

Enabling a more resilient future



2023 Modern Slavery and Human Trafficking Statement

QBE INSURANCE GROUP LIMITED

Joint Statement by **QBE Group reporting entities**

This Modern Slavery and Human Trafficking Statement (Statement) reflects the steps that QBE Insurance Group Limited (QBE) has undertaken to seek to address modern slavery and human trafficking¹ risks within its operations and supply chains for the 2023 reporting period (the financial year ended 31 December 2023, referred to as “2023” or “Reporting Period” throughout this statement).

The statement is made pursuant to the Australian *Modern Slavery Act 2018* (Cth) (the Australian Act) and the United Kingdom’s *Modern Slavery Act 2015* (the UK Act) and applies to the QBE Group, and its controlled entities. A full list of the QBE Group’s controlled entities can be found on pages 130-131 of the [2023 Annual Report](#). The reporting entities under the UK Act are QBE European Operations plc, QBE UK Limited, QBE Underwriting Limited and QBE Management Services (UK) Limited. QBE Europe SA/NV, a regulated subsidiary of EO plc, also falls within scope of the UK Act. All amounts in this Statement are expressed in US dollars unless another currency is indicated.

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Art, "Flight" by Ella Gillespie

Acknowledgement of Country

As an Australian-domiciled entity, QBE acknowledges and respects the Traditional Custodians of the lands on which we operate. We recognise their continuing connection to land, waters and culture and pay our respects to Elders past and present.



This is an interactive PDF designed to enhance your experience. The best way to view this report is with Adobe Acrobat Reader. Click on the links on the contents pages or use the [home button](#) in the footer to navigate the report.

¹ Modern slavery refers to situations of exploitation in which a person cannot refuse or leave because of threats, violence, coercion, deception, or abuse of power. Human trafficking is defined as involving recruitment, transportation, transfer, harbouring, or receipt of persons by means of threat or use of force or other forms of coercion with the intent of exploiting that person for sexual exploitation, forced labour, or slavery, among other forms. Source: [Walkfree.org](#)

2023 Reporting suite

This Statement forms part of our annual reporting suite which brings together information on the Group's financial, non-financial and sustainability performance for the year.



Annual Report

Our primary disclosure document containing the operating and financial review, remuneration report, financial statements and key governance disclosures.



Investor Report

Provides performance highlights and supplementary management commentary on the Group's strategic and financial performance for the convenience of analysts and institutional investors.



Sustainability Report

Contains discussion of QBE's sustainability performance and progress, and discloses sustainability topics that affect QBE and our impacts on society and the environment.



Sustainability Data Book

Provides data for key sustainability metrics and trends.



Modern Slavery and Human Trafficking Statement

Describes how we identify, assess and address modern slavery risks within our operations and supply chains.



Corporate Governance Statement

Describes our corporate governance framework, including key policies and practices.

Where to find

	ANNUAL REPORT	INVESTOR REPORT	SUSTAINABILITY REPORT	SUSTAINABILITY DATA BOOK	MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT	CORPORATE GOVERNANCE STATEMENT
Business strategy and strategic priorities	●	●				
Risk management	●	○				
Corporate governance framework, policies and practices	○					●
Board membership, skills and experience	●					●
Financial performance	●	●				
Climate-related risks and opportunities	●					
Sustainability strategy	○	○	●			
Sustainability governance	○		●		○	
Sustainability performance	○	○	●	●	●	

Key: ○ Key messages ● Comprehensive





Message from the Group Chief Executive Officer

At QBE, we are committed to identifying and addressing environmental and social challenges. We recognise that modern slavery can occur anywhere, and that understanding and managing these risks requires effective due diligence of our own operations, and of our suppliers and other third parties with whom we work.

As an international insurer and reinsurer, we have a responsibility to respect human rights and to assess and address any potential modern slavery risks that may exist within our operations and supply chains. At QBE, our purpose is enabling a more resilient future. In line with this, we are committed to promoting and upholding the human rights of our employees, customers, and communities, and of those within our supply chains. We do not tolerate modern slavery and human trafficking in our operations and supply chains. We expect our suppliers and business partners around the world to adopt practices that are consistent with our policies and standards. We recognise that addressing modern slavery risks requires a QBE Group-wide approach and a multifaceted program of work, which we continue to implement throughout our organisation, and uplift, year on year.

We acknowledge that modern slavery has the potential to exist in our operations or supply chains. We continue to develop due diligence programs that seek to mitigate foreseeable risks of harm. There is still work to be done to reduce this risk, and further information can be found on [pages 12-14](#).

This year's Modern Slavery and Human Trafficking Statement (Statement) reflects our commitment and continued progress to embed human rights and anti-modern slavery considerations across the enterprise. We value this opportunity to share our approach in relation to:

- addressing modern slavery across our enterprise;
- what we have learned throughout the Reporting Period; and
- providing insight into our priorities, as we seek to continually improve on modern slavery risk management.

Some of our key actions included:

- A detailed review of our Modern Slavery Risk Assessment Process to improve global consistency in how QBE's modern slavery risk assessment process is undertaken across the enterprise. This includes an update to align with global standards in modern slavery risk management including the 2023 Global Slavery Index and the Social Responsibility Alliance's Slavery and Trafficking Risk Template.
- Continued implementation of our actions to improve our modern slavery risk management and data collection processes across all of our Procurement teams as a result of the modern slavery compliance review.
- We reviewed our Supplier Sustainability Principles in 2023 and will replace them with a Supplier Code of Responsible Conduct in 2024 to reinforce QBE's commitment to managing modern slavery risks (as well as other material risks) in our supply chains.
- An update of our Group Human Rights Policy to uplift the principles we have adopted in relation to respecting human rights across the enterprise. The policy was approved by the Group Board in December 2023. This will also be cascaded to QBE Group's subsidiaries' Boards for adoption. The policy continues to outline how we manage various human rights topics across the enterprise.
- Participated in the 2023 United Nations Global Compact Business & Human Rights Accelerator Program, which helps companies move from commitment to action on human rights and labour rights through establishing, or strengthening, an ongoing human rights due diligence process.

Andrew Horton

Group Chief Executive Officer

Introduction

Our position on modern slavery

We reject modern slavery in any form, including slavery, forced sexual exploitation, servitude, forced labour, debt bondage, compulsory labour, including the worst forms of child labour and human trafficking. We continue to develop effective due diligence programs and controls that seek to identify and mitigate modern slavery risks in our operations and supply chains. We acknowledge that modern slavery has the potential to exist in our operations and supply chains. We therefore aim to be diligent in our processes and are committed to continuous improvement, wherever possible.



Respecting human rights

QBE's commitment to respecting human rights and addressing modern slavery risks is part of our overarching sustainability strategy. Our sustainability strategy seeks to support the advancement of the 17 United Nations (UN) Sustainable Development Goals (SDGs). Our prioritisation of SDG 8 (Decent Work and Economic Growth) and SDG 10 (Reduced Inequalities) directly relate to our focus on respecting labour and human rights within our business and across our supply chains. We are committed to remaining a responsible employer and business partner and to promoting those aims within our industry and with our stakeholders. Further information on our five priority SDGs can be found on our [website](#).

Our structure, operations and supply chains

Our structure

QBE Insurance Group Limited (QBE) is listed on the Australian Securities Exchange (ASX) and headquartered in Sydney, Australia. QBE's subsidiaries operate globally and our core operations are divided into three geographical divisions: International (including Europe and Asia), Australia Pacific and North America (divisions). QBE's captive reinsurers, Equator Reinsurances Limited (Equator Re) and QBE Blue Ocean Re Limited (Blue Ocean), provide reinsurance protection to our divisions in conjunction with the Group's external reinsurance programs. Blue Ocean is a wholly owned internal reinsurer for the QBE Group. A full list of the QBE Group's controlled entities can be found on pages 130-131 of the [2023 Annual Report](#). References to 'QBE' throughout this Statement refer to QBE and its subsidiaries collectively.

Group Head Office and Group Shared Services Centre

Our Group Head Office is headquartered in Sydney, Australia, and our Group Shared Services Centre (GSSC), based in Manila and Cebu in the Philippines, exist to support our three operating divisions. The GSSC provides a range of back-office services, such as underwriting support, policy servicing, claims, control and customer service, to assist QBE's customers and partners across North America, Australia, New Zealand, the Pacific Islands, Europe and Asia.

International

International comprises our operations in the United Kingdom, continental Europe, Canada, Dubai, Bermuda and Asia, including Hong Kong, Singapore, Malaysia, Macau and Vietnam. International provides a range of insurance and reinsurance products and risk management solutions across commercial and specialty lines. International has a number of small representative offices in Argentina, Columbia and Japan.

Australia Pacific

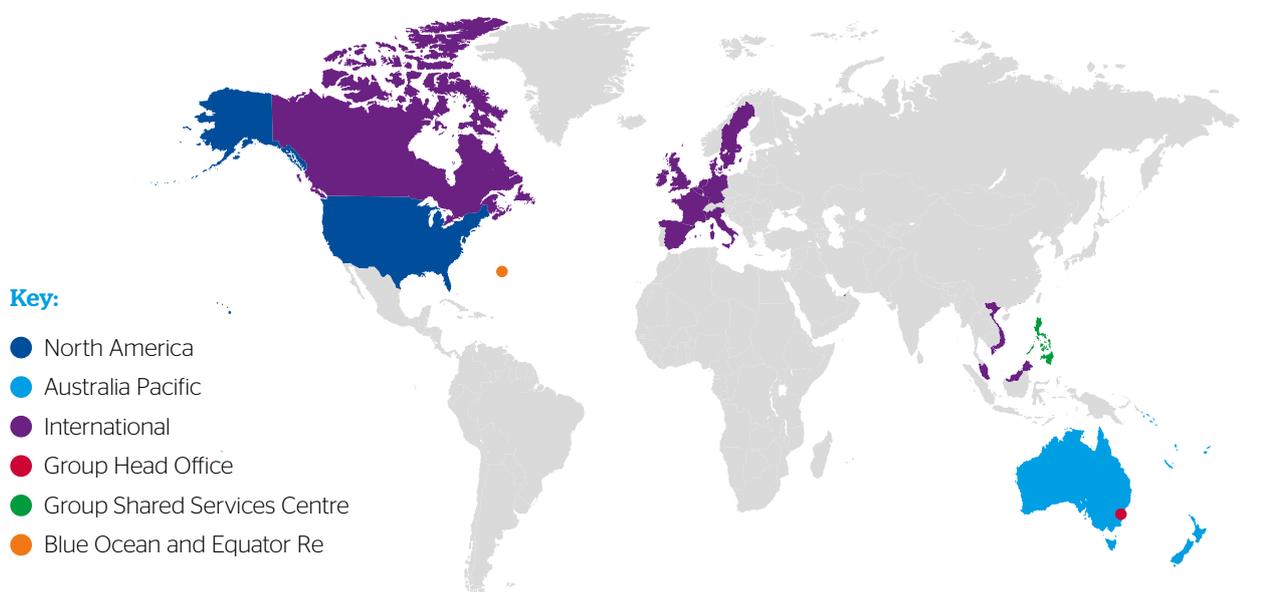
Australia Pacific comprises our operations in Australia, New Zealand and the Pacific and combines our expertise in commercial and small and medium enterprise insurance, with a targeted presence in personal lines, including home, motor and Compulsory Third-Party insurance.

North America

North America operates from 16 office locations across the United States of America. We are an integrated specialist insurer providing specialty, commercial, crop and reinsurance capabilities to meet our customers' evolving needs.

Blue Ocean and Equator Re

Blue Ocean is a wholly owned Bermuda-based internal reinsurer for the QBE Group. The company provides reinsurance protection to QBE Group's operations in North America and, through its subsidiary Equator Re, provides reinsurance protection to the QBE Group's operations in other jurisdictions around the world. Blue Ocean and Equator Re aim to assist in the management of QBE Group's capital and net exposure to large individual risk and catastrophe claims.



Our operations

Our workforce

At QBE, we are committed to continually improving our employee experience, wellbeing, safety, and workplace environment, wherever our people are located. We strive for a culture that embraces diversity, seeks feedback, and encourages people to speak up. Building a culture that supports and enables us to achieve our purpose, vision and strategy is a strategic priority for our business. For us, 'how' people go about their work is seen as just as important as 'what' gets achieved. The seven attributes below describe who we are, what we stand for, and how we should operate to deliver on our vision and strategic plan. Our QBE DNA can be summarised as follows:

<p>We are <i>customer focused</i></p>	<p>We are <i>technical experts</i></p>	<p>We are <i>inclusive</i></p>
<p>We are <i>courageous</i></p>	<p>We are <i>fast paced</i></p>	<p>We are a <i>team</i></p>
<p>We are <i>accountable</i></p>	<p>No matter the role or country, or whether a QBE employee works in one of our offices or in a hybrid environment, our QBE DNA is what connects us all.</p>	

As at 31 December 2023, we employed 13,479¹ people, with operations in 27 countries and employees located in 33 countries, to support our global operations. Of these, 95.7% are employed full time and 4.3% are employed part time. Further information about our workforce can be found in our [2023 Sustainability Data Book](#).

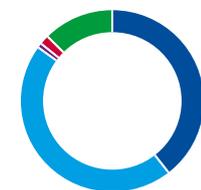
¹ Only includes permanent and fixed term employees, excludes casual/temporary employees and contingent workers not directly employed by QBE.

Overall workforce (%)

13,479

Total number of employees

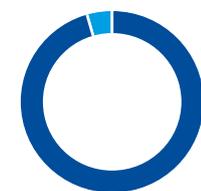
Gender identity (%)



Geographic footprint by division (headcount)



Employment type (%)





Underwriting

We are a general insurer and reinsurer, offering a diverse product portfolio of commercial, personal and specialty products and risk management solutions to personal, business, corporate and institutional customers. Our products include property, motor, crop, energy, accident and health, workers' compensation, aviation, marine, professional lines, surety, trade credit and transactional liability.

Investments

QBE maintains and manages an international, multi-asset, multicurrency investment portfolio, and has an asset mix designed to deliver a diversified portfolio that will demonstrate resilience through the economic cycle.

Our Investment Philosophy Framework is designed to deliver an investment outcome that facilitates the protection and growth of appropriate stakeholder value, supporting our purpose of enabling a more resilient future. The framework applies to all of our assets under management, and provides an overview of our commitment, and approach, to responsible investing including:

- our approach to positive and negative screening;
- how we integrate environmental, social and governance (ESG) factors into our due diligence;
- how we conduct ongoing engagement with investees and external fund managers;
- our management of climate-related risks and opportunities; and
- how we provide appropriate transparency and reporting.

QBE Foundation

The QBE Foundation seeks to create strong, resilient, and inclusive communities across the globe, where human rights are respected. We work in partnership with community organisations, guided by our global strategy, with a focus on climate resilience and inclusion - two areas where we believe we can have the greatest impact. Our Global QBE Foundation Terms of Reference help guide the governance, strategy and activities of the Foundation. This was updated during the Reporting Period to specifically reference our Group Human Rights Policy, including the need for our divisional teams to conduct due diligence processes for new community partnerships as we enter into agreements to consider human rights risks. Our Group Human Rights Policy and Supplier Sustainability Principles are shared with our partners as part of the partnership onboarding process.

We work closely with our community partners to create a long-term, sustained impact on these communities. In addition to funding, we work in collaboration with our community partners to support events, fundraising, advocacy, volunteering and to seek out other ways to support their work. QBE Foundation local grants are a way for us to provide meaningful support for community initiatives outside of our community partnerships. Each year during our application period, we invite organisations to apply for grants addressing specific areas of need. The total of our financial contribution to the community during the Reporting Period was over \$7.2 million. Further information about our work in the community can be found on our [website](#).

+ For further information on the breakdown of our investment portfolio, please see page 26 of the [Investor Report](#).

Our supply chains

As an international insurance and reinsurance provider with operations in 27 countries, our supply chains comprise a supplier network from many different locations around the world. The map below provides an overview of where the majority of our suppliers are based. Procurement at QBE is largely arranged by three key operational areas - Claims, IT, and Indirect Procurement. Other areas of the business that also procure services are functions including Underwriting and Investments. Further information about these functions' due diligence processes can be found on [pages 12-14](#). During the Reporting Period, we procured over \$1 billion of goods and services from more than 3,000 contracted suppliers globally.

We recognise that there is still work underway to improve our approach to identifying, assessing and addressing modern slavery risks in our supply chains. When identifying potential risks, we are guided by the UN Guiding Principles on Business and Human Rights (UNGPs), which outline the role of businesses in relation to managing the negative impacts on people that can potentially result from business activity.



Identifying modern slavery risks in our supply chains

As part of our Modern Slavery Risk Assessment Process, we conduct an initial triage process for identifying potential modern slavery risks. This initial triage focuses on geographic risk and sector risk. We refer to the Social Responsibility Alliance's (SRA) Slavery & Trafficking Risk Template (STRT) when considering geographic and sector risk.

Geographic risk

When we consider the location of our suppliers, we assess whether the supplier is located in what is considered a high-risk country for modern slavery. The following map provides an overview of the geographic locations classified as high-risk¹ for modern slavery and human trafficking, where our suppliers are domiciled.



Sector risk

We outline below our three Procurement operational areas including Information Technology (IT), Claims and Indirect and the sector-related modern slavery risks that could be present.



IT procurement

IT suppliers often have extended, global and complex supply chains in countries that are known to be high-risk locations in connection with high-risk industries such as mineral sourcing, metal refining, and electronics manufacturing.



Claims procurement

We consider that certain claims partners may have an extended supply chain where modern slavery risks may be present. For example, the sourcing and manufacturing of certain raw materials required to manufacture goods and/or provide services during the claim fulfilment process. This includes agriculture, forestry and fishing, construction, mining, and quarrying.



Indirect procurement

For indirect procurement, we consider accommodation and food service activities as high-risk where modern slavery and human trafficking activities are known to occur. We also recognise that other activities, such as cleaning and maintenance, are especially vulnerable to the risk of exploitation and require greater focus.

We acknowledge that modern slavery risks may exist deeper within our supply chains. For example, our suppliers may use recruitment companies with sub-contractors that may target low-skilled foreign or domestic workers, heightening our risk of exposure to forced labour. We will continue to work with our suppliers to incorporate these risk factors as part of our risk assessment process.

¹ High-risk countries identified as per our Modern Slavery Risk and Compliance Standard and the Global Slavery Index. QBE's Modern Slavery Risk Assessment Process has been reviewed in 2023 and will be updated from 2024. This includes the identification of high-risk countries to bring further alignment with internationally recognised indexes.

How we address modern slavery risks in our operations and supply chains

This section provides an overview of how we address modern slavery and human trafficking risks across our operations and supply chains. This includes QBE’s governance of modern slavery, our implementation of internal policies and procedures, and the due diligence we undertake across the business for our supply chains, underwriting and investments.

Governance, oversight and accountability

At QBE, human rights and modern slavery are governed in line with our broader approach to sustainability governance. Under its charter, the QBE Group Board is responsible for overseeing QBE’s social, ethical and environmental responsibilities across the business. Our Group Executive Committee (GEC) reviews and approves our sustainability ambition, agenda and priorities, receiving updates on these throughout the year.

+ Further information about our Group-level committees can be found on our [website](#).

Integrating our approach to human rights and modern slavery across our business

Across QBE, various teams are responsible for integrating human rights and anti-modern slavery considerations. Our Group Sustainability team works collaboratively with the Group ESG Risk, Group Impact and Responsible Investments, Group Chief Underwriting Office, Group Third Party Risk Management, Group Legal and Group People teams to consider human rights and reduce modern slavery risks across our operations and supply chains.

+ Further information can be found on our [website](#).

Divisional integration

Divisional executive management forums are responsible for integrating and implementing QBE’s enterprise-wide sustainability strategy. In Europe, a separate ESG Management Group (ESG MG) was established in April 2022.

ESG Management Group – European Operations

The ESG MG reports to the Executive Management Board (EMB) of European Operations (EO) and the QBE Europe Management Committee (QEMC), which reports to the Board of QBE Europe SA/NV. Its role is to support the EMB, QEMC and EO Boards in responding strategically to financial, operating and regulatory ESG requirements.

The ESG MG is supported by two subsidiary groups: the ESG Underwriting Group and the ESG Risk Working Group, and by subject matter experts and formal and informal governance forums within Europe. The ESG MG is attended by all members of the EMB who enable the timely and consistent flow of information to the Environmental and Social GEC Sub-Committee and the ESG Risk Committee.





Our internal policies and procedures

QBE has a global policy framework in place, aimed at ensuring transparency and accountability across all areas of governance. We maintain a wide range of policies and procedures that are aligned with our approach to modern slavery and are committed to:

- promoting and upholding human rights principles; and
- continuing to embed these across a wide range of policies, frameworks and processes.

Our policies, frameworks and standards are reviewed in line with our Group Governing Document Management Standard within prescribed timeframes and in the context of changing legal, regulatory and business requirements. Below are the policies, frameworks and standards that support us in respecting human rights and addressing modern slavery:

- Group Code of Ethics and Conduct;
- Group Human Rights Policy;
- Supplier Sustainability Principles (to be replaced with the Supplier Code of Responsible Conduct in 2024);
- Third Party Risk Management Policy and Third Party Risk Management Standard;
- Group Modern Slavery Risk & Compliance Standard;
- Group Conduct Reporting & Whistleblower Policy; and
- Environmental and Social Risk Framework.

Group Code of Ethics and Conduct

QBE's Group Code of Ethics and Conduct (the Code) outlines the professional standards that we expect across QBE and provides guidance to support ethical decision-making. Embedded in the Code is our approach to respecting human rights.

This includes adhering to internationally recognised human rights principles to make sure our employees, customers, communities, and suppliers are treated fairly and with dignity. It also documents our rejection of slavery, including forced or child labour both within our operations and supply chains.

Supplier Sustainability Principles

In 2023, we reviewed our Supplier Sustainability Principles (SSPs) and will replace this with the Supplier Code of Responsible Conduct (Supplier Code). The Supplier Code will be formally rolled out across the business in 2024. The SSPs set out QBE's minimum expectations of our suppliers, which includes prohibiting human trafficking, slavery, servitude, debt bondage, forced or involuntary labour or child labour within their own supply chains and practices. Moving from a principles-based document to a Supplier Code will reinforce QBE's commitment to managing modern slavery risks in our supply chains.

➤ Further information on our policies, frameworks and standards can be found on our [website](#).

Group Human Rights Policy refresh

In 2023, QBE refreshed its Group Human Rights Policy, outlining the principles we have adopted in relation to respecting human rights across our business.

The update is due to take effect from 1 April 2024. The policy covers our role and activities as an employer, insurer, investor and business partner, and how we should seek to interact with our customers and communities. Wherever we operate, we respect human rights.

We are committed to, and promote adherence to, internationally recognised human rights principles including 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 eleven fundamental Conventions;
- UNGPs;
- UN Global Compact (UNGC) and the Ten Principles;
- UN Environment Programme – Finance Initiative’s Principles for Sustainable Insurance (PSI) and the UN Principles for Responsible Investment (PRI);
- Women’s Empowerment Principles; and
- UN SDGs.

While respecting these international human rights principles, we also comply with all applicable laws and regulations. QBE is subject to legislation implemented to protect human rights across our jurisdictions including laws relating to modern slavery. We implement processes to comply with economic and trade sanctions, including those arising from alleged breaches of human rights, consistent with industry practice and applicable law.

As a global insurer and reinsurer with diverse and complex operations and supply chains, we recognise that human rights abuses and modern slavery have the potential to exist within our business and/or supply chains. Any actual, or potential, violation of human rights, such as modern slavery allegations are likely to have multifaceted risk consequences, such as reputational, brand, financial, legal, regulatory and operational impacts.

Our Group Human Rights Policy considers key modern slavery risks such as forced labour, discrimination, freedom of association, occupational health and safety, living wage and gender equality.

+ Further information can be found in our [Group Human Rights Policy](#).

Training our employees

We provide our employees with a voluntary online training module to enhance their understanding of, and ability to recognise, modern slavery risks. This training aims to deepen our employees’ understanding of:

- human rights and modern slavery;
- the role of business in relation to upholding human rights;
- how human rights are relevant to QBE; and
- steps that can be taken to mitigate human rights-related risks.

We monitor training by tracking employee completion rates for training modules through our internal systems with the aim of encouraging those who are involved in our supplier management processes to understand modern slavery and how to identify risk indicators.



Due diligence: our supply chains

QBE's Third Party Risk Management (TPRM) Policy and Minimum Standards provide a consistent framework across our enterprise to conduct third party risk assessments covering risk domains such as modern slavery. Risk assessments occur prior to onboarding and are repeated periodically, giving us visibility of potential modern slavery risks in our supply chains.

Our TPRM Framework includes a range of risk domains relating to human rights including modern slavery, privacy, financial crime and conduct risk. For the modern slavery risk domain, our Modern Slavery Risk Assessment Process requires suppliers that are found to operate in both a high-risk sector and a high-risk geography to complete a further, more detailed modern slavery risk assessment. This assessment informs our understanding of the control procedures that they have in place to identify and mitigate modern slavery risks within their operations or within their own supply chains. It helps us to determine whether we can work with the supplier and if any remedial action may be required before we do.

Our aim is to keep developing our knowledge and understanding of modern slavery risks. Our goal is to continue to evolve our approach to identifying modern slavery risks across our supply chains. Through our compliance review actions undertaken and underway, we are also developing a greater understanding of our third party landscape with a view to report on modern slavery risks in a more standardised and consistent manner, across the enterprise.

During the Reporting Period, we performed over 1,300 modern slavery risk assessments across the enterprise, both for new suppliers and existing suppliers who were due to be reassessed or renewed. Of these, we found 12 suppliers to be rated 'medium-high' risk and three 'high risk' for modern slavery and human trafficking. Most of these suppliers are IT suppliers. All of these suppliers were further assessed by our Group ESG Risk or divisional Compliance teams to determine their suitability for engagement or retention. We found sufficient levels of controls within these suppliers' internal procedures and all suppliers were deemed suitable to work with. When identifying potential risks, we use sources derived from internationally recognised guidance such as the UNGPs to understand our involvement or linkages to those risks.

Our referral process

Our Group ESG Risk or divisional Compliance teams receive referrals from our Procurement teams in relation to new or existing suppliers who are found to operate in both a high-risk sector and a high-risk geography and have been required to complete a full modern slavery risk assessment. Group ESG Risk or divisional Compliance teams review the information and supporting documentation provided by the supplier.

During the referral process, a desktop review is conducted of the supplier's policy-level documentation and commitments. We also review supplier documentation supporting implementation of these commitments such as employee contract clauses, grievance mechanisms, and/or the supplier's own supplier code of conduct. This supporting evidence is considered to result in a residual risk rating. During this part of the process, either Group ESG Risk or Compliance teams are satisfied that the supplier has provided evidence of adequate controls or Procurement teams are advised to apply conditional acceptance. This can include for example, engaging with suppliers in relation to developing additional controls. If the Procurement teams are not satisfied following engagement with the supplier, the decision then escalates to a divisional Chief Risk Officer for acceptance or rejection of working with the supplier.

Contractual provisions

Additionally, QBE includes anti-modern slavery clauses in our standard Global Supply Agreement template, which is the starting point for our contracts with many of our IT and Indirect suppliers. Anti-modern slavery clauses are still a relatively new concept, and QBE will continue to work with our suppliers to embed these clauses.

Due diligence: underwriting

As a signatory to the PSI, we take an active approach to risk management. We continually work to integrate sustainability, and to address current and emerging ESG risks (such as modern slavery risk) and opportunities, in our decision-making processes. Our Group Underwriting Standards (GUS) continue to support our commitment to responsible underwriting. These standards include:

- strict adherence to legal, compliance and regulatory obligations underpinning global efforts to combat terrorism, corruption, corporate and organised crime (such as money laundering) and human rights violations;
- identifying and integrating ESG issues into risk management and underwriting decision-making processes;
- developing products and services with a positive impact on ESG and conduct issues; and
- working with our customers and business partners to raise awareness of ESG and conduct issues, manage risk and develop impactful solutions.

Our GUS reflect our position on environmental and social risks. The Group Underwriting Committee is chaired by our Group Chief Underwriting Officer (GCUO). It consists of membership from across the enterprise and oversees adherence to the GUS and corporate strategy. The GCUO is a member of the E&S GEC subcommittee, Executive Risk Committee and ESG Risk Committee.

Our E&S Risk Framework, which has been effective since January 2022, outlines our commitments and criteria regarding human rights, and the environment, for our investment and underwriting activities. Where possible, we encourage our customers to adhere to best practice risk management practices in their business activities.

During the Reporting Period, training was provided to our underwriting functions to further embed ESG risk management and drive consistent application of the E&S Risk Framework's sensitive sector positions, which are sectors or industries with a higher risk for potential human rights or environmental impacts. This training supports operational adherence to our commitments and policies, including the GUS, Group Environmental Policy, Group Human Rights Policy, and E&S Risk Framework. Our GCUO and Group Chief Risk Officer monitor our preventative and detective controls.

Due diligence: our investment portfolio

We are a signatory to the PRI, which supports investors' efforts to address social issues such as human rights, working conditions and modern slavery within companies in their portfolio. As a global investor, we recognise that our decisions can have an impact on people, society, and our communities. We factor ESG considerations into our investment decision-making processes to seek to manage risk, improve long-term, risk-adjusted financial returns. Where possible, we seek to also generate a positive, measurable, social and/or environmental benefit. Human rights and anti-modern slavery considerations are embedded as part of our investment due diligence and ongoing engagement approaches. Further information on our approach to impact and responsible investments (IRI) can be found on our [website](#).

As an asset owner, we seek to responsibly invest our proprietary assets, including our premium income, across the globe. Our fixed income portfolio represents the majority of our overall investment assets, with the portfolio largely managed directly by our in-house portfolio managers and analysts. We also invest across multiple asset classes utilising external fund managers and are committed to ensuring they align with QBE's responsible investments approach. We continue to maintain a minimum of 90% of all funds under management with external managers that are PRI signatories.

Our membership of several sustainability-focused initiatives helps guide our approach to human rights in our investment strategy. We consider ESG integration through the inclusion of material ESG factors, such as modern slavery and human rights issues, into investment analysis and decision-making. All investment grade corporate credit issuers must meet relevant criteria set out in our E&S Risk Framework, Group Sanctions Policy and Group Human Rights Policy.

We integrate ESG into the credit analysis process through our internal, proprietary credit assessment framework that identifies suitability and eligibility for our portfolio.

We broadened our due diligence questions to consider an additional 14 data points on human rights and modern slavery in order to determine the level of risk exposure an investee might have. Updated focus areas included policies, controversies, labour standards, and diversity, equity and inclusion, informed by data sourced from our third party data provider. We also invest across multiple asset classes utilising external fund managers and are committed to ensuring they are aligned with QBE's responsible investment approach.

As part of the implementation of our Group Human Rights Policy, we incorporated additional human rights-focused questions for all our external managers, in both the selection and ongoing monitoring process. Our methodology produces a quantitative indicator score of how our external fund managers are implementing responsible investment practices and approaching key ESG areas. This allows us to understand our exposure to ESG risks and opportunities and informs our engagement approach, with the aim of achieving impactful real-world outcomes.

During the Reporting Period, training was provided to our investments functions to further embed ESG risk management and drive consistent application of the E&S Risk Framework's sensitive sector positions, which are sectors or industries with a higher risk for potential human rights or environmental impacts.



Raising concerns: grievance mechanisms

Our Group Human Rights Policy, referenced in the Group Code of Ethics and Conduct, outlines that all employees are responsible for reporting incidents or suspected incidents, including any potential human rights violations. This should be reported to their direct manager and local divisional Compliance team in accordance with the Group Incident and Issue Management Standard.

Additionally, our Group Conduct Reporting & Whistleblower Policy and QBE European Operations Whistleblowing Policy outline when and how QBE employees or external parties can report an incident or suspected incident through whistleblowing channels, including anonymously in certain jurisdictions.

Remediation process

Depending on the nature of the concern and the channel through which it is raised, QBE will respond to instances or suspected instances of human rights violations in accordance with the relevant process(es), for example, those outlined in the Group Incident and Issue Management Standard. QBE will examine all instances raised and develop action plans to remediate the issue(s) for all parties within scope. Action owners are typically the individuals responsible for remediating the issue, and will be supported by divisional Risk and/or Compliance Teams who must be consulted to review and challenge the appropriateness of action plans. For suppliers, this may include ceasing to work with the supplier if appropriate agreement cannot be reached.

Actions we are taking in our workforce

Inclusion of diversity and pay equity

At QBE, we are committed to continually improving our employee experience, wellbeing, safety, and workplace environment, wherever our people are located.

We have a broad view of diversity that includes all the ways people are visibly and invisibly different. We know that to realise the benefits of all the ways we are different, we have to create an environment where everyone is, and feels, included. Our Global Inclusion of Diversity Policy sets out our expectations for how we interact with each other, and our aspiration to be a positive influence for inclusion of diversity beyond the boundaries of the organisation.

At QBE, we believe in equal pay for equal work. We regularly assess pay equity in our workforce based on key drivers such as role, location, and performance, enabling us to identify areas for improvement, and giving us confidence that we have gender pay equity on a like-for-like basis. We recognise that some pay gaps remain at an individual level and will continue to work to address any gaps through our ongoing annual salary review processes.

QBE is committed to:

- Continuing to pay our employees at least the Living Wage¹ or equivalent in countries where we have employees located;
- providing and maintaining a safe, secure and healthy working place for all employees; and
- creating an open, safe and transparent environment where employees are encouraged to speak up and report genuine concerns about conduct or activity, including human rights violations, without retaliation. This can be done through various mechanisms including confidential whistleblowing channels as outlined in our Group Conduct Reporting & Whistleblower Policy and QBE European Operations Whistleblowing Policy.



Further workforce metrics relating to people and culture can be found in our 2023 Sustainability Report and Data Book.

¹ Living Wage is defined as the minimum income necessary to meet basic needs.

Assessing the effectiveness of our actions

Assessing the effectiveness of our actions is a critical part of driving continuous improvement in our approach to identify, assess and address modern slavery risks. We have some specific measures, metrics and key performance indicators in place and are working towards a consistent global measurement. We continue to review our processes to assess and improve the effectiveness of our actions.

Compliance monitoring review

Our Group Compliance monitoring review of the Modern Slavery Risk & Compliance Standard, undertaken in 2022, showed varying levels of maturity across our divisions, with different systems and processes in place to support our modern slavery risk assessments. The review provided us with clear actions to continue to improve our processes across the enterprise and work toward consistency in the way we assess and address modern slavery risk in our supply chains. Many of these actions are well underway, while all actions are due to be implemented by 2024. We will continue to work with our divisional and Group Procurement teams to embed modern slavery considerations as part of their risk management processes and seek to make them more consistent across the business over time.

Participation in the UNGC Business & Human Rights Accelerator program

This year, QBE participated in the UNGC Business & Human Rights Accelerator program. The program assists companies in developing, embedding and assessing a comprehensive human rights due diligence program of work. Undertaking the program enabled us to review and challenge the effectiveness of our risk management and remediation processes.

Benchmarking and feedback through industry peers and bodies

External benchmarking helps us to develop our roadmap to enhance modern slavery risk management. We continue to utilise insights from reputable research institutions and leading industry associations to improve our due diligence processes and reporting transparency.

Reporting concerns

To date, there have been no known reports of modern slavery, or indicators of actual or potential modern slavery, identified through our internal reporting processes or by third parties. We acknowledge, however, through our monitoring activities, that there remains room for improvement for gaps identified. We have identified actions to address these gaps, and they are due to be implemented by 2024. Over subsequent reporting periods, we will continue to develop key performance indicators to measure the effectiveness of our actions, in line with our continuous improvement approach.



Next steps

Year on year, QBE is committed to improving our efforts to identify, address and mitigate potential human rights issues and modern slavery risks within our operations and supply chains. We recognise that this is an ongoing commitment requiring a Group-wide effort and continuous evolution in our program of work, risk management processes and reporting capabilities. In addition to the cyclical review of internal policies and our continuous improvement approach to risk management, our next steps are outlined below:

- continue to uplift our risk assessment process across the enterprise through actions developed from the Group Compliance modern slavery monitoring review;
- embed and operationalise our refreshed Group Human Rights Policy effectively across the enterprise to enable our people to be able to identify human rights and modern slavery risks and to follow the appropriate channels to raise concerns, if necessary;
- streamline our modern slavery risk assessment data capture processes to simplify the process of generating insights; and
- continue to integrate sustainability and human rights awareness and capabilities across the enterprise through training modules and other learning resources.

Working with industry

We acknowledge the importance of working alongside other industry leaders and bodies to share information and leading learnings. This helps tackle new and emerging human rights and modern slavery issues collectively, for a greater impact. As part of our membership of the UNGC Network Australia, we participate in its Modern Slavery Community of Practice. This forum explores challenges and good practices and provides an interactive and collaborative platform for companies working to comply with modern slavery laws. This working group also assists us to develop solutions to address local and global challenges relevant to our industry.

In 2023, we also participated in the Insurance Council of Australia's modern slavery working group. Its aim is to create an industry-wide community of practice on modern slavery to help collectively lift the literacy of insurers and fast track how the industry works to mitigate modern slavery risks by more effectively managing this risk in its operations and supply chains. Throughout the Reporting Period, we participated in a variety of industry forums and discussions on modern slavery, taking our learnings in-house and translating these to enhance and develop our processes. We believe that building strong relationships with the broader industry is integral to creating and empowering real change.

Process of consultation with other controlled entities

This Statement has been prepared by the QBE Group parent entity, QBE Insurance Group Limited (ASX: QBE), in consultation with its controlled entities, including those outlined in the section called "Joint statement by QBE Group reporting entities". This includes the Australia Pacific, North America and International divisions as described on [page 4](#). The Statement is submitted on behalf of QBE and each of these reporting entities in respect of the financial year ended 31 December 2023.

The process of consultation involved direct engagement by the Group Sustainability team with each QBE division. There was extensive stakeholder engagement with our key teams that sit within our Group and divisional functions who are responsible for delivering and leading our human rights and anti-modern slavery objectives for our operations and supply chains. These teams include Legal and Company Secretariat, Compliance, Risk (including ESG Risk), Third Party Risk Management, Procurement, People, Underwriting, Impact and Responsible Investments and Corporate Affairs and Sustainability. This Statement has been endorsed by all reporting entities within the QBE Group. The Statement was reviewed and approved by our divisional Executive Management Boards and divisional Boards where legislation is applicable to our reporting entity. The Statement was also reviewed by the GEC, who are collectively responsible for the day-to-day management of the Group and leading the delivery of our strategic objectives, and approved by the Group Board.

Detail on the approval of the Statement

This Statement has been prepared on behalf of QBE Insurance Group Limited ABN 28 008 485 014, and its controlled entities and was approved by the Board of QBE Insurance Group Limited, the principal governing body of the QBE Group, on 16 February 2024 and by the Boards of QBE European Operations plc, QBE Underwriting Limited, QBE UK Limited, QBE Europe SA/NV on 7 February 2024; and QBE Management Services (UK) Limited on 9 February 2024. This Statement is signed by a responsible member of QBE Insurance Group Limited.

A handwritten signature in black ink, appearing to read 'A Horton', is positioned above the name of the signatory.

Andrew Horton

Group Chief Executive Officer
QBE Insurance Group Limited



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