



# People and culture

At QBE, we offer a dynamic, diverse and inclusive workplace where people can achieve their personal and professional ambitions. We believe that providing a great place to work, and investing in our people, are key to long-term sustainability.

## **Our QBE DNA**

We refreshed how we describe our culture in 2018 with the launch of our QBE DNA – seven interwoven cultural elements that together describe who we are, what we stand for and how we should operate to deliver our vision and strategic plan.

Our QBE DNA underpins everything we do, and we know that it is not just what we do, but how we do it that makes the difference. These seven cultural elements help us respond to the current and emerging needs of our people, customers, communities and other stakeholders across our business, and are key to aligning our risk and broader organisational cultures.



# Embedding effective risk management in our culture

The Board People & Remuneration Committee oversees our people strategy and progress, and our Group Board works to continually improve our understanding of risk culture and operating effectiveness.

In launching our QBE DNA, we embedded effective risk management practices into our expected behaviours for everyone across the Group. These expected behaviours are now included in all people related processes, including our Group Code of Ethics and Conduct.

To support the Group Board in understanding risk management in our culture, in 2018, we partnered with an independent consultant to co-facilitate a series of workshops exploring risk management practices and culture. Held across each of QBE's key locations, the workshops gave us a range of perspectives on how we manage risk and gauge risk awareness, attitudes and behaviours.

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## Our QBE DNA

**We are customer-centred**

**We are diverse**

**We are technical experts**

**We are fast-paced**

**We are courageous**

**We are accountable**

**We are a team**

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# Engaging our people

People are at the heart of our business. Creating an environment where our employees feel engaged, supported and equipped to do their best is essential to our success.

Across our divisions, our employee network groups empower employees to work together on issues they care about. These groups include MIX (multicultural), QBE Pride (LGBT+), Women's Initiative Network and The Circle (women) and Valour (veterans). Others include Workability focusing on both physical and mental disability.

We were delighted that our QBE Pride employee group in our Australian & New Zealand Operations was recognised as a joint winner of the Australian Human Resource Institute's Michael Kirby LGBTIQ Award for its work on the initiative "Bringing your 'whole self' to work: the power LGBT+ visibility has in driving an inclusive culture at QBE".

We use platforms such as Yammer and Microsoft Teams to support information sharing, group work and cross-enterprise discussion. We also engage employees through interactive forums, team meetings and networks that encourage two-way conversations. Our Group and divisional CEOs provide regular updates on Yammer, giving employees the chance to comment and ask questions about the business. Our executives also use town halls, focus groups and "YamJams" (online chat forums) to encourage employees to voice their thoughts and engage with their leaders.

Our annual QBE Voice employee survey focusses on issues such as employee engagement and enablement, organisational culture, leadership and management effectiveness, diversity and inclusion (D&I) and risk culture metrics. The survey gives our people the opportunity to tell us what it is like to work at QBE, and where we need to improve our workplace culture. We also used the survey to get a point-in-time view of the diverse composition of our workforce. Refer to [pages 45 to 46](#) for further information. In 2018, we achieved a strong response rate of 87%, with an overall engagement score of 66% and an enablement score of 69%. These results are in line with our 2017 scores.

Key insights from this year's survey showed that our people agree that their team is committed to delivering high quality products and services, that they are treated with respect as individuals and are enabled to meet their family and personal commitments. It was great to hear that our people increasingly feel their leaders place a high priority on ethics and integrity. Our people have also asked us to continue to improve their understanding of how we respond to changes in our business environment, our strategic priorities and how they link to their roles.

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# Investing in the growth of our people

We know that long-term, customised career development is crucial to employee satisfaction and retention, and we offer tools and resources to help our people identify and achieve their career goals. We encourage our employees to create a personal development plan with their manager, and use our talent management and succession-planning processes to identify high-potential employees and build their capability for future roles.

In 2018, we introduced a new interface for Learn@QBE, our online learning system with personalised and tailored learning programs based on an individual's preferences and their role. In our Australian & New Zealand Operations, Learning Month included masterclasses and learning labs promoting personal development, decision-making and strategic planning. Across our European Operations, we offered personal development and business skills workshops covering topics such as career conversations, dealing with change and resilience.

## Developing our leaders

In May 2018, we brought together our top 150 leaders from across the Group in a leadership forum. This enabled our senior leaders to better understand our progress on strategic priorities, their role in leading change to deliver on these priorities and developing our enterprise culture.

Throughout the year, each QBE division hosted a local leadership forum to reinforce our Group and divisional business strategy, align leadership teams and plan for the future.

In 2018, we launched Ascent, our people leadership essentials program which provides us with a globally consistent approach to defining and delivering core leadership skills across QBE. The program is targeted at mid-level leaders who are new to people leadership, or to QBE.

## Managing and rewarding performance

We foster a working environment where people and performance matter. Our Performance Management Process (PMP) ensures employees know what their role involves and how it links to overall business outcomes. It also makes sure our people get timely feedback and development support to help them perform at their absolute best. Each employee works with their manager to set annual objectives and development goals, which they discuss together at year-end. Along with business performance, their review forms the basis for a fair performance rating by their manager which

determines their level of annual incentive payment. Our PMP also tailors the weighting for individual performance to each employee's role and level.

After a recent review, we will be implementing a refreshed approach to performance management in 2019. This will reinforce the importance of giving and receiving feedback, with a more formal process to measure performance and behaviours consistent with our QBE DNA. It will incorporate an increased focus on personal and career development.

We recognise, reward and celebrate achievements and outstanding contributions. We strive to offer employees competitive financial benefits that reflect their efforts and accomplishments. Through our various programs, we also celebrate employees who consistently demonstrate our QBE DNA and continue to benefit our business and stakeholders. We also provide product discounts and a competitive range of benefits tailored to our employees' needs.

## Building our technical capabilities

We continue to develop our employees' core technical capabilities aligned to our focus on Brilliant Basics through specific programs such as the QBE Underwriting Academy Foundation Program, available through our European Operations. The Program establishes a consistent, replicable model of underwriting excellence that is raising the bar for our business, and our industry.

In addition, our Group Shared Services Centre (GSSC) delivered an insurance academy, offering general insurance industry knowledge with 26,000 hours' worth of online courses.

In 2018, we also focused on building the technical capability of our leaders. For example, our Claims leaders participated in a series of programs on business acumen delivered in our Australian & New Zealand Operations.



# Supporting health, safety and wellbeing



We actively promote the health, safety and wellbeing of all employees, contractors and visitors across our business, with the following core policies supporting our efforts:

- [Work Health and Safety \(WHS\) Policy](#);
- [Flex@QBE Principles](#); and
- [Group Code of Ethics and Conduct](#).

Our Group and divisional CEOs take executive-level responsibility for health, safety and wellbeing across the business. All people leaders are responsible for improving employee awareness of, and access to, relevant policies, processes and support.

Our global WHS Leadership Team exchanges initiatives and ideas from their respective divisions to enhance the offerings available to staff, and to mitigate risks that may arise. The team regularly reports their work to the QBE Group Board.

Across our divisions, our offices are either Green Star or LEED (Leadership in Energy and Environmental Design) certified. This translates to fresh and innovative office spaces that boost employee wellbeing through benefits such as superior indoor environment quality. Our office layouts encourage collaboration and interaction, making it easier to exchange information and share ideas.

We offer comprehensive, online ergonomic information, workstation setups and self-assessments. Each office location has a group of ergonomic site champions to help employees set up their workstations and provide ongoing guidance on posture. We also arrange regular site inspections to ensure the safety of our employees.

To help our people and their families live healthy, well-balanced lives, QBE provides a range of wellbeing support services, including stress management information and training, lifestyle benefits, health and nutrition programs, flexible working arrangements, childcare facilities and leave provisions. This creates a productive and health-promoting workplace where employees can prioritise health and reduce stress.

While each division takes a different approach, our wellbeing initiatives include:

- corporate health plans for discounted health insurance products;
- access to confidential external Employee Assistance Programs (EAPs) for counselling to support mental health;
- workplace health and safety training;

- a range of stress management programs, such as access to external life coaches, physiologists, resilience programs, seminars and training;
- health and wellbeing information on divisional intranet sites and Yammer groups on topics such as nutrition, healthy eating, weight loss, stress management, mental health and resilience;
- face-to-face mental health, resilience, and nutrition awareness sessions, workshops and online training;
- access to tools such as apps to reduce stress and improve resilience;
- onsite bootcamps, yoga, pilates, mindfulness meditation and cooking classes;
- discounted gym memberships, with some locations such as Sun Prairie in our North American Operations, offering an on-site, complimentary fitness centre for employees;
- health rebates towards healthy eating options and physical activity;
- health checks and flu vaccinations; and
- complimentary fresh fruit bowls.

## Flexible working at QBE

We create and maintain a diverse workforce by recognising and responding to people's needs at different stages of their lives. We also support flexible working to help employees balance personal obligations with their careers.

We have developed a new set of [Flex@QBE Principles](#) that outline the standards and values that underpin our approach to flexible working, linked to our QBE DNA. The principles guide both employees and people leaders as they carry out their respective roles and responsibilities.

Across our divisions, we also offer several childcare initiatives to support employees with family or carer responsibilities. Our European Operations offer childcare vouchers, and in our North American Operations, employees can access a Back-Up Care Advantage Program, which provides care when regular childcare is not available. Refer to [pages 44 to 46](#) for further information on metrics.

## Supporting financial literacy and wellbeing

QBE offers employees financial literacy initiatives to support their financial wellbeing. This includes one-on-one financial reviews, classes on financial budgeting and training on retirement planning (e.g. superannuation and pension fund management).



Globe icon denotes integration of WEPs

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# Diversity and inclusion

Without our diverse and inclusive workforce, we would not have the vast range of skills and experience to respond to challenges and opportunities, and service our customers. We embrace the diversity of all employees irrespective of visible and invisible differences, and believe this is essential to attract, retain and develop the best people.

## Our updated global policy

In 2018, we revised and relaunched our [Global Diversity and Inclusion Policy](#), which shares our commitment to promoting equality and embedding inclusion in our workplace. The Board People and Remuneration Committee oversees our strategy and progress and the Global D&I Council (comprising our Group Executive Committee) drives our agenda collectively and divisionally. We report our progress publicly through QBE's [Corporate Governance Statement](#).

## Promoting equality through advocacy

In 2018, we focused on strengthening our tone from the top with the launch of QBE Champions of Change – an initiative led by our Group CEO to encourage the top 50 senior leaders across the business to become powerful role models and champions of D&I, and to directly influence change.

Further, our Group Executive Committee has placed a higher level of visible sponsorship and accountability on issues relating to the progression of women in leadership and the fair treatment of all. This included our senior-level leadership advocating and signing up to external pledges such as Male Champions of Change in Australia, HM Treasury Women in Finance Charter in the United Kingdom, and the French LGBT+ charter (L'Autre Cercle). We continue to speak out and advocate on D&I issues through local partnerships such as those with Lloyd's Dive In festival, Female Founders in InsurTech, STEMConnector and Million Women Mentors in the United States.

## Equality in recruitment

In 2018, a major focus for us was promoting equality in our recruitment processes across our divisions. By having diverse shortlists and interview panels across both internal and external appointments, we have seen increased female representation and recruitment rates.

We also have a new standardised approach for filling our senior management roles. This aims to provide a consistent, positive experience for internal and external candidates to ensure fairness and objectivity. It incorporates standardised testing, interview guides and a process and decision-making framework.

## Diversity in our supply chain

We are committed to encouraging D&I in our supply chain. Our Supplier Sustainability Principles outline our desire to work with businesses that reflect the diverse nature of the communities we serve, including minority and first-nation businesses, disability and social enterprises, female-owned and/or led businesses, our community partners and other not-for-profit businesses. Refer to the [Operational excellence](#) section for further information.

## Addressing discrimination and equal employment opportunity

As part of QBE's commitment to treating people with respect and dignity as individuals, we do not tolerate any form of discrimination. Equal employment opportunity is key to our approach to workforce diversity, and we strive to be an equal opportunity employer wherever we are in the world.

Our European Operations received Disability Confident Committed status following discussions with the Workability network. Disability Confident is a United Kingdom government scheme aimed at helping employers make the most of the talents that disabled people can bring to the workplace.

In our Australian & New Zealand Operations, we worked with an external LGBT+ workplace inclusion partner, Pride in Diversity, to deliver a series of Transitioning in the Workplace awareness sessions. The sessions helped educate and raise awareness among employees about what it means to undertake a gender transition, and how all employees can help to ensure that a transitioning employee's return to the workplace is supportive and respectful.

QBE provides training and education on appropriate workplace behaviour and discrimination to all employees, and the [Group Whistleblowing Policy](#) details how to report incidents of discrimination.

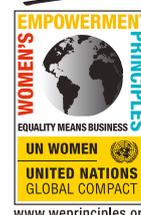
## Upholding human rights

Wherever we operate, we respect human rights and commit to avoid human rights harm.

We are committed to, and promote adherence to, internationally-recognised human rights principles to ensure dignity and equality for all our employees, customers, communities and suppliers.

For more information on how we manage human rights for our business, refer to the [Governance](#) section.

We support



Globe icon denotes integration of WEPS

**Progress on achieving our women in senior management goals**

Across the Group, we have a goal of achieving 35% of senior management roles being filled by women by 2020. In 2018, we achieved a 2% increase to 32%. This has been achieved through our ongoing focus on recruiting, selecting, promoting and developing our people, including our women.

**32%**  
of senior managers  
are women  
up 2% from in 2017



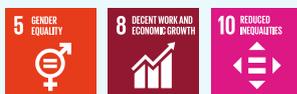
**Focusing on fair remuneration**

At QBE, we are committed to rewarding our employees fairly, and drive gender pay equity through regular analysis, monitoring and transparent communication.

In Australia, since 2012, we have measured the gender pay gap as required by the *Workplace Gender Equality Act 2012* (Cth) and reported our findings to the Workplace Gender Equality Agency. More recently, we have started reporting this in the United Kingdom under the Equality Act 2010.

In both instances, we measure the gap based on the requirement to report average salaries of males and females in the specified country. In 2018, we advanced our methodology to measure gender pay equity using multivariate regression analysis in our major markets of Australia, the United States and the United Kingdom. This allowed us to assess gender pay equity based on the key drivers of pay in our organisation, such as the role, location and performance of the employee. We were pleased that our analysis showed that we are only required to adjust the salaries of a relatively small number of male and female employees during the 2019 salary review process to ensure our employees are fairly remunerated.

We have also put in place initiatives to improve fair pay during the employee lifecycle, such as at the point of recruitment, and will continue to expand the analysis across the Group through 2019.



**Recognition for our D&I initiatives**

We were proud to be recognised as a top 200 company by Equileap in the 2018 Gender Equality Global Report & Ranking. It was the first year QBE has been included in the global ranking and highlights our focus on promoting gender balance and equality in the workplace. Being a signatory to the Women's Empowerment Principles (WEPs) in 2017 influenced our ranking. We continue to embed the WEPs into our business, to ensure that our workplace reflects our people, customers, partners and the broader community. We have also been included in the 2019 Bloomberg Gender-Equality Index for a second year, recognising our dedication to disclosure and commitment to gender equality.



**Action on domestic and family violence**

We are proud supporters of the International Day for the Elimination of Violence, and we believe that breaking the silence surrounding domestic violence is the first step towards helping people speak out where they are impacted. We support our employees who may be directly or indirectly impacted by domestic violence with a range of resources, including local policies offering leave provisions and financial assistance, and Employee Assistance Programs with specialised counselling services.



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# Our workforce

## Overall workforce <sup>1</sup>

# 12,452

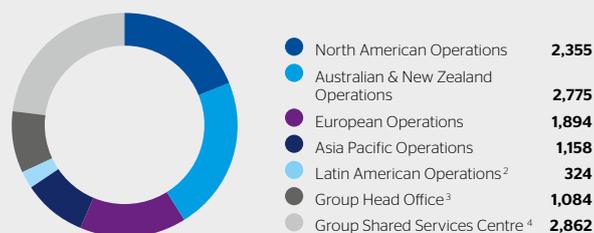
Total number of employees

**52.7%** Female

**47.3%** Male

<sup>1</sup> This includes permanent and fixed term, excludes casual/temp employees and contingent workers not directly employed by QBE.

## Geographic footprint by division



<sup>2</sup> Includes remaining employees as at 31 December 2018, including those in operations held for sale.

<sup>3</sup> Group Head Office employees are based across all regions.

<sup>4</sup> Group Shared Services Centre employees are based in the Philippines.

## Workforce (%) by employment level and gender <sup>4</sup>

	2018		2017		2016	
	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE
Level 0	11	89	11	89	10	90
Level 1	26	74	22	78	23	77
Level 2	26	74	22	78	23	77
Level 3	34	66	32	68	30	70
<b>Total % of women in senior management (Levels 0-3)<sup>5</sup></b>	<b>32</b>	<b>68</b>	<b>30</b>	<b>70</b>	<b>28</b>	<b>72</b>
Level 4	48	52	47	53	47	53
Level 5	56	44	55	45	56	44
Level 6	64	36	64	36	64	36
Women						
Workforce Total	53	47	53	47	53	47

<sup>4</sup> This includes permanent and fixed term, excludes casual/temp employees and contingent workers not directly employed by QBE.

<sup>5</sup> Women in senior management are defined as levels 0, 1, 2 and 3.

## Average tenure by gender across levels of workforce

AVERAGE TENURE (YEARS)	FEMALE	MALE	TOTAL
Level 0	2.2	4.4	4.2
Level 1	3.5	9.7	8.1
Level 2	6.0	8.6	7.9
Level 3	7.0	8.1	7.7
Level 4	7.1	7.1	7.1
Level 5	6.3	4.7	5.6
Level 6	5.9	4.2	5.3
Grand Total	6.4	6.0	6.2

### Workforce by age and gender

#### Overall workforce by age and gender<sup>1</sup>

HEADCOUNT NUMBER	FEMALE	MALE	TOTAL
<30	1,386	1,096	<b>2,481</b>
30-50	3,946	3,375	<b>7,321</b>
>50	1,232	1,418	<b>2,650</b>

1 This includes permanent and fixed term, excludes casual/temp employees and contingent workers not directly employed by QBE.

#### Overall workforce by average age

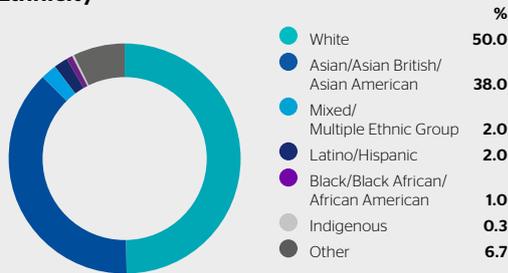
AVERAGE AGE	2018	2017
<b>Overall average age</b>	<b>40</b>	<b>40</b>
North American Operations	47	46
European Operations	40	40
Australian & New Zealand Operations	42	43
Asia Pacific Operations	41	41
Latin American Operations	40	38
Group Head Office	42	41
Group Shared Services Centre	32	31



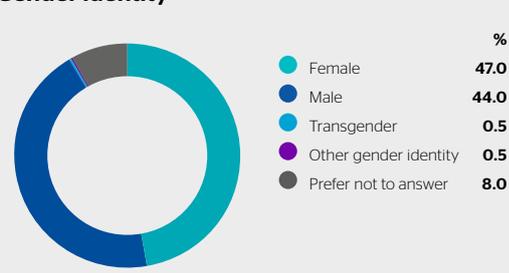
	HEADCOUNT %
<b>&lt;30</b>	
Female	56
Male	44
<b>30-50</b>	
Female	54
Male	46
<b>&gt;50</b>	
Female	46
Male	54

### Workforce diversity indicators<sup>2</sup>

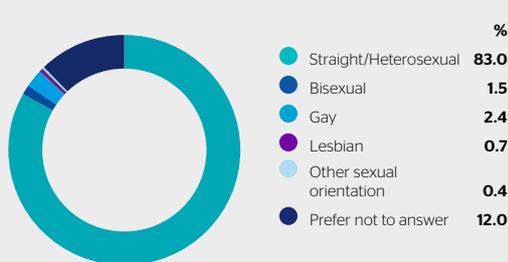
#### Ethnicity<sup>3</sup>



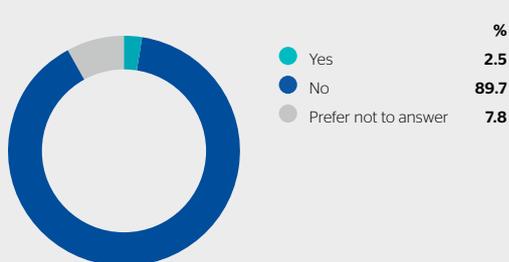
#### Gender identity<sup>4</sup>



#### Sexual orientation<sup>5</sup>



#### Disability<sup>6</sup>



2 The following information is at a point in time, collected anonymously and voluntarily as part of the annual QBE Voice employee survey completed in November 2018.

3 Based on % of survey respondents. Total survey respondents = 9,265. Papua New Guinea, Solomon Islands, Vanuatu, Fiji, French Polynesia and New Caledonia were excluded from this survey question.

4 Based on % of survey respondents. Total survey respondents = 8,942. Papua New Guinea, Solomon Islands, Vanuatu, UAE, Puerto Rico, India, Indonesia and Malaysia were excluded from this survey question.

5 Based on % of survey respondents. Total survey respondents = 8,873. Papua New Guinea, Solomon Islands, Vanuatu, UAE, Puerto Rico, India, Indonesia, Malaysia, Fiji, French Polynesia and New Caledonia were excluded from this survey question.

6 Based on % of survey respondents. Total survey respondents = 9,109.



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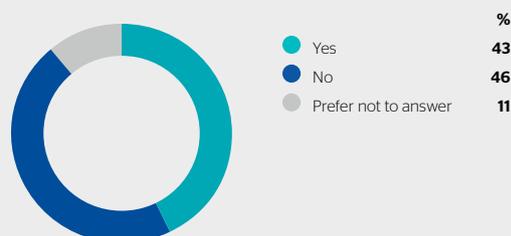
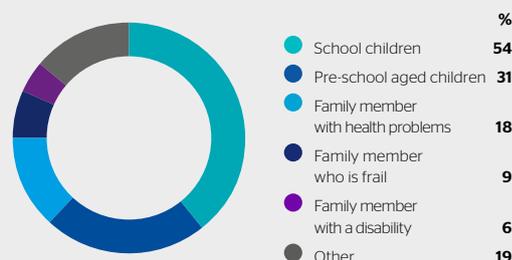
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## Our workforce (continued)

Workforce diversity indicators<sup>1</sup> (continued)Carer responsibility<sup>2</sup>Carer responsibility: care provided to<sup>3</sup>

1 The following information is at a point in time, collected anonymously and voluntarily as part of the annual QBE Voice employee survey completed in November 2018.

2 Based on % of survey respondents. Total survey respondents = 9,183.

3 Based on % of survey respondents. Total survey respondents = 3,946. Respondents were able to select multiple options, therefore the % does not add up to 100%.

## Diversity breakdown of workforce

PART-TIMERS	2018	2017
Female	484	555
Male	51	83
Total	535	638
Total Workforce	12,452	14,140
Part time %	4.3	4.5

**4.3%** of employees work part-time  
Down from 4.5% in 2017

Attrition<sup>4</sup>

	OVERALL TERMINATIONS <sup>5</sup>	VOLUNTARY ATTRITION <sup>6</sup> %	INVOLUNTARY ATTRITION <sup>7</sup> %	OVERALL ATTRITION %
<b>By gender</b>				
Female	1,804	14.5	11.8	26.2
Male	1,708	15.0	12.5	27.5
<b>Grand Total</b>	<b>3,512</b>	<b>14.7</b>	<b>12.1</b>	<b>26.8</b>
<b>By age</b>				
<30	737	21.4	9.3	30.7
30-50	2,213	14.6	13.4	28.1
>50	561	9.2	10.8	20.0
Unknown	1	0.0	200.0	200.0
<b>Grand Total</b>	<b>3,512</b>	<b>14.7</b>	<b>12.1</b>	<b>26.8</b>
<b>By region</b>				
Asia Pacific Operations	329	18.6	8.8	27.4
Australian & New Zealand Operations	498	12.4	5.9	18.4
European Operations	228	11.6	0.9	12.5
Group Head Office <sup>8</sup>	224	14.4	6.8	21.2
Group Shared Services Centre <sup>9</sup>	669	21.4	1.0	22.4
Latin American Operations <sup>10</sup>	1,253	17.0	122.0	139.0
North American Operations	311	8.8	4.1	12.9
<b>Grand Total</b>	<b>3,512</b>	<b>14.7</b>	<b>12.1</b>	<b>26.8</b>

4 This includes permanent employees, excludes fixed term and casual/temp employees as well as contingent workers not directly employed by QBE.

5 Overall terminations include both voluntary and involuntary numbers.

6 Voluntary terminations typically comprise resignations, contract terminations or voluntary retirement.

7 Involuntary terminations principally include those terminated through dismissal, redundancy or involuntary retirement.

8 Group Head Office employees are based across all regions.

9 Group Shared Services Centre employees are based in the Philippines.

10 High level of attrition in Latin America is due to the consolidation of the Group's divisional structure from six divisions to five and sale of some of our businesses.