



2019

**Gender Equality Bond
Progress Report**

Year ended 31 December 2019

QBE INSURANCE GROUP LIMITED

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Introduction

QBE Insurance Group Limited (QBE) recognises that we have responsibilities not only towards our customers, employees and shareholders, but also the countries and communities in which we operate. This means understanding and managing the impact we have on society and the environment, and investing in the future of our employees and the communities we serve.

In November 2017, QBE issued its inaugural Gender Equality Bond (Gender Bond) raising US\$400 million in Additional Tier 1 capital (AT1). It was the first Gender Bond issued by an insurance company and only the second ever issued globally. QBE is proud to be part of this innovative and evolving market.

Since the first report, QBE has continued to support its commitment to responsible investments, including investments in line with QBE's commitment to gender equality.

Compliance statement

As at 31 December 2019, QBE confirms that the Use of Proceeds of the Gender Equality Bond aligns with the criteria set out in the QBE Gender Equality Bond Framework. Sustainalytics has conducted an external review of the Gender Equality Bond Portfolio and "based on the limited assurance procedures conducted, Sustainalytics believes the reviewed bonds funded through proceeds of QBE's Gender Equality Bond are in conformance, in all material aspects, with the Use of Proceeds and Reporting Criteria outlined in the Gender Equality Bond Framework".

UN Women's Empowerment Principles¹

The United Nations Women's Empowerment Principles (UN WEPs) are a set of seven principles that offer guidance for business based on best practices from around the world. The UN WEPs were developed as a joint initiative between UN Women and the UN Global Compact.

 <p>1. Leadership promotes gender equality</p>	 <p>2. Treat all women and men fairly at work - respect and support human rights and non-discrimination</p>	 <p>4. Promote education, training and professional development for women</p>	 <p>6. Promote equality through community initiatives and advocacy</p>
	 <p>3. Ensure the health, safety and well-being of all women and men workers</p>	 <p>5. Implement enterprise development, supply chain and marketing practices that empower women</p>	 <p>7. Measure and publicly report on progress to achieve gender equality</p>

QBE has invested in a range of companies that are a signatory to the UN WEPs and are strongly committed to Gender Equality in their workforce and in the wider community.

¹ <https://www.weps.org>

Framework summary

QBE's Gender Bond Framework aligns to the four core components of the International Capital Markets Association (ICMA) Social Bond Principles 2018.

Use of proceeds

The proceeds of the QBE Gender Bond will be used towards the financing/refinancing of the Gender Bond investment portfolio, meeting our specific criteria under the QBE Gender Bond Framework, as detailed below.

The bond must:

- have been issued by a company that is a signatory to the UN WEPs, a joint initiative of the UN Global Compact and UN Women; and
- have been issued by a company recognised in the current Equileap Gender Equality Global Report and Ranking.¹

Process for investment evaluation and selection

QBE identifies eligible bonds for inclusion in the portfolio that align with our specific criteria under the QBE Gender Bond Framework.

QBE has also developed a list of exclusionary criteria to ensure that it will not knowingly finance a cause that is not aligned to the ICMA Social Bond Principles.

Management of proceeds

QBE tracks the Use of Proceeds of the Gender Bond via internal information systems, with periodic adjustments to match allocations to eligible Gender investments made during that period.

Reporting

QBE will provide annual allocation and impact reporting to investors via the Gender Bond Progress Report and will engage an appropriate external second party assurance provider to independently assure and verify the bond complies with the Gender Bond Framework and UN WEPs.

¹ <https://equileap.org/publications/>

And this is us...

QBE

QBE is committed to gender equality both in terms of people and in the practice of its insurance business.

As a signatory to the UN WEPs and with the Group CEO as a Male Champion of Change¹, there is a greater strategic focus on diversity and inclusion across QBE's business

¹ <https://malechampionsofchange.com/>

Standout initiatives

Focusing on fair remuneration and women in senior management

QBE is committed to rewarding employees fairly, and drives gender pay equity through regular analysis, monitoring and transparent communication. QBE has a goal of achieving 35% of senior management roles being filled by women by 2020. In 2019, we achieved an increase of 2% to 34%.

This has been achieved through an ongoing focus of inclusive recruitment, promotion and development of our people, including a commitment to the advancement of women through our female career acceleration program, Lead In.

UN Women's Empowerment Principles:



Supporting the health, safety and well-being of employees

To help employees and their families live healthy, well-balanced lives, QBE provides a range of well-being support services. This year, QBE's employee assistance program became available globally, and well-being initiatives such as those in QBE's Australia Pacific and International divisions provided offerings including mental health, first aid training, employee access to the mindfulness app Headspace, and well-being 'check-ins' in team meetings.

UN Women's Empowerment Principles:



Family and carer responsibilities

QBE has introduced a range of support options for employees with family and carer responsibilities, including 20 days of discounted childcare or elder care in North America and 12 weeks paid parental leave to every new parent in Australia and New Zealand, having eliminated the distinction between "primary" and "secondary" carers.

UN Women's Empowerment Principles:



Domestic and family violence assistance program

A range of resources are available to QBE employees impacted directly or indirectly by domestic and family violence, including leave provisions, financial and moving assistance, and specialised counselling services. In 2019, QBE trained a targeted cohort of Family and Domestic Violence First Responders, equipping these employees to be a point of contact for support and referrals to their colleagues.

UN Women's Empowerment Principles:



Standout achievements

LGBTIQ+ inclusion

QBE's Pride employee group in Australia Pacific was recognised externally by the 2019 Australian LGBTI Awards Best Network for Employee Network of the Year and as a 2019 Gold Employer Australian Workplace Equality Index.

Insurer of the year for D&I

QBE North America was named Insurer of the Year for Diversity and Inclusion at the Reactions North America Awards 2019, acknowledging progress and commitment to D&I initiatives.

2020 Bloomberg Gender Equality Index

QBE continues to be included in the 2020 Bloomberg Gender Equality Index for a third year.

Share the care

In 2019, QBE was the first general insurer in Australia to adopt a flexible and gender neutral paid parental leave policy, which resulted in being recognised as #5 in the Top 20 Best Workplaces for New Dads Index.



ANZ is committed to gender balance and diversity across its organisation. It maintains a focus on creating an inclusive workforce in which the background, perspectives, and life experiences of its employees assist in forming stronger connections, insightful innovation, and better decisions for the business.

As part of this commitment, ANZ became a founding signatory to the UN Principles for Responsible Banking in 2019 and has set the following targets for diversity and inclusion into 2020:

- Increase women in leadership to 34.1% by the end of FY20
- Recruit greater than 1,000 people from under-represented groups (including indigenous Australians, people with a disability and refugees) by 2020
- Enable social and economic participation of 1 million people by 2020 through targeted initiatives to support financial well-being

¹ <https://www.anz.com/content/dam/anzcom/shareholder/ANZ2019-Annual-Report.pdf>

Standout initiatives

Gender pay reporting

ANZ's Human Resources Committee conducts an annual performance and remuneration review with a focus on gender pay gap reporting and seeks to identify opportunities to remove potential bias whenever remuneration decisions are made. All outcomes reviewed by the CEO.

UN Women's Empowerment Principles:



Women's programs

ANZ has established a number of programs for women, including Return to Work (a program to assist women transitioning back into the workforce), Notable Women (a program based on enhancing capabilities of senior female leaders), and Accelerating Banking (a rotational program for female managers to broaden their skills).

UN Women's Empowerment Principles:



Standout achievements

Women in leadership roles

Since September 2018, ANZ has increased Group-wide representation of women in leadership from 31.1% to 32.5% (FY19). ANZ's progress is monitored monthly by the CEO and an Executive Committee.

Recruitment

Since 2016, ANZ has recruited 734 people from under-represented groups.

Financial well-being

More than 998,470 people have been reached through ANZ's financial well-being programs since 2002 (MoneyMinded, MoneyBusiness and Saver Plus).

Spotlight:

Michelle Jablko

Chief Financial Officer



“What characteristics within your organisation do you believe have driven the diversity agenda within the firm?”

ANZ is a diverse organisation in part simply because of our global reach, as we operate in more than 30 markets. This ensures we have a lot of diversity in our decision making. We also believe that our employee base should mirror the community we serve. The strongest characteristic ANZ has is our purpose - to help shape a world where people and communities thrive.

I'm really proud that ANZ has such a long history in diversity and inclusion. ANZ was a founding member of the Diversity Council of Australia and we were the first Australian bank to remove the qualifying period for paid parental leave and pay superannuation contributions for the full period of parental leave of up to 24 months.

I'm the Executive Sponsor for ANZ's Pride network which does phenomenal work in creating positive change in our community and celebrating LGBTIQ+ diversity.

Last year, I also participated in The Smith Family's Work Inspiration program for high school students. The program offers insights and opportunities to young people from disadvantaged backgrounds who may be struggling at school, or who lack the encouragement to explore their future career options.”

Commonwealth Bank of Australia¹

Since 2010, the Commonwealth Bank of Australia (CBA) has focused on ensuring diversity is consistent across the organisation and there is appropriate gender and cultural representation across leadership roles.

Accordingly, CBA has established its Global Diversity and Inclusion Strategy which focuses on how it can achieve better outcomes for customers, communities and people by building a more inclusive and diverse culture. As part of this commitment, CBA seeks to do the following:

- Increase the number of women comprising executive manager and above roles to over 40% by 2020
- Increase the number of women in manager roles and above to over 45% by 2020

¹ <https://www.commbank.com.au/content/dam/commbank/about-us/shareholders/pdfs/annual-reports/CBA-2019-Annual-Report.pdf>

Standout initiatives

Employee-led networks

CBA has established a diverse range of employee-led networks which foster inclusion and inform solutions for our people and our customers including WeCAN (for gender equality), AdvantAge (for life-stage and age inclusion), Yana Budjari (for Aboriginal and Torres Strait Islander peoples and cultures), Unity (for sexual orientation and gender identity), Mosaic (for cultural diversity) and ENABLE (for accessibility and inclusion for people with a disability).

UN Women's Empowerment Principles:



Parental leave

CBA, in late 2017, changed its parental leave entitlements to remove the distinction between fathers, mothers or other guardians. This allows employees to switch from being the secondary to primary carer (and vice versa) during the first 12 months of a child's life.

UN Women's Empowerment Principles:



Standout achievements

2019 Bloomberg Gender Equality Index

CBA was included in the 2019 Bloomberg Gender Equality Index.

Domestic and Family Violence Emergency Assistance Program

Over a three year period, CBA distributed the Domestic and Family Violence Emergency Assistance Program in partnership with Telstra, Women's Service Network, and Rape and Domestic Violence Services Australia to more than 6,000 customers.

CBA has committed A\$25 million to support customers impacted by domestic and family violence.

Westpac¹

Westpac established a 2018 to 2020 inclusion and diversity strategy focusing on inclusion and embracing the different views and experiences from individuals within the organisation.

The strategy aims at fostering innovation and supporting people to be able to bring “their whole self to work”. The goal of this strategy is to promote an inclusive working environment where employees feel safe to speak up. Ultimately, the aim of this approach is to deliver improved service experiences for customers.

To do this, Westpac has established the following measures to continue into 2020:

- Maintain global high-performance norm on employee engagement
- Maintain 50% Women in Leadership roles
- Maintain gender pay equity, on a like for like role basis

1 https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/awlic/Westpac_Group_2019_Sustainability_Performance_Report.pdf (All figures are for the 12 months ended 30 September 2019 unless otherwise indicated)

2 <https://www.wgea.gov.au/leading-practice/pay-equity-ambassadors/meet-our-ambassadors>

3 Proportion of women (permanent and maximum term) in leadership roles across the Group. It includes the CEO, Group Executives, General Managers, senior leaders with significant influence on business outcomes (direct reports to General Managers and their direct reports), large (3+) team people leaders three levels below General Manager, and Bank and Assistant Bank Managers.

Standout initiatives

1800 Priority Assist

Westpac developed a dedicated ‘1800’ Priority Assist telephone line staffed by specialists to provide additional support for customers in complex vulnerable situations such as family violence and financial abuse. As well as access to financial hardship assistance options, under certain circumstances the team may provide emergency funds and refer customers to external specialist service providers for additional support. Since its establishment in 2018, Priority Assist has assisted over 900 customers.

UN Women’s Empowerment Principles:



Tailored development programs

Westpac offers development programs such as Women on the Move and Making My Mark and is now in its fifth year of the Equilibrium program that supports female leaders to transition into Westpac from other industries.

UN Women’s Empowerment Principles:



Standout achievements

Pay equity ambassador

Westpac remains committed to bridging the pay gap and has re-signed as a Pay Equity Ambassador².

Women in leadership

Sustained its achievement of 50% women in leadership³. 36% of its Board members are women.

Bloomberg Gender Equality Index

Westpac was included in the Bloomberg Gender Equality Index for the 4th year in a row, in 2020.

Spotlight:

Anastasia Cammaroto

Chief Information Officer, Consumer, Enterprise Services & Group Business Units



“ How has your organisation engaged with customers/shareholders/ employees/communities in developing relevant skills and capabilities to continue empowering women? ”

From our work with schools, universities, supporting our Westpac Scholars and building partnerships with industry, government and academia we are committed to helping increase STEM literacy and awareness in our people, our customers and the communities we operate in.

To help educate more young Australians about financial literacy, Westpac, in partnership with Year13 – Australia’s leading online platform for school leavers, launched a free online educational program to help young Australians be more financially confident as they navigate life after school.

Our employees have access to leadership programs such as *Making My Mark* and Toastmasters International to develop skills specific to their needs in order to advance their careers. The Westpac *Equilibrium* program recruits experienced female leaders from outside the financial sector to bring new ideas and fresh perspectives to how we do business. There are also different Employee Action Groups (EAG) including our Women of Westpac EAG which aims to empower women to make confident career choices by providing education and networking opportunities. We also have our Women in Technology and Leadership group which has a specific program of activity to advocate STEM studies for girls and women, to attract and engage women into technology roles and to retain and grow women in GroupTech roles at Westpac.”

Allocation of proceeds

Portfolio composition as at 31 December 2019

Gender Bond Portfolio over-collateralised at (US\$M)

\$443.2M

on a mark-to-market basis

Investment in UN WEPs and Equileap Gender Equality ranking organisations



The specific allocations to each of the counterparties are set out below:

(US\$M)

- ANZ **232.8**
- CBA **70.7**
- Westpac **139.7**

Key statistics

Equileap¹ is a global leader in researching gender balance and gender equality in public companies. The ranking orders the Top 100 companies and gives them an overall grade based on how well they scored against various data points.

ANZ	CBA	Westpac
Women on the board 37.5%	Women on the board 50%	Women on the board 36%
Women in management 32.5%	Women in management 45%	Women in management 50%
Equileap 63 ranking 60 score	Equileap 40 ranking 63 score	Equileap 13 ranking 68 score

¹ <https://equileap.org/>



Information for investors



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