

QBE Insurance Group Limited

Modern Slavery and Human Trafficking Statement

In accordance with section 54 of the United Kingdom Modern Slavery Act 2015 (UK Act), this Statement describes the steps that QBE Insurance Group Limited (QBE) has taken during the financial year ended 31 December 2018 to address modern slavery and human trafficking risks across the Group and our global supply chains and sets out our plans for future improvements.

This Statement applies to all of QBE's operations, including Australia & Pacific, International and North America, Equator Re and Group Shared Services Centre (GSSC).

About us

QBE is listed on the Australian Securities Exchange (ASX) and headquartered in Sydney. We employ more than 12,000 people in over 31 countries. QBE is a general insurance and reinsurance company. Across our operations, we offer commercial, personal and specialty products and risk management solutions to our customers. Our purpose is to give people the confidence to achieve their ambitions.

Our position on modern slavery

We reject any form of slavery, servitude, forced or compulsory labour (including child labour) and human trafficking¹ and are committed to implementing and enforcing effective systems and controls to ensure these practices do not take place in our own business or our supply chains. To this end, we aim to identify and manage any risks related to modern slavery across our own organisation and through our supply chain relationships.

Respecting human rights

Wherever we operate, we respect the human rights of our employees, customers, communities and those of our suppliers and business partners. We are guided by internationally recognised human rights standards and guiding principles, including:

- The United Nations Guiding Principles on Business and Human Rights;
- The International Bill of Human Rights; and
- The International Labour Organisation's eight fundamental Conventions.

QBE is working to align our sustainability agenda to support the advancement of the United Nations Sustainable Development Goals (SDGs). We have chosen to initially focus our actions on five of these goals, including Goal #8 (Decent work and economic growth). One of the focus areas for this goal is on protecting human and labour rights within our business and across our supply chain, essential for ensuring QBE remains a responsible employer and business partner. Further information can be found in our [2018 Sustainability Report](#).

¹ As defined in the UK Modern Slavery Act 2015.

Policies & governance

Our Boards and their Committees provide the necessary leadership to implement strong corporate governance across the Group so that our decisions and actions are based on transparency, integrity, responsibility and performance, which promotes the long-term sustainability and ongoing success of our business.

QBE has Group policies in relevant areas, including our Group Code of Ethics and Conduct (the Code), Anti-bribery and Corruption, Whistleblowing, Procurement, Work, Health and Safety and Diversity and Inclusion, all of which are published on our Intranet. Public summaries for some of our Group policies, including our Supplier Sustainability Principles, are available [here](#).

Our Group approach in key areas recognises that our employees (including our contractors and directors) are key to maintaining a compliant and ethical approach to our business practices.

We intend to review and strengthen relevant policies and standards to ensure they remain up to date and compliant with modern slavery requirements.

Ethics & Conduct

As a responsible business, QBE is committed to dealing honestly and fairly with our customers and properly managing the risk of unfair customer outcomes and detriment to the integrity of the insurance industry, wherever we operate.

We have a responsibility to respect human rights; the Code sets out our commitment. The Code also addresses the responsibilities we all have to QBE, to each other, and to our customers, suppliers, communities and governments. It sets out the standards of behaviour we expect of our people, which include our directors and contractors and embodies our commitment to good corporate governance, responsible business and ethical practices. The updated version of the Code, to be rolled out in early 2019, will incorporate our QBE DNA which describes who we are, what we stand for and how we need to operate to succeed.

Our employees (including directors and contractors) are expected to complete mandatory training on the Code on an annual basis.

Our workplace

We are committed to complying with relevant local and national laws, community expectations and ethical standards related to human rights and modern slavery in respect to our employees, our customers and our business operations. We strive to be an equal opportunity employer in all locations. We are committed to ensuring our employment conditions meet at least minimum wages, appropriate hours of work and leave provisions, as well as the ability to sustain the health, safety and wellbeing of our employees, contractors and visitors.

The QBE Ethics Hotline

QBE employees are encouraged to report genuine concerns about any conduct or activity they believe is dishonest, corrupt, inappropriate, exploitative or illegal and we offer several channels for them to do so. In May 2018, we changed the provider of our whistleblowing system. The new system is known as the QBE Ethics Hotline and its availability reflects our commitment to develop a “speak up” culture, allowing anonymous reports and ensuring disclosures made by our employees are taken seriously and employees feel protected to speak up.

Training and employee awareness

There are a significant number of compliance obligations that apply across our day-to-day activities at work, whether they are laws, regulations, Codes or business or ethical standards and we are committed to educating our people about them. Compliance topics such as our Code, Anti-bribery and Corruption, Ethics Hotline and Work, Health and Safety are supported by Group mandatory online training.

Our supply chain

QBE's third party landscape is made up of back office suppliers (e.g. IT, consultancy, professional service, recruitment, facilities, etc) and front office third parties supporting Underwriting and Claims processes, including directly appointed, customer nominated parties. At this stage we are focusing our efforts on back office suppliers while we determine our approach to front office third parties.

We acknowledge and recognise the potential for modern slavery to occur within our supply chains,

regardless of location. We expect our suppliers to manage their business and supply chain in a manner that respects human rights as set out in the International Bill of Human Rights and the UN Guiding Principles on Business and Human Rights, and we are starting to reinforce this expectation with contractual obligations when we contract with suppliers on the terms of QBE's own global supply agreements for goods and services (GSA).

We have commenced the process of mapping and categorising our suppliers with whom we have a direct relationship (first tier suppliers). In 2019, we will commence work to assess an initial group of first tier front office suppliers to identify suppliers with an elevated risk and the potential for exposure to modern slavery and human trafficking.

Supplier Sustainability Principles

In 2018, we commenced the rollout of our Supplier Sustainability Principles (Principles) which outline minimum expectations of suppliers, who contract on the terms of QBE's GSA, doing business with QBE across a range of sustainability topics. These Principles set a minimum expectation that our suppliers comply with relevant local and national laws related to human rights in respect of their employees and business operations.

It also sets out our expectation that suppliers ensure all employees and contractors are legally entitled to work and that no bonded, forced or involuntary labour, child labour, human trafficking or other forms of slavery is employed in the delivery of all their products or services.

Where QBE contracts with suppliers on the terms of our GSA, then in addition to the supplier's general obligation to comply with laws and certain QBE policies, our suppliers are now also required to confirm that they have read, understood and will comply with these Principles.

We are working towards alignment with ISO 20400:2017, the global standard for sustainable procurement. Initially though, the focus is on embedding the Principles in the Procurement process.

Risk management and due diligence

QBE's supplier management framework governs certain supplier arrangements and assists to manage QBE's commercial risk in our dealings with suppliers. External supplier risk assessments are undertaken for certain procurement activities to identify the level of risk inherent in proceeding with a potential arrangement.

We are currently in the process of developing and further enhancing our third party risk management processes and tools to identify, assess, mitigate and monitor potential risk areas where QBE could be exposed to modern slavery and human trafficking issues.

There are also plans to review our existing due diligence processes for the appointment and onboarding of new suppliers, with a view to implementing enhanced procedures which encompass modern slavery risk. Existing suppliers identified as being higher risk, will form the initial group to be contacted and monitored, as part of our existing supplier activities.

Ongoing activities

Our commitment to ensuring that modern slavery doesn't take place within our business or our supply chains is ongoing. Building upon actions that are in-progress, some of the planned initiatives include:

- Review and enhance (where appropriate) relevant Group policies, processes and minimum standards to include the management of modern slavery risk;
- Develop and further enhance supplier due diligence and risk assessment processes and tools to include consideration of modern slavery risk;
- Commence process of risk assessing initial group of first tier suppliers and take appropriate actions for suppliers with an elevated modern slavery risk;
- Identify opportunities to enhance employee training; and
- Work to identify appropriate key performance indicators to support the ongoing monitoring and management of modern slavery risk.

We are committed to continuous improvement and acknowledge that we are on a journey to ensure we have adequate policies, processes, systems and controls in place to identify and mitigate modern slavery issues and risks within our business and supply chains. We will report on our progress in next year's Statement.

Signed,



Richard Pryce
Chief Executive Officer,
International

Dated: May 2019



Patrick Regan
Group Chief
Executive Officer

Dated: May 2019

Annexure

List of QBE European Operations entities
in scope for this Statement:

QBE UK Limited

QBE Corporate Limited

QBE European Operations plc

QBE Europe SA/NV

QBE Management Services (UK) Limited

QBE Partner Services (Europe) LLP

QBE Underwriting Limited