



# Governance

QBE is subject to extensive legal and regulatory requirements and obligations, industry codes and business and ethical standards across our business activities wherever we operate.

Compliance with these is critical to enable us to deliver our strategy and create long-term value for our stakeholders.

Refer to our [Corporate Governance Statement](#) in our 2018 Annual Report. It includes information about the QBE Board and management, our Group Governance Framework, guidelines, reporting and risk management.



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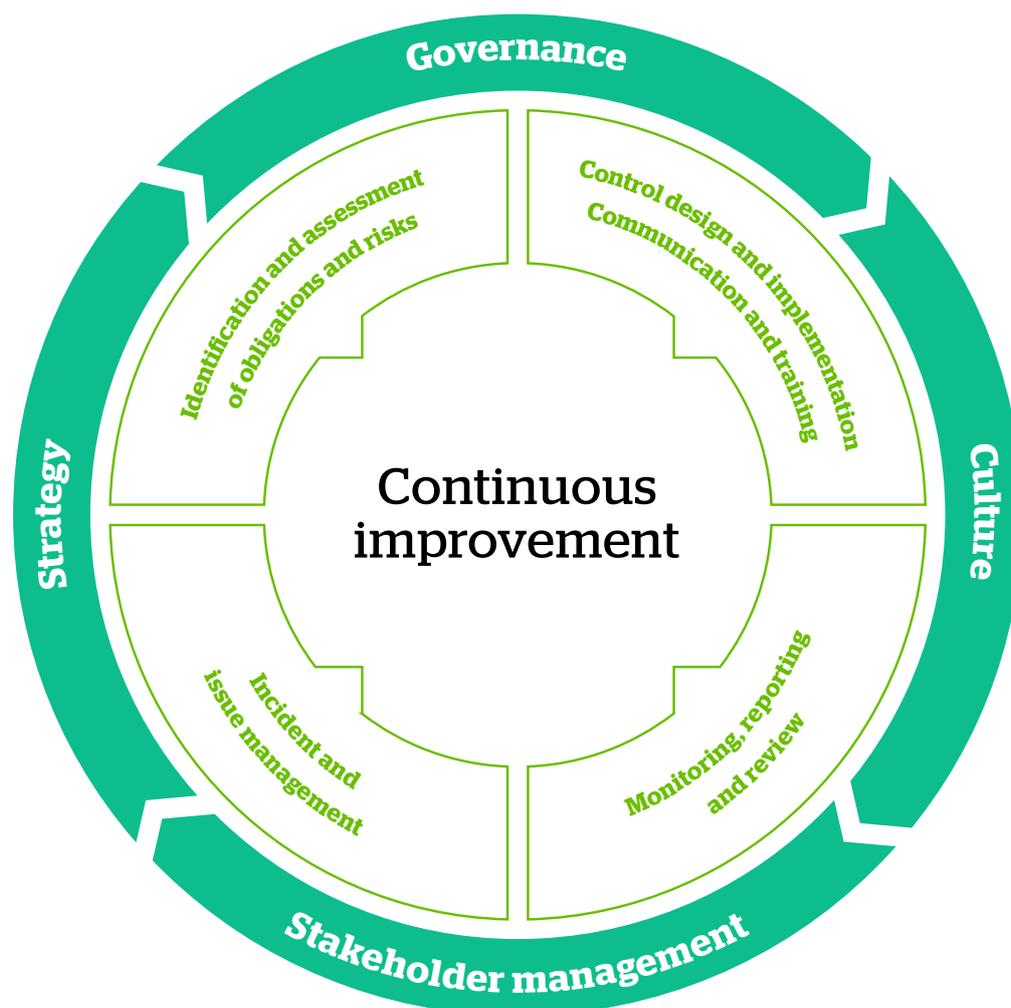
# QBE's Group Compliance Framework

QBE's Group Compliance Framework outlines our approach to managing compliance risk across our international operations. It outlines the governance arrangements, and key roles and responsibilities relating to compliance management, and describes the key components of our approach. It is overseen by the Board Risk & Capital Committee (BRCC).

The Framework has been drafted to take into account the International Standard ISO 19600:2014 Compliance management systems - Guidelines; the recognised benchmark for the development of compliance management systems.

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

Compliance across QBE is overseen by a Group Regulatory and Compliance team, with responsibility for providing independent assurance and oversight to the BRCC that compliance is being properly managed and undertaken across QBE's operations.





**Our Group Code of Ethics and Conduct**

QBE is committed to maintaining high ethical standards in how we conduct our business. 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 (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.

The Code incorporates QBE’s DNA and is a demonstration of who we are and what we value – collectively and individually. Acting in accordance with our Code is a condition of employment, as is annual Code training.

Employees are encouraged to report genuine concerns about any conduct or activity they believe is dishonest, corrupt, inappropriate or illegal. We offer several channels for reporting, including to direct line managers, the Compliance and Human Resources (HR) teams or via our QBE Ethics Hotline – an independently hosted hotline through which anonymous reports can be made.

**Complying with financial crime laws**

QBE is committed to ensuring compliance with financial crime-related laws in the countries in which we operate. Accordingly, 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;
- internal and external fraud and cybercrime;
- money laundering and terrorist financing; and
- sanctions including trade, economic, targeted (focused on individuals, organisations or industries) and comprehensive sanctions (restrictions against a whole country’s regime).

The proper giving and receipt of gifts and entertainment is an essential element of our approach to managing bribery and corruption risk. The Code imposes minimum standards for these activities. They must be reasonable, modest and proportionate, given or received in good faith, and appropriately approved and registered, depending on value.

We also have a suite of group-wide policies and training on sanctions, anti-bribery and anti-corruption, available on our [website](#). In 2018, Group Compliance recruited a Group Compliance Manager with expertise in financial crime.

**Anti-competitive and anti-trust practices**

We believe in free and fair competition and our competitive activities are undertaken ethically and lawfully. When we interact with competitors or potential competitors, we do not share confidential information that may impact how we all compete. Business decisions are made independently of our competitors. Agreements among competitors to fix prices, reduce prices or exclude other competitors from the market are serious antitrust or anti-competitive offences and is behaviour we do not tolerate.

**Whistleblowing**

All employees are encouraged to speak up and feel empowered to do and say the right thing. Employees can report concerns internally to their manager, a senior manager, or their HR or Compliance teams. Depending on the issue, employees can choose to report to those working in other teams including, but not limited to Legal, Fraud or Financial Crime, Risk or Procurement. Alternatively, concerns can be reported confidentially and anonymously through our QBE Ethics Hotline. This message is supported by our Code and our Group-wide Whistleblowing Policy and Guidelines ([Whistleblowing Policy](#)).

Where a concern is raised, we will assess whether the issue should be investigated in accordance with the investigation requirements of our Whistleblowing Policy. We acknowledge, investigate (as appropriate) and document all reported concerns. Where reports are substantiated, we take appropriate remedial action, advise the reporter promptly and document the outcomes. We do not tolerate any form of retaliation against anyone who raises a concern or participates in an investigation.

**Respecting human rights**

Wherever we operate, we respect human rights and commit to avoiding human rights harm. We are committed to adhering to internationally recognised human rights norms and principles to ensure dignity and equality 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, which consists of the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, and the International Covenant on Civil and Political Rights;

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- the International Labour Organisation's eight core Conventions; and
- the United Nations Guiding Principles on Business and Human Rights.

We take measures to prevent our involvement in human rights harm through our supply chain relationships. We reject any form of slavery, including forced or child labour.

This commitment is detailed in our [Group Modern Slavery and Human Trafficking Statement](#) and in our Code. We are developing our approach to compliance with modern slavery laws, which will include a risk assessment exercise to identify modern slavery risks and embed ongoing due diligence for supplier selection and screening.

### Privacy and General Data Protection Regulations

We respect our customers' privacy and protect their personal information from misuse or unauthorised disclosure and comply with privacy laws across all our divisions. We only collect and share personal information where it is needed for legitimate business purposes, or where there is a legal need to do so. We ensure all our employees understand the importance of keeping personal information private. When we work with third parties, we make it clear to them the importance we place on privacy, and the standards we expect.

Privacy at QBE is broadly governed centrally through our Group Compliance team and our Group Privacy Officer. The Group Privacy Officer chairs QBE's Group-wide Privacy Working Group (PWG) which provides advice, evaluation and approval. Its role is to ensure there is adequate consideration and review of the privacy risk and implications related to international activities that cross divisions.

The PWG is also responsible for QBE's Group-wide privacy program and for ensuring that the program meets the requirements of the Group Compliance Framework.

In May 2018, the European Union's General Data Protection Regulations (GDPR) came into effect. We are aware of the territorial impact of the GDPR across our business, and require all activities with a data privacy element to be assessed for GDPR impacts before commencement.

### Cultivating compliance awareness

QBE provides mandatory compliance training to ensure our employees understand all relevant laws, regulations and internal policies and how to adhere to, and apply, them to their daily work. Compliance topics, such as our Code, the Ethics Hotline, Sanctions, Anti-Bribery and Anti-Corruption, are supported by Group mandatory compliance training.

In 2018, Group Compliance recruited a Senior Compliance Officer with expertise in learning and development, which is considered an area of strategic focus for us.

## Tax strategy and transparency

QBE supports the Australian voluntary Tax Transparency Code. 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 that increase the understanding of tax systems and build public trust.

The Group Board has oversight of tax governance across our operations through the Group's Tax Risk Framework, with local boards having oversight of divisional tax governance. Operationally, the Group Chief Financial Officer (CFO) owns tax risk management and is responsible 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, and that the divisional tax teams have the skills and experience to implement the approach appropriately.