

Independent Limited Assurance Statement to the Board and Management of Insurance Australia Group Limited ('IAG')

What our review covered

Our Conclusion

Based on the limited assurance procedures conducted, nothing has come to our attention that causes us to believe that, for the year ended 30 June 2017, selected disclosures in IAG's Creating Shared Value section of its 2017 Annual Review and Sustainability Report have not been reported and presented fairly, in all material respects, in accordance with IAG's criteria for reporting.

Ernst & Young ('EY') was engaged by IAG to undertake limited assurance over selected disclosures in the 'Creating Shared Value' section of IAG's 2017 Annual Review and Sustainability Report, and associated online content, ('the Report'). The Subject Matter for our limited assurance engagement for the year ended 30 June 2017 for Australia, New Zealand, and Asia was limited to:

- ▶ All customer, community, workforce, and environmental quantitative indicators contained in the 'Creating Shared Value' online content (www.iag.com.au/shared-value/our-performance)
- ▶ The consolidated metrics presented throughout the 'Creating Shared Value' section of IAG's '2017 Annual Review and Sustainability Report'

Criteria applied by IAG

The following criteria have been applied:

- ▶ IAG's own reporting criteria (as established and set out in 'IAG Data Summary and Glossary of Terms' www.iag.com.au/shared-value/our-performance)
- ▶ The Global Reporting Initiative's G4 Reporting Principles for Defining Report Content of Stakeholder Inclusiveness, Sustainability Context, Materiality, and Completeness.

Key responsibilities

EY's responsibility and independence

Our responsibility was to express a limited assurance conclusion on the materiality process, selected material topics and associated disclosures, and a selection of performance metrics.

We were also responsible for maintaining our independence and confirm that we have met the independence requirements of the APES 110 Code of Ethics for Professional Accountants and have the required competencies and experience to conduct this assurance engagement.

IAG's responsibility

The management of IAG is responsible for the preparation and fair presentation of the Subject Matter in accordance with the Criteria, and is also responsible for the selection of methods used in the Criteria. No conclusion is expressed as to whether the selected methods are appropriate for the purpose described above. Further, IAG's management is responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Subject Matter that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate criteria; maintaining adequate records and making estimates that are reasonable in the circumstances.

Our approach to conducting the review

We conducted this review in accordance with the *International Standard on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* (ISAE 3000), *Assurance Engagements on Greenhouse Gas Statements* (ISAE 3410), and the terms of reference for this engagement as agreed with IAG.

Summary of review procedures performed

- ▶ EY conducted interviews with key personnel to understand the process for collecting, collating, and reporting the Subject Matter during the reporting period
- ▶ Checked that the data collection process and calculation criteria had been applied in accordance with the methodologies outlined in the Criteria
- ▶ Undertook analytical review procedures to support the reasonableness of the data
- ▶ Checked the accuracy of calculations performed
- ▶ Obtained and reviewed evidence to support key assumptions in calculations and other data or statements
- ▶ Identified and tested assumptions supporting calculations
- ▶ Checked whether data and statements had been correctly transcribed from corporate systems and/or supporting evidence into the Report
- ▶ Reviewed the presentation of claims, case studies, and data against the relevant GRI G4 Reporting Principles contained in the criteria
- ▶ Determined whether material topics and performance issues identified during our procedures had been adequately disclosed

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.



Adam Carrel
Partner
Sydney, Australia



Ernst & Young
22 August 2017

Limited Assurance

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

Use of our Assurance Statement

We disclaim any assumption of responsibility for any reliance on this assurance report to any persons other than management and the Directors of IAG, or for any purpose other than that for which it was prepared.

Our review included web-based information that was available via web links as of the date of this statement. We provide no assurance over changes to the content of this web-based information after the date of this assurance statement.