

INVESTING FOR LONG-TERM SUSTAINABILITY

Managing our business for the long term requires investment in initiatives to reduce risk. That means improving safety on roads, in homes, in the community and in the workplace, reducing crime and minimising environmental impacts. That way we can help reduce the number of claims made in the first place. Some of the initiatives IAG undertook during the year are listed below.

The 'Safehome' partnership between NRMA Insurance and the Queensland Fire and Rescue Service is just one of the many initiatives in which we invest to help reduce risk in the community.



RECOGNITION

We are proud of the recognition we've received during the year:

- Qualified for the first time for inclusion in the **Dow Jones Sustainability Index**, a global index tracking the financial performance of the leading sustainability-driven companies.
- Listed in the 2007 **Global 100 Most Sustainable Corporations in the World** at the World Economic Forum by Corporate Knights and Innovest Strategic Value Advisors.
- Recognition as Ethical Investor's 2006 **Sustainable Company of the Year**.

INITIATIVES TO REDUCE ENVIRONMENTAL IMPACT:

- Announced our intention for the Group to become **carbon neutral** by 2012.
- Reduced our electricity consumption in Australia by 14%, reducing costs on our energy bills of \$630,000.
- Introduced a **fuel efficient saving** under which NRMA Insurance, SGIO and SGIC customers insuring cars with a fuel economy of 5.5 litres per 100 kilometres or better receive a saving on their comprehensive car insurance of approximately 10%.
- Trialling a **contents collection service** under which NRMA Insurance collects home insurance customers' damaged items and either re-uses or recycles them.
- Co-chaired the insurance working group to produce the **United Nations Environment Programme Finance Initiative (UNEP FI) 'Insuring for Sustainability'** report.

- Member of the Climate Change Adaptation Working Group of the **World Business Council for Sustainable Development**.
- Joined **Greenhouse Challenge Plus**, an Australian Government initiative which enables Australian companies to form working partnerships with the Government to improve energy efficiency and reduce greenhouse gas emissions.
- Wrote detailed submissions for the States' **carbon emissions trading schemes** and the Prime Minister's taskforce on emissions trading.
- Presented to the Prime Minister's **Science, Engineering and Innovation Council Working Group on Climate Change**.

COMMUNITY, SOCIAL AND CUSTOMER INITIATIVES:

- Introduced **Risk Radar for Business**, an online risk management tool available to CGU Business Insurance customers to help actively manage the safety, health and environmental issues in more than 500 business types.
- Participated in the **Business for Poverty Relief Alliance** working group and report.
- Deployed **crime prevention** vans to new areas of NSW.
- Granted over \$550,000 to more than **170 community groups** whose aim is to reduce risk.
- Continued the **'Prevent and Report Rural Crime'** partnership between CGU and the NSW Police Force.
- Continued the **'Safehome'** partnership between NRMA Insurance and the Queensland Fire and Rescue Service, with firefighters visiting 3,420 homes to provide free advice to householders on fire prevention for their property.

- Continued a five-year research project with the **Pain Management Research Institute** to reduce the emotional, physical, social and financial burden of pain from injuries sustained in the workplace or as a result of a car crash.
- Our employees **volunteered 10,734 hours** to charity organisations.

INITIATIVES TO BUILD A SUSTAINABLE WORKFORCE:

- Developed a Group-wide **Code of Ethics** to provide all employees with a framework to make good, informed business decisions and to act on them with integrity.
- Increased paid primary carers' **parental leave** from six weeks to 12 weeks.
- Prepared a Group-wide **Flexibility Skilling Programme** for all managers to address this skill gap.
- Continued to support and achieve positive results from a **Women's Career Development Programme**.
- Launched a **Stress Minimisation Programme** to help staff anticipate and manage work and life stress.
- Continued to expand the **CGU Academy**, which helps develop our people's technical insurance skills.
- Awarded **Employer of Choice for Women** status for the third consecutive year, by the Australian Government's Equal Opportunity for Women in the Workplace Agency.

Further information about our sustainability performance will be contained in our 2007 Sustainability Report, available from November 2007 at www.iag.com.au.