



IAG Environmental, Social and Governance (ESG) Data Summary FY20: Group

Please refer to our [Glossary of Terms](#) below for details on the scope and boundaries of IAG's non-financial data, as well as definitions and inclusions/exclusions for each indicator. Where Group performance data is not indicated for prior years; performance by country for each indicator is disclosed from Page 2.

| IAG Group Indicator ¹ | FY20 | FY19 | FY18 | FY17 | FY16 |
|---|---------------|---------------|---------------|---------------|---------------|
| Business volume (million) | 15.0 | 15.3 | 17.2 | 17.1 | 17.2 |
| Total Community Investment (AUD \$ million) | 20.4 | 10.4 | 8.0 | 8.9 | 9.8 |
| Headcount | 11,796 | 11,126 | 13,638 | 14,757 | 15,777 |
| Part-time employment | 15% | 17% | N/R | N/R | N/R |
| Full Time Equivalent (FTE) | 10,882 | 10,196 | 12,295 | 13,232 | 14,144 |
| Staff Turnover | 11% | 15% | 16.1% | 21.9% | 18.2% |
| Absenteeism | 3.7% | 4.1% | 4.3% | 4.2% | 4.5% |
| Male : Female salary ratio (average) (AUD \$) (General Employees) | 1.15 | 1.16 | N/R | N/R | N/R |
| Male : Female salary ratio – Position in Range (AUD \$) (General Employees) | 1.00 | 1.00 | N/R | N/R | N/R |
| Women in the workforce | 58% | 58% | 58% | 58% | 59% |
| Women in senior management positions ² | 41% | 37% | 35% | 34% | 32% |
| Lost Time Injury Frequency Rate (LTIFR) | 1.11 | 1.01 | 1.86 | 1.47 | 1.67 |
| Scope 1 Tonnes CO ₂ e emissions | 6,716 | 8,357 | 11,461 | 12,368 | 13,028 |
| Scope 2 Tonnes CO ₂ e emissions | 14,562 | 18,100 | 22,738 | 26,088 | 29,112 |
| Scope 3 Tonnes CO ₂ e emissions | 11,606 | 21,721 | 23,498 | 19,172 | 22,393 |
| Total Tonnes CO₂e emissions | 32,885 | 48,177 | 57,696 | 57,629 | 64,533 |

¹ Group data from FY16-FY18 includes our Asian Businesses – namely Safety Insurance in Thailand, AAA Assurance Corporation in Vietnam, PT Asuransi Parolamas in Indonesia and IAG's Asia head office in Singapore. On 19 June 2018 IAG announced the selling of its operations in Thailand, Indonesia and Vietnam, hence from FY19, we no longer report non-financial data for these business units. The exception is Women in senior management, where for FY20 the Singapore office was included in the calculation in order to ensure consistency of how this metric is reported throughout the organisation (only a single individual from the Singapore office qualified for inclusion so the impact is not material). However, from FY21 we will review the reintegration of the Singaporean workforce to our ESG reporting to ensure complete coverage.

² From FY19, this group metric is consistent with the definitions of the Australian Workplace Gender Equality Agency (WGEA) criteria, which considers new roles and reporting levels to qualify as “senior management” (applied to a specific career band and within three reporting steps from the group CEO). IAG's use of the WGEA criteria aims to be consistent with changes experienced throughout Australia's workforce and aligned to the philosophy and intent of WGEA reporting.

IAG ESG Data Summary FY20: By Country

The data in the tables below have been validated by an independent third party, Ernst & Young, who have undertaken limited assurance of selected disclosures relating to our Safer Communities reporting for the year ended 30 June 2020. For commentary on our ESG performance and variation for years prior to FY20, please see our previous Data Summaries on the Safer Communities section of www.iag.com.au.

| | AUSTRALIA | | | | | NEW ZEALAND | | | | |
|--|-------------------|-------------|-------------|-------------|-------------|------------------|------------|------------|------------|------------|
| | FY20 | FY19 | FY18 | FY17 | FY16 | FY20 | FY19 | FY18 | FY17 | FY16 |
| CUSTOMER | | | | | | | | | | |
| Business volume (million) | 11.7 | 11.8 | 12.1 | 12.0 | 12.1 | 3.4 | 3.4 | 3.5 | 3.5 | 3.4 |
| Risks in force for personal lines (million) | 10.7 | 10.8 | 10.9 | 10.7 | 10.3 | 3.2 | 3.2 | 3.3 | 3.2 | 3.2 |
| Policies in force for commercial lines (million) | 0.9 | 1.0 | 1.2 | 1.3 | 1.8 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Customer Advocacy Scores³ | | | | | | | | | | |
| Strategic Net Promoter Score | +23 ⁴ | +21 | +21 | +22 | +22 | +18 | +9 | N/R | N/R | N/R |
| Heartbeat / Interactive Net Promoter Score | +49 ⁵ | +43 | +40 | +41 | +45 | +50 | +46 | +41 | +41 | +34 |
| Direct Insurance / Interactive Customer Advocacy Score | N/A | N/A | N/A | N/A | N/A | +47 ⁶ | +51 | +38 | +42 | N/A |
| NZI Broker Score | N/A | N/A | N/A | N/A | N/A | +27 | +10 | -11 | +4 | +26 |
| COMMUNITY | | | | | | | | | | |
| Total Community Investment (AUD \$ / NZD \$ million) | 19.7 ⁷ | 9.3 | 6.8 | 7.4 | 8.0 | 0.7 | 1.2 | 1.2 | 1.5 | 1.8 |

³ As of FY20, both Australia and New Zealand use a rolling 12-month figure to disclose our performance on Strategic NPS, Interactive NPS, and the NZI Broker score.

⁴ +23 is based on both personal & commercial insurance lines for IAG's Australian brands NRMA & CGU, and the personal insurances lines for Australian brands Coles, SGIO & SGIC.

⁵ +49 is a weighted average score for all IAG Australian business and consumer brands for full FY20 performance.

⁶ The Direct Insurance / Interactive Customer Advocacy is a point in time score as at June 2020.

⁷ Part of the increase in Community Investment from FY19 was driven by a \$4m investment to address family and domestic violence and mental health through the Safer Homes Fund supporting The Full Stop Foundation and Lifeline. You can read more about IAG's involvement in these programs in the IAG Annual Review and Safer Communities report, which is published at www.iag.com.au.

| | AUSTRALIA | | | | | NEW ZEALAND | | | | |
|--|-----------|------------------|-------|-------|--------|-------------|-------|-------|-------|-------|
| | FY20 | FY19 | FY18 | FY17 | FY16 | FY20 | FY19 | FY18 | FY17 | FY16 |
| WORKFORCE | | | | | | | | | | |
| Headcount | 8,481 | 8,015 | 8,390 | 9,279 | 10,101 | 3,315 | 3,111 | 3,366 | 3,526 | 3,630 |
| Part-time employment | 18% | 20% | 19% | 19% | 18% | 9% | 9% | 8% | 8% | 8% |
| Full Time Equivalent (FTE) | 7,729 | 7,243 | 7,513 | 8,235 | 8,970 | 3,153 | 2,953 | 3,184 | 3,357 | 3,453 |
| Staff turnover | 11.1% | 14.9% | 21.7% | 19.5% | 17.9% | 10.8% | 15.4% | 18.1% | 20.7% | 17.3% |
| Employee initiated | 7.9% | 11.0% | 12.9% | 15.2% | 12.4% | 9.5% | 11.8% | 16.1% | 16.4% | 16.1% |
| Employer initiated | 3.2% | 4.0% | 8.9% | 4.3% | 5.5% | 1.3% | 3.5% | 2.0% | 4.3% | 2.7% |
| Employee initiated <1 Year | 23.3% | 31.2% | 34.5% | 33.3% | 27.2% | 1.8% | 2.1% | 4.0% | 3.3% | 3.2% |
| Absenteeism | 3.9% | 4.2% | 4.5% | 4.7% | 4.5% | 3.4% | 3.8% | 3.9% | 4.0% | 4.0% |
| Male to female salary ratio (average) (AUD \$ / NZD \$) | | | | | | | | | | |
| General Employees | 1.10 | 1.12 | 1.13 | 1.14 | 1.14 | 1.23 | 1.24 | 1.23 | 1.24 | 1.26 |
| Managers / Senior specialist | 1.07 | 1.08 | 1.07 | 1.11 | 1.12 | 1.15 | 1.12 | 1.17 | 1.23 | 1.22 |
| Senior Manager | 1.02 | 1.02 | 1.02 | 1.07 | 1.07 | 1.04 | 1.11 | 1.12 | 1.19 | 1.23 |
| Heads Of / General Manager | 1.01 | 1.01 | 0.96 | 1.02 | 1.08 | N/R | N/R | N/R | N/R | N/R |
| Male to female salary ratio – Position in Range (AUD \$ / NZD \$) | | | | | | | | | | |
| General Employees | 1.00 | 1.00 | 0.99 | 1.00 | 1.00 | 1.00 | 1.00 | 0.99 | 1.00 | 1.00 |
| Managers / Senior specialist | 1.04 | 1.05 | 1.04 | 1.05 | 1.06 | 1.03 | 1.02 | 1.05 | 1.03 | 1.04 |
| Senior Manager | 0.98 | 0.97 | 0.98 | 1.04 | 1.03 | 1.02 | 1.07 | 1.11 | 1.12 | 1.03 |
| Heads of / General Manager | 1.02 | 1.03 | 0.99 | 1.03 | 1.10 | N/R | N/R | N/R | N/R | N/R |
| Women in the workforce | 58% | 58% | 58% | 59% | 60% | 58% | 58% | 58% | 59% | 60% |
| Women in senior management positions | 41% | 36% | 35% | 35% | 33% | 41% | 35% | 40% | 38% | 36% |
| Women in executive positions | 33% | 22% ⁸ | 20% | 17% | 21% | N/A | N/A | N/A | N/A | N/A |
| Women on the board | 40% | 40% | 40% | 33% | 25% | N/A | N/A | N/A | N/A | N/A |

⁸ FY19 restated from 20% to 22%: a male non-executive director was incorrectly assigned to the senior executive group.

| | AUSTRALIA | | | | | NEW ZEALAND | | | | |
|---|---------------|--------------------|---------------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|
| | FY20 | FY19 | FY18 | FY17 | FY16 | FY20 | FY19 | FY18 | FY17 | FY16 |
| LTIFR | 1.47 | 1.20 | 2.10 | 2.39 | 1.92 | 0.20 | 0.56 | 0.92 | 0.52 | 1.01 |
| ENVIRONMENTAL | | | | | | | | | | |
| Scope 1 Tonnes CO ₂ e emissions | 5,686 | 7,121 | 7,914 | 8,596 | 9,240 | 1,030 | 1,236 | 1,329 | 1,479 | 1,683 |
| Scope 2 Tonnes CO ₂ e emissions | 14,025 | 17,397 | 20,059 | 23,134 | 25,679 | 537 | 702 | 816 | 941 | 1,144 |
| Scope 3 Tonnes CO ₂ e emissions | 8,431 | 17,684 | 18,519 | 16,160 | 18,599 | 3,175 | 4,036 | 4,039 | 2,180 | 2,426 |
| Total Tonnes CO₂e emissions | 28,142 | 42,202 | 46,493 | 47,890 | 53,518 | 4,743 | 5,975 | 6,184 | 4,600 | 5,253 |
| Tonnes CO ₂ e emissions / FTE | 3.6 | 5.8 | 6.2 | 5.8 | 6.0 | 1.5 | 2.0 | 1.9 | 1.4 | 1.5 |
| Electricity MWh | 15,380 | 18,279 | 21,510 | 24,579 | 27,337 | 5,501 | 6,081 | 6,853 | 7,228 | 8,293 |
| Electricity MWh / FTE | 2.0 | 2.5 | 2.9 | 3.0 | 3.0 | 1.7 | 2.1 | 2.1 | 2.2 | 2.4 |
| Natural Gas GJ | 1,598 | 1,550 ⁹ | N/R | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Building refrigerants tonnes | 0.9 | 1.4 | 2.2 | 2.7 | 2.0 | N/R | N/R | N/R | N/R | N/R |
| Building refrigerants KG / FTE | 0.1 | 0.2 | 0.3 | 0.3 | 0.2 | N/R | N/R | N/R | N/R | N/R |
| Fuel consumption KL | 2,165 | 2,785 | 3,145 ¹⁰ | 3,457 | 3,783 | 445 | 534 | 570 | 631 | 725 |
| Fuel consumption KL / vehicle | 1.8 | 2.1 | 2.3 | 2.2 | 2.3 | 1.4 | 1.7 | 1.6 | 1.7 | 1.7 |
| Air travel (thousands) KM | 16,640 | 35,122 | 41,181 | 35,667 | 41,790 | 8,772 | 10,888 | 11,899 | 6,500 | 8,195 |
| Air travel KM / FTE | 2,153 | 4,849 | 5,481 | 4,331 | 4,659 | 2,782 | 3,687 | 3,737 | 1,936 | 2,373 |
| Taxi travel (thousands) KM | 299 | 610 | 940 | 944 | 1,356 | N/R | N/R | N/R | N/R | N/R |
| Taxi travel KM / FTE | 39 | 84 | 125 | 115 | 151 | N/R | N/R | N/R | N/R | N/R |
| Rental car (thousands) KM | 212 | 253 | 372 | 400 | 234 | N/R | N/R | N/R | N/R | N/R |
| Rental car KM / FTE | 27 | 35 | 50 | 49 | 26 | N/R | N/R | N/R | N/R | N/R |

⁹ Natural Gas was first included in our reporting metrics from FY19 after several individual sites directly owned or controlled by IAG had new gas accounts set up.

¹⁰ Fuel data for salary package vehicles was included for the first time in FY18. To ensure like-for-like comparisons, all prior year fuel figures were re-stated to include salary package vehicle fuel usage.

| | AUSTRALIA | | | | | NEW ZEALAND | | | | |
|----------------------------------|-----------|----------------------|----------------------|-----------------------|--------|-------------|-------------------|-------|-------|-------|
| Water kL | 27,108 | 44,550 ¹¹ | 72,917 ¹² | 103,118 ¹³ | 93,719 | N/R | N/R | N/R | N/R | N/R |
| Water kL / FTE | 3.51 | 6.15 | 9.7 | 9.6 | 10.5 | N/R | N/R | N/R | N/R | N/R |
| Recycled Waste tonnes | 398 | 611 | 767 | 997 | 1,064 | 122 | 142 ¹⁴ | 252 | 267 | 461 |
| Recycled Waste KG / FTE | 51.5 | 84.3 | 102.1 | 121.1 | 118.6 | 38.6 | 48.2 | 79.13 | 79.52 | 133.5 |
| General Waste tonnes | 421 | 547 | 648 | 743 | 858 | 76 | 116 ¹⁴ | 121 | 128 | 154 |
| General Waste KG / FTE | 54.4 | 75.5 | 86.2 | 90.2 | 95.6 | 24.2 | 39.3 | 38.1 | 38.2 | 44.6 |
| Office paper tonnes | 51 | 81 | 108 | 169 | 222 | 13 | 19 | 26 | 38 | 58 |
| Office paper KG / FTE | 6.6 | 11.1 | 14.4 | 20.5 | 24.7 | 4.2 | 6.6 | 7.9 | 11.2 | 16.9 |
| Print paper tonnes | 312 | 556 | 822 ¹⁵ | 539 | 705 | 100 | 137 | 135 | 143 | 243 |
| Print paper KG / Business Volume | 0.03 | 0.05 | 0.07 | 0.04 | 0.06 | 0.03 | 0.04 | 0.04 | 0.04 | 0.1 |

Legend

N/R Not Reported
N/A Not Applicable

¹¹ FY19 water usage has been restated from 57,196 to 44,550 kL. The downward revision was necessitated due to a data processing error for water usage at our Sydney Head Office covering the period May 2018 – June 2019. This has now been corrected.

¹² FY18 water usage was re-stated from 84,922 kL to 72,917 kL. This is due to readjustments and duplications removed in the data at our former Sydney head office.

¹³ FY17 water usage was re-stated from 78,669 to 103,118 kL. This is due to updated invoices for water usage at our former Sydney head office.

¹⁴ In FY18, due to a change in waste supplier creating issues with data quality, FY18 values for waste and recycling in New Zealand were estimated based on previous consumption and changes to FTEs. With actual data available for key sites in FY19, estimates based on the waste intensity per the FTE's allocated to these sites were calculated and applied across the rest of our New Zealand property portfolio in order to get a more accurate figure on our performance.

¹⁵ Print Paper usage was restated from 844 tonnes to 822 tonnes due to an over-reporting of projected Print Paper volumes that exceeded the actual amounts used. Note that due to the relative immateriality of this quantity, we have not readjusted our FY18 Scope 3 emissions to account for this lower quantity of paper.

IAG FY20 Non-financial ESG reporting

Below are details of the definitions used in the content and calculation of data represented in the non-financial figures, graphs and charts in sections of this Data Summary, the IAG website, and the IAG Annual Review and Safer Communities report.

Reporting boundaries

IAG's non-financial environmental, social and governance (ESG) indicators pertain to the Australian and New Zealand IAG businesses unless otherwise stated.

- Australian brands included in the data are NRMA Insurance, SGIC, SGIO, Coles Insurance, CGU, Swann Insurance and WFI brands unless otherwise stated.
- New Zealand brands included in the data are State, AMI, NZI and Lumley unless otherwise stated.

The Asian businesses IAG owned and operated until 19 June 2018 (namely the Thai brand Safety Insurance, the Vietnamese brand AAA Assurance Corporation and the Indonesian brand PT Asuransi Parolamas) are no longer part of IAG's non-financial reporting scope since they have been divested. Historic figures for these businesses can be found in our previous Data Summaries on the Safer communities section of www.iag.com.au.

IAG acquired the MotorServe car servicing business in January 2020 alongside the Repairhub smash repairs business that was acquired in April 2019. Given the focus on transitional arrangements and gradual operational ramp up in these businesses, IAG have not collected data for FY20. We intend to disclose this data in future years.

Estimation and extrapolation methodologies

Where we have not been able to collect full year data for an indicator, the disclosed figure has been estimated. The methodologies used to estimate for final quarter data have, where appropriate, accounted for reduced occupancy levels throughout the property portfolio as a result of the move to working from home due to the COVID-19 pandemic. Estimates were applied in the following cases:

Australia

- Final month or final quarter (dependent on the timing of billing) electricity consumption data that was not available within the reporting timeframes for certain sites. Where data was not available this has been estimated based on the average consumption of the previous month.
- For sites not included in the monthly electricity reporting process, consumption has been estimated using an equivalent floor space model and property type.
- For sites not included in the monthly waste and recycling reporting process the waste and recycling tonnage has been estimated using an equivalent FTE model and property type.
- For sites not included in the water reporting process water consumption has been estimated using an equivalent FTE model.
- For car hire, activity data has been estimated using an equivalent FTE model.

New Zealand

- Final month or final quarter (dependent on the timing of billing) electricity consumption data that was not available within the reporting timeframes for certain sites. Where data was not available this has been estimated based on the average consumption of the previous period.
- For sites not included in the monthly waste and recycling reporting process the waste and recycling tonnage has been estimated using an equivalent FTE model.

Climate Metrics

Other climate-related metrics that are not included within this ESG data summary are the 'Normalised Carbon Footprint Equity Portfolio,' and 'Investment Portfolio Exposure to Higher Risk Companies.' These are defined and reported on within our comprehensive Climate-related disclosure, which can be found in the Safer communities section of www.iag.com.au as well as within IAG's FY20 Annual Report, which can be found, alongside all historical reports, under the Results & Reports section of www.iag.com.au.

Glossary of Terms

This glossary details the scope and boundaries of IAG's non-financial data, as well as definitions and inclusions/exclusions for each indicator.

Absenteeism

Employee absenteeism is a measure to indicate the employee absence level in IAG. Absenteeism is determined by dividing the total annual unscheduled absence days (such as all types of sick leave and personal emergency leave) by the total number of available (rostered) working days for all employees in the year. Absenteeism is measured as an indicator that links to overall employee satisfaction, safety and productivity.

Air travel

The distance travelled by air by IAG employees for work-related travel, through our travel service provider. This includes domestic and international flights. Air travel is measured as it is our largest source of Scope 3 carbon emissions and indicative of IAG's environmental impact.

Air travel is disclosed as thousand KMs and KM per FTE.

Building refrigerants

An inventory of synthetic gases stored in air conditioning and refrigeration equipment is undertaken at the end of each financial year and reported on an annual basis. This determines the weight in kilograms (KG) of each type of synthetic gas (hydrofluorocarbons and perfluorocarbons) stored across the portfolio of air conditioning and refrigeration equipment in buildings under IAG's operational control. The following refrigerants are included in the calculation: R410A, R134A, R407C, R22.

Refrigerants are measured only for Australia and are a source of our Scope 1 carbon emissions that indicate IAG's environmental impact.

Refrigerants are disclosed in overall tonnes and KG per FTE.

Business volume

This measures the volume of business at a point in time and indicates the size and extent of IAG's insurance operations. The basis of the measure depends on the class of business. In personal insurance lines, the relevant volume measure is 'risks in force'. In commercial insurance lines, the volume measure is 'policies in force'. The difference in the definition is required to capture the distinct nature of IAG's business mix.

- **Risks in Force (RIF):** Risk refers to the subject matter that a personal insurance policy or contract protects (e.g. number of vehicles, houses etc). An insurance policy may cover one risk or many risks, depending on the terms of the policy. RIF is a measure of the total number of risks covered by IAG at a point in time.
- **Policies in Force (PIF):** This is a measure of the total number of commercial insurance policies covered by IAG at a point in time.

Conversion factors for CO₂e calculations

IAG's carbon dioxide equivalent emissions (CO₂e) are a key performance indicator to how IAG is managing its environmental impact, especially in terms of meeting our commitments in our Climate Action Plan. CO₂e factors for the relevant environmental indicators are obtained from the following sources:

Australia-specific emissions factors

- CO₂e emission factors for the following metrics are obtained from the National Greenhouse and Energy Reporting (NGER) Measurement (2019 Amendment) Technical Guidelines, published Aug 2019:
 - Electricity

- Natural Gas

New Zealand-specific emissions factors

- CO₂e emission factors for the following metrics are obtained from the New Zealand Ministry for the Environment - Measuring Emissions: A Guide for Organisations – 2019 Detailed Guide:
 - Electricity
 - Office Paper

All other emissions factors:

- CO₂e emission factors for fuel are also obtained from the NGER Measurement 2019 Technical Guidelines.
- CO₂e emission factors for general waste to landfill are obtained from the Australian Government Department of the Environment and Energy National Greenhouse Accounts Factors (NGAF), August 2019.
- CO₂e emission factors for the following sources are obtained from Defra UK Government conversion factors for Company Reporting, 2019:
 - Air travel (includes radiative forcing)
 - Taxi travel
- CO₂e emission factors for business related car hire are obtained from the Green Vehicle Guide (greenvehicleguide.gov.au), an Australian Government Initiative.
- CO₂e emission factors for Office Paper (Australia) and general waste Print Paper are obtained from the Environmental Paper Network.

CO₂e per FTE figure is calculated inclusive of all emission sources applicable for each business unit as stated above.

For more information on the Climate Action Plan, please visit the Safer communities section of www.iag.com.au.

Customer and broker advocacy measures and Net Promoter Score

These scores are the results of studies carried out by third parties among IAG customers (direct or intermediated) that ask customers and brokers their likelihood of recommending IAG on a scale of 0-10 in both Australia and New Zealand. Those who rate the experience as less than six (6), are deemed detractors whilst those who rate the experience nine (9) or ten (10) are deemed promoters or advocates. The Net Promoter Score is calculated by subtracting the percentage of detractors from the percentage of promoters/advocates. Passive scores (between seven (7) and eight (8)) are not accounted for in the methodology. The customer and broker advocacy scores are disclosed as they are indicative to IAG's impact on customers and how valuable their experience is with IAG.

In FY20 there are two measures of customer advocacy, the **strategic Net Promoter Score (sNPS)** and the **interactive Net Promoter Score (Heartbeat)**:

- The **sNPS**, administered by Nielson, assesses the strength of the relationship customers have with IAG's insurance brands (NRMA, SGIO, SGIC, Coles, CGU and WFI in Australia ; AMI, State, NZI in New Zealand) based upon their likelihood to recommend IAG to others and is measured via monthly telephone surveys conducted among a random sample of the population, who may or may not have had a recent interaction with IAG. Note in previous years, this study was administered by DBM consultants and the score disclosed in previous data summaries (FY18 and earlier) only factored in scores for selected personal insurance brands. The sNPS is also a measure that factors into the IAG Group Balanced Scorecard.
- The **Heartbeat** measures frontline advocacy via surveys of IAG personal insurance customers who have had a recent interaction with IAG, either by telephone, visiting a branch or agency, or through having lodged or settled a claim. Customer feedback and Heartbeat scores are reported in the Medallia Heartbeat portal in real time.

Both the sNPS and Heartbeat figures as at June 2020 are calculated on a twelve-month rolling average. The NZI broker score is the result of a company-led annual survey of brokers.

Community investment

This estimates direct financial support of community groups and programs through sponsorship and donations, as well as indirect support to help promote and raise awareness of these community organisations (including commitments) through promotion. In Australia, community investment also includes the contribution by the business to the IAG Foundation and

includes matched funding for employee workplace giving. In line with IAG's purpose and the Safer Communities Business Plan, community investment is increasingly being directed towards partnerships and programs that support communities and people to be more resilient and increasingly feel they are ready for anything through programs that enable increased safety at work, home and on the roads. Where the purpose of the program is to create shared value (value for both the business and the community), investment spend has been apportioned to include only the portion that benefits the community, which is estimated based on consideration of program objectives.

In Australia direct IAG management and administration costs related to community investment are also included.

In Australia and New Zealand, community investment also includes salary costs (calculated using base salary) and on-costs for employee volunteering hours recorded in the human resources systems.

Community investments are categorised into the following:

- **Donations:** These include donations made directly by the business where funds are provided to an organisation and there is no obligation on the part of the recipient. Donations must be made with the primary aim of improving the quality of life to sections of the community or to provide targeted welfare or other support. Donations include matched funding for workplace giving.
- **Risk reduction partnerships:** Investment in programs and initiatives that promote increased safety at work, home and on the roads.
- **Sponsorships:** These are usually financial support in exchange for something from the receiving organisations, such as provision of advertising. The primary purpose of the sponsorship must be community rather than commercial benefit.
- **Administration:** This includes management and administration costs of IAG employees directly involved in community investments.
- **IAG Foundation:** This includes donations made by IAG to the IAG Foundation, a portion of which includes matched funding for employee workplace giving.
- **Volunteer hours:** This includes the equivalent financial cost of time volunteered by employees to various community initiatives, including skilled volunteering. This will not include volunteering undertaken in personal time unless it is specifically acknowledged by the business.

Electricity

This includes metered electricity consumption and invoice data for sites directly owned or controlled by IAG. For sites not included in the monthly electricity reporting process the electricity consumption for these sites has been estimated using an equivalent floor space model. Electricity usage is measured to indicate IAG's environmental impact and is a source of both Scope 2 and Scope 3 emissions.

Electricity usage is disclosed in Megawatt Hours (MWh) of electricity consumed and MWh used per FTE.

Full-time equivalent (FTE)

FTE indicates the size of IAG's workforce that takes into account part time employees where full-time employees are given a value of one (1). The value for part time employees is based on their regular hours as a proportion of full-time hours. The FTE includes all permanent full-time (including executives) and part-time employees, employees on a fixed term contract (paid by an IAG Group company's payroll) and employees on leave without pay (less than 28 calendar days). It excludes guests (not paid by IAG), casuals and employees on extended leave without pay (more than 28 calendar days) on the day data was reported.

Fuel consumption

This is the petrol, diesel, ethanol and LPG consumed by IAG's tool of trade (TOT) fleet of vehicles that are owned and operated by the company (as at June 2020 there are currently no LPG powered vehicles in the fleet). Fuel usage is measured to indicate IAG's environmental impact and is a source of both Scope 1 and Scope 3 emissions. Activity data for fuel consumption is obtained from fuel cards. No adjustments are made for any personal usage of the tool of trade vehicles.

From FY18, salary package vehicle fuel usage has been included in IAG's company fuel consumption figures. Activity data for fuel consumption for these vehicles is tracked using fuel cards in the same system as the TOT fleet which allowed the re-stating of figures back to FY14. This is only applicable to IAG's Australian business and no adjustments are made for any personal usage of the salary package vehicles.

Fuel usage is disclosed in kilolitres (kL) of fuel consumed and kL fuel used per vehicle.

Full-time employees versus part-time employees

The percentage of full-time versus part-time employees included in IAG's headcount. Full-time employees work 35, 37.5 or 40 hours per week depending on their Enterprise Agreement or contract, while part-time employees work fewer weekly hours than full-time under their enterprise agreement. This calculation excludes temporary employees. Full-time versus part-time employee percentages are measured as a potential social indicator of fair work and underemployment.

General waste to landfill

General waste to landfill means any non-hazardous waste for delivery to landfill that excludes recyclables separately collected from the sites that do not go to landfill. Various third-party contractors provide reporting on the tonnage of waste generated across the sites directly owned or controlled by IAG. For sites not included in the monthly waste reporting process the waste tonnage for these sites has been estimated using an equivalent FTE model. Waste to landfill is measured to indicate IAG's environmental impact and is a source of Scope 3 emissions.

General waste is measured in overall tonnes and KG of general waste per FTE.

Headcount

The overall number of people employed by IAG, regardless of hours worked. Headcount comprises permanent and fixed term employees. It includes employees on extended leave and excludes casuals and contractors (people not paid by IAG).

Lost time injury frequency rate (LTIFR)

The number of lost time injuries for each one million hours worked. A lost time injury is an injury that has resulted in at least one shift/day's absence from work and for which a workers' compensation claim has been lodged and liability accepted. Journey claims and claims on an unpaid break are not included. Million hours worked includes all scheduled hours, plus overtime less leave and also includes the hours worked by casual employees. LTIFR may not be static year on year as prior period results may need to be updated to reflect lost-time injuries that have been substantiated post the original report date. Where this has occurred, we re-state prior period LTIFRs in our annual reporting. LTIFR is measured as an indicator for workplace safety and well-being.

Male to female salary ratio

The ratio is determined by dividing mean annual Total Fixed Remuneration (TFR) base salary for all males by that for all females within each employment category. TFR salary is used to standardise all salaries to what would be earned if each employee worked full time. This is obtained by multiplying the base salary by a factor (standard full-time hours by region/actual weekly hours). This is measured as an indicator for workplace diversity and equity of opportunity across genders.

Employment categories disclosed represent the following employment levels:

- Heads Of / General Manager – direct reports of IAG's Group Executive members. This employment category is only relevant in Australia.
- Senior manager* – direct reports to IAG's Head of / General Manager group.
- Manager / senior specialists – direct reports to IAG's senior manager group.
- General employees – all other employees.

The Australian and New Zealand CEOs and Executives are not included in this metric.

Consistent with the prior years, the combined male:female annual salary ratios are weighted to better allow for exchange rate and salary level differences between Australia and New Zealand.

*See Senior Manager definition below

Male to female salary ratio as a position in range

Position in range (PIR) compares similar roles by their job type by using a common benchmark. Market-based remuneration ranges are created based on the job type and seniority. IAG then compares each role against their remuneration range, to find their position in range. The position of males is compared against that of females to evaluate how they are remunerated relative to each other. This is measured as an indicator for workplace diversity and equity of opportunity across genders, and how we perform compared to industry averages.

The position in range (PIR) is the ratio of an individual's fixed FTE salary (which takes into account overall employee package including superannuation and salary sacrificed items) divided by the relevant market benchmark for their role. FTE salary is used to standardise all salaries to what would be earned if each employee worked full time. This is obtained by multiplying the base salary by a factor (standard full-time hours by region/actual weekly hours).

Employment categories disclosed represent the following employment levels:

- Heads Of / General Manager – direct reports of IAG's Group Executive members. This employment category is only relevant in Australia.
- Senior manager* – direct reports to IAG's Head of / General Manager group.
- Manager / senior specialists – direct reports to IAG's senior manager group.
- General employees – all other employees.

The Australian and New Zealand CEOs and Executives are not included in this metric.

Consistent with prior years, the combined male:female annual salary ratios are weighted by the number of male:female incumbents at each job level.

*See Senior Manager definition below

Natural Gas usage

This includes metered natural gas consumption and invoice data for specific sites where IAG is directly billed for natural gas. As only four of IAG's sites have natural gas accounts, no estimates were undertaken. Natural gas usage is measured to indicate IAG's environmental impact and is a source of both Scope 1 and Scope 3 emissions.

Natural gas usage is disclosed in Gigajoules (GJ) of energy from natural gas consumed.

Office paper consumption

This includes all A3, A4 and A5 office paper and envelope consumption as determined through an in-house ordering system. This excludes glossy paper. Office paper consumption is measured through supplier invoices for paper ordered during the month. This is measured as paper is one of the key resources that IAG uses that has a considerable environmental impact through its production, manufacturing and transportation, and contributes to IAG's Scope 3 emissions. Office paper that is supplied to IAG that is Carbon Neutral does not factor into IAG's Scope 3 emissions but is still included in the overall usage figures.

Office paper consumption is disclosed in overall tonnes used and KG used per FTE.

Print paper consumption

This includes the consumption of commercially printed material (booklets, envelopes, brochures and customer documentation such as renewals and certificates of insurance). Print paper tonnage is provided from a range of external suppliers. This is measured as paper is one of the key resources that IAG uses that has a considerable environmental impact through its production, manufacturing and transportation, and contributes to IAG's Scope 3 emissions.

Print paper consumption is disclosed in overall tonnes used and KG used per IAG business volume.

Recycled waste

Recycled waste is a measure of the quantity of waste diverted from landfill, including paper, cardboard, organic and co-mingled material collected for recycling across IAG's properties. For sites where no actual co-mingled recycling data is available, the recycling quantity is estimated based on an equivalent FTE model using consumption figures for similar known sites. Cardboard and organic recycling is only available to IAG's larger sites, and hence not estimated across IAG's full property portfolio. Recycling is measured as an environmental indicator to how much waste is diverted from landfill, and hence how many Scope 3 emissions are averted.

Recycled waste is measured in overall tonnes and KG of recycled waste produced per FTE.

Rental car travel

This measure is only calculated for Australia and relates to the kilometres travelled by IAG employees in rental cars for work-related travel. Business car hire booked through third party rental car providers is estimated based on the equivalent FTE model. Rental car travel is measured as an indicator of IAG's environmental impact and is a source of Scope 3 emissions.

Rental car travel is disclosed as thousand KMs and KM per FTE.

Senior Manager

Senior Management is defined by staff who directly report to the CEO and Executive General Managers (excluding Executive Assistant). Executives are those who are reporting to the CEO. Specifically, for the purposes of calculating the women in senior management metrics, senior managers are defined by the criteria laid out by the Australian Workplace Gender Equality Agency (AWGEA) (see details in the Women in Senior Management sub-heading below). The scope of the reporting therefore also includes individuals meeting the definition from our non-Australian operations. These criteria have not yet been applied to the other workforce metrics, including average male to female salary ratios and positions in range, where senior management is defined by internal career band. IAG will seek to align all relevant workforce metrics with AWGEA definitions from FY21 onwards.

Staff turnover

Total turnover indicates the total number of staff terminations as a percentage of headcount, shown as a rolling 12month figure. Staff terminations include all permanent and fixed term full time and part time employees but exclude casual employees and guests, where the last day of employment was within the reporting period. Terminations do not include non-starters and people terminated at the end of a fixed term but do include fixed term appointments that are terminated earlier than the contract expiry date. Turnover is measured as an indicator that links to overall employee satisfaction and productivity.

Taxi travel

Only reported in Australia, this represents the distance travelled by employees taking taxis for work-related travel. Distance travelled is not recorded for each journey therefore an estimate of the distances travelled by IAG employees in taxis is calculated based on the dollar expenditure. All taxi travel expenditure is recorded in IAG's general ledger and this is then adjusted for the relevant flag-fall, GST and credit card surcharges, and converted to an estimated KM's using the distance charge rate per KM (State based). Taxi travel is measured as an indicator of IAG's environmental impact and is a source of Scope 3 emissions.

Taxi travel is disclosed as thousand KMs and KM per FTE.

Water consumption

Reported for our Australian property portfolio only, this represents water consumption for our tenancies. In FY15 it was based on metered water data for a six-month period and extrapolated for the 2015 financial year. Since FY16, the scope of reporting was expanded to include the complete Australian property portfolio. Where actual data is unavailable, water consumption has been extrapolated based on an equivalent FTE model. Water consumption is measured as an indicator of IAG's environmental impact.

Water consumption is measured in overall kilolitres (kL) and kL water used per FTE.

Women on the Board

This measures the total percentage of women on the IAG Board.

Women in executive management

This measures the total percentage of women on the IAG Group Leadership Team (GLT).

Women in senior management

For both the Group figure (as of FY19) and the country-level metrics (as of FY20), IAG applies a women in senior management definition consistent with that of the Australian Workplace Gender Equality Agency (WGEA) criteria. This criteria for senior management are restricted to roles that are applied to a specific career band, and within three reporting steps from the group CEO (i.e. generally at the Executive Manager level and above). Applying this definition helps align IAG to the philosophy and intent of the WGEA reporting. The figure of women in senior management is then expressed as a percentage of the total number of staff in senior management positions. Historic data has not been restated and is defined according to IAG's internal career bands.

Women in the workforce

Total percentage of females employed by IAG, regardless of hours worked. This comprises permanent and fixed term female employees. It includes female employees on extended leave and excludes female casuals and contractors (people not paid by IAG). This is measured as an indicator for workplace diversity.