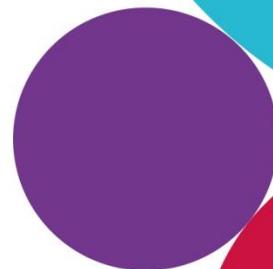
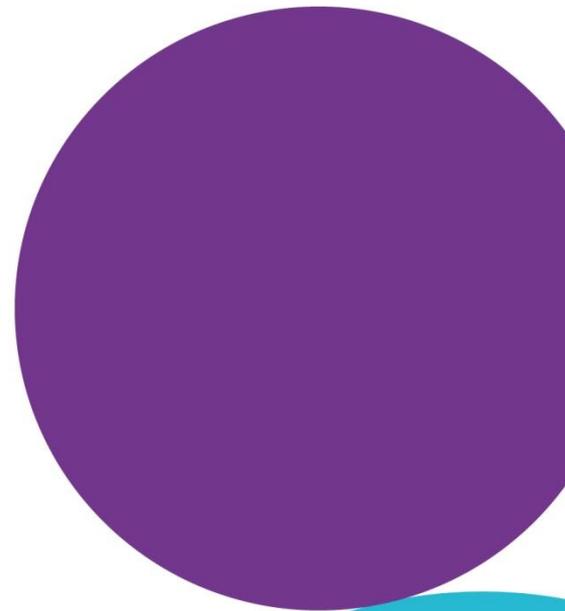
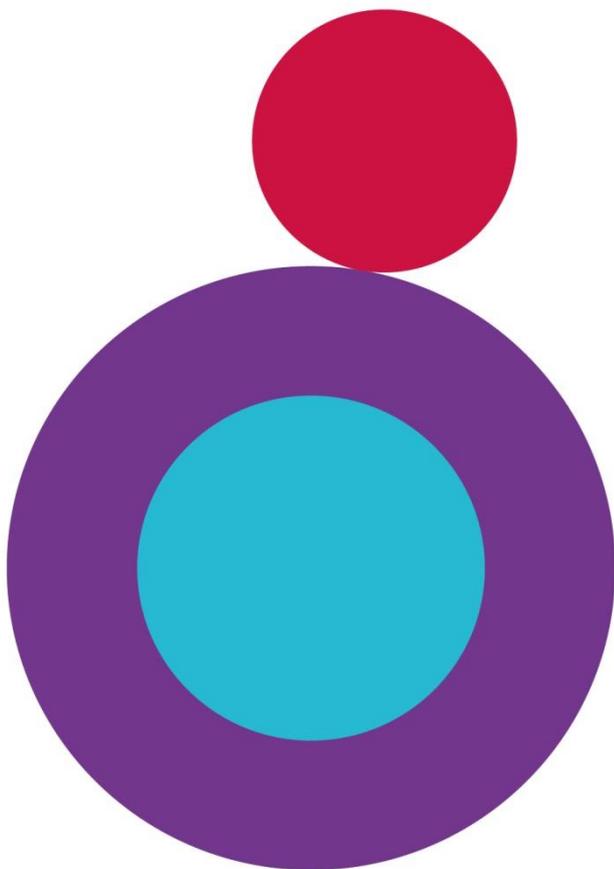

Group Social & Environmental Policy



Statement of purpose

Whether you are a customer, partner, employee, shareholder or part of the community, IAG exists to “make your world a safer place”. We believe pursuing this purpose will enable it to be a more sustainable business over the long term, and deliver strong and more consistent returns for its shareholders. Managing IAG’s performance on social and environmental issues is required for IAG to credibly deliver on this purpose and to maintain the trust that enables us to succeed in today’s operating environment.

This policy provides a framework for identifying and managing IAG’s direct and indirect social and environmental impacts, outlines IAG’s commitments on topical issues, and defines our approach to continuous improvement in our social and environmental performance.

It reflects IAG’s recognition of its social and environmental responsibilities, as well as our shared value approach – wherein we seek to create commercial value alongside positive societal outcomes by strategically pursuing work on important topics aligned to our Shared Value Framework.

This policy is intended to complement existing policies and governance functions that manage individual behaviour (such as our Code of Ethics & Conduct), our approach to specific topics (such as insurance access & affordability, climate change), and how social and environmental issues are managed by the business. The commitments in this Policy are not intended to create additional legal responsibilities for IAG.

Coverage

The Social and Environmental Policy applies to businesses under IAG’s majority ownership and/or operational control. We encourage our non-controlled entities and partners to align with expectations outlined in this policy.

List of topics

1. Aspects covered
2. Overview of administrative framework
3. Our social and environmental commitments
4. Roles and responsibilities
5. Reporting and Disclosure
6. Appendix I – Related Group policies on social and environmental topics

Aspects covered

Aspects considered in the development of this policy reflect our typical interactions of our business, including the potential positive and negative impacts from:

- The emissions and discharges from our operations;
- Our use of natural resources;
- Our role and social influence in the communities where we operate
- Our direct and indirect contribution to climate change and climate-related risks; and

- Our role and influence on businesses, organisations, governments, customers and communities where we operate, including our social impact on the community and our influence on the interactions these stakeholders have with the natural environment and ecosystem services.

Overview of administrative framework for social and environmental performance

Performance expectations for IAG's social and environmental management are informed by:

- the legal requirements where we operate,
- voluntary commitments our business has made,
- topic-specific Policies defined by the Group or specific to operations in our brands and partners,
- the identification and assessment of issues that are deemed to pose a material impact to our businesses or relate to strategic or commercial priorities, and
- the expectations of individual ethics and behaviour outlined in our Code of Ethics & Conduct.

IAG is committed to complying with, or exceeding, the requirements of legislation relevant in all areas in which we operate, including legislation regarding health and safety, labour, human rights, operating practices and environmental management. We prioritise our work based on the significance of aspects, alignment to our strategy and shared value approach, and the perspectives of key stakeholders.

Appendix I outlines existing and related policies and public commitments that indicate IAG's position on specific social or environmental issues.

Our social and environmental commitments

IAG is committed to pursue shared value opportunities, minimise the negative impacts of our business and pursue continuous improvement in our social and environmental performance. We do this by:

1. Managing our direct and indirect impacts

- We identify and implement measures to improve the resource efficiency of our operations, including through our use of water, energy and raw materials.
- We identify and implement measures to prevent, minimise and manage the impacts of emissions, discharges and waste from our operations.
- We explore and pursue opportunities to improve social and environmental performance in our value chain and sphere of influence. This includes through our procurement, supply chain, investments, partnerships and interaction with customers, as well as through our engagement with government and civil society. We focus on issues identified through our Shared Value Framework and prioritise those issues with key business or social imperatives.
- We develop and implement topic-specific frameworks and strategies to meet commitments we make on social and environmental issues that are critical to the business.

2. Supporting our people

IAG is committed to supporting our people on a range of topics, including health, safety and wellbeing; diversity, inclusion and belonging; and ethical labour and working conditions. Our commitments to our people are outlined in IAG's Code of Ethics & Conduct and specific people-related policies (see **Appendix I**).

3. Community engagement

- We recognise and respect the characteristics and history of the communities in which we operate and will operate in an ethical manner, with integrity and cultural sensitivity.
- We believe that ongoing stakeholder dialogue is essential for us to respond to the expectations of the community about how we manage our social and environmental impacts and to share our insights on risk management with the community.
- We engage internal and external stakeholders and communities on opportunities to create value for our customers, shareholders, people, partners and our community. We actively engage to guide our approach to social and environmental matters; and to communicate our activities and performance to the public.

3. Supporting our communities

As the leading general insurer in Australia and New Zealand, and with a growing presence in Asia, our role extends beyond creating insurance policies and paying claims. We are committed to use our scale and influence to help build safer, stronger and more confident communities.

At a global, national and local level, we work with people and organisations who are equally committed to reducing risks and improving resilience in communities. This includes through:

- Engaging broadly with communities to understand relevant issues and the role IAG can play in tackling them
- Work collaboratively with community, government and other organisations to foster community connection and resilience, through strategic partnerships and programs
- Enabling safer behaviour and environments at work, home and on our roads;
- Improving understanding and mitigating the impact of natural disasters and other disruptions;
- Tackling insurance access and affordability; and
- Managing our operations in a socially and environmentally sustainable manner.

5. Governance and accountability

- We maintain clear accountability within the business and develop responsibilities, processes and capacities to identify, manage and report on social and environmental performance. We continue to integrate measures to meet the commitments in this Policy into standard operations and processes in IAG's core business. **Appendix I** outlines this integration into key parts of our business. The process for identifying and responding to any breaches of this policy are thus incorporated into each connected policy
- We ensure the effective implementation of IAG's Social & Environmental Policy by identifying performance targets, and activities and processes to deliver on those targets. We prioritise our efforts on material impacts, risks and opportunities faced by our business or caused by our business.
- We seek to measure our positive and negative impacts on communities, resources and ecosystems, and the business implications of these impacts.
- We regularly review our management systems and performance, our compliance with the IAG Social & Environmental Policy, and our achievement against targets.
- We publicly disclose our performance on key issues.

Roles and responsibilities

The IAG Board has overarching responsibility for shared value and sustainability, which includes our social and environmental performance. This is explicitly stated in the IAG Board Charter, which requires monitoring of shared value and sustainability performance under the areas of shared value initiatives to create safer, stronger and more confident communities, as well as sustainability aspects under the areas of customer, workforce, community and environment. IAG's Chief Executive Officer and Managing Director is an IAG Board member and reports directly to the IAG Board Chairman.

To support the Board, initiatives to track and improve IAG's strategy and performance on social and environmental issues are actively set and monitored by our Shared Value Advisory Council, with input from forums such as the IAG Ethics Committee..

Group Shared Value assists the business to develop systems, tools and governance processes that support the implementation of this Policy and to track and report on our progress.

IAG's performance is reported to the Shared Value Advisory Council three times per year and annually to the IAG Board.

Reporting and Disclosure

IAG regularly reviews performance against social and environmental commitments, and publicly reports on our performance. Details of IAG's material environmental and social sustainability risks and performance, how IAG manages these risks and details of other shared value and sustainability activities can be found in the Annual Review & Sustainability Report and in the shared value area of our website (<https://www.iag.com.au/creating-shared-value>).

An independent third party is used for the verification of IAG's shared value and sustainability performance data each year (which includes our social and environmental performance). The independent assurance statement from Ernst & Young (EY) can be viewed at <http://www.iag.com.au/shared-value/our-performance>.

Authorisation Ownership and Document Control

This policy will be reviewed every two years.

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| Date Policy Approved | 16/08/2017 |
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| Delegated Approver | Jacki Johnson |
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Review history

| Date of Review | Action Taken | New Version | Date Approved | New Effective Date |
|----------------|--|-------------|----------------|--------------------|
| 9 June 2017 | Updated S&E Policy from IAG's Environmental Commitment | V1.0 | 16 August 2017 | 16 August 2017 |

Further information

Contact: Responsible Business Specialists, Group Shared Value, PP&R (sharedvalue@iag.com.au)

IAG Social & Environmental Policy

Appendix I – Related documents on social and environmental commitments



| IAG document type | Title |
|---|---|
| Related Group policies | <ul style="list-style-type: none"> • IAG Code of Ethics & Conduct • IAG Group Risk Management Framework • IAG Group Investment Policy • IAG Continuous Disclosure Policy • IAG Fraud Risk Management Framework • IAG Group Anti-Money Laundering & Counter Terrorism Financing Policy • IAG Group Workplace Health & Safety Policy • IAG Group Whistleblower Policy |
| Other policies, frameworks and strategies | <ul style="list-style-type: none"> • IAG Shared Value Framework • IAG Reconciliation Action Plan • IAG Foundation Board Charter • IAG Public Policy on Climate Change • IAG Australia Procurement Policy |

| Industry initiative | Nature of commitment | Reporting requirement |
|---|---|---------------------------------------|
| United Nations Environment Programme Principles for Sustainable Insurance | Implement and disclose performance against the principles <i>More information:</i> http://www.unepfi.org/psi/ | Annual. (Start: 2012) |
| United Nations Principles for Responsible Investment | Implement and disclose performance against the principles <i>More information:</i> https://www.unpri.org/ | Annual. (Start: 2012) |
| Geneva Association Climate Risk Statement | Signatory in support of statement <i>More information:</i> https://www.genevaassociation.org/ | None |
| Victorian Government Take2 Pledge | Disclose emissions reductions activities on website <i>More information:</i> https://www.take2.vic.gov.au/ | Once-off (2016). Voluntary updates |
| IAG shared value commitments (voluntary) | Implement and disclose performance on voluntary performance targets <i>More information:</i> https://www.iag.com.au/shared-value/our-commitments | Bi-annual (2016) |

In addition to these policies, frameworks and commitments, IAG may periodically disclose public performance targets related to social and environmental issues in our financial and corporate reports. These will be communicated on our website.