

# UK Gender & Ethnicity Pay Gap Report 2021

## Introduction

"Following our decision to proactively report on our ethnicity pay gap for the first-time last year, I am pleased to be sharing our first combined **gender and ethnicity pay gap report**.

As we look to evolve our strategy to focus on inclusion of diversity and creating a workplace culture where all our people, in all the ways we are different, feel included, we know that being transparent and holding ourselves to account is a key part of this.

This report sets out the many different actions we've taken across our business to drive meaningful change and some of our commitments for the future. I'm pleased to see our mean pay gaps moving in the right direction but as ever we know there is more to be done and we must sustain our positive momentum."

**Jason Harris**

Chief Executive Officer - International

Statutory disclosure:

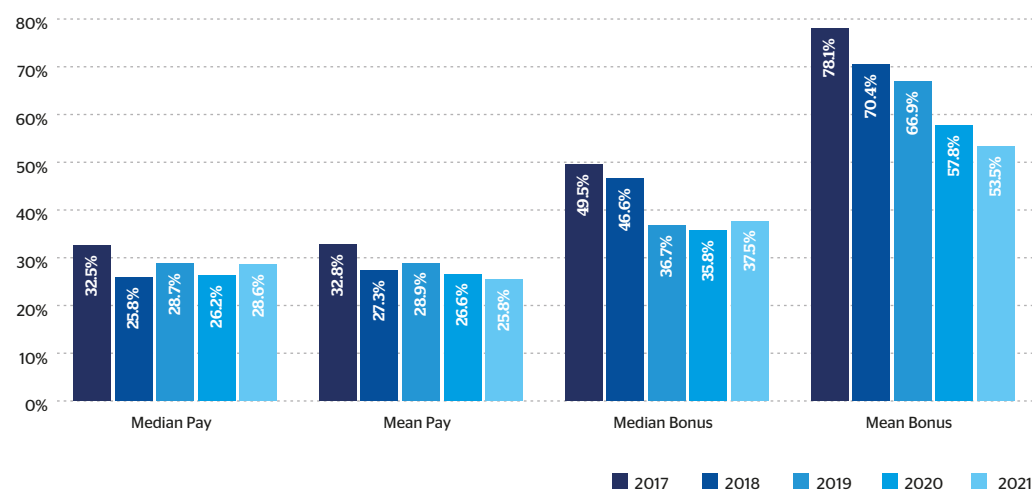
I confirm the data in this report is accurate  
and calculated in line with Gender Pay  
Gap Reporting requirements.

## Our Gender Pay Gap

### Gender Pay Gap 2019-2021

Metric	2021 (YoY % change)	2020 (YoY % change)	2019 (YoY % change)
Median Pay Gap	28.6% (2.4%)	26.2% (-2.5%)	28.7% (2.9%)
Mean Pay Gap	25.8% (-0.8%)	26.6% (-2.3%)	28.9% (1.6%)
Median Bonus Gap	37.5% (1.7%)	35.8% (-0.9%)	36.7% (-9.8%)
Mean Bonus Gap	53.3% (-4.5%)	57.8% (-9.1%)	66.9% (-3.4%)

## Gender Pay Gap 2017-2021



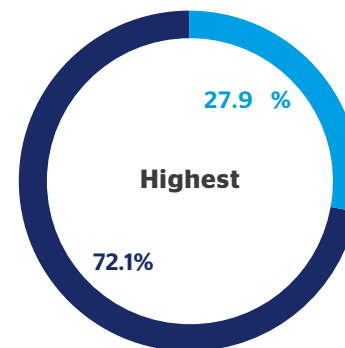
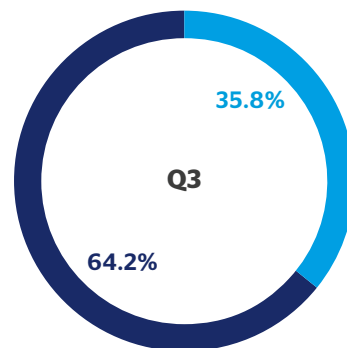
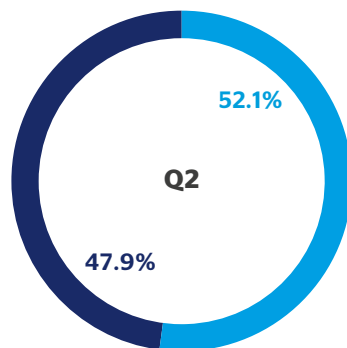
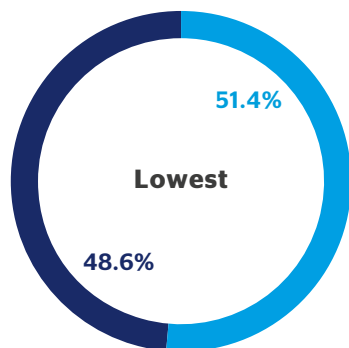
Whilst we continue to see a year-on-year decrease in our mean pay and bonus gap, improving senior female representation remains a focus across QBE, with many initiatives in place to drive change and help us achieve our new Women in Leadership target of 40% by 2025.



The increase in median pay and bonus gap can be explained by changes in our population make up and a disproportionate ratio of male to female joiners in our professional level roles (level 4).

Our current Women in Leadership level is 31.7% which is slightly behind where we would like to be and our projections indicate that we are not currently on track to meet our target; however, we have set the foundations and have a number of plans in place to get us back to where we need to be.

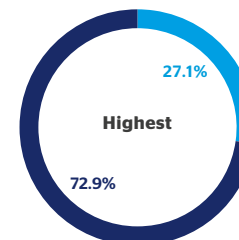
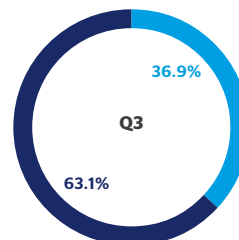
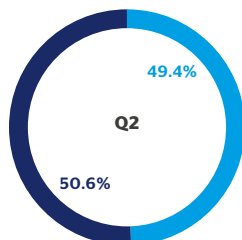
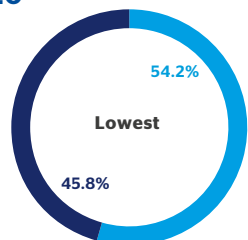
## Gender representation by pay quartile

2021



 Male  
 Female

2020



## Bonus Eligibility

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

**90%**  
**males**

received a bonus

**89%**  
**females**

received a bonus

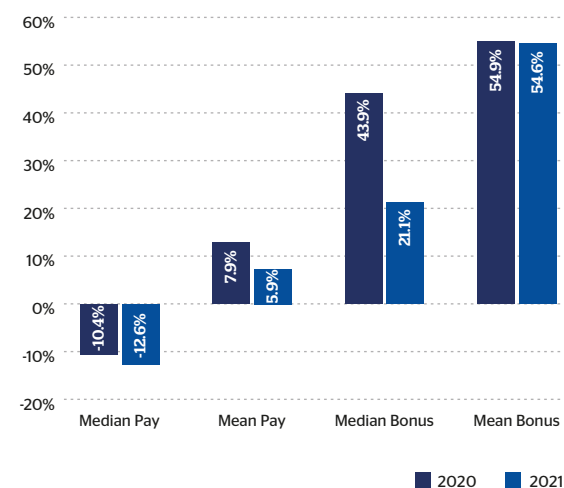
# Our Ethnicity Pay Gap

## Ethnicity Pay Gap 2020-2021

Metric	2021 (YoY % change)	2020 (YoY % change)
Median Pay Gap	-12.6% (2.2%)	-10.4%
Mean Pay Gap	5.9% (-2.0%)	7.9%
Median Bonus Gap	21.1% (-22.8%)	43.9%
Mean Bonus Gap	54.6% (-0.3%)	54.9%

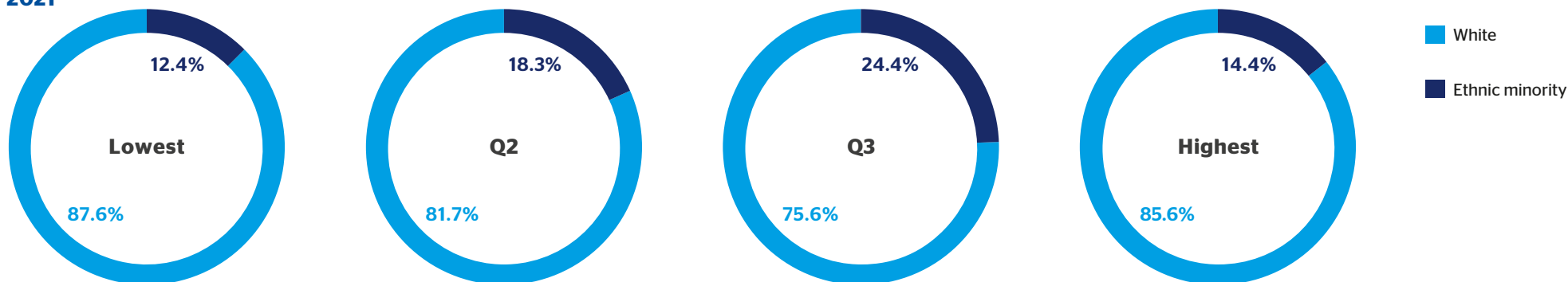
In July 2021, we published our first [Ethnicity Pay Gap report](#). We decided to do so to be open and transparent, and to hold ourselves to account. In the year that has followed, we have identified specific actions to address our ethnicity and bonus disparities which have resulted in our mean pay gap decreasing by 2%, a 22.8% reduction in our median bonus gap and improvement in our data collection with 86% of our people sharing their ethnicity data (from 80%).

The negative median pay gap shows that this gap is in favour of our ethnic minority population whereas the positive mean pay gap shows the opposite.



## Ethnicity representation by pay quartile

2021



2020



The increased representation in quartiles 2,3 and *Highest* have all contributed positively towards further reducing the mean pay gap.

When looking at our overall population, 17.6% of our UK population identify as Black, Asian or Mixed heritage compared to 16.9% in our 2020 data. There has also been an increase in ethnic diversity at senior levels from 9.3% in 2020 to 10.9%.

## Bonus Eligibility

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

**89%**  
**white**  
**employees**  
received a bonus

**83%**  
**ethnic minority**  
**employees**  
received a bonus

There has been an 8.1% increase in ethnic minority population receiving a bonus.

## Actions taken to drive change in 2021

- > Launched our global Cultural Accelerator programme which sought to better understand our culture and focus on the definition of our target culture and the steps to achieve this, which involved:
  - Articulating our refreshed DNA which describes who we are, what we stand for and how we need to operate to fulfil our purpose
  - Creating a shared language to help us call out and encourage the right behaviours.
- > Launched our new Inclusion of Diversity strategy which is focused on creating a diverse workforce, an inclusive workplace and a connected marketplace and has been brought to life through our vision JustBe@QBE
- > Introduced a more flexible approach to work by implementing our new Flex@QBE principles which modernises how and where work gets done
- > Extended our wellbeing offering and encouraged our people to self-select from a suite of wellbeing support depending on individual needs and circumstances
- > Launched Lead@QBE, a new dedicated programme encompassing personal leadership, wellbeing and inclusion to continually raise core standards of people leader capabilities.
- > Launched The Aspire Programme to build leadership capability for our Level 3 high-potential talent. The program links in design thinking to support our Talent, ESG, Customer@QBE and Culture Accelerator priorities.
- > Piloted a new Women in Leadership programme via everywoman.com. The everywoman of Influence Programme has been developed for women across any industry with executive potential. It builds on the leadership skills and experience delegates already have and shows them how to pivot to the next level of leadership
- > Continued to evolve our hiring practices to be more inclusive by:
  - Partnering with targeted recruitment agencies and job boards to ensure we are sourcing talent from a diverse talent pool
  - Ensuring gender diverse shortlists and interview panels - these have been in place for some time now, but we have chosen to introduce more structure around this process to further support senior representation levels
  - Reducing opportunities for pay inequality during our hiring - moving away from asking current salary details during the recruitment process as we know this can perpetuate existing gender and ethnicity pay inequalities

## **Actions taken to drive change in 2021** continued

- > Reviewed processes and practices across the employment life cycle to highlight and reduce opportunities for systemic bias, which included:
  - Partnering with an external consultancy to conduct research into our performance management processes to investigate the potential for racial inequality.
  - Introduced a tool that allows leaders to review promotion recommendations to ensure their decisions do not create or perpetuate any unintended pay disparities.
- > Focused on education and awareness with;
  - A Reverse Mentoring programme which paired some of our executive team with members of our ethnic diversity network, MIX, to give a better insight and understanding into their lived experiences.
  - A successful Schools Partnership Programme pilot which provided mentoring for students from ethnic backgrounds, followed by a 4-week paid work placement.

## Looking forward

In line with the launch of our Inclusion of Diversity strategy we have a number of initiatives in place to improve gender and ethnicity representation levels and reduce pay disparities whilst continuing to accelerate positive change.

- > Continuing to improve our diversity data capture to enable us to track and identify trends
- > Extending the quality and depth of talent conversations across the business to better identify and support career development and progression
- > Placing more of a focus on career and development conversations and encouraging our people to think broader in terms of their career opportunities
- > Implementing recommendations following the deep dive into ethnic minority experiences of our performance management processes
- > Exploring the potential for a Returnship programme to attract diverse talent back into the industry after a career/ extended break
- > Reviewing opportunities for more specific development programmes and initiatives targeting underrepresented groups (Black and Ethnic Minorities, Women). In particular via the use of the apprentice levy.
- > Integrating the School Partnership Programme for ethnic minority students into BAU and exploring a broader business case for early careers