

Australian Ethical calls on QBE to disclose its climate risk

Leading ethical investment manager, Australian Ethical Investment is calling on QBE Insurance Group Ltd to disclose the risk climate change presents to its ongoing business, and its justification for its policy that allows the continued unrestricted underwriting of new oil and gas projects to at least 2030, and in some cases out to 2040.

Almost half of QBE's underwriting business is in property and agriculture and is therefore exposed to the physical risk of climate change. As a shareholder, Australian Ethical is concerned that a significant portion of that business may be at risk of becoming uninsurable over the next three decades. This follows QBE's 2024 reporting that it has already begun to exit property insurance exposures due to climate risk.

At the same time, QBE's policy allows it to continue to underwrite new oil and gas projects without any restrictions, or assessment of Paris alignment. This is out of step with its industry peers and IEA analysis that states no new oil and gas should be developed to reach net-zero by 2050 and limit warming¹.

Australian Ethical says it's unclear whether QBE is assessing how this policy may be exacerbating physical climate risk over the long term and further threatening its ability to provide general and commercial insurance at the current scale.

This is as 1 in 23 Australian homes are already uninsurable and another 1 in 10 are experiencing abnormally high insurance costs according to a new report from the Climate Council².

Ethical Stewardship Lead at Australian Ethical, Amanda Richman said, "We're calling on QBE to disclose how much of its current underwriting it expects to have to exit over the next three decades because of climate change.

"Shareholders aren't getting access to the information we need and we're questioning whether board and management are making decisions in QBE's long-term interests.

"While some may consider that raising premiums can help manage QBE's exposure to climate risk and protect margins temporarily, there is a natural ceiling," Ms Richman said.

Australian Ethical Investment has engaged with QBE about its climate commitments and policies with respect to its underwriting activities since 2016.

In March, Australian Ethical sent a letter to the board asking QBE to clarify its current approach to oil and gas underwriting, to provide further information about the nature of its engagement with oil and gas clients and with governments, and to disclose what its modelling says about the extent to which QBE is expecting to exit insurance lines because of physical climate risk exposure.

Australian Ethical was disappointed to not receive definitive answers in QBE's response.

As at 31 January 2025, Australian Ethical held \$56 million worth of QBE shares.

Ends

Notes to editors

¹Find the International Energy Agency's full report 'The oil and gas industry in net zero transitions' (18 May 2021) here: <https://www.iea.org/reports/the-oil-and-gas-industry-in-net-zero-transitions/executive-summary>

²Find the Climate Council's full report 'At our front door: Escalating climate risks for Aussies homes' (15th April 2025) here: <https://www.climatecouncil.org.au/resources/escalating-climate-risks-for-aussies-homes/>

About Australian Ethical

Australian Ethical is one of Australia's leading ethical investment manager³. Since 1986, Australian Ethical has provided investors with investment management products that align with their values and provide long-term, risk adjusted returns. Investments are guided by the Australian Ethical Charter which shapes its ethical approach and underpins both its culture and its vision. Australian Ethical has over \$13 billion in funds under management across managed funds and superannuation. Visit: www.australianethical.com.au

³ Please refer to <https://www.australianethical.com.au/why-ae/investment/#awards> for specific awards Australian Ethical has won, including the specific categories.

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