



2017

GENDER EQUALITY BOND PROGRESS REPORT

YEAR ENDED 31 DECEMBER 2017

QBE INSURANCE GROUP LIMITED

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

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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.



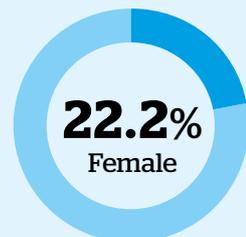
Youth mentoring

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.



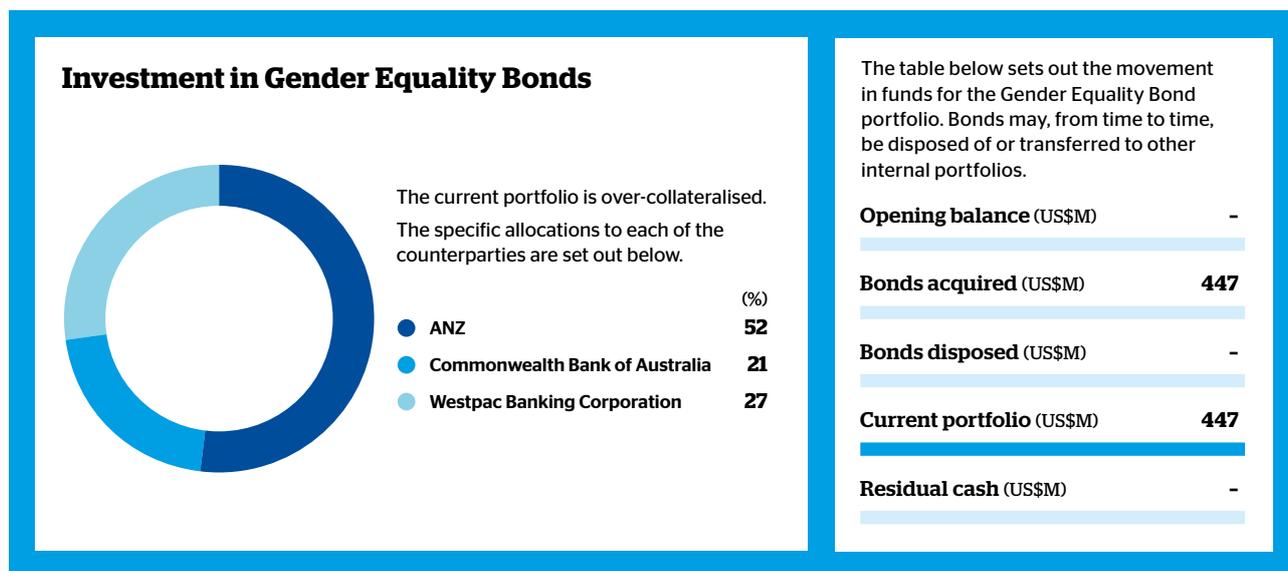
Achievement:

Representation on the Group Board

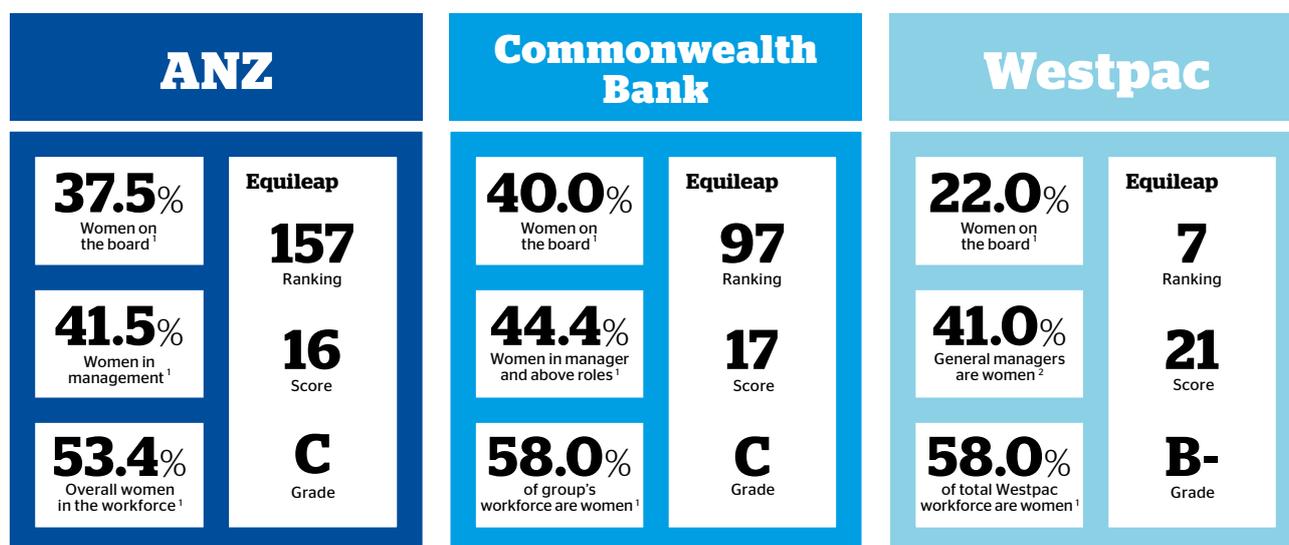


Data highlights

Reconciliation of funds utilised as at 31 December 2017



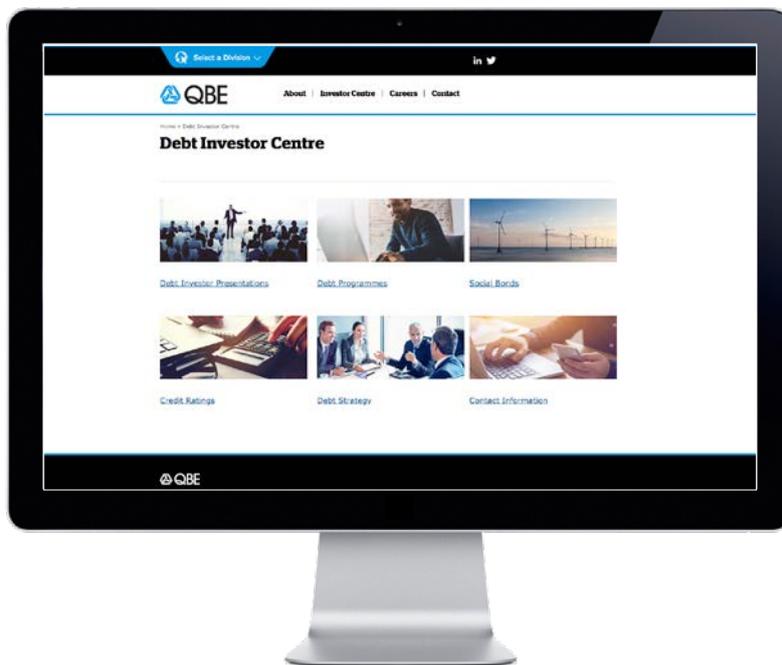
Summary data for QBE Impact Report



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

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