



# Governance

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.



## 2020 Sustainability scorecard achievements

**Cultivate and continue to drive compliance awareness across the business**

Delivered annual Group Code of Ethics and Conduct training  **page 63**

Achieved 97% completion of Group Code of Ethics and Conduct training  **page 63**

Achieved 97% completion of Whistleblowing Policy training  **page 63**

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

Published an annual Modern Slavery and Human Trafficking Statement  **page 65**

Delivered human rights-focused training as part of our 2020 Group Code of Ethics and Conduct training  **page 65**

**Continue to be transparent about our tax contributions across the Group**

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

 View our 2021 Sustainability scorecard on **page 68**.

### Key for progress symbols:

 Achieved

 On track

 Behind

 Refreshed

# Our Group Code of Ethics and Conduct

We are committed to maintaining high ethical standards in our behaviour and in our dealings with customers, suppliers, communities, shareholders and other stakeholders.

QBE is subject to extensive legal and regulatory requirements, industry codes of practice and standards of behaviour. We understand that compliance, accountability and transparency are critical to enabling us to deliver our strategy and create long-term value and better stakeholder outcomes.

**i** Refer to our [2020 Corporate governance statement for further information](#).

Our Group Governance framework, guidelines, policies and risk management processes are overseen by the Group Board and management. 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 General Counsel and Group Company Secretary, a member of the Group Executive Committee (GEC), has ultimate accountability over all 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.

Our [Group Code of Ethics and Conduct](#) (the Code) sets the standards we expect of our directors, employees, contractors, agents and anyone who represents us in any capacity (collectively referred to in the Code and in this section as 'employees') to make good judgement calls and demonstrate high standards of ethical behaviour in all our actions and relationships, including with customers, suppliers, communities, investors and governments. Our Group Board oversees the Code.

In 2020, we had a breach of our Code with our Group CEO departing following the outcome of an external investigation in relation to workplace communications. The Board acted quickly to take decisive action in relation to the outcomes, signifying the Board's zero tolerance stand for breaches of the Code. Following this, we commenced our Board-sponsored organisational culture review called the 'Culture Accelerator'.

**i** Further information on this can be found in the [People and culture](#).

Our Code responds 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. Acting in accordance with our Code is a condition of employment with QBE, as is annual Code training. In 2020, our annual Code training program covered topics including working from home, fair and equitable working environment, behaviours, human rights, financial crime, privacy, information security, communication with regulators and securities trading.

## Encouraging a 'speak-up' culture

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

Employees can report concerns internally to their manager, a senior manager or their Human Resources or Compliance teams. Depending on the issue, employees have the freedom to report to those working in other teams including, but not limited to, Legal, Fraud, Financial Crime, Risk or Procurement. Alternatively, concerns can be reported confidentially and anonymously via phone or web submission to our QBE Ethics Hotline, an independent and externally hosted platform. These channels are supported by our Code and [Group Whistleblowing Policy](#) and Guidelines (Whistleblowing Policy).

Where a concern is raised, it will be investigated in accordance with the requirements of the Whistleblowing Policy. We acknowledge, investigate appropriately and fairly and document all reported concerns where we have sufficient information to do so. Reports made are kept confidential as far as possible. Where reports are substantiated, we take appropriate remedial action, advise the reporter promptly and document the outcomes. Retaliation against anyone who raises a concern or participates in an investigation is not tolerated.

In 2021, we will roll out a mobile app channel through which submissions can be made to our Ethics Hotline.

## Our approach to compliance

### QBE's Group Compliance Risk Policy

QBE's 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 describes the core components of our approach. The CR Policy was reviewed and updated in 2020 in line with the Australian/ International Standard AS ISO 19600:2015 *Compliance Management Systems - Guidelines*.

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

Our policy framework incorporates sanctions, outsourcing, Modern Slavery, anti-bribery and anti-corruption, health, safety and wellbeing, continuous disclosure, diversity and inclusion, securities trading, flexible working, supplier sustainability, environment, energy and other business policies. Policy summaries are available [here](#).

Within QBE, specifically our European offices, compliance information is translated into many local languages to help with raising awareness and understanding of country-specific requirements, such as those in the United Kingdom and European Union.

### Combatting financial crime

We are committed to ensuring compliance with financial crime-related laws in the countries in which we operate. 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 cybercrime;
- money laundering or terrorist financing; and
- breaching any sanction, including trade, economic, targeted (focused on individuals, organisations or industries) and comprehensive sanctions (restrictions against a whole country's regime).

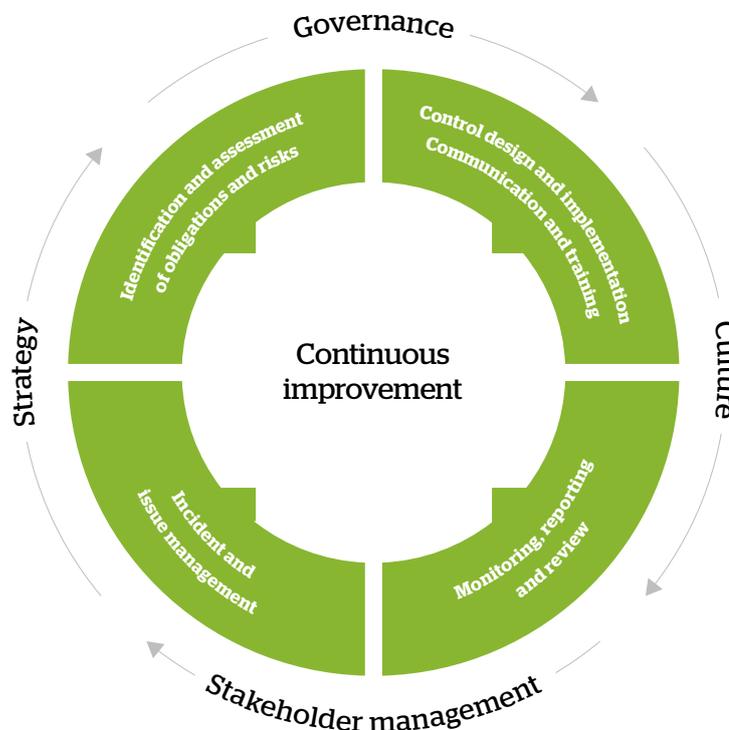
The appropriate giving and receipt of gifts and entertainment is an essential element of our approach to managing bribery and corruption risk within the Group. In 2020, we updated our [Group Gifts and Entertainment Policy](#) with revised reporting thresholds agreed across our international entities.

This assisted us in identifying potential risk exposures and ultimately supports us in meeting international legislative requirements for the filing of transparent, proportionate, reasonable and true reports. We have deployed additional training and communications to increase employee awareness of these updates. Our [Group Conflicts of Interest Policy](#) was also updated in 2020,

and operates together with our Group Gifts and Entertainment Policy to create a system to identify and report actual or potential conflicts of interest.

### Fair competition

We believe in free and fair competition and seek to operate our business, and undertake competitive activities, ethically and lawfully. When we interact with actual or potential competitors, our aim is not to share confidential information that may impact how we all compete. We make decisions 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 is behaviour we do not condone or engage in.



# Respecting human rights and addressing modern slavery risks

Wherever we operate, we respect human rights and commit to avoid human rights harm. We are committed to adhering to internationally recognised human rights norms and principles to promote the dignity and equality of, and respect for, all our employees, customers, communities and suppliers.

We are guided by internationally recognised human rights standards and guiding principles, such as the:

- International Bill of Human Rights, comprising the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights;
- International Labour Organisation's eight fundamental Conventions; and
- United Nations Guiding Principles on Business and Human Rights.

In 2020, we announced our support for the Ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption. We strongly reject any form of slavery, including forced or child labour, and take active measures to prevent our involvement in human rights harm through our supply chain relationships. This commitment is detailed in our [Group Modern Slavery and Human Trafficking Statement](#) and in our Code. During the year, we included human rights content as part of our annual Code training to raise awareness across the Group.

In 2020, we reviewed our third-party risk management processes and the internal tools we use to identify, assess, mitigate, monitor and address potential risk areas which could expose us to modern slavery and human trafficking. We will continue to develop and enhance our Third-Party Risk Management Framework to provide updated governance. This enhancement will include modern slavery considerations for our Group.

To strengthen our approach to managing modern slavery risk, we developed a Modern Slavery Risk & Compliance Standard that operationalises legislative requirements set out in the *Modern Slavery Act 2018* (NSW), *Modern Slavery Act 2018* (Cth) and the *Modern Slavery Act 2015* (UK), and commitments we have made under our Code.

## Protecting our stakeholders' privacy

We respect our customers' and employees' privacy and are committed to protecting their personal information from misuse or unauthorised handling or disclosure and to 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 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 Chief Privacy Officer (CPO), who reports to the Chief Compliance Officer, who reports to the Group General Counsel and Company Secretary. The CPO is responsible for the [Group Privacy Framework](#) which seeks to ensure that there are robust and effective privacy practices, procedures and systems in place across the global business. The CPO chairs QBE's Group Privacy Council (GPC) which provides advice, evaluation and approval in relation to our framework. The GPC's role is to ensure that there is adequate consideration and review of the privacy risks and implications related to international activities that cross all segments of our business.

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 CR Policy. We operate in compliance with applicable privacy laws in the countries in which we operate, including the General Data Protection Regulation and the Australian *Privacy Act 1988* (Cth).



## Governance (continued)

We continue to maintain privacy policies that provide data protection for both our customers and employees. Our Group Third-Party Risk Management Framework sets baseline data protection requirements for any third party we deal with.

The Group Privacy Framework outlines QBE's approach to privacy governance and privacy program expectations across the Group. We require significant personal data issues and incidents to be tracked and reported to the CPO along with a root cause analysis, which is then reported to the BRCC. Our Code sets out disciplinary actions for deliberate, wilful or negligent mishandling of employee or customer personal data, which may

include termination of employment. Our Group Privacy Program is assessed by our Group Internal Audit team.

In 2020, our Group Privacy framework was reviewed and updated, reflecting the importance of protecting employee and customer data across the Group and recent developments in privacy laws across our global footprint.

We also refined our Global Privacy Impact Assessment process and updated our Global Priority Personal Data Breach Policy to further clarify how we will respond to personal data breaches. The policy clearly sets out employee and stakeholder responsibilities with regard to personal data protection.

### **Mandatory compliance training**

QBE provides 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 daily work. 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 contractors and some may be assigned to contingent workers by the divisions and business units as they see fit. Additional training topics for our contractors include responsible sales practices, diversity and inclusion and cyber security.





### Tax strategy and transparency

QBE supports the Australian voluntary Tax Transparency Code, 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 that 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 around the world. They also ensure that the divisional tax teams have the skills and experience to implement the approach appropriately.

