

## APPLICATION LEVEL STATEMENT

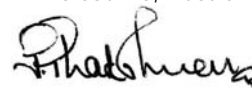
Insurance Australia Group (IAG) commissioned Net Balance Management Group Pty Ltd (Net Balance) to undertake a third-party application level check of its 2007/08 Online Sustainability Report ('the Report') against the requirements of the Global Reporting Initiative (GRI) G3 Guidelines. Specifically, adherence of the report to the key types of standard disclosures (Strategy and Profile; Management Approach; Performance Indicators) was examined. Adherence to the GRI requirements was classified during our review as PC-Partial Conformance; C-Conformance; NR-Not Reported; and NA – Not Applicable.

When the conformance levels are compared to the GRI G3 Standard Disclosure Criteria Table for determining an Application Level, the following observations are made:

- For the G3 Profile Disclosure output, IAG reports on all GRI items required for Application Level B. Partial Conformances are regarded as reported, but where improvements could be made;
- For the G3 Management Approach Disclosures output, IAG was found to have reported the management approach for each indicator category;
- For the G3 Performance Indicator & Sector Supplement Performance Indicators output, IAG reports on sufficient performance indicators for Application Level B; and
- IAG's report was externally assured.

According to the above observations, IAG's Application Level has been classified by Net Balance as B+. An Application Level of B+ demonstrates robust sustainability reporting and well developed reporting systems based on the GRI G3.

On behalf of the assurance team  
30<sup>th</sup> August 2008  
Melbourne, Australia



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