



Independent Limited Assurance Report to the Directors of Insurance Australia Group Limited.

Conclusion

Based on the evidence we obtained from the procedures performed, we are not aware of any material misstatements in the Information Subject to Assurance, which has been prepared by Insurance Australia Group Limited in accordance with the criteria as described by management for the year-ended 30 June 2021.

Information Subject to Assurance

The quantitative and qualitative disclosures that are the subject of our limited assurance report (Information Subject to Assurance) for the year-ended 30 June 2021 for Insurance Australia Group (IAG) are:

- A selection of 68 non-financial quantitative performance indicators (Selected Data Claims) contained in IAG Environmental, Social and Governance (ESG) data summary and online table of commitments contained at <https://www.iag.com.au/safer-communities/esg-commitments-and-performance> and included in the appendix to this report;
- Selected Data Claims presented throughout pages 14 to 21 of IAG's FY21 Annual Review and Safer Communities Report and pages 18 to 23 of FY21 climate-related disclosure; and
- Selected qualitative disclosures relating to the Selected Data Claims and selected qualitative disclosures pertaining to IAG's material issues contained within pages 14 to 21 of IAG's Annual Review and Safer Communities Report, within pages 18 to 23 of FY21 climate-related disclosure, as well as within its associated online table of commitments at <https://www.iag.com.au/safercommunities/esg-commitments-and-performance>.

Criteria Used as the Basis of Reporting

The below reporting criteria has been applied (*collectively "the Criteria"*):

- IAG's own reporting criteria (as established and set out in 'IAG Data Summary and Glossary of Terms' <https://www.iag.com.au/safer-communities/esg-commitments-and-performance>; and
- The Global Reporting Initiative (GRI) Standards' Reporting Principles for Defining Report Content: being Stakeholder Inclusiveness, Sustainability Context, Materiality, and Completeness.

Basis for Conclusion

We conducted our work in accordance with Australian Standard on Assurance Engagements ASAE 3000 (Standard). In accordance with the Standard we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that we are not aware of any material misstatements in the Information Subject to Assurance, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness; and
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.



Summary of Procedures Performed

Our limited assurance conclusion is based on the evidence obtained from performing the following procedures:

- enquiries with relevant IAG personnel to understand the internal controls, governance structure and reporting process of the information subject to assurance;
- reviews of relevant documentation including the basis of preparation and the Criteria;
- analytical procedures over the information subject to assurance;
- walkthroughs of the Information Subject to Assurance to source documentation;
- evaluating the appropriateness of the criteria with respect to the Information Subject to Assurance; and
- reviewed the Annual Review and Safer Communities Report, Climate-related Disclosures, and 'Safer Communities' online content in its entirety to ensure it is consistent with our overall knowledge of assurance engagement.

How the Standard Defines Limited Assurance and Material Misstatement

The 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.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of IAG.

KPMG
11 August 2021
Sydney NSW

Use of this Assurance Report

This report has been prepared for the Directors of IAG for the purpose of providing an assurance conclusion on the Information Subject to Assurance and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of IAG, or for any other purpose than that for which it was prepared.

Management's responsibility

Management are responsible for:

- determining that the criteria is appropriate to meet their needs;
- preparing and presenting the Information Subject to Assurance in accordance with the criteria; and
- establishing internal controls that enable the preparation and presentation of the Information Subject to Assurance that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to perform a limited assurance engagement in relation to the Information Subject to Assurance for the 30 June 2021, and to issue an assurance report that includes our conclusion.

Our Independence and Quality Control

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Australian Professional and Ethical Standards Board, and complied with the applicable requirements of Australian Standard on Quality Control 1 to maintain a comprehensive system of quality control.



Appendix: Selected Data Claims

Selected Australia data

Customer		
1	Business Volumes (millions) (including risks in force per million for personal lines and policies in force per million for commercial lines)	11.8
2	Customer Advocacy Scores	
2.1	Heartbeat / interactive NPS	53
2.2	Net Promoter Score / strategic NPS	29
Community		
3	Community Investment (total A\$m)	13
4	Volunteered Hours(hours)	1,277
Workforce		
5	Part time employment (%)	17.25
6	Full-time equivalent (FTE)	8,003
7	Total head count	8,736
8	Staff turnover (%)	13.61
9	Absenteeism (%)	3.73
10	Women in workforce, management, executive and board (% of total by position)	
10.1	Women employed in the workforce	58.71
10.2	Women in senior management positions	43.14
10.3	Women in executive positions	44.44
10.4	Women on the Board	40.00
11	Male to female salary ratio (A\$) (average)	
11.1	General Employees salary ratio (\$) (average)	1.1
11.2	Manager / Senior Specialist salary ratio (\$) (average)	1.08
11.3	Senior Manager salary ratio (\$) (average)	1.03
11.4	Heads Of / General Manager salary ratio (\$) (average)	1.09

12	Indigenous employment	1.48
Safety		
13	Lost Time Injury Frequency Rate (LTIFR)	1.55
Environment		
14	Total Scope 1 greenhouse gas (GHG) emissions (t CO2-e)	4,563
15	Total Scope 2 GHG emissions (t CO2-e)	12,013
16	Total Scope 3 GHG emissions (t CO2 -e)	3,994
16.1	Total Emissions (Scope 1, 2 and 3) emissions KPI (tCO2e/FTE)	2.6
17	Electricity (mWh)	13,377
17.1	Electricity KPI (MWh/FTE)	1.67
18	Natural Gas (GJ)	1,105
19	Building refrigerants (tonnes)	1.53
20	Fuel consumption (kL)	1,678
20.1	Fuel Consumption KPI (kL/vehicle)	1.55
21	Tools of Trade vehicles (kL)	1,219
22	Air travel (thousands kms)	287
22.1	Air travel KPI (KM/FTE)	36
23	Taxi travel (thousands kms)	87
23.1	Taxi travel KPI (KM/FTE)	10.9
24	Rental car (thousands kms)	36.4
24.1	Rental car KPI (KM/FTE)	4.5
25	Water consumption (kL)	12,133
25.1	Water KPI (kL/FTE)	1.52
26	Office paper (tonnes)	23.4
26.	Office paper KPI (KG/FTE)	2.9
27	Recycled waste (tonnes)	221.1
27.1	Recycled waste KPI (KG/FTE)	27.6



Environment (cont)		
28	General waste (tonnes)	201
28.1	General waste KPI (KG/FTE)	25.2
29	Paper consumption, including office and print (tonnes)	756.6
29.1	Print Paper KPI (Kg/Business volumes)	0.06
29.1	Office Paper KPI (kg/FTE)	2.9

Selected New Zealand data

Selected New Zealand Performance Data		
Customer		
30	Business Volumes (including risks in force per million for personal lines and policies in force per million for commercial lines)	3.3
31	Customer Advocacy Scores	
31.1	Heartbeat / interactive NPS	43
31.2	Net Promoter Score / strategic NPS	19
31.3	Heartbeat / interactive NPS (3-month rolled result)	37
31.4	NZI Broker	31
Community		
32	Community Investment (total NZ\$m)	0.4
33	Volunteered Hours (hours)	1,112
Workforce		
34	Part time employment (%)	8.22
35	Full-time equivalent (FTE)	3,435
36	Total head count	3,601
37	Staff turnover (%)	11.98
38	Absenteeism (%)	3.55
39	Women in workforce, management, executive and board (% of total by position)	
39.1	Women employed in the workforce	59.71

39.2	Women in senior management positions	42.86
40	Male to female salary ratio (NZ\$) (average)	
40.1	General Employees salary ratio (\$) (average)	1.22
40.2	Manager / Senior Specialist salary ratio (\$) (average)	1.12
40.3	Senior Manager salary ratio (\$) (average)	1.03
40.4	Heads Of / General Manager salary ratio (\$) (average)	1.06
Safety		
41	Lost Time Injury Frequency Rate (LTIFR)	0.00
Environment		
42	Total Scope 1 GHG emissions (t CO ₂ -e)	1,037
43	Total Scope 2 GHG emissions (t CO ₂ -e)	445
44	Total Scope 3 GHG emissions (t CO ₂ -e)	558
44.1	Total Emissions (Scope 1, 2 and 3) emissions KPI (tCO ₂ e/FTE)	0.6
45	Stationary LPG (GJ)	895
46	Electricity (mWh)	4,477
46.1	Electricity KPI (MWh/FTE)	1.3
47	Fuel consumption (kL)	425
47.1	Fuel Consumption KPI (kL/vehicle)	1.5
48	Air travel (thousands kms)	742
48.1	Air travel KPI (KM/FTE)	216
49	Recycled waste (tonnes)	85.1
49.1	Recycled Waste KPI (KG/FTE)	24.8
50	General waste (tonnes)	70.6
50.1	General Waste KPI (KG/FTE)	20.5
51	Paper consumption, including office and print (tonnes)	72.5
51.1	Print paper KPI (KG/Business Volume)	0.02
51.2	Office paper KPI (KG/FTE)	1



Selected Group data

Customer		
52	Business volume (million)	15.1
Community Investment		
53	Total community investment (A\$m)	13.4
54	Volunteered Hours (hours)	2,389
Workforce		
55	Total headcount	12,377
56	Part time employment (%)	14.6
57	Full-time equivalent (FTE)	11,477
58	Staff turnover (%)	13.17
59	Absenteeism (%)	3.66
60	Male to female salary ratio, general employees (A\$) (average)	1.14
61	Women in workforce (% of total by position)	
61.1	Women in workforce	58.95
61.2	Women in senior management positions	42.98

Safety		
62	Lost Time Injury Frequency Rate (LTIFR)	1.10
Environment		
63	Total Scope 1 GHG emissions (t CO ₂ -e)	5,601
64	Total Scope 2 GHG emissions (t CO ₂ -e)	12,458
65	Total Scope 3 GHG emissions (t CO ₂ -e)	4,552
66	Gross written premium (GWP) from mining and fossil fuel power generation activities (US\$)	553,967
67	GHG intensity of investment portfolio (tCO ₂ -e per US\$)	54.15
68	Carbon Offsets Purchased	22,611