

OO 10.1 Select the active ownership activities your organisation implemented in the reporting year.

Listed equity – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors.

OO 10.2 Indicate why you do not engage and do not require external managers to engage.

In 2017, the approach moved to a passive ETF strategy and strategic holdings.

Listed equity – voting

- We cast our (proxy) votes directly or via dedicated voting providers
- We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

Fixed income SSA – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.

On SSA we do not engage, we engage corporate issuers on material ESG factors.

Fixed income Corporate (financial) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Fixed income Corporate (non-financial) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We require our external managers to engage with companies on ESG factors on our behalf.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Fixed income Corporate (securitised) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.

On SSA we do not engage, we engage corporate issuers on material ESG factors.

OO 11	Mandatory	Public	Gateway	General
-------	-----------	--------	---------	---------

OO 11.1

Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

Listed equity

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - SSA

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - corporate (financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - corporate (non-financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - securitised

- We address ESG incorporation.
- We do not do ESG incorporation.

Asset class	ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes
Fixed income - corporate (non-financial)	<p data-bbox="571 342 1474 454">Fixed income - corporate (non-financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="571 465 1334 622"> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process  <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process  <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process  <input type="checkbox"/> We do not do ESG incorporation </p>
Private equity	<p data-bbox="571 685 1474 763">Private equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="571 775 1334 931"> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process  <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process  <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process  <input type="checkbox"/> We do not do ESG incorporation </p>
Property	<p data-bbox="571 999 1474 1077">Property - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="571 1088 1334 1245"> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process  <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process  <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process  <input type="checkbox"/> We do not do ESG incorporation </p>
Infrastructure	<p data-bbox="571 1312 1474 1391">Infrastructure - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="571 1402 1334 1559"> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process  <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process  <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process  <input type="checkbox"/> We do not do ESG incorporation </p>
Other (1)	<p data-bbox="571 1626 1474 1704">Other (1) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="571 1715 1334 1872"> <input type="checkbox"/> We incorporate ESG into our external manager selection process  <input type="checkbox"/> We incorporate ESG into our external manager appointment process  <input type="checkbox"/> We incorporate ESG into our external manager monitoring process  <input checked="" type="checkbox"/> We do not do ESG incorporation </p>

**OO 11.4**

Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.

QBE invests in a number of asset classes using external managers. More than 90% of the external investment managers are PRI signatories. QBE enhanced the annual external manager review process in 2017, including the following ESG considerations.

When considering whether to select or appoint an external fund manager, QBE will consider the extent to which managers incorporate ESG factors into investment processes and operational areas.

As part of initial and ongoing due diligence, QBE's external investment managers are expected to provide details of the manager's ESG processes and guidelines, including how they integrate ESG into their investment decisions; the competence and drivers for their staff to incorporate ESG considerations. Key areas are: compliance, strategy, and management across both investment and operational areas; the manager's ESG activities, including research, voting and engagement, and seeking examples of how the manager integrates consideration of the ESG issues into its investment analysis and decision making processes.

QBE will monitor the performance of its fund managers with regard to ESG and sustainability issues through regular and constructive dialog with managers.

QBE will monitor and review its implementation of our Responsible Investment Guidelines.

**OO 12****Mandatory****Public****Gateway****General****OO 12.1**

Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

**Core modules**

- Organisational Overview
- Strategy and Governance

**RI implementation directly or via service providers****Direct - Listed Equity active ownership**

- (Proxy) voting

**Direct - Fixed Income**

- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)

**RI implementation via external managers****Indirect - Selection, Appointment and Monitoring of External Managers**

- Fixed income - Corporate (non-financial)
- Private Equity
- Property
- Infrastructure

Closing module

# QBE Insurance Group Limited

## Reported Information

### Public version

### Strategy and Governance

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.



## Investment policy

SG 01

Mandatory

Public

Core Assessed

General

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input type="checkbox"/> Formalised guidelines on environmental factors <input type="checkbox"/> Formalised guidelines on social factors <input type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input type="radio"/> Applicable policies cover all AUM <input checked="" type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change and related issues
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

<b>SG 01.4</b>	Describe your organisation's investment principles and overall investment strategy, and how they consider ESG factors and real economy impact.
----------------	--

The QBE investment principles and strategy are designed to meet return targets within pre-defined risk and capital constraints, while meeting regulatory requirements in every jurisdiction. QBE has a low-risk investment philosophy the objective of which is to protect the value of capital while gaining exposure to assets that produce consistent and recurring incoming, thereby supporting QBE's operational plans and goals. The approach incorporates both long term strategic asset allocation as well as shorter term dynamic and tactical asset allocation.

QBE is a significant investor in a large number of companies, and takes its responsibility as a capital provider seriously.

QBE aims to contribute broadly to wellbeing and sustainable development through active ownership, and also believes that integrating principles of responsible investing into ownership and investment decision-making can have a positive impact on risk-adjusted financial returns.

QBE continues to enhance our investment approach. In 2017 we updated the RI strategy, increased external ESG research sources into the investment process, and increased ESG capability within the internal team. We updated our approach to incorporating ESG considerations into our internal credit selection, thereby making a significant change for the majority of the portfolio.

No

<b>SG 02</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 6</b>
--------------	------------------	---------------	----------------------	--------------

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>SG 02.1</b>	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
----------------	--

- Policy setting out your overall approach
- (Proxy) voting policy
- We do not publicly disclose our investment policy documents

<b>SG 02.2</b>	Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.
----------------	---

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- We do not publicly disclose any investment policy components

<b>SG 02.3</b>	Indicate if your organisation's investment principles, and overall investment strategy is publicly available
----------------	--

- Yes
- No

<b>SG 03</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>General</b>
--------------	------------------	---------------	----------------------	----------------

**SG 03.1**

Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

 Yes**SG 03.2**

Describe your policy on managing potential conflicts of interest in the investment process.

QBE is committed to ensuring that actual, potential and perceived conflicts of interest are identified and avoided, or in situations where they cannot be avoided, that they are appropriately managed.

Conflicts of interest are circumstances where some or all of the interests of clients to whom QBE or our representative provides financial or related services, are inconsistent with or diverge from, some or all of the interests of QBE or our representatives. This includes actual, apparent and potential conflicts.

Employees, when representing QBE, must declare their interest when they see an actual or potential conflict of interest or a possible perception of a conflict of their personal interests with QBE, clients and financial markets.

Any conflicts are then dealt with under QBE existing policies or procedures. If the conflict is not dealt with under any QBE policy or procedure, the conflict must be appropriately reported.

Our governance approach supports QBE's commitment to responsible investment. This includes our Code of Ethics and Conduct and our ongoing management of conduct risk.

 No

SG 04	Voluntary	Public	Descriptive	General
-------	-----------	--------	-------------	---------

**SG 04.1**

Indicate if your organisation has a process for identifying and managing incidents that occur within portfolio companies.

 Yes No**SG 04.2**

Describe your process on managing incidents

Within the Investment portfolio, all issuers are subject to ongoing monitoring by Portfolio Managers with a focus on credit rating, news flow or changes in financial outlook of the company, including daily monitoring. ESG considerations complement these practices, including issuers where there is increased potential for risk, including emerging controversies. This is supported by external ESG data providers and industry analysis.

## Objectives and strategies

SG 05	Mandatory	Public	Gateway/Core Assessed	General
-------	-----------	--------	-----------------------	---------

**SG 05.1**

Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

SG 06	Voluntary	Public	Descriptive	General
-------	-----------	--------	-------------	---------

SG 06.1	List the main responsible investment objectives that your organisation set for the reporting year.
---------	--

Responsible investment processes
----------------------------------

- Provide training on ESG incorporation

Key performance indicator
---------------------------

Establish ESG knowledge development and training for the Investment team

Progress achieved
-------------------

Regular quarterly ESG knowledge development and training has been established with the Investment Team. In 2017, the first two of these were held, and supplement ongoing ESG awareness, and meetings on prospective investment opportunities with an ESG and impact investment lens, and industry initiatives.

- Provide training on ESG engagement
- Improved communication of ESG activities within the organisation

Key performance indicator
---------------------------

Improve the accuracy and ratings of external ESG research providers with respect to QBE and by doing so, increase internal stakeholder awareness /value of ESG

Progress achieved
-------------------

Building on 2016, engaged ESG research providers (DJSI / FTSE4Good, MSCI, Sustainalytics, etc) leading to improved inclusion in indices and improved ratings and accuracy of reports for QBE, including QBE's inclusion in FTSE4Good (Australia) and Bloomberg Gender Equality Index 2017/8.

- Improved engagement to encourage change with regards to management of ESG issues

Key performance indicator
---------------------------

Broadly influence the adoption of ESG considerations across business, including in Sustainability and sustainable insurance initiatives

Progress achieved
-------------------

Responsible Investments is represented in the QBE Group ESG Committee, an executive committee reporting to the Board Risk and Capital Committee (BRCC), responsible for the delivery of sustainability strategy, initiatives and reporting requirements. It is made up of senior representatives from group departments involved in the day-to-day management of sustainability issues, including Risk, Finance, Investments, Investor Relations, People, Communications, Legal, Company Secretariat and Compliance.

QBE has increased engagement in ESG issues and continues to advance sustainability considerations across the business. Responsible Investments considerations have been incorporated in a whole of business sustainability review; and in 2017, QBE issued a Green Bond, and a Gender Equality Bond (Social Bond).

- Improved ESG incorporation into investment decision making processes

Key performance indicator

RI objectives: (i) RI strategy review; (ii) increase external ESG research inputs (iii) ESG integration in Fixed Income, (iv/v) continue prior year targets.

Progress achieved

RI objectives for the reporting year included (i) a review of the RI strategy (ii) increase external ESG research inputs to the investment processes of the global investment team (iii) extension of ESG integration in the Fixed Income process, and continue prior year targets: (iv) continue to work across the business to develop a whole of exclusions approach and (v) continue to grow impact investments pool.

QBE has updated the RI strategy, and commenced implementation of the strategy. QBE has added to the suite of ESG research and data which informs ESG considerations within the Investment Team, including the ESG rating and monitoring of the Fixed Income Portfolio. In 2017, QBE enhanced ESG consideration and process in the Fixed Income portfolio, covering the majority of AUM.

The whole of business exclusions policy is complex for a global corporate and is an ongoing piece of work that has board support. This continues to progress.

QBE increased the pool of impact investments from 11 to 26 securities and to USD455m.

- Other, specify (1)

External Manager Review

Key performance indicator

Review of external managers with ESG considerations

Progress achieved

In 2017, we conducted a review of external managers including raising ESG related considerations. This forms a baseline for enhancement in 2018.

- Other, specify (2)  
 Other, specify (3)

Financial performance of investments

- Increase portfolio performance by consideration of ESG factors  
 Other, specify (1)  
 Other, specify (2)  
 Other, specify (3)

ESG characteristics of investments

- Over or underweight companies based on ESG characteristics  
 Improve ESG ratings of portfolio

Key performance indicator
---------------------------

ESG integration in Fixed Income portfolio

Progress achieved
-------------------

QBE has enhanced ESG integration in the Investment Credit Selection and Monitoring process. Corporate entities under consideration are subject to an ESG Assessment, including independent external ESG ratings, and Portfolio Manager assessment. Monitoring and watch list practices incorporate ESG data and externally sourced controversies research. ESG considerations complement these practices, including issuers where there is increased potential for risk.

- Setting carbon reduction targets for portfolio
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

Other activities
------------------

- Joining and/or participation in RI initiatives

Key performance indicator
---------------------------

Join RI industry networks and other information sharing initiatives

Progress achieved
-------------------

In 2017 QBE joined the Responsible Investment Industry Australasia (RIAA), hosted a panel for the Impact Investment Forum, and participated in the RIAA Conference (Australia), along with a number of other responsible investment industry forums and information sharing platforms. These include climate bonds, sustainable finance and the Sustainable Development Goals; and TCFD climate disclosure discussions.

In impact investing, QBE is an anchor partner of Impact Investing Australia. QBE representatives participated in the Global Social Impact Investment Steering Group (Chicago), Asia-Pacific Impact Investment Summit (Australia); SOCAP Good Capital launch (US) and the Sorenson Impact Center Winter Innovation Summit (US).

- Encouraging others to join a RI initiative
- Documentation of best practice case studies
- Using case studies to demonstrate engagement and ESG incorporation to clients
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

## Governance and human resources

SG 07	Mandatory	Public	Core Assessed	General
-------	-----------	--------	---------------	---------

**SG 07.1**

Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

**Roles present in your organisation**

- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
  - Asset Class Heads.**
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
    - No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- ESG portfolio manager
- Investment analysts
- Dedicated responsible investment staff
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify (1)
- Other role, specify (2)

<b>SG 07.2</b>	For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.
----------------	---

QBE has a dedicated Responsible Investments (RI) team, which reports to the Group Chief Investment Officer and Group Chief Financial Officer. The RI team's activities are also communicated with the ESG Committee, which reports to the Board Risk and Capital Committee, and where appropriate, the Board Investment Committee.

<b>SG 07.3</b>	Indicate the number of dedicated responsible investment staff your organisation has.
----------------	--

Number
--------

2

<b>SG 07.4</b>	Additional information. [Optional]
----------------	------------------------------------

In 2017, QBE increased the team from 1.4 to 2 FTE : Manager, Responsible Investments and Assistant Manager, Responsible Investments.

## Promoting responsible investment

<b>SG 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 4,5</b>
--------------	------------------	---------------	----------------------	----------------

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>SG 09.1</b>	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
----------------	---

**Select all that apply**

Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)
--

- Basic
- Moderate
- Advanced



Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

Consistent with our commitment to responsible investment, throughout the year, QBE representatives attended a number of PRI seminars and events on responsible investment, including those related to TCFD, alongside other industry initiatives outlined.

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AFIC – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Code for Responsible Finance in the 21st Century
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- EVCA – Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

In 2017, QBE issued \$300 million in fixed-rate senior notes under a new QBE Green Bond Framework - the first green bond to be issued by a global insurance company. The proceeds were materially invested in areas such as renewable energy, low-carbon transportation, sustainable forestry, water efficiency, waste management and pollution control. The QBE Green Bond Framework aligns with the Green Bond Principles.

- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Sustainable Insurance

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Just as QBE helps customers to manage their risks, we apply a similar approach to managing our risks and sustainability challenges as a business. This is consistent with our membership of the UNEP FI and being a PSI signatory, where we seek to embed awareness of sustainability issues into our decision making. In addition, QBE works with employees, clients and business partners to raise awareness of ESG and sustainability issues, manage risks and develop solutions.

Throughout the year, QBE representatives attended and spoke at business roundtables, seminars and events on sustainability topics, including impact investing, diversity, climate change, sustainable communities, human rights and sustainable finance. Examples include: In November 2017, PSI and Munich Re held the inaugural PSI event in the US. As a PSI signatory, QBE employees attended the event which focused on the North American sustainable insurance agenda including action around building resilient and sustainable communities and economies. Following the two-day conference, we are exploring opportunities to contribute to coastal resiliency and helping communities to plan for the impacts of climate change.

For more information refer to QBE Sustainability Report : [www.qbe.com](http://www.qbe.com)

- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify Responsible Investment Association Australasia (RIAA)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

In 2017 QBE joined the Responsible Investment Industry Australasia (RIAA), hosted a panel for the Impact Investment Forum, and participated in the RIAA Conference (Australia), along with a number of other responsible investment industry forums and information sharing platforms. QBE is participates on the RIAA Impact Investment Forum committee.

- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

For more information refer to QBE Sustainability Report : [www.qbe.com](http://www.qbe.com)

- United Nations Global Compact

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

- Other collaborative organisation/initiative, specify

ClimateWise

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

QBE participates in ClimateWise initiatives. In 2017, ClimateWise - an industry leadership platform facilitated by the Cambridge Institute for Sustainability Leadership (CISL), of which QBE is a member - used QBE's Premiums4Good initiative as a case study and example of responsible investment approach, aligned with ClimateWise's wider agenda.

- Other collaborative organisation/initiative, specify

Women's Empowerment Principles (WEPs)

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

QBE signed on to the Women's Empowerment Principles in 2017, an initiative of UN Women and UN Global Compact.

In 2017, QBE investigated how we could introduce a new debt product that incorporates gender equality, a strategic focus area for QBE.

QBE signed up to the Women's Empowerment Principles (WEPs) and established a new QBE Gender Equality Bond Framework (a social bond), which imposes criteria for how QBE can invest any capital raised. An issuer must be a signatory to the WEPs and included in the Equileap Gender Equality Report Top 200 Companies for 2017. In November, we launched the world's first Gender Equality Additional Tier 1 bond transaction, raising \$400 million.

- Other collaborative organisation/initiative, specify

Impact Management Project

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

- Other collaborative organisation/initiative, specify

SG 10	Mandatory	Public	Core Assessed	PRI 4
-------	-----------	--------	---------------	-------

**SG 10.1** Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

- Yes

**SG 10.2** Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

- Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

Description

Training related to internal QBE peers

#### Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Provided financial support for academic or industry research on responsible investment

#### Description

QBE is an anchor partner of Impact Investing Australia which conducts research, advocacy, field-building efforts to encourage development of impact investing in Australia and globally.

#### Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Provided input and/or collaborated with academia on RI related work

Encouraged better transparency and disclosure of responsible investment practices across the investment industry

Spoke publicly at events and conferences to promote responsible investment

#### Description

QBE representatives have spoken at a number of responsible investment forums and conferences.

#### Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Wrote and published in-house research papers on responsible investment

Encouraged the adoption of the PRI

#### Description

QBE encourages adoption of the PRI and responsible investment in general through our public promotion of responsible investment (refer to the QBE Sustainability Report); secondly, the Premiums4Good

initiative, which encompasses ESG and impact investment, and communication about the investments; and thirdly, as an issuer, QBE's Green Bond and Gender Equality (Social Bond) Issuance, among other initiatives.

#### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
- Wrote and published articles on responsible investment in the media
- A member of PRI advisory committees/ working groups, specify
- On the Board of, or officially advising, other RI organisations (e.g. local SIFs)

#### Description

QBE representative contributes on the board of the Impact Investment Forum, a committee of Responsible Investment Association Australasia.

#### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Other, specify

#### specify description

Issuance of the first Green Bond by an insurer, and Gender Equality Bond.

#### Description

Consistent with our commitment to PRI and a UN PSI signatory, QBE issued a Green Bond and a Gender Equality Bond (Social Bond) in 2017.

### Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other
- No

**SG 10.3**

Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]

## Outsourcing to fiduciary managers and investment consultants

**SG 12**

**Mandatory**

**Public**

**Core Assessed**

**PRI 4**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 12.1**

Indicate whether your organisation uses investment consultants.

- Yes, we use investment consultants
- No, we do not use investment consultants.

**SG 12.5**

Indicate whether your organisation considers any of the following responsible investment factors in the monitoring of fiduciary managers

- Including responsible investment as a standard agenda item at performance review meetings
- Discussing whether the fiduciary manager has acted in accordance with your organisation's overall investment beliefs/ strategy/ policy on responsible investment and ESG factors
- Reviewing the fiduciary manager's PRI Transparency or Assessment reports
- Reviewing the fiduciary manager's responsible investment reporting (excluding PRI generated reports)
- Reviewing ESG characteristics/factors used by the fiduciary manager in portfolio construction
- Reviewing the fiduciary manager's incorporation approaches of ESG through-out asset classes
- Reviewing the impact of ESG factors on financial performance
- Encouraging your fiduciary managers to consider joining responsible investment initiatives/organisations or participate in educational or collaborative projects with other investors
- Including responsible investment criteria as a formal component of overall manager performance evaluation
- Reviewing the fiduciary manager's ESG incorporation in external managers' selection, appointment, monitoring
- Reviewing how ESG materiality is defined by the fiduciary manager
- Other general aspects of your monitoring; specify
- We do not consider responsible investment in the monitoring processes for fiduciary managers.

<b>SG 12.6</b>	Describe the approach you take to monitoring your fiduciary managers and the reason(s) for this approach [Optional].
----------------	--

Within the Group mandate, we do not use fiduciary managers, which informs our response to this question that we do not consider responsible investment in the monitoring.

## ESG issues in asset allocation

<b>SG 13</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
--------------	------------------	---------------	--------------------	--------------

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>SG 13.1</b>	Indicate if your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated.
----------------	--

- We execute scenario analysis which includes factors representing the investment impacts of future environmental trends
- We execute scenario analysis which includes factors representing the investment impacts of future social trends
- We execute scenario analysis which includes factors representing the investment impacts of future governance trends
- We consider scenario analysis that includes factors representing the investment impacts of future climate-related risks and opportunities
- We execute other scenario analysis, specify
- We do not execute such scenario analysis and/or modelling

<b>SG 15</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
--------------	--	---------------	--------------------	--------------

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>SG 15.1</b>	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
----------------	---

Yes

<b>SG 15.2</b>	Indicate the percentage of your total AUM invested in environmental and social themed areas.
----------------	--

	%
--	---

2

<b>SG 15.3</b>	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.
----------------	--



Area

- Clean technology (including renewable energy)
- Green buildings
- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing

Asset class invested

- Listed equity
- Fixed income - SSA

% of AUM

0.01

- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Infrastructure

Brief description and measures of investment

Under the Premiums4Good initiative QBE is invested in a number of social bonds, including those for which use of proceeds is specifically directed to women owned businesses, base of the pyramid entrepreneurs, and other SME financing. These are aligned with the Social Bond Principles.

- Social enterprise / community investing
- Affordable housing
- Education

Asset class invested

- Listed equity
- Fixed income - SSA

% of AUM

0.02

- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Infrastructure

Brief description and measures of investment

Under the Premiums4Good initiative QBE is invested in a number of social bonds and social impact bonds which focus on education, employment and training. Those designated as Social Bonds are aligned with the Social Bond Principles. There are a number of social thematic or impact areas. The classification of these investments for Premiums4Good considers the impact area, the measurement, and verification and reporting. We have mapped the Premiums4Good impact areas with the Sustainable Development Goals at a high level and will iterate over time.

- Global health
  - Water
  - Other area, specify
- No

**Asset class implementation not reported in other modules**

<b>SG 16</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
--------------	------------------	---------------	--------------------	----------------

<b>Asset Class</b>	<b>Describe what processes are in place and the outputs or outcomes achieved</b>
Listed equity - (proxy) voting	<p>The proxy voting policy sets out the approach and provides context for QBE in exercising, in relation to listed securities directly held by QBE entities. our:</p> <ul style="list-style-type: none"> <li>- responsibilities as a shareholder;</li> <li>- corporate governance principles; and</li> <li>- reporting responsibilities</li> </ul> <p>A key principle of these Guidelines is that voting rights should be exercised and proxy votes should be cast in a way designed to ensure that proxies are voted in the best interests of QBE and in line with the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations.</p> <p>QBE uses the services of a proxy voting research service provider. The default position, to ensure votes are cast, is to vote in line with the recommendations of this provider when they are in line with board recommendations. When exceptions to this rule are raised these are flagged and reviewed.</p> <p>In 2017, QBE listed equities holdings were principally strategic holdings.</p>

**Innovation**

<b>SG 18</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
--------------	------------------	---------------	--------------------	----------------

<b>SG 18.1</b>	Indicate whether any specific features of your approach to responsible investment are particularly innovative.
----------------	--

Yes

<b>SG 18.2</b>	Describe any specific features of your approach to responsible investment that you believe are particularly innovative.
----------------	---

Social investment seeks both a social and a financial return, and QBE supports this approach as a means of attracting more capital to global social and environmental issues.

In 2015 QBE pledged \$100m to invest into the global Social Impact Bond market. On the understanding that this was a small, developing market QBE felt that this made a statement of intent to help develop this market and would allow us to provide an institutional investor lens to this developing area.

By 2017, QBE has now invested in 9 SIBs across the global portfolio (Australia, UK, Canada, USA), and analyzed many more. In 2017, QBE was the anchor investor in the first of its kind PFS (Social Impact Bond) fund in the US. For many of these SIB Investments QBE has been present from a very early stage helping to develop documents and structures and assist in informing some standardization in this market to suit future scale

In 2015 QBE launched an innovative insurance product called Premiums4Good. Premiums4Good allows customers in select lines of insurance to opt for a proportion of their premiums, at no extra cost or risk, to be invested in impact investments.

Since 2015, Premiums4Good has extended to the majority of QBE divisions globally, including

In addition to these responsible investment activities, QBE as an issuer, issued both a Green Bond, and a social bond (Gender Equality Bond) in 2017.

.

No

## Communication

<b>SG 19</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 6</b>
--------------	------------------	---------------	----------------------	--------------

<b>SG 19.1</b>	Indicate whether your organisation proactively discloses asset class specific information. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.
----------------	---

	Fixed income
--	--------------

	Do you disclose?
--	------------------

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

	Selection, Appointment and Monitoring
--	---------------------------------------

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

# QBE Insurance Group Limited

## Reported Information

### Public version

#### Indirect – Manager Selection, Appointment and Monitoring

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Listed Equity and Fixed Income Strategies

<b>SAM 01</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>PRI 1</b>
---------------	------------------	---------------	----------------	--------------

**SAM 01.1** Indicate which of the following ESG incorporation strategies you require your external manager(s) to implement on your behalf for all your listed equity and/or fixed income assets:

Active investment strategies

Active investment strategies				FI - Corporate (non-financial)
Screening				<input type="checkbox"/>
Thematic				<input type="checkbox"/>
Integration				<input type="checkbox"/>
None of the above				<input checked="" type="checkbox"/>

**SAM 01.2** Additional information. [Optional]

Under Fixed Income corporate non-financial external manager, when appointed in 2012, the mandate did not capture ESG considerations. The manager is a PRI signatory, and ESG considerations are reflected within the segregated mandate.

## Selection

<b>SAM 02</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
---------------	------------------	---------------	----------------------	--------------

**SAM 02.1** Indicate what RI-related information your organisation typically covers in the majority of selection documentation for your external managers

				FI - Corporate (non-financial)	Private equity	Property	Infrastructure
Investment strategy and how ESG objectives relate to it				<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG incorporation requirements				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG reporting requirements				<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
No RI information covered in the RFPs				<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**SAM 02.2**

Explain how your organisation evaluates the investment manager's ability to align between your investment strategy and their investment approach

Strategy

				FI - Corporate (non-financial)	Private equity	Property	Infrastructure
Assess the time horizon of the investment manager's offering vs. your/beneficiaries' requirements				<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Assess the quality of investment policy and its reference to ESG				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Assess the investment approach and how ESG objectives are implemented in the investment process				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review the manager's firm-level vs. product-level approach to RI				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Assess the ESG definitions to be used				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above				<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ESG people/oversight

				<b>FI - Corporate (non-financial)?</b>	<b>Private equity</b>	<b>Property</b>	<b>Infrastructure</b>
Assess ESG expertise of investment teams				<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review the oversight and responsibilities of ESG implementation				<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review how is ESG implementation enforced /ensured				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review the manager's RI-promotion efforts and engagement with the industry				<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above				<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Process/portfolio construction/investment valuation



				<b>FI - Corporate (non-financial)?</b>	<b>Private equity</b>	<b>Property</b>	<b>Infrastructure</b>
Review the process for ensuring the quality of the ESG data used				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review and agree the use of ESG data in the investment decision making process				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review and agree the impact of ESG analysis on investment decisions				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review and agree ESG objectives (e.g. risk reduction, return seeking, real-world impact)				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review and agree manager's ESG risk framework				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review and agree ESG risk limits at the portfolio level (portfolio construction) and other ESG objectives				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review how ESG materiality is evaluated by the manager				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review process for defining and communicating on ESG incidents				<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review and agree ESG reporting frequency and detail				<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other, specify				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above				<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**SAM 02.3**

Indicate the selection process and its ESG/RI components

- Review ESG/RI responses to RfP, RfI, DDQ etc.
- Review responses to PRI's Limited Partners' Responsible Investment Due Diligence Questionnaire (LP DDQ)
- Review publicly available information on ESG/RI
- Review assurance process on ESG/RI data and processes
- Review PRI Transparency Reports
- Request and discuss PRI Assessment Reports
- Meetings with the potential shortlisted managers covering ESG/RI themes
- Site visits to potential managers offices
- Other, specify

**SAM 02.4**

When selecting external managers does your organisation set any of the following:

				<b>FI - Corporate (non-financial)?</b>	<b>Private equity</b>	<b>Property</b>	<b>Infrastructure</b>
ESG performance development targets				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG score				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG weight				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Real world economy targets				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other RI considerations				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

**Appointment****SAM 04****Mandatory****Public****Core Assessed****PRI 1**

**SAM 04.1**

Indicate if in the majority of cases and where the structure of the product allows, your organisation does any of the following as part of the manager appointment and/or commitment process

- Sets standard benchmarks or ESG benchmarks
- Defines ESG objectives
- Sets incentives and controls linked to the ESG objectives
- Requires reporting on ESG objectives
- Requires the investment manager to adhere to ESG guidelines, regulations, principles or standards
- None of the above
- None of the above, we invest only in pooled funds and have a thorough selection process

**SAM 04.3**

If none of the above, describe any other mechanisms in place to set expectations as part of the appointment or commitment process.

Under Manager Selection for Corporate (Non-financial), when first appointed in 2012, QBE had not set a specific ESG objective with the Manager, however the manager is a PRI signatory, the ESG policy and approach of the Manager is well-developed. QBE has a segregated mandate and retains right of veto over investments.

**SAM 04.4**

Indicate which of these actions your organisation might take if any of the requirements are not met

- Discuss requirements not met and set project plan to rectify
- Place investment manager on a “watch list”
- Track and investigate reason for non-compliance
- Re-negotiate fees
- Failing all actions, terminate contract with the manager
- Other, specify
- No actions are taken if any of the ESG requirements are not met

**SAM 04.5**

Provide additional information relevant to your organisation's appointment processes of external managers. [OPTIONAL]

Under the fixed income, Corporate (Non-financial) segregated mandate QBE retains the right to replace the manager for any reason.

## Monitoring

**SAM 05****Mandatory****Public****Core Assessed****PRI 1****SAM 05.1**

When monitoring managers, indicate which of the following types of responsible investment information your organisation typically reviews and evaluates

				FI - Corporate (non-financial)	Private equity	Property	Infrastructure
ESG objectives linked to investment strategy				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Evidence on how the ESG incorporation strategy(ies) affected the investment decisions and financial / ESG performance of the portfolio/fund				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Compliance with investment restrictions and any controversial investment decisions				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG portfolio characteristics				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
How ESG materiality has been evaluated by the manager in the monitored period				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Information on any ESG incidents				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Metrics on the real economy influence of the investments				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PRI Transparency Reports				<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
PRI Assessment Reports				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RI-promotion and engagement with the industry to enhance RI implementation				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other general RI considerations in investment management agreements; specify				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**SAM 05.2**

When monitoring external managers, does your organisation set any of the following to measure compliance/progress

				FI - Corporate (non-financial)	Private equity	Property	Infrastructure
ESG score				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG weight				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG performance minimum threshold				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Real world economy targets				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other RI considerations				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## Outputs and outcomes

SAM 09	Mandatory	Public	Additional Assessed	PRI 1,6
--------	-----------	--------	---------------------	---------

### SAM 09.1

Provide examples of how ESG issues have been addressed in the manager selection, appointment and/or monitoring process for your organisation during the reporting year.

- Add Example 1
- Add Example 2
- Add Example 3
- Add Example 4
- Add Example 5
- We are not able to provide examples

# QBE Insurance Group Limited

## Reported Information

### Public version

### Direct - Fixed Income

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## ESG incorporation in actively managed fixed income

### Implementation processes

FI 01	Mandatory	Public	Gateway	PRI 1
FI 01.1	Indicate 1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and 2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.			

Corporate (financial)	Screening alone	0
	Thematic alone	0
	Integration alone	0
	Screening + integration strategies	97
	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	3
	No incorporation strategies applied	0
		100%
Corporate (non-financial)	Screening alone	0
	Thematic alone	0
	Integration alone	99
	Screening + integration strategies	0



	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	1
	No incorporation strategies applied	0
		100%

**FI 01.2** Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

In selecting and assessing the credit worthiness of corporate borrowers, the sustainability of the business is a key consideration. Strong governance that includes effective management of material ESG factors increases the likelihood that a company will continue to perform and manage risks effectively.

In 2017, QBE updated ESG integration within Fixed Income, representing the majority of AUM.

The key principles guiding credit selection encompasses developed market corporate, financial and structured debt. Each corporate entity under consideration is subject to an ESG Assessment, including independent external ESG ratings and the Portfolio Manager assessment. Selection and monitoring includes materially negative ESG developments.

The inclusion of the formal ESG Assessment helps to identify companies at risk of poor performance, this improving the risk and return of the investment, and as a debt investor to exert some influence on business operations and improve practices is a key focus for including ESG factors in our investment decisions.

In addition to the above, a thematic approach supports QBE's commitment to green bonds and social bonds. All issuers are screened subject to QBE Global Sanctions Policy.

<b>FI 03</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
--------------	------------------	---------------	----------------------------	--------------

**FI 03.1** Indicate how you ensure that your ESG research process is robust:

- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- Internal audits of ESG research are undertaken in a systematic way
- ESG analysis is benchmarked for quality against other providers
- Other, specify
- None of the above

**FI 03.2** Describe how your ESG information or analysis is shared among your investment team.

- ESG information is held within a centralised database and is accessible to all investment staff
- ESG information is a standard item on all individual issuer summaries, ‘tear sheets’, ‘dashboards’ or similar documents
- Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- Records capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

**(A) Implementation: Screening**

**FI 04** **Mandatory** **Public** **Gateway** **PRI 1**

**FI 04.1** Indicate the type of screening you conduct.

Select all that apply

	<b>Corporate (financial)</b>	<b>Corporate (non-financial)</b>	
Negative/exclusionary screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Positive/best-in-class screening	<input type="checkbox"/>	<input type="checkbox"/>	
Norms-based screening	<input type="checkbox"/>	<input type="checkbox"/>	

**FI 04.2** Describe your approach to screening for internally managed active fixed income

All issuers are screened subject to QBE Global Sanctions Policy and the Group Investment Sanctions Policy.

**FI 05** **Mandatory** **Public** **Descriptive** **PRI 1**

**Corporate (financial)**

**Corporate (fin)**

- For legal reasons
- For non-legal reasons

**Corporate (non-financial)**

Corporate (non-fin)

- For legal reasons
- For non-legal reasons

**FI 05.2** Describe your approach to ESG-based negative screening of issuers from your investable universe.

In line with governance and related requirements, QBE is committed to ensuring we comply with the requirements of sanctions regimes in the jurisdictions in which we operate or seek to operate. These include the Australian, European Union, United Kingdom, United Nations Security Council (UNSC) and United States autonomous sanctions regimes. Our approach to sanctions is supported by a Global Sanctions Policy and Guidelines and, where appropriate, local Sanctions Policies and Guidelines, and Group Investments Sanctions Policy.

**FI 07** **Mandatory** **Public** **Core Assessed** **PRI 1**

**FI 07.1** Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.

Type of screening	Checks
<b>Negative/exclusionary screening?</b>	<input checked="" type="checkbox"/> Checks are performed to ensure that issuers meet screening criteria <input type="checkbox"/> We ensure that data used for the screening criteria is updated at least every 2 years. <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above

**(B) Implementation: Thematic**

**FI 09** **Mandatory** **Public** **Core Assessed** **PRI 1**

<b>FI 09.1</b>	Indicate whether you encourage transparency and disclosure relating to the issuance of themed bonds as per the Green Bonds Principles, Social Bond Principles, or Sustainability Bond Guidelines..
----------------	--

- We require that themed bond proceeds are only allocated to environmentally or socially beneficial projects
- We require the issuer (or 3rd party assurer) to demonstrate a process which determines the eligibility of projects to which themed bond proceeds are allocated
- We require issuers to demonstrate a systematic and transparent process of disbursing themed bond proceeds to eligible projects until all funds are allocated
- We require issuers to report at least once per year on the projects to which proceeds have been allocated including a description of those projects
- Other, specify
- None of the above

<b>FI 09.2</b>	Describe the actions you take when issuers do not disburse bond proceeds as described in the offering documents.
----------------	--

Under the QBE Green Bond and QBE Gender Equality Bond framework, investments support the Framework and compliance with the framework, including Reporting, and verification of use of proceeds.

<b>FI 10</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
--------------	------------------	---------------	----------------------------	--------------

<b>FI 10.1</b>	Indicate how you assess the environmental or social impact of your thematic investments
----------------	---

- We require issuers to report at least once per year on specific environmental or social impacts resulting from our themed investments
- We ensure independent audits are conducted on the environmental or social impact of our investments
- We have a proprietary system to measure environmental and social impact
- We measure the impact of our themed bond investments on specific ESG factors such as carbon emissions or human rights
- Other, specify
- None of the above

<b>FI 10.2</b>	Additional information. [Optional]
----------------	------------------------------------

QBE has Thematic Investments related to the QBE Green Bond and QBE Gender Equality Bond, which align with the Green Bond Principles and Social Bond principles respectively, including reporting and assurance. In addition, other thematic investments which are part of the Premiums4Good program are reviewed for reporting, verification and impact.

## (C) Implementation: Integration

<b>FI 11</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
--------------	------------------	---------------	--------------------	--------------

<b>FI 11.1</b>	Describe your approach to integrating ESG into traditional financial analysis.
----------------	--

The key principles guiding Credit selection encompasses developed market corporate, financial and structured debt. Each corporate entity under consideration is subject to an ESG Assessment, including independent external ESG ratings and the Portfolio Manager assessment.

Adverse ESG findings will automatically reduce the issuer rating and a further review is completed considering materiality of factors and based on the internal assessment of the Credit Portfolio Manager.

In addition to this assessment process publicly sourced Controversies research is used to identify any market sensitive ESG developments which could affect credit outlook for entities.

Materially negative developments result in the entity being included in the final monitoring and watch list process.

All entities are screened subject to QBE Global Sanctions Policy, and the Group Investments Sanctions Policy.

Monitoring - All issuers are subject to ongoing monitoring by Portfolio Managers with a focus on credit rating, news flow or changes in financial outlook of the company, including daily monitoring. ESG considerations complement these practices, including issuers where there is increased potential for risk including emerging controversies.

	Corporate (financial)
--	-----------------------

Our integration process is the same for Corporate (financial) and Corporate (non-financial)

	Corporate (non-financial)
--	---------------------------

Our integration process is the same for Corporate (financial) and Corporate (non-financial)

<b>FI 12</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
--------------	------------------	---------------	----------------------	--------------

<b>FI 12.1</b>	Indicate how ESG information is typically used as part of your investment process.
----------------	--

Select all that apply

	Corporate (financial)	Corporate (non-financial)	
ESG analysis is integrated into fundamental analysis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis is integrated into security weighting decisions	<input type="checkbox"/>	<input type="checkbox"/>	
ESG analysis is integrated into portfolio construction decisions	<input type="checkbox"/>	<input type="checkbox"/>	
ESG analysis is a standard part of internal credit ratings or assessment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis for issuers is a standard agenda item at investment committee meetings	<input type="checkbox"/>	<input type="checkbox"/>	
ESG analysis is regularly featured in internal research notes or similar	<input type="checkbox"/>	<input type="checkbox"/>	
ESG analysis is a standard feature of ongoing portfolio monitoring	<input type="checkbox"/>	<input type="checkbox"/>	
ESG analysis features in all internal issuer summaries or similar documents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Other, specify	<input type="checkbox"/>	<input type="checkbox"/>	

FI 13	Mandatory	Public	Additional Assessed	PRI 1
-------	-----------	--------	---------------------	-------

**FI 13.1** Indicate the extent to which ESG issues are reviewed in your integration process.

	Environment	Social	Governance
Corporate (financial)	<input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Social <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (non-financial)	<input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Social <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all

## Corporate (financial)

In selecting and assessing the credit worthiness of corporate borrowers, the sustainability of the business is a key consideration. Strong governance that includes effective management of ESG factors increases the likelihood that a company will continue to perform and manage risks effectively.

The selection process considers material factors, based on the internal assessment of the Credit Portfolio Manager. Investment monitoring considers market sensitive ESG developments which could affect credit outlook for entities, Materially negative developments result in the entity being included in the final monitoring and watch list process.

## Corporate (non-financial)

In selecting and assessing the credit worthiness of corporate borrowers, the sustainability of the business is a key consideration. Strong governance that includes effective management of ESG factors increases the likelihood that a company will continue to perform and manage risks effectively.

The selection process considers material factors, based on the internal assessment of the Credit Portfolio Manager. Investment monitoring considers market sensitive ESG developments which could affect credit outlook for entities, Materially negative developments result in the entity being included in the final monitoring and watch list process.

# QBE Insurance Group Limited

## Reported Information

### Public version

### Assurance

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.



## Assurance

CM1 01.1	Mandatory	Public	Core Assessed	General
----------	-----------	--------	---------------	---------

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

CM1 01.1	Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:
----------	---

- Third party assurance over selected responses from this year's PRI Transparency Report
- Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- Third party assurance or audit of the implementation of RI processes (that have been reported to the PRI this year)
- Internal audit conducted by internal auditors of the implementation of RI processes and/or RI data that have been reported to the PRI this year)
- Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
  - Whole PRI Transparency Report has been internally verified
  - Selected data has been internally verified
- Other, specify  
CIO / Asset Class Heads / Group Communications and Sustainability
- None of the above

CM1 01.2 & 01.8	Mandatory	Public	Descriptive	
-----------------	-----------	--------	-------------	--

CM1 01.2	Do you plan to conduct third party assurance of this year's PRI Transparency report?
----------	--

- Whole PRI Transparency Report will be assured
- Selected data will be assured
- We do not plan to assure this year's PRI Transparency report

CM1 01.3 & 01.9	Mandatory	Public	Descriptive	General
-----------------	-----------	--------	-------------	---------

CM1 01.3	We undertook third party assurance on last year's PRI Transparency Report
----------	---

- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year's PRI Transparency Report
- We did not assure last year's PRI Transparency report, or we did not have such a report last year.

CM1 01.4, 10-12	Mandatory	Public	Descriptive	General
-----------------	-----------	--------	-------------	---------

**CM1 01.4**

We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- We adhere to an RI certification or labelling scheme
- We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
- ESG audit of holdings
- Other, specify
- None of the above

**CM1 01.7**

**Mandatory**

**Public**

**Descriptive**

**General**

**CM1 01.7**

Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed

**Who has conducted the verification**

- CEO or other Chief-Level staff
- The Board
- Investment Committee
- Compliance Function
- RI/ESG Team
- Investment Teams
- Legal Department
- Other (specify)