

# SAFETY, ENVIRONMENT, COMMUNITY

## REDUCING RISK IN OUR COMMUNITIES

Insurance Australia Group is strongly committed to achieving its business goals while protecting and promoting the social, economic and environmental wellbeing of the many communities in which we operate. Our aim is to create further value in the Company and for all stakeholders, including shareholders.

Our key focus areas for aligning shareholder and societal value are the environment and safety. This is a logical fit on two fronts. First, it makes sense to invest our efforts in areas in which we have expertise. This is where we will have the greatest impact. Equipped with our understanding of risk and claims, we can help make our roads, homes and communities safer.

Second, changes in the environment and safety factors such as crime have an enormous impact on our business. They influence our ability to calculate risk, pay claims and provide affordable insurance – our primary business purpose. By helping reduce environmental damage and improve safety in our communities, we will hopefully reduce their impact on our business in the years to come. This will cement our ability to pay claims and build value for our shareholders in the future.

Before committing to goals and actions in these key areas, we had to develop a deeper understanding of the social and environmental impacts of our business, including our environmental impact and our workplace safety record. Part and parcel of this process was building a new appreciation of how major societal issues and challenges, like climate change and crime, can affect our core business operations and stakeholder relationships.

Following our interrogation of these issues, we developed a Groupwide strategy to address the growing expectations of our people and the community for us to perform better on social and environmental issues. This is a long term strategy, although we have made important progress this year through the initiatives outlined below.

## IMPROVING SAFETY

Safety starts at home. We are Australasia's leading private sector provider of workers

compensation services, so the onus is on us to use our expertise and build leading safety practices in our own organisation. Our goal is simple: to ensure no employee at Insurance Australia Group suffers an accident in any of our workplaces.

During the past year, we have made significant inroads into improving our workplace safety. Our CEO is the Chief Safety Officer, signalling the importance of safety to the entire organisation. We initiated an audit of our safety performance, developed a safety programme that began with safety training for all managers, and established an Organisational Safety Committee. And we rolled out a safety charter, which provides the blueprint for developing and maintaining systems that will lead industry practice. Added to this, all New Zealand employees were given a home smoke alarm in May. IAG NZ's partner, NZ Fire Service, actively supported this initiative by making its personnel throughout the country available to employees who required assistance to fit an alarm.

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## Outside our own domain, we are looking to increase safety on the road, in the home and workplace.

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We have numerous education programmes and activities that aim to build awareness around how people can reduce risk in their lives and businesses. These include small business seminars, information on our website, and theft forums.

Our community programmes and partnerships also reflect our commitment. Our national Community Help and CrimeSafe grant programmes in Australia support local community projects and groups in their efforts to reduce crime. And through our new partnership with St John Ambulance – Australia's leading provider of first aid training services – we are promoting first aid courses and materials to our customers and our people across the country. By supporting St John's volunteer first aid and emergency services, and providing for local crime prevention initiatives, we go a long way

towards achieving our goal of making our communities safer for all.

Our community portfolio also includes important regional programmes and partnerships. These initiatives include NRMA Careflight Emergency Services helicopters in NSW and the ACT, Surf Life Saving in South Australia, and State Emergency Services and Kidsafe in Queensland, Western Australia and NSW.

## LOOKING AFTER THE ENVIRONMENT

The severe impacts suffered by the community as a result of extreme weather are compelling evidence of climate change at work. We are a leading advocate for reducing the risk of further climate change, which we discuss in more detail in an earlier section of this report. As an insurer, we also believe it is our responsibility to address our own energy efficiency, water usage, greenhouse gas emissions and product design, all of which have a significant impact on climate change. This year, we started down this path with recycling programmes, energy efficiency reviews, lower paper use targets and reduced travel.

Significantly, in May we also became signatories to the United Nations Environment Programme's Finance Initiative (UNEP FI). We are the only Australian-headquartered insurance company to be part of UNEP FI.

Our primary aspirational target is to reduce the amount of greenhouse emissions for each of our employees (our CO<sub>2</sub> footprint) by 15% in 2003/2004 and 10% in the following year, as measured by tonnes CO<sub>2</sub> per full-time equivalent position.

We are also working with other important stakeholders, such as our suppliers, to reduce their environmental impact. For example, we partnered with the smash repair industry to develop more efficient waste disposal and recycling strategies. And we launched the 'Greensafe' Car Profiler ([www.nrma.com.au/carprofiler](http://www.nrma.com.au/carprofiler)), which helps motorists compare the environmental, safety, economy and security features of a range of vehicles. This world-first online tool helps consumers make educated and environmentally aware decisions about their next car purchase.