

## **QBE European Operations Modern Slavery and Human Trafficking Statement**

### **About us**

QBE Insurance Group Limited is one of the world's top 20 general insurance and reinsurance companies, with operations in all the key insurance markets. It is listed on the Australian Securities Exchange and is headquartered in Sydney, employing more than 14,500 people in 37 countries.

QBE European Operations Plc is the holding company for the European operating division of QBE Insurance Group Limited, a specialist commercial insurance and reinsurance business. In accordance with section 54 of the Modern Slavery Act 2015 (the "MSA"), this statement describes the steps that QBE European Operations Plc and those entities detailed at the end of this statement have taken during the financial year ending 31 December 2016 to ensure that slavery and human trafficking is not taking place in any of our supply chains or within our own business.

### **Our commitment to human rights and ethical conduct**

QBE is committed to maintaining high ethical standards in all elements of the conduct of our business. Wherever we operate, we respect the human rights of our employees and those of our suppliers and business partners. Our Group Code of Ethics and Conduct is designed to ensure QBE employees act with honesty and integrity, promoting and supporting QBE's reputation and a positive compliance culture, outcomes and management of risk. This is supported by our employment policies adopted within QBE European Operations, including our EO Code of Conduct and Whistleblowing Policy which are published on our intranet site. If members of staff have any genuine concerns about suspected malpractice, wrongdoing or danger in the workplace which would include any circumstances that may give rise to an enhanced risk of slavery or human trafficking, these concerns can be raised in confidence and without fear of reprisal.

We use reputable employment agencies to source labour and have processes in place to ensure that all staff have the right to work in any particular jurisdiction.

Our commitment to human rights and ethical conduct is supported by our policies and values and evidenced by our actions.

Under the MSA, modern slavery encompasses slavery, servitude and forced or compulsory labour and human trafficking. It is a crime and a violation of fundamental human rights in which people are treated as commodities and exploited for criminal gain. We reject any form of modern slavery, and are committed to implementing and enforcing effective systems and controls to ensure it does not take place in our own business or our supply chains.

### **Steps taken during 2016**

#### **Within our own business**

- As part of our overall approach to the implementation of the MSA we established a project team and obtained appropriate external legal advice.
- We have reviewed the policies we have in place which support our commitment to rejecting modern slavery within our business and consider that they remain effective and fit for purpose. In this respect, our Group Code of Ethics and Conduct was reviewed and has subsequently been updated to include specific reference to modern slavery in order to reinforce our commitment.

- Training was undertaken by control functions and those involved in the implementation of the MSA within our business.

### **Within our supply chains**

Our supply chains include IT service providers, claims-related service providers, indirect (non-claims) vendors and suppliers, consultancy and professional services firms. In accordance with our governance framework, we apply equivalent standards to intra-group providers and third party providers. We adopt a robust approach to the selection, appointment and management of our suppliers, with a professional procurement team supported by procurement management systems and policies. During 2016 we undertook the following additional steps:

- We developed “Modern Slavery Guidelines” setting out the standards we expect from our suppliers, both in respect of their own businesses and their supply chains.
- Due to the nature of our business, our standard supplier agreement templates already include obligations on our suppliers to comply with our policies and procedures (in addition to all applicable legal & regulatory requirements). In order to reinforce the importance of our commitment to mitigating the risk of modern slavery, we have updated our template supplier agreements to include a specific requirement to comply our “Modern Slavery Guidelines” and new suppliers contract on these terms.
- With regard to existing suppliers, we have initially adopted a risk-based approach in order to segment our UK-based suppliers. Those suppliers so identified will form the initial cohort to be contacted during 2017 as part of our existing supplier activities.
- We have reviewed our supplier due diligence process for the appointment of new suppliers with a view to implementing new procedures to encompass modern slavery risk.

### **Ongoing activities**

Our commitment to ensuring that modern slavery doesn’t take place within our business or our supply chains is ongoing. Building upon initial actions undertaken, planned initiatives in 2017 include:

- Updating our Whistleblowing Policy and Outsourcing Policy to include explicit references to modern slavery in order to reinforce our commitment to managing the risk of modern slavery, both within our own business and our supply chains.
- Implementing the revised new supplier appointment process to include due diligence on modern slavery risk.
- Contacting the initial cohort of our existing UK-based suppliers identified during 2016 as part of our existing supplier due diligence.
- Reviewing our supplier management systems to consider the feasibility of conducting annual reviews of modern slavery risk across our supplier base.
- Reviewing processes to include the management of modern slavery risk within our third party managed distribution channel.
- Extend the provision of training internally.
- Reviewing our recruitment practices, working with our recruitment partners, to consider areas where process improvements can be made specifically to enhance the management of modern slavery risk.

- Continue to work to identify appropriate key performance indicators to support the ongoing monitoring and management of modern slavery risk.

### Approval of this statement

This statement is made pursuant to section 54 of the MSA and constitutes the slavery and human trafficking statement for the financial year ending 31 December 2016 of the following QBE European Operations entities:

- QBE Corporate Limited
- QBE European Operations plc
- QBE Insurance (Europe) Limited
- QBE Management Services (UK) Limited
- QBE Partner Services (Europe) LLP
- QBE Re (Europe) Limited
- QBE Underwriting Limited



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Richard Pryce

**Chief Executive Officer, QBE European Operations**