



QBE INSURANCE GROUP LIMITED

2021

Gender Equality Bond Progress Report

Year ended 31 December 2021



Disclaimer

The material contained in this document is intended to be general background information on QBE Insurance Group Limited (QBE) and its activities current as at the date of the document.

This document is for distribution only to persons who are not a 'retail client' within the meaning of section 761G of the *Corporations Act 2001* of Australia and are also sophisticated investors, professional investors or other investors in respect of whom disclosure is not required under Part 6D.2 or Part 7.9 of the *Corporations Act 2001* of Australia and, in all cases, in such circumstances as may be permitted by applicable law in any jurisdiction (including Australia) in which the investor may be located.

This document does not constitute a prospectus, offering memorandum, an invitation to subscribe for or to buy any securities or an offer for subscription or purchase of any securities or a solicitation to engage in or refrain from engaging in any transaction. It should not be reproduced, distributed or transmitted to any person without the consent of QBE and is not intended for distribution in any jurisdiction in which such distribution would be contrary to local law or regulation.

Any securities referred to in this document have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the 'Securities Act') and may not be offered or resold within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act) unless in accordance with an effective registration statement or an exemption from registration under the Securities Act and applicable U.S. state laws.

The information is supplied in summary form and is therefore not necessarily complete. Also, it is not intended that it be relied upon as advice to investors or potential investors, who should consider seeking independent professional advice depending upon their specific investment objectives, financial situation or particular needs. This document does not constitute financial product advice. The material contained in this document may include information derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information.

Information contained in or otherwise accessible through the websites mentioned in this document does not form part of the document unless it is specifically stated that the information is incorporated by reference thereby forming part of the document. All references in this document to websites are inactive textual references and are for information only.

This document may contain statements that constitute 'forward-looking statements' regarding QBE's intent, belief or current expectations with respect to QBE's business and operations, market conditions, results of operations and financial condition, capital adequacy, specific provisions and risk management practices. Forward-looking statements are statements about matters that are not historical facts.

When used in this document, words such as 'will', 'may', 'expect', 'indicative', 'intend', 'seek', 'would', 'should', 'could', 'continue', 'plan', 'probability', 'risk', 'forecast', 'likely', 'estimate', 'anticipate', 'believe', 'aim' or other similar words are intended to identify forward-looking statements. These forward-looking statements reflect QBE's current views with respect to future events and are subject to change, certain risks, uncertainties and assumptions which are, in many instances, beyond QBE's control and have been made based upon management's expectations and beliefs concerning future developments and their potential effect upon QBE.

No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including QBE or any of its advisers). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this presentation will actually occur. There can be no representation, warranty or assurance (express or implied) that future developments will be in accordance with QBE's expectations or that the effect of future developments on QBE will be those anticipated. Actual operations, results, performance, production targets or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based depending on the outcome of various factors. When relying on forward-looking statements to make decisions with respect to QBE, investors and others should carefully consider such factors and other uncertainties and events. QBE is under no obligation to update any forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, after the date of this document.

Table of contents

Introduction	3
United Nations Women's Empowerment Principles	4
Framework summary	5
QBE	6

Spotlight on select investments	
Commonwealth Bank of Australia	7
NAB	8
Westpac	9

Allocation of proceeds	10
-------------------------------	-----------

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 2021, 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'.

United Nations 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.



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.

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 United Nations Women's Empowerment Principles (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 second party assurance provider to independently assure and verify the bond complies with the QBE Gender Bond Framework and UN WEPs.

¹ <https://equileap.com/equileap-reports/>

And this is us...

QBE¹

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, there is a greater strategic focus on inclusion of diversity across QBE's business.

¹ <https://www.qbe.com/sustainability>

Standout initiatives

Women in leadership

In 2021, QBE maintained 33% women on the Group Board, with the presence of women in the Group Executive Committee increasing from 33% to 45%. QBE continued to make progress towards the target of 40% women in leadership by 2025, with an increase from 34.8% to 35.9% in 2021.

This has been achieved through the development of targeted initiatives to address attraction, progression and retention of women in leadership at QBE, such as our female career acceleration program, Lead In.

UN Women's Empowerment Principles:



Inclusion of diversity

QBE's Group Executive Committee has placed a higher level of visible sponsorship and accountability on the inclusion of diversity, which includes the progression of women in leadership and the fair treatment of all. This includes our senior level leadership supporting and advocating for QBE's participation in the Positive Action Towards Engagement mentoring program for jobseekers with disability, participation as a member of the Business Disability Forum in the United Kingdom, as well as being a founding member of the North America Insurance Industry Charitable Foundation's Inclusion, Diversity, Equity, Accessibility Council.

UN Women's Empowerment Principles:



Equality in recruitment

During 2021, QBE enhanced its policies and education around the selection process and support of prospective employees from diverse groups. QBE has committed to programs such as internships for university students from under-represented groups including indigenous and those with disability.

UN Women's Empowerment Principles:



Standout achievements

Australian Workplace Equality Index

QBE maintained Gold Employer status and was again recognised as one of Australia's top LGBT Inclusive employers for the third consecutive year.

Top 100 Companies for Gender Equality Globally

QBE was recognised in the 'Top 100 Companies for Gender Equality Globally' in Equileap's 'Gender Equality Global Report & Ranking' 2021, for positively progressing our gender equality agenda.

Care & connect

During 2021, QBE expanded its various initiatives to protect vulnerable employees, including the extension of its policy from 10 days to 20 days dedicated Family and Domestic Violence leave and launch of a Family and Domestic Violence First Responder national network across Australia and New Zealand. QBE also continued to monitor and conduct wellbeing checks of all employees to ensure their safety while working from home.

Certified as a Family Friendly Workplace

In 2021, QBE was accredited as a Family Friendly Workplace.

Bloomberg Gender Equality Index

QBE has been recognised for a fifth year in the 2022 Bloomberg Gender Equality Index.



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:

- Increase the number of women comprising executive manager and above roles to 47-50% by 2025;
- Continue to aim for 40% female representation on the Boards of CBA Group Subsidiaries;
- Cultural diversity of senior leaders to match the cultural diversity of the Australian population by 2025; and
- Achieve 3% Aboriginal and Torres Strait Islander Representation in CBA's domestic workplace by December 2026.

¹ <https://www.commbank.com.au/about-us/investors/annual-reports/annual-report-2021.html>

Standout initiatives

Next Chapter Program

CBA launched the Next Chapter Program in mid-2020, expanding its ongoing commitment to address domestic and financial abuse. CBA continues to provide support for victims and survivors of financial abuse to commence their next chapter and to achieve long-term financial independence.

UN Women's Empowerment Principles:



Supporting Indigenous communities

In 2021, CBA spent \$6 million with Australian Indigenous suppliers, tracking towards their 2024 target of 3% of total annual domestic contestable spend.

CBA also partnered with Supply Nation to fund the DRIVE program, which is focused on building skills to support Indigenous businesses wanting to supply to the government and corporates.

UN Women's Empowerment Principles:



Standout achievements

Women in leadership

CBA achieved a year on year increase of women in leadership, from 40% to 41.7% in 2021.

Certified as a Family Friendly Workplace

CBA has been recognised as one of Australia's first Family Friendly Workplaces. As a founding partner, CBA provides support for diverse family units and caring responsibilities of its workforce across different life stages. CBA provides paid parental leave inclusive of all genders, adoption, surrogacy, foster care, stillbirth and infant loss for new parents as well as unlimited paid leave for people experiencing domestic and family violence.

Bloomberg Gender Equality Index

CBA has been recognised in the 2022 Bloomberg Gender Equality Index.

Community and customer vulnerability team

In 2020, CBA established a team to identify and respond to those in need with sensitivity and skill, partnering with experts and community organisations to develop required resources and support networks to help those affected.

NAB¹

NAB is committed to focusing on both inclusion and diversity across all areas of their business practices, in order to create a long term workforce reflective of its communities.

As part of its new 2021 Inclusion and Diversity Strategy, NAB aims to adopt an intersectional approach for inclusive leadership, inclusive workplace and customer inclusion to address considerations including gender equality, people with disability, cultural diversity, younger and older generations and Indigenous community.

As such, NAB has committed to:

- Achieve at each salary level 40-60% of either gender represented (including Board and Group subsidiary Boards) by 2025;
- Reward people fairly, objective of gender pay equity < 10% by 2025; and
- Achieve and maintain inclusion in the Dow Jones Sustainability World Index.

¹ <https://www.nab.com.au/content/dam/nab/documents/reports/corporate/2021-annual-review.pdf>

Standout initiatives

Education programs

In 2021, NAB demonstrated its commitment to inclusion via the investment of over \$18 million in employee education, including the Australia and New Zealand industry first, *Career Qualified in Banking* program, which is accredited by FINSIA, and the *Distinctive Leadership* program for all leaders.

UN Women's Empowerment Principles:



Focus on accessibility

In 2021, NAB signed the Valuable 500 Initiative, a global movement placing disability on the business leadership agenda. NAB was also placed sixth in the Access and Inclusion Index by the Australian Network on Disability.

UN Women's Empowerment Principles:



Standout achievements

Gender equality

NAB achieved a year-on-year decrease in gender pay gap, from 20.1% to 16.6% in 2021.

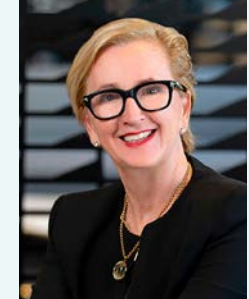
NAB was also awarded the 2019-21 Workplace Gender Equality Agency Employer of Choice for Gender Equality and included in the 2022 Bloomberg Gender Equality Index.

Australian Workplace Equality Index

For the third year, NAB was awarded with Gold Employer Status in the 2021 Australian Workplace Equality Index.

Spotlight

Cathryn Carver



Executive, Client Coverage,
Corporate & Institutional Division

What does 'diversity, equity and inclusion' mean to you? Do any particular areas come to mind that you believe have an important role to play in reaching beyond gender equality and diversity?

Diversity, equity and inclusion are hallmarks of a modern, vibrant and importantly, a sustainable organisation. An equitable and inclusive organisation takes all forms of diversity (i.e. gender, age, cultural and orientation) into account and treat all clients and colleagues equally. I believe that opportunities, access to personal development, promotions and flexible work/leave policies play an important role.

If you were to give a piece of advice to your younger self, what would that be?

1. Ask for additional clarity from leaders about what great performance actually looks like, and to understand the attributes of a strong leader/performer.
2. Ensure my personal growth plan includes focus on things that motivate me and align with my principles, as well as those of the organisation.

Cathryn is an experienced senior finance executive and has worked in Australia and internationally with major financial organisations including ANZ, Westpac and Macquarie Bank. Cathryn joined NAB in 2016 as Executive General Manager, Corporate & Specialised Banking and shortly after, was appointed acting Chief Customer Officer, Corporate & Institutional Banking, a position held until she was appointed to her current role. Cathryn is a member of Chief Executive Women, Chair of NAB's Affordable Housing Committee and a member of NAB's Ventures Investment Committee.

Westpac¹

Westpac has enhanced its inclusion and diversity strategy in 2021, focusing on gender, cultural diversity and indigenous representation.

This has led to the launch of the Accelerating Women and Gender Equality plan that delivers a structured approach to the aspirational goal of 50% women across all levels.

Westpac has committed the following objectives to continue through to 2030:

- Maintain 50% women in leadership roles;
- At least 40% women in senior executive positions;
- Maintain no less than 50% women in the workforce generally; and
- At least 40% women on the Westpac Board of Directors.

¹ https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/awic/Annual_Report_Final_2021.pdf

Standout initiatives

Women in leadership

Westpac has joined the investor led '40:40 Vision' initiative to achieve 40:40:20 gender balance for the Executive Team by 2030, Westpac has set interim targets of 30% female representation by 2023 and 35% by 2027, and is currently tracking ahead of these targets. Westpac also continues to achieve its existing target of 50% women in leadership.

UN Women's Empowerment Principles:



Gender transition leave

Westpac provide support and paid leave to people transitioning to their affirmed gender at work. This aims to ensure everyone feels comfortable being themselves at work, no matter their gender, gender identity or sexual orientation.

UN Women's Empowerment Principles:



Supplier inclusion and diversity program

During 2021, Westpac spent \$12 million supporting a variety of suppliers including Indigenous businesses, social enterprises, Australian Disability Enterprises, women-led businesses and businesses with B-Corps certification. Westpac also provided access to capital for Indigenous business via their First Australians Capital partnership.

UN Women's Empowerment Principles:



Standout achievements

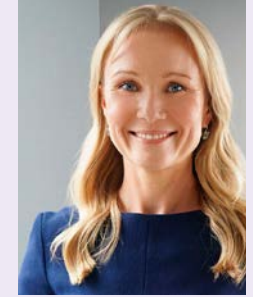
Bloomberg Gender Equality Index

Westpac continues to be recognised by the Bloomberg Gender Equality Index in 2022.

Spotlight

Nell Hutton

Managing Director,
Financial Markets



What does 'diversity, equity and inclusion' mean to you?

'Diversity, equity, and inclusion' represent the values that I believe in, and they are also the foundation for a truly successful career and life. I have found that by listening to, and seeking out, different views I usually always find a better and more rounded outcome. In the workplace, diverse teams are undeniably better. Their different perspectives help solve complex problems. Given the challenges that we face today and the complexity of the issues ahead of us, it is critical that we have diverse teams, so we give ourselves the best possible chance of success. I also believe that everyone deserves a voice. Genuine inclusion helps us feel like we belong, and once you have that sense of belonging, you can build a culture of trust, respect and loyalty.

If you were to give a piece of advice to your younger self, what would that be and why?

Back yourself. Before I had kids, I worked long hours, and I was carving out a successful career. I always assumed that when I had my first child that I would have to quit work and be a fulltime mum, because I did not see how I could balance a demanding career in banking with motherhood and be the type of mother I wanted to be. But when my first child, Elsie, was born, my boss encouraged me to return part time. Once I returned, I realised that I had a lot of value to add. My self-belief was back, and it was a lesson that I have carried with me since.

Nell joined the Westpac Group in February 2021 and is a senior banker with over 23 years' experience in global markets and investment banking in Australia and internationally. Prior to Westpac, Nell was at Goldman Sachs for 21 years in London and Australia, where she was the first female Partner to be appointed in Goldman Sachs Australia and the first woman to run a global financial markets business in Australia. Nell is passionate about advancing women in the workforce and championed Goldman Sachs' diversity initiatives as a member of the Diversity Leadership Committee.



Impact of investments

Portfolio composition as at 31 December 2021

Gender equality bond portfolio over-collateralised at (US\$M)

\$409M

on a mark-to-market basis

Investment in UNWEPs and Equileap Gender Equality ranking organisations



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

	(US\$M)
● CBA	61
● CIBC	42
● Citibank	37
● NAB	56
● Westpac	213

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.

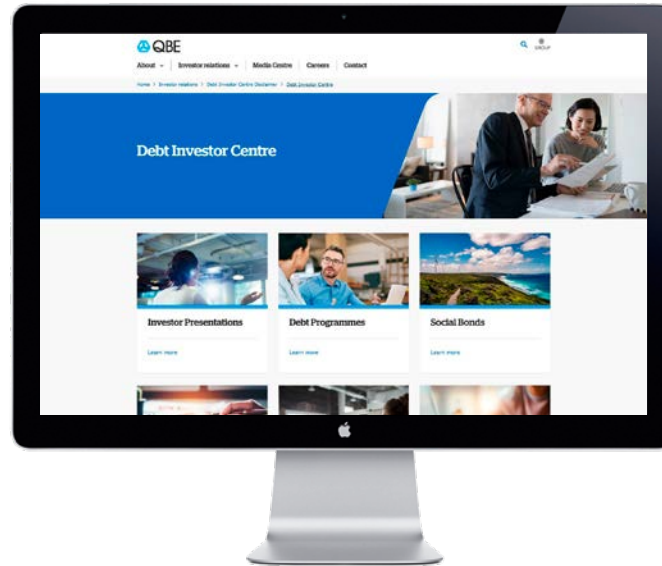
	CBA ²	CIBC ²	Citibank ²	NAB ²	Westpac ²
Women on the board	45.5%	50.0%	53.0%	33.3%	40.0%
Women in management	41.7%	38.0%	43.8%	38.8%	50.0%
Equileap ranking	30	19	18	14	57
Equileap score	65	67	67	68	63

¹ Equileap statistics as of report published 4 March 2021, noting the 2021 Gender Equality Global Report & Ranking is expected to be released in March 2022: <https://equileap.com/equileap-reports/>

² As at 31 December 2021



Information for investors



Contact our Global Treasury team

Sam Vilo *Group Treasurer*

Group Treasury

QBE Insurance Group Limited

Level 18, 388 George Street, Sydney NSW 2000 Australia

Email: debtir@qbe.com

www.group.qbe.com/investor-centre/disclaimer/debt-investor-centre

QBE Insurance Group Limited

Level 18, 388 George Street, Sydney NSW 2000 Australia | telephone +61 2 9375 4444 | www.qbe.com