



Governance

2021 Sustainability scorecard achievements

Build trust by being open, transparent and accountable in our dealings with stakeholders

Updated the Group definition of 'conduct risk' to better align with stakeholder expectations  **page 66**

Reviewed the Group's overall approach to conduct management, engaging stakeholders across the Group as part of the Conduct Risk Policy and Consequence Management workstreams.  **page 66**

Delivered training to all employees on the Group Code of Ethics and Conduct  **page 63**

Completed 97.4% of annual compliance training requirements for the Group Code of Ethics and Conduct, Whistleblowing Policy, Group Anti-Bribery and Corruption Policy and other policies  **page 63**

Take measures to prevent involvement in human rights harm, including modern slavery

Published an annual Modern Slavery and Human Trafficking Statement  **page 68**

Published a Group Human Rights Policy and continued to integrate human rights considerations across the business  **page 68**

Continue to be transparent about our tax contributions across our Group

Published an annual Group Tax Transparency Report  **page 67**

 View our 2022 Sustainability scorecard on [page 72](#).

Key for progress symbols:

-  Achieved
-  Behind
-  On track
-  Refreshed

Our strong corporate governance is integral to our role as an international insurer and reinsurer and our ongoing relationships with our shareholders, customers and other stakeholders.

Governance

Our sector is subject to complex and extensive legal, prudential and regulatory requirements, industry codes of practice and standards of behaviour.

We believe that compliance, accountability and transparency are critical to:

- enabling us to deliver our strategy;
- creating long-term sustainable value; and
- better stakeholder outcomes.

We are committed to the highest standards of corporate governance across our global operations. Our Group Board and management oversee our Group Governance framework, guidelines, policies and risk management processes. Our compliance function is overseen by our Group Compliance team, which is responsible for providing independent assurance and oversight to the Board Risk & Capital Committee (BRCC) that compliance is being appropriately managed across our business. Our Group Chief Risk Officer, Group General Counsel and Company

Secretary and members of the Group Executive Committee (GEC) have executive accountability for corporate governance-related matters. They are supported by a Group Chief Compliance Officer, who confirms our compliance programs are effective in identifying, preventing, detecting and correcting instances of non-compliance with applicable laws, regulations, standards, guidelines or policies.

i Refer to our [2021 Corporate governance statement](#) for further information.



Our approach to compliance

QBE's Group Compliance Risk Policy

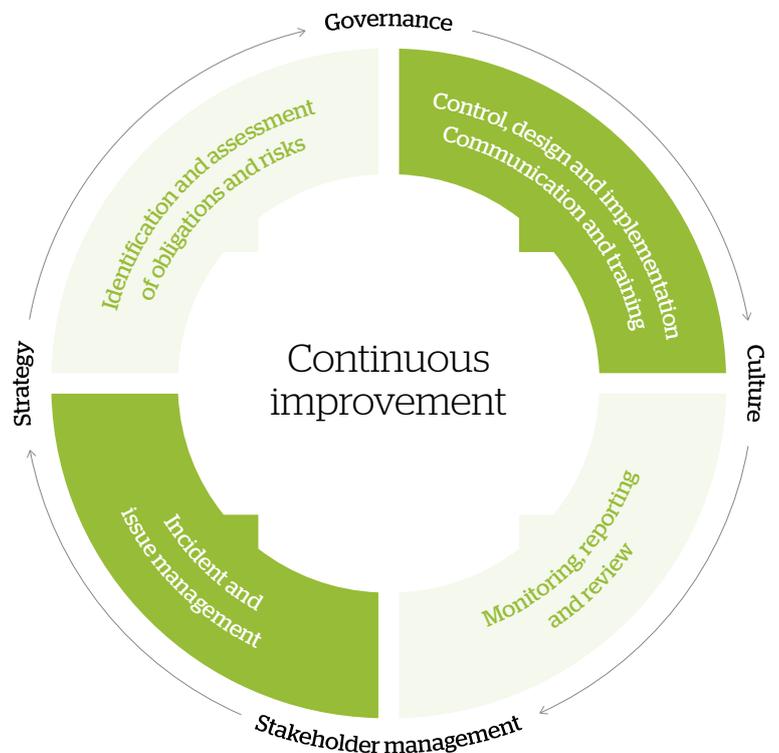
Our Group Compliance Risk (CR) Policy outlines our approach to managing compliance risk across our global operations.

It is overseen by the BRCC and outlines:

- our governance arrangements;
- key roles and responsibilities relating to compliance management; and
- the core components of our approach.

The CR Policy complements our Group Risk Management Strategy and is supported by the Group Compliance Monitoring Program, our annually reviewed Group Compliance Monitoring Plan and a range of Group and local compliance policies, guidelines, programs and processes.

Our policy framework includes sanctions, outsourcing and anti-bribery and anti-corruption.



i Policy summaries are available [here](#).



Fair competition

QBE supports free and fair competition. We seek to operate and undertake competitive activities ethically and lawfully. When we interact with actual or potential competitors, we aim to not share confidential information that may impact how we all compete. Our decisions are made independently of our competitors. Agreements among competitors to fix or reduce prices, or exclude other competitors from the market, are serious antitrust or anti-competitive offences and we do not condone or engage in this behaviour.





Our Group Code of Ethics and Conduct

Our Group Code of Ethics and Conduct (the Code) sets the standards we expect of our Directors, employees, contractors, agents and anyone who represents QBE. The Code requires us to demonstrate integrity and high standards of ethical behaviour in all our actions. We prioritise respect in all our relationships, including with customers, suppliers, communities, investors, regulators and governments. Our Group Board oversees the Code.

Our Code is regularly updated to respond to regulatory changes and changing community standards and expectations. The Code incorporates QBE's DNA, and demonstrates who we are and what we value - collectively and individually. In 2021, we reviewed our Code to ensure it supports the outcomes of the Culture Accelerator, a Board-sponsored organisational culture review first undertaken in 2020. Further information about this can be found in People and culture. Our Code continues to set clear expectations for the conduct of our people. Failing to act in accordance with our Code may result in consequences, including termination of employment or contracts.

QBE is developing a Group Consequence Management Policy to provide a fair and robust approach to managing consequences of poor conduct.

Our people are required to complete annual Code training. In 2021, the training program covered topics including remote working, appropriate behaviours, human rights, privacy, information security, securities trading and anti-bribery and anti-corruption. In 2021, 97.4% of our employees across the Group completed their annual mandatory training by the due date. We have invested in enhanced reporting for people leaders to proactively monitor their teams' mandatory training completion and in 2022, any mandatory training not completed by the due date will impact an employee's incentive outcome. We have also simplified how learning is delivered to employees by ensuring reminder notifications are clear and consistent and, where possible, standardised the duration of training.

Combatting financial crime

We are committed to compliance with financial crime-related laws in the countries in which we operate as outlined in our Group Sanctions Policy. Our employees must not commit, or become involved in, any form of financial crime, including (but not limited to):

- tax evasion;
- bribery and corruption, including making any facilitation payments or offering, or receiving, gifts and benefits in order to retain or obtain business;
- internal and external fraud and cyber crime;
- money laundering or terrorist financing; and
- breaching any sanction, including any trade, economic, targeted (focused on individuals, organisations or industries) or comprehensive sanctions regime (restrictions against certain regimes by reference to a country or group).

The appropriate giving, and receipt, of gifts and entertainment is an essential element of our approach to managing bribery and corruption risk within the Group.

Our Group Gifts and Entertainment Policy defines reporting thresholds agreed across our business. We have deployed additional training and communications to increase employee awareness of our policy. Our Group Conflicts of Interest Policy operates in conjunction with our Group Gifts and Entertainment Policy to create a comprehensive system to identify, report and address actual, perceived or potential conflicts of interest.

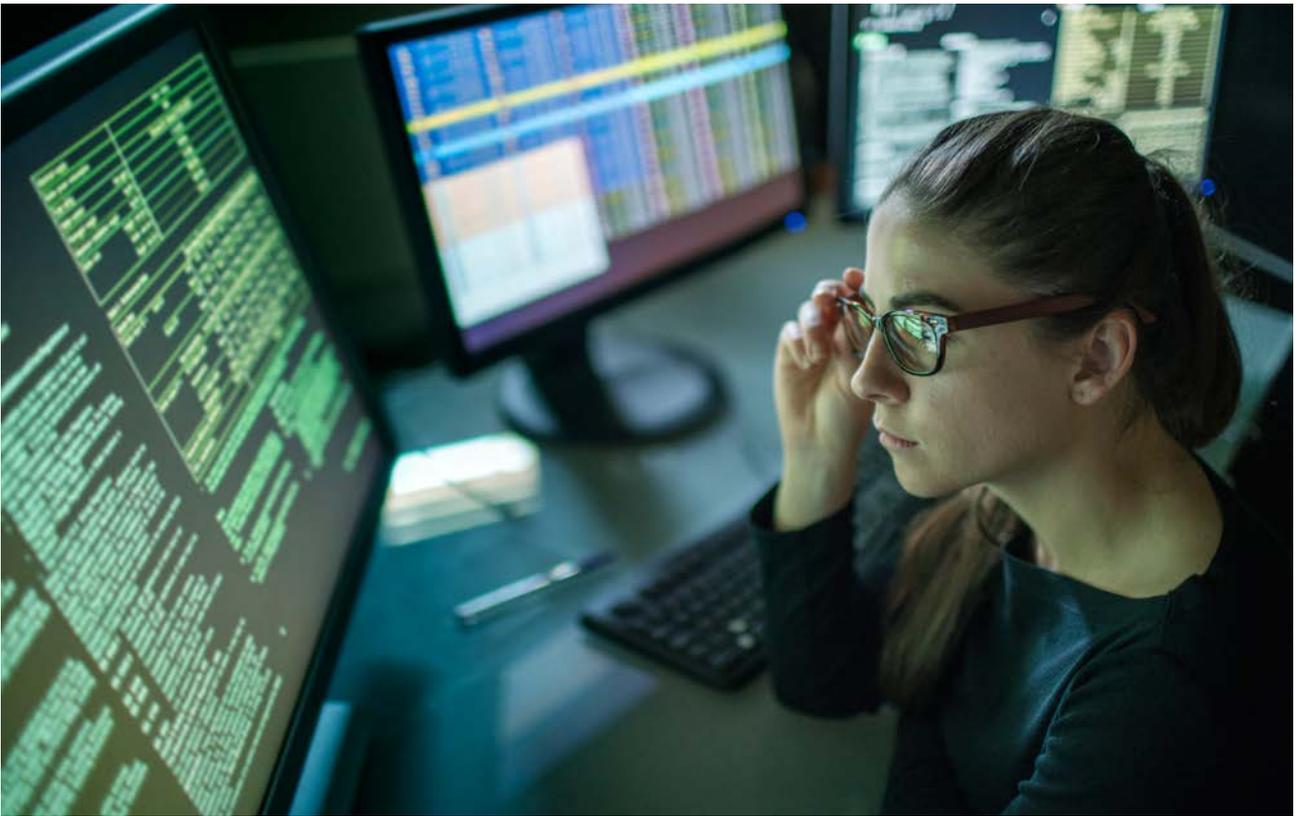


Our 'speak-up' culture

We are committed to providing an open, safe, supportive, respectful and transparent work environment. Our employees are actively encouraged to speak up, and are empowered to call out concerns they have about any conduct, behaviour or activity they believe to be dishonest, corrupt, inappropriate or illegal.

Depending on the issue or location, our people can report concerns internally to their manager, a senior manager or relevant team, including Human Resources, Compliance, Legal, Fraud, Financial Crime, Risk or Procurement. QBE operates in several locations and the criteria that need to be met for legal whistleblowing protections to apply will depend on the jurisdiction. Alternatively, concerns can be reported confidentially, including anonymously (where permitted), via phone or web submission to our QBE Ethics Hotline, an independent and externally hosted platform available in most locations. These channels are supported by our Code and [Group Whistleblowing Policy](#) and supporting documents.

Concerns will be investigated in accordance with the requirements of the relevant whistleblowing protections and policy, such as the Whistleblowing Policy, where applicable. We acknowledge, investigate, and document all reported concerns where we have sufficient information to do so. To the extent possible, reports made are kept confidential and individuals who have reported are kept informed of progress. Where reports are substantiated, we take appropriate action and document outcomes. QBE will not tolerate actual or threatened detrimental treatment, including retaliation, against anyone who has raised, or intends to raise, a concern.



Protecting stakeholder privacy

We respect the privacy of our customers, employees and partners and are committed to:

- protecting their personal information from misuse or unauthorised handling or disclosure; and
- complying with privacy laws across our business.

We only collect, hold and share personal information where it is needed for legitimate business or employment/engagement purposes, or where there is a legal need to do so. We seek to ensure all our employees understand the importance of keeping personal information private and secure. When we work with third parties, we make clear to them the importance we place on privacy, data security and the standards we expect.

Privacy at QBE is governed centrally through our Group Compliance team and our Group Privacy Officer (GPO), who reports to the Chief Compliance Officer who, in turn, reports to the Chief Risk Officer. The GPO oversees the Group Privacy Framework, which seeks to ensure that there are robust and effective privacy practices, procedures and systems in place across our global business. The Global Privacy Council (GPC) is chaired by the GPO and comprises local Privacy Officers, Legal, IT Security and Compliance personnel across our business. The GPC is an advice, evaluation and approval group for matters with potential or actual privacy implications. The GPC's role is to ensure adequate consideration and review of privacy implications relating to international activities that cross all

segments of our business, including undertaking privacy impact assessments to identify and mitigate current and emerging privacy risks.

The GPC is also responsible for our Group-wide privacy governance and work program and for ensuring that the program meets the requirements of the Group Privacy Framework. We seek to comply at all times with applicable privacy laws in the countries in which we operate, including the European Union's General Data Protection Regulation and the Australian *Privacy Act 1988* (Cth).

All QBE employees receive compliance training. Our online training course content includes topics such as data protection and privacy.

Through our Code, everyone at QBE is made aware of the importance of keeping personal information private. Disciplinary actions for breach of the Code may include termination of employment. Our Group Priority Personal Data Breach Policy outlines how we will respond to personal data breaches. The policy and accompanying internal guidance clearly set out employee and stakeholder responsibilities in the event of a personal information incident.

Both our Group Privacy Framework and Priority Personal Data Breach Policy will be reviewed and updated in 2022. In addition, the Group Privacy structure and operations will undergo external review in 2022, as part of our continuous review and improvement processes.

Governance (cont)

Conduct risk

We define 'conduct risk' as the risk that actions by QBE (which includes inaction) result in unfair outcomes for our customers, communities, or stakeholders, or in detriment to market integrity.

Our Group Conduct Risk Policy outlines our expectations in relation to managing conduct risk throughout the lifecycle of our insurance products and seeks to affirm our strong commitment to customer service and satisfaction.

Our Executive Risk Committee (ERC) has oversight of conduct risk at QBE. The ERC's objective is to support the Group Board and the BRCC with identifying, assessing and mitigating conduct risk. Our Group Head of Conduct and Risk Culture oversees the management of conduct risk and the implementation of Group policy across our business.

We maintain several initiatives, processes and controls to ensure fair treatment of our customers

through every stage of the product lifecycle, including post-sale services. This includes customer service satisfaction surveys, analysing customer complaints to identify the relevant root cause(s) and a continuous focus on improving the customer experience.



Mandatory compliance training

We provide mandatory compliance training to ensure our employees and management understand all relevant laws, regulations and internal policies, and how to apply and adhere to them in their roles. Group compliance topics, such as our Code, whistleblowing, sanctions, privacy, anti-bribery and anti-corruption, conflicts of interest, gifts and entertainment, and outsourcing are supported by local mandatory compliance training.

All our training is available to our contractors, and some may also be assigned to contingent workers by our divisions and business units, as required. Additional training topics for our contractors include responsible sales practices, inclusion of diversity, and cyber security.



Our Gender Equality Bond

In support of

WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the
UN Global Compact Office



In 2017, we issued a \$400 million Gender Equality Bond, a debt instrument incorporating gender equality considerations with strict investment criteria. Any issuer must be a signatory to the United Nations Women's Empowerment Principles and be included in the Equileap Gender Equality Global Report and Ranking at the time we invest. As at 31 December 2021, the gender equality bond portfolio was over-collateralised at \$480.7 million on a mark-to-market basis. We publish a [Gender Equality Bond Progress Report](#) showcasing the achievements of the companies we have invested in and the progress towards gender equality in the workplace and communities they serve. Our gender equality bond is an opportunity for debt investors to create positive change and promote gender equality and women's empowerment.

¹ As at 31 December 2021, the mark-to-market value of the gender equality bond portfolio was \$480.7 million. This differs to the balance sheet value of the instrument (classified as equity) being \$393 million as at 31 December 2021.



Sustainability linked facility

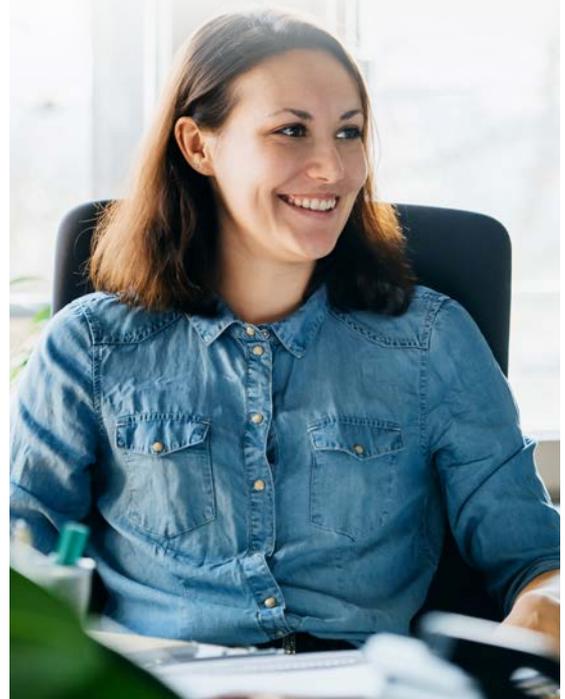
In 2021, we launched our first sustainability-linked banking facility, connecting fees paid on the facility to QBE's commitment to sustainability performance, underpinned by sustainability performance targets linked to renewable electricity, women in leadership and Premiums4Good impact investments. The sustainability aspect of the facility has been drafted in accordance with the Sustainability Linked Loan Principles published by the Asia Pacific Loan Market Association.

Tax transparency strategy

QBE supports the Australian voluntary Tax Transparency Code (TTC), a set of principles and minimum standards on public disclosure of tax information. We publish an annual [Tax Transparency Report](#) outlining our tax strategy and governance. We seek to comply with all applicable tax laws, regulations and disclosure requirements, and to pay the amount that is legally required to be paid, in all of the jurisdictions in which we operate. QBE supports the principle behind multilateral moves towards greater transparency within the corporate sector to increase community understanding of the corporate sector's compliance with tax laws and build public trust.

The Group Board has oversight of tax governance across our divisions through the Group's Tax Risk Framework, with local boards having oversight of divisional tax governance. Operationally, the Group Chief Financial Officer (CFO) is responsible for the Group's tax risk management and for ensuring the implementation of the Group's Tax Risk Framework. The Group CFO is assisted by the Group Head of Tax and divisional CFOs to ensure that:

- policies and procedures that support the framework are in place and are maintained and applied consistently across our divisions; and
- the divisional tax teams have the skills and experience to implement the approach appropriately.



Respecting Human Rights

Our policy and governance

In late 2020, QBE became a member of the United Nations Global Compact and began incorporating the Ten Principles into our strategies, policies and procedures. Being a participant commits us to meeting fundamental responsibilities in four areas: human rights; labour; environment; and anti-corruption. As part of our ongoing commitment to respecting human rights, in 2021, we released our [Group Human Rights Policy](#). It outlines the guiding principles we are committed to adhering to and helps further integrate human rights considerations into existing policies, procedures, frameworks and decision-making tools across our business. The policy also helps us operationalise legislative requirements, such as those related to modern slavery.

The Group BRCC oversees human rights and modern slavery-related issues at QBE in line with our broader approach to sustainability. As human rights and modern slavery have been identified as material sustainability topics and ESG risks for our business, regular reporting on these matters is also provided to our ESG Risk Committee and GEC Environmental and Social Sub-Committee.

Modern slavery and human trafficking

In compliance with modern slavery legislation in Australia and the United Kingdom, we continue to publish an annual [Modern Slavery and Human Trafficking Statement](#). In 2021, we formed a specific global working group focused on modern slavery management including representatives from Corporate Affairs and Sustainability, Compliance, ESG Risk, Procurement and Legal.

Respecting human rights as an employer

As an employer, we seek to uphold the human and labour rights of our employees globally. QBE strives to be an equal opportunity employer wherever we are in the world. We provide our employees with training, education and online resources on discrimination and appropriate workplace behaviour consistent with our Code. In line with our broader approach to inclusion of diversity, we constantly strive to create a sense of belonging in our people, value their uniqueness, and enable every person to contribute.

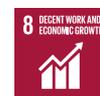
With insurance operations in 27 countries, we have people located in 31 countries¹. Based on our risk mapping methodology, we assessed that 11 of the 31 countries¹ are considered to be medium-to-high risk for potential human rights issues. This represents a quarter of our employees globally. As part of our ongoing due diligence, we regularly review our local policies and practices seeking to uphold the rights of our employees, wherever they are located.

Consistent with local employment laws, across our global operations, 26% of our employees are covered by collective bargaining agreements. All our employees have the right to freedom of association.

In 2021, the Australian Human Rights Commission released a report entitled *Equality across the board: Investing in workplaces that work for everyone*. This provided a valuable overview of the way workplace sexual harassment data is collected, reported and used across a range of Australian listed companies, and gave rise to a series of key statistics and recommendations. Based on insights from the research, QBE completed a high-level self-assessment against each of the recommendations, to obtain a baseline view of our current state. This has further informed the work underway as part of our in-flight 'Culture Blueprint' initiatives.

As the COVID-19 pandemic continues to play out globally, our employees' safety and wellbeing continue to be paramount considerations for us. Further information on this can be found in [People and culture](#). Our accessibility initiatives during this challenging time have been focused on:

- providing a flexible working environment for our people to ensure everyone can do their best, and access necessary systems and resources, wherever they are located;
- promoting connectivity and belonging, even while teams are physically separated;
- providing psychological and other forms of support (including emergency financial assistance or leave days), as required; and
- continuing to pay our employees in excess of publicly-acknowledged levels of what is understood in the jurisdictions in which we operate as the 'living wage'.



¹ In addition to those countries where QBE has insurance operations, we have employees in other locations to support our main insurance operations.

Reconciliation Action Plan

In line with our continued focus on greater First Nations inclusion, we continued to progress our 'Innovate' level [Reconciliation Action Plan](#) (2020-2022) (RAP). Our RAP sets out our commitment to creating meaningful relationships with, and promoting sustainable opportunities to empower, Aboriginal and Torres Strait Islander communities, organisations and businesses. As part of our Innovate RAP, we continue to work on identified people, supply chain, community and customer focus areas and opportunities.



Our communities

We seek to positively impact human rights through our work in the communities in which we operate. In North America, the QBE Foundation supported Equal Justice Initiative (EJI). EJI provides free legal services to people who have been illegally convicted, unfairly sentenced or abused in state jails and prisons, as well as individualised re-entry assistance to formerly incarcerated people. EJI also collaborates with communities to memorialise documented victims of racial violence, fosters meaningful dialogue about race and justice, and is committed to ending mass incarceration and excessive punishment in the United States. EJI estimates that it reaches over two million people annually through its public education programs and serves hundreds of individuals in the criminal justice system every year.

Our customers

Customers are at the heart of what we do, and we continue to seek to respect their rights through fair and ethical treatment.

In 2021, across QBE Australia Pacific:

- Our 'Family and Domestic Violence' training program continued to be rolled out across the business.
- We continued to promote financial inclusion through our [Financial Inclusion Action Plan](#).

i Further information about some of our key customer initiatives can be found in [Customer and community](#).

SaferKidsPH

In the Philippines, QBE supports SaferKidsPH, an Australian Government initiative delivered through the pioneering consortium of Save the Children Philippines, The Asia Foundation and UNICEF. This partnership aims to strengthen the capacity of educational authorities to more effectively prevent and respond to online sexual abuse and exploitation of children in the Philippines. QBE employee volunteers are also invited to attend training on this topic to promote working knowledge on this issue.



Respecting human rights as an insurer and investor

In 2020, we undertook a risk mapping of key environmental and human rights risks for specific sectors in our underwriting and investment portfolios. This led to the identification of ten sensitive sectors requiring minimum due diligence processes or revised risk appetites and strategies. Our positions on these sensitive sectors are reflected in the Environmental and Social (E&S) Risk Framework which was approved by the Group Board in 2021. The E&S Risk Framework sets out the minimum criteria we are committed to adhering to, in our investment and underwriting business, in respect of human rights and the environment. We also encourage our customers to adhere to these criteria in their business activities. Throughout 2021, the business has worked to implement and operationalise the E&S Risk Framework.

Working with our external asset managers

As part of our broader approach to responsible investing, we have enhanced our focus on key ESG risks such as modern slavery and human rights. In 2021, we introduced a set of human rights and modern slavery-related questions as part of our external fund manager due diligence. Each response produces an overall indicator score that is weighted based on relative importance against responsible investment practices and approaches to topics such as human rights and modern slavery. The outcome of each assessment enables us to better understand the ESG journey of our external fund managers and their approach to ESG governance.

Working with our third parties

During the reporting period, we introduced a Third-Party Risk Management (TPRM) Policy and Standard to improve and uplift our controls and capabilities in managing third party risk. This includes developing a consistent methodology across our operations to conduct supplier risk assessments prior to onboarding and increasing the transparency of modern slavery risk within our supply chain. As part of our TPRM Framework, we have embedded a range of risk domains relating to human rights including Modern Slavery, Privacy, Conduct, Financial Crime and Business Continuity. The TPRM will be implemented across our business in 2022.

For our joint ventures, including companies where we have a greater than 10% stake, we include human rights due diligence. Data privacy, anti-bribery and anti-corruption are considered as part of onboarding decisions and due diligence.

As part of our Modern Slavery Risk and Compliance Standard which was formally rolled out in early 2021, we require third parties to be assessed against our risk domain criteria through an initial triage process. Suppliers that receive a medium-to-high risk rating are requested to complete a further, detailed

modern slavery risk assessment that informs our understanding of the level of control procedures that supplier has in place to identify and mitigate modern slavery risks. In particular, the assessment identifies the following modern slavery and human rights risks that we consider material to our operations and supply chain:

- **Geographical risk** - whether the supplier has operations in countries considered high risk for modern slavery;
- **Sectorial risk** - whether the supplier operates in sectors considered high risk for modern slavery;
- **Labour practices** - including the types of workers that are employed, and whether employees are low-skilled, domestic or migrant workers; and
- **Recruitment practices** - including work agreements and whether the supplier maintains multiple levels of contracting.

Further, we continue to strengthen our approach through embedding modern slavery provisions within our supplier contracts, where possible, to reinforce the requirement for third parties to adhere to applicable anti-trafficking laws and principles.



Human rights training

In 2021, we included a module on human rights as part of our annual Code training to raise awareness across the Group. We also delivered tailored modern slavery training to help our employees develop their knowledge and understanding of how to identify modern slavery risks within our supply chain. To date, we have delivered training to employees in the operational areas that we identified as having direct responsibility or contact with our supply chains. These teams include people in our Risk, Compliance, Corporate Affairs & Sustainability, and Procurement teams.

Raising grievances

All QBE employees are responsible for reporting instances or suspected instances of human rights violations in accordance with the QBE Incident and Issue Management Standard, to their direct manager and their local Divisional Compliance Team. Where a QBE employee or contractor prefers to report an incident or suspected incident anonymously, this can be done through the QBE Ethics Hotline (refer to our [Group Whistleblowing Policy](#)).

External parties may report human rights incidents through their QBE procurement manager, relationship manager, or business owner. If they wish to remain anonymous then they may report the incident through the QBE Ethics Hotline.

Collaborating with our stakeholders

As part of our membership of the United Nations Global Compact, we continue to engage through our local network as part of the Modern Slavery Community of Practice. This helps us share ideas and knowledge with other stakeholders to further uplift our own capabilities. We have had open dialogue with reputable research institutes to understand where we can review and improve our modern slavery processes in line with industry practice.

