



2017

GENDER EQUALITY BOND PROGRESS REPORT

YEAR ENDED 31 DECEMBER 2017

QBE INSURANCE GROUP LIMITED

Contents

QBE Insurance Group Limited 2017 Gender Equality Bond Report
ABN 28 008 485 014

Introduction	3
Framework summary	4
Progress of our investments	5
Data highlights	8

Disclaimer

The material contained in this document is intended to be general background information on QBE Insurance Group Limited ("QBE") and its activities current as at the date of the document.

This document is for distribution only to persons who are not a "retail client" within the meaning of section 761G of the Corporations Act 2001 of Australia and are also sophisticated investors, professional investors or other investors in respect of whom disclosure is not required under Part 6D.2 or Part 7.9 of the Corporations Act 2001 of Australia and, in all cases, in such circumstances as may be permitted by applicable law in any jurisdiction (including Australia) in which the investor may be located.

This document does not constitute a prospectus, offering memorandum, an invitation to subscribe for or to buy any securities or an offer for subscription or purchase of any securities or a solicitation to engage in or refrain from engaging in any transaction. It should not be reproduced, distributed or transmitted to any person without the consent of QBE and is not intended for distribution in any jurisdiction in which such distribution would be contrary to local law or regulation.

Any securities referred to in this document have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and may not be offered or resold within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act) unless in accordance with an effective registration statement or an exemption from registration under the Securities Act and applicable U.S. state laws.

The information is supplied in summary form and is therefore not necessarily complete. Also, it is not intended that it be relied upon as advice to investors or potential investors, who should consider seeking independent professional advice depending upon their specific investment objectives, financial situation or particular needs. This document does not constitute financial product advice. The material contained in this document may include information derived from publicly available sources that have not been independently

verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information.

Information contained in or otherwise accessible through the websites mentioned in this document does not form part of the document unless it is specifically stated that the information is incorporated by reference thereby forming part of the document. All references in this document to websites are inactive textual references and are for information only.

This document may contain statements that constitute "forward-looking statements" regarding QBE's intent, belief or current expectations with respect to QBE's business and operations, market conditions, results of operations and financial condition, capital adequacy, specific provisions and risk management practices. Forward-looking statements are statements about matters that are not historical facts.

When used in this document, words such as 'will', 'may', 'expect', 'indicative', 'intend', 'seek', 'would', 'should', 'could', 'continue', 'plan', 'probability', 'risk', 'forecast', 'likely', 'estimate', 'anticipate', 'believe', 'aim' or other similar words are intended to identify forward-looking statements. These forward-looking statements reflect QBE's current views with respect to future events and are subject to change, certain risks, uncertainties and assumptions which are, in many instances, beyond QBE's control and have been made based upon management's expectations and beliefs concerning future developments and their potential effect upon QBE. There can be no assurance that future developments will be in accordance with QBE's expectations or that the effect of future developments on QBE will be those anticipated. Actual results could differ materially from those which QBE expects depending on the outcome of various factors. When relying on forward-looking statements to make decisions with respect to QBE, investors and others should carefully consider such factors and other uncertainties and events. QBE is under no obligation to update any forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, after the date of this document.

All amounts in this report are US dollars unless otherwise stated.

QBE Insurance Group (QBE) recognises that we have responsibilities not only towards our customers, employees and shareholders, but also the countries and communities in which we operate. This means understanding and managing the impact we have on society and the environment and investing in the future of our employees and the communities we serve.

In November 2017 QBE issued its inaugural Gender Equality Bond, raising US\$400 million in Additional Tier 1 capital (AT1). It was the first gender equality bond issued by an insurance company and only the second ever issued globally. QBE are proud to be part of this innovative and evolving market.

This is QBE's inaugural report associated with the QBE Gender Equality Bond and demonstrates our commitment to supporting investment in this area.

Compliance statement

QBE confirms that the Use of Proceeds of the Gender Equality Bond conforms with the criteria set out in the QBE Gender Equality Bond Framework. Sustainalytics has conducted an external review of the gender equality bond portfolio and confirms "nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed companies, funded through proceeds of the QBE Gender Equality Bond, are not in conformance with the Use of Proceeds and Reporting Criteria outlined in the Gender Equality Bond Framework".

Framework summary

QBE's Gender Equality Bond Framework aligns in spirit to the four core components of the International Capital Market Association Social Bond Principles 2017.

Use of proceeds

The proceeds of the QBE Gender Equality Bond will be used towards financing and/or refinancing investment in a bond portfolio meeting our specific criteria:

- The bond has been issued by a Company that is a signatory to the United Nations Women's Empowerment Principles (UN WEP), a joint initiative of the UN Global Compact and UN Women **AND**
- The bond has been issued by a Company recognised in the Equileap 2017 Gender Equality Global Report and Ranking.
- QBE has also developed a list of exclusionary criteria and will not knowingly be involved in the financing of any projects on the exclusion list.

Selection, reporting and assurance

QBE identifies eligible bonds for inclusion in the portfolio. Eligible bonds are then approved for inclusion in the portfolio by the Gender Equality Bond committee.

- QBE will track the Use of Proceeds of any Bond(s) via its internal information systems.
- QBE will report annually to investors via the Gender Equality bond progress report and will engage an appropriate external assurance provider to independently assure the report.

Progress of our investments

QBE has invested in a range of companies (ANZ, Commonwealth Bank of Australia and Westpac) that are signatory to the United Nations Women's Empowerment Principles, and have a strong commitment to Gender Equality in their workforce and in the wider community.

Women's Empowerment Principles

 <p>1.</p> <p>Establish high level corporate leadership for gender equality</p>	 <p>2.</p> <p>Treat all women and men fairly at work – respect and support human rights and non-discrimination</p>	 <p>4.</p> <p>Promote education, training and professional development for women</p>	 <p>6.</p> <p>Promote equality through community initiatives and advocacy</p>
	 <p>3.</p> <p>Ensure the health, safety and well-being of all women and men workers</p>	 <p>5.</p> <p>Implement enterprise development, supply chain and marketing practices that empower women</p>	 <p>7.</p> <p>Measure and publicly report on progress to achieve gender equality</p>

ANZ



1. Commitment to equality
 ANZ is committed to gender balance and diversity across their organisation.



2. Gender representation
 A key focus for ANZ is to maintain 50:50 gender representation across recruitment for The Graduate and Enterprise Talent programs, and at least 40% female representation on The Leadership Pathways program. ANZ is devoted to the development and advancement of their female talent, and has mentoring and sponsorship opportunities in place, including:



4. Mentoring opportunities
 Accelerated Banking Experiences for Women, Notable Women and Aspiring Notable Women programs.



6. Community education
 ANZ developed MoneyMinded, an online financial educational program used to educate and support people with low levels of financial literacy, and those on lower incomes to enable social and economic participation and to prevent economic abuse. This resource is used across Australia, New Zealand, Asia and the Pacific.

Achievement:

Workplace Gender Equality Agency Employer of Choice 2017-2018

Commonwealth Bank



1. Diversity
 Since 2010, the Commonwealth Bank (CBA) has focused on working to ensure that its diversity is consistent across the organisation, and there is appropriate gender and cultural representations across leadership roles.



2. Health and safety
 CBA has implemented The Health, Safety and Wellbeing strategy to ensure there is a consistent and appropriate approach for managing and enhancing the health, safety and wellbeing of its employees. As part of the strategy, the Thrive online portal was launched in 2017 to provide employees with a relevant and comprehensive resource to support their mental health and physical wellbeing.



3. Advocacy
 CBA is a vocal advocate for equality and has worked with various community and Government organisations to help end domestic and family violence in a generation. The CEO is a member of Male Champions of Change, which aims to use their individual and collective influence and commitment to ensure the issue of women's representation in leadership is elevated on the national business agenda. The Chairman is a member of the 30% Club, campaigning for 30% women on ASX 200 boards by the end of 2018.

Achievement:

Workplace Gender Equality Agency Employer of Choice 2017-2018

Westpac



Gender equality

Westpac Group were the first bank to publicly commit to achieving an aspirational target of 50% of leadership roles to be held by women, which they achieved in 2017. They are also proud supporters of pay equity in Australia and have signed up as a Pay Equity Ambassador through the Workplace Gender Equity Agency.



Community education

Westpac Group has a dedicated Women's Markets team. Through this, they host an interactive online community - Ruby Connection - to inspire, educate and connect women to learn from each other and grow to their full potential. Underlining this commitment to women's development, Westpac Group support a range of community programs.



Supplier inclusion and diversity policy

Westpac Group is a pioneer in sustainable sourcing. As the first Australian bank to establish a sustainable supply chain management policy, they were an early adopter of world leading sustainable sourcing practices aimed at ensuring its suppliers' business practices demonstrate high standards of sustainability. Through its Supplier Inclusion and Diversity Policy, Westpac Group has committed to increase opportunities in its supply chain for businesses that are driven by a social or environmental mission, or that support people who have traditionally been financially excluded.

Achievement:

Workplace Gender Equality Agency Employer of Choice for eight consecutive years

And this is us... QBE Insurance Group Limited



Gender equality

Striving and advocating for gender equality is a key focus area for QBE. Women in Senior Management has increased 2% to 30% in 2017. By 2020, QBE aims to have 35% of women in senior management.



Women in insurance

In North America, QBE engaged in local partnerships to bring together a group of insurers to support the advancement of women in insurance through mentoring and internships and the annual million women mentors summit.



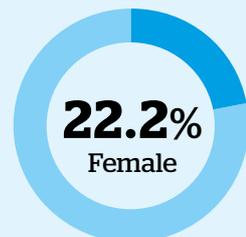
Youth mentoring

In September 2017, QBE embarked on a two-year partnership with the Women's Justice Network's Youth Mentoring Program in Australia. This provides life-changing support to 30 young, vulnerable women who are at risk of entering the criminal justice system. In addition to this funding, QBE raised US\$30,000 to help replace the charity's ageing vehicle and support mentoring opportunities.



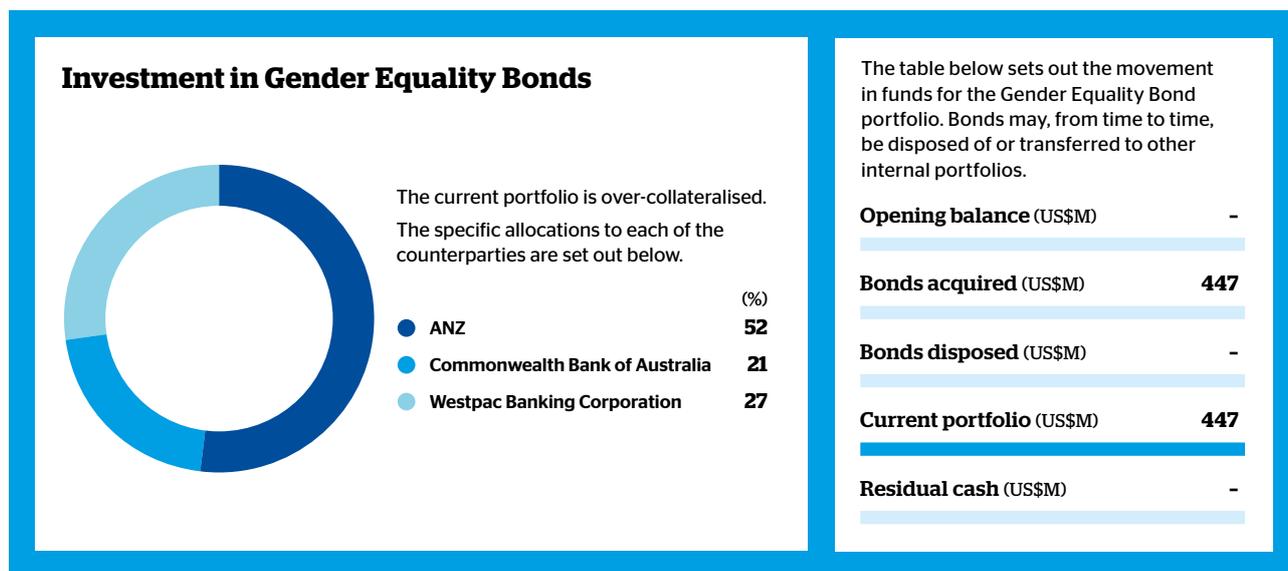
Achievement:

Representation on the Group Board

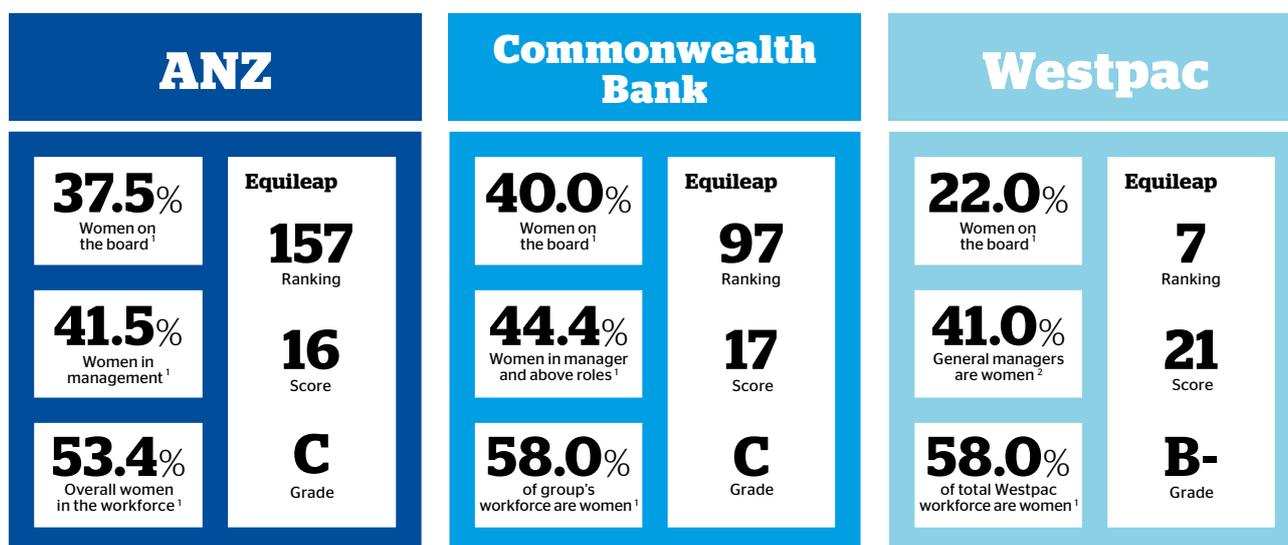


Data highlights

Reconciliation of funds utilised as at 31 December 2017



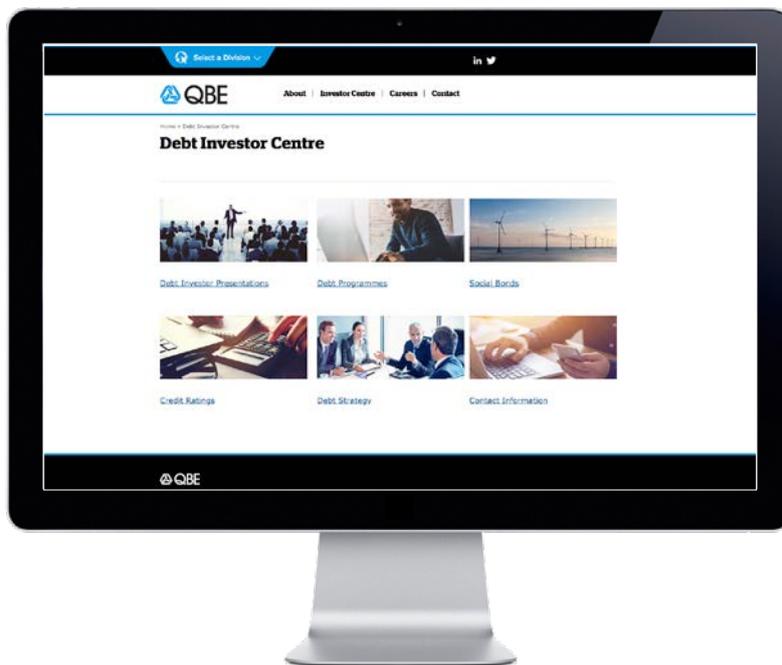
Summary data for QBE Impact Report



¹ Data sourced from the organisations Corporate Governance Statement.

² Data sourced from Westpac 2017 Annual Review and Sustainability Report.

Information for investors



www.group.qbe.com/investor-centre/disclaimer/debt-investor-centre

Contact our Global Treasury team

Danny Fischer
Group Treasurer
QBE Insurance Group Ltd
+61 2 9375 4911
danny.fischer@qbe.com

QBE Insurance Group Limited

Level 27, 8 Chifley Square, Sydney NSW 2000 Australia
www.qbe.com