

UK 
**gender &
ethnicity
pay gap
report
2023**

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Introduction

At QBE we strive to empower everyone to be their best, feeling valued and recognised for their contributions. People are at the heart of our business and ensuring we dedicate the time and support for them to develop and grow to achieve their goals is essential to our success.

We recognise the importance of publicising our pay gap data, to acknowledge the gaps that exist, and to hold ourselves accountable to eliminate those gaps for a more inclusive future.

2023 has marked an important year in our inclusion journey, from enhancing our UK benefit offering and winning the Parenting Policies Award at the Working Dads Employer Awards to introducing new global sense of belonging targets. We also launched a Career Coaching pilot designed to empower and cultivate leadership skills of ethnically diverse colleagues, as well as holding our first ever EO Inclusion Roadshow which encouraged colleagues all over the company to be held accountable and drive positive change.

We have several successes to highlight from this year's report, including our continued progress towards reducing our mean and median pay gap for gender, and our mean pay gap for ethnicity. The report also highlights several challenges, for which we will continue to address and implement effective and sustainable initiatives.

I am proud of the work we have achieved so far and am confident that our dedication towards creating a welcoming and supportive environment will continue to drive us towards a more inclusive future.

Jason Harris

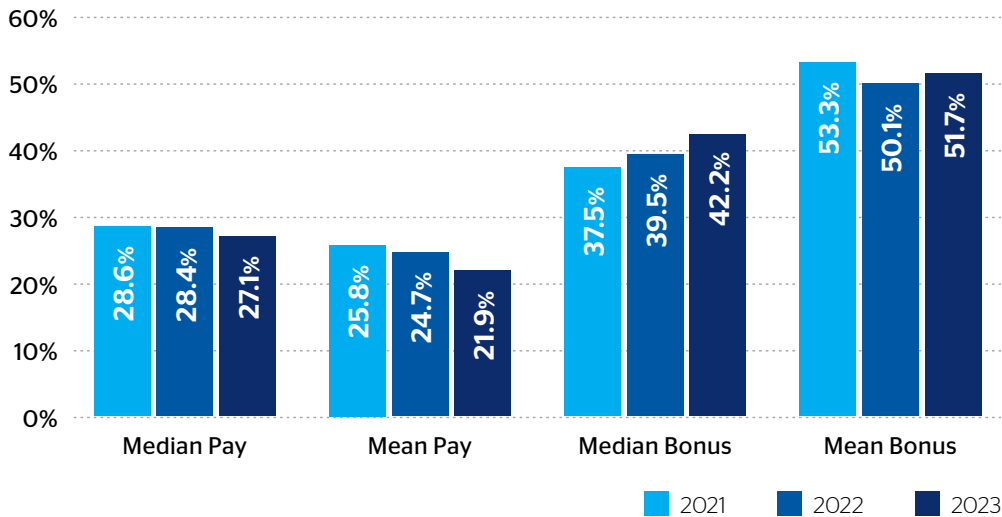
Chief Executive Officer - International

Statutory disclosure:

I confirm the data in this report is accurate and calculated in line with Gender Pay Gap Reporting requirements.

Our Gender Pay Gap

Gender Pay Gap 2021-2023



We are pleased to announce that once again we have seen a reduction in both our median and mean pay gap (-1.3% and -2.8% respectively).

This year saw a larger decrease compared to 2022 (-1.1% for our mean pay gap and -0.2% for our median pay gap) and marks our biggest Mean gap closing since we started reporting in 2018.

Across all levels of the organisation, our hiring rate for females has increased, now accounting for 45% of our total hires. With females accounting for 43% of total leavers, our female representation percentage is increasing overall. If we specifically look at our senior levels, this rate of growth increases (40% female hires vs 36% female leavers).

Our biggest challenge is our bonus pay gap, which has seen an increase for both mean and median since last report (+1.6% and +2.7% respectively). This is the first time our mean bonus gap has seen an increase in the last 3 years.

Higher bonus pay-outs to new senior male hires vs female hires on average has contributed towards the increasing gap, with the median (68.9%) and mean (63.6%) gap a lot higher than last year.

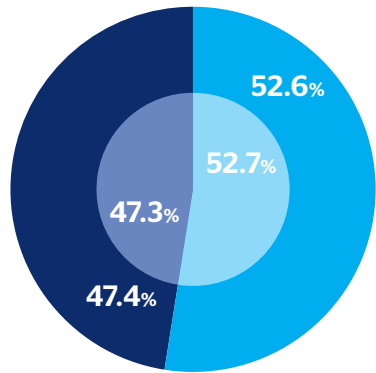
Part time roles also play a contributing factor with a significantly higher number of females in part time positions, affecting the overall bonus gap.

40%
female
hire rate
for senior roles

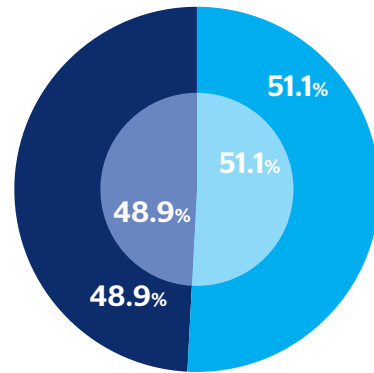
36%
female
leaver rate
for senior roles

Gender representation by pay quartile 2022-2023

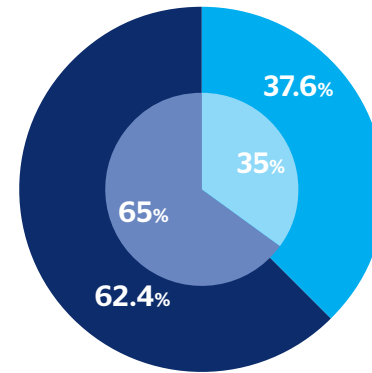
Lowest Pay Quartile



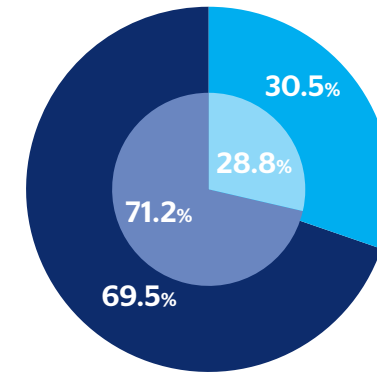
Second Pay Quartile



Third Pay Quartile



Highest Pay Quartile



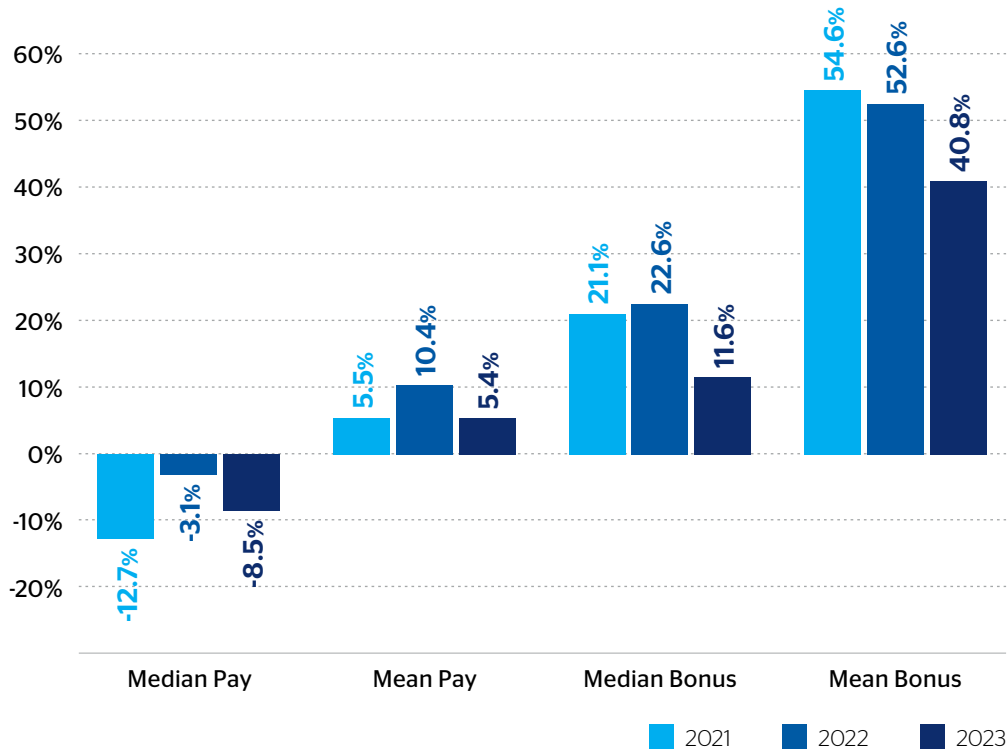
Increasing senior female representation has been a priority for QBE, and the results of our efforts can be observed in our highest pay quartiles (+1.7% in our highest pay quartile and +2.6% in Q3 pay quartile).

The increases from these upper quartiles have helped to shift the pay gap down from 2022.

45% of our promotions in the 12 month period to March 2023 comprised of female talent and we will continue to put a focus on supporting development of our female colleagues, which will continue to drive stronger representation within our higher pay quartiles.

Our Ethnicity Pay Gap

Ethnicity Pay Gap 2021-2023



The Mean pay gap saw a decrease of 5.0% since last year, with the gap now at its lowest since we started reporting in 2020. Our Median pay gap continues to show a negative gap and has moved away from 0% parity by 5.4%.

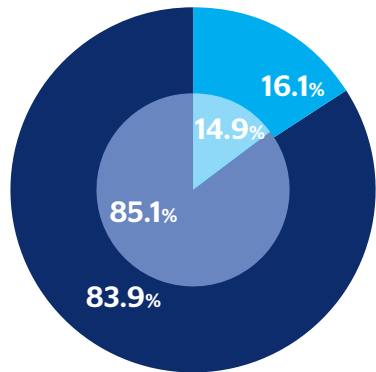
Our biggest challenge around our ethnicity pay gaps is the volume of representation, but with our overall ethnically diverse headcount up almost 100 since last year, we are beginning to build better representation to be able to compare against. Increasing ethnic representation will continue to be a priority for QBE alongside our UK Ethnicity Targets.

Location is playing a major factor in the pay gap results, with 70% of our ethnically diverse colleagues based in our London offices, compared to 56% of our non-ethnically diverse colleagues. This also explains the negative Median pay gap we are observing due to the typically higher salaries for colleagues within the London area.

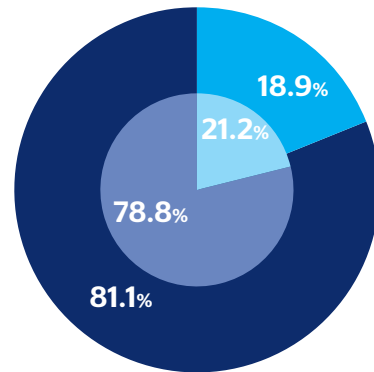
Business area also contributes to the negative Median pay gap, with a sizeable portion of our ethnically diverse employees residing within higher paying divisions due to industry pay expectations, such as Transformation & Technology (T&T). 20% of our ethnically diverse workforce is aligned to our T&T team. Excluding T&T from our pay gap reporting would reduce our Mean pay gap from 7.7% to 5.4% and Median pay gap from -8.5% to -1.8%.

Ethnicity representation by pay quartile 2022-2023

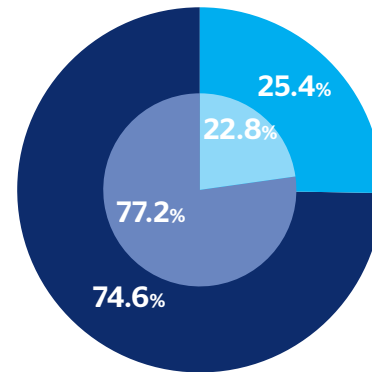
Lowest Pay Quartile



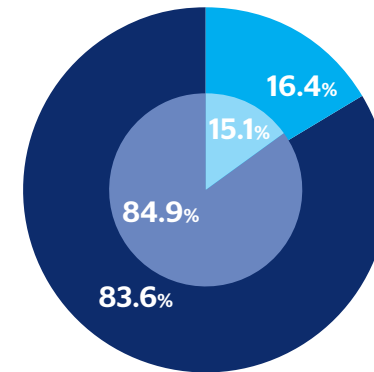
Second Pay Quartile



Third Pay Quartile



Highest Pay Quartile



Reviewing our population by pay quartile, we have observed minimal change across all four quartiles, the largest variance coming from Q3 (+2.6% increase). Q2 is the only quartile showing a decrease of -2.3%. Overall, our Q3 pay quartile shows the largest representation of any quartile at 25.4%.

Bonus Eligibility

At QBE everyone is eligible for a bonus if they are employed before 1st October in that performance year.

Gender - 2023

89%
males
received a bonus

88%
females
received a bonus

Eligibility for bonus is even with just 1% difference between male and females for 2022. We have taken an active approach to increasing senior female representation this year and with predicted larger bonuses for those not eligible this time, we can expect to see the impact of these colleagues in our next report.

Ethnicity - 2023

90%
white colleagues
received a bonus

85%
ethnically diverse colleagues
received a bonus

Although the percentage of ethnically diverse colleagues who are eligible for a bonus in 2023 has increased from the previous year, we are still seeing a 5% gap between colleagues who are eligible for a bonus due to the bonus cut off this year.

Inclusion of Diversity:

"We are committed to creating an inclusive environment at QBE and we encourage all colleagues, if they feel comfortable, to disclose diversity and inclusion data. We can utilise this data to drive real positive change for the organisation and wider industry. We regularly report on our male/female and ethnicity pay gap data, but with our current disclosure rates for non-binary colleagues, colleagues with disabilities, and sexual orientation we do not have enough data to provide an accurate view of this pay gap information. We will continue to work on our disclosure rates and optimising the diversity and inclusion data that we collect."

Actions taken to drive change in 2023

- > Established our Experience targets to track sense of belonging against multiple diverse characteristics including ethnicity and gender.
- > Optimised our diversity data dashboards and continue to drive conversations with EMB (Executive Management Board) members around their individual inclusion targets.
- > Expanded our UK Private Medical Insurance to include Fertility, Menopause, Gender Dysphoria, and Neurodiversity cover.
- > Enhanced our Family Friendly policies including equalised parental leave in the UK.
- > Expanded our benefit offering including access to Peppy, a virtual platform offering Fertility, Baby, and Menopause support.
- > Updated our Ethnicity Action Plan to establish a clear roadmap to achieving our UK ethnicity targets.
- > Optimised our recruitment practices, including an update of our referral scheme and established inclusion-focused partnerships such as Women in Data and iCAN (Lloyd's Cultural Awareness Network).
- > Produced and distributed our Inclusive Recruitment Principles to Hiring Managers and Talent Acquisition teams globally, encouraging more consistency across the world regarding inclusive hiring.
- > Expanded our Schools Partnership Programme to include students near our Leeds office as well as London.
- > Continued to share career stories through internal and external comms highlighting a diverse range of talent, including senior female leaders.
- > Conduct Counts workshop delivered to our EMB and senior leadership teams.
- > Quarterly promotion proposals reviewed by our Reward Team, People Director, and the CEO.
- > Redesign of our performance review process to better embed not just what we do, but how we do it.
- > Implemented a Career Coaching Pilot to cultivate leadership of our ethnically diverse workforce.
- > Begun conversations with an inclusive leadership specialist to shape an upskilling solution which will be delivered to People Leaders and the wider organisation in 2024, focused on racial bias.

Planned actions for 2024

- > Utilising the feedback from our Women in Leadership focus groups within insurance and reinsurance to guide and build on our actions for the year.
- > Review our diversity senior position approval process to optimise its effectiveness.
- > Building external partnerships to support female colleagues at all levels to build network, develop leadership skills, and empower them to achieve their career goals.
- > Review of expanding the Career Coaching programme to the wider organisation.
- > Delivering an upskilling solution to People Leaders across the business to understand how to better support ethnically diverse colleagues in their career journey.
- > Implement individual ethnicity targets for EMB members alongside our current Women in Leadership targets.
- > Collaborate with our employee networks to build out additional educational resources for all colleagues to access and utilise.
- > Continue to track against our Women in Leadership, and Ethnicity Action Plan to achieve our targets by end of 2025.

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