



## IAG Data Summary and Glossary of Terms

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.

### AUSTRALIA

	FY18	FY17	FY16	FY15	FY14
<b>CUSTOMER</b>					
Business volume	12.1	12.0 <sup>2</sup>	12.1	11.6 <sup>1</sup>	11.1
- Risks in force (million) for personal lines	10.9	10.7	10.3	N/r	N/r
- Policies in force (million) for commercial lines	1.2	1.3 <sup>2</sup>	1.8	N/r	N/r
Net Promoter Score / Customer Advocacy Score (CAS)					
- Net Promoter Score (NPS)	21	22	22	21	N/r
- CAS Heartbeat <sup>3</sup>	40	41	45	41	36
<b>COMMUNITY</b>					
Community investment (total A\$m)	6.8	7.4	8.0	7.4	8.7
<b>WORKFORCE</b>					
Headcount	8,390	9,279	10,101	10,915	9,315
Part-time employment	19%	19%	18%	17%	18%
FTE	7,513	8,235	8,970	9,789	8,268
Staff turnover					
- employee initiated	12.9%	15.2%	12.4%	10.8%	10.9%
- employer initiated	8.9%	4.3%	5.5%	2.7%	4.1%
Employee initiated - <1 Year Service	34.5%	33.3%	27.2%	25.9%	20.5%
Absenteeism	4.5%	4.7%	4.5%	4.4%	4.3%

<sup>1</sup> From FY15 business volume includes Wesfarmers insurance (Lumley, WFI and Affinity & Direct).

<sup>2</sup> FY17 policies in force has been re-stated from 1.7 to 1.3 million to correct for an overstatement. Overall business volume has been re-stated from 12.4 to 12.0 accordingly.

<sup>3</sup> The CAS Heartbeat was previously termed the Frontline Advocacy Score (FAS).

	FY18	FY17	FY16	FY15	FY14
Male to female salary ratio (average) (A\$)					
- General Employees	1.13	1.14	1.14	1.12	1.14
- Managers / Senior specialist	1.07	1.11	1.12	1.12	1.13
- Senior Manager	1.02	1.07	1.07	1.08	1.08
- Heads Of / General Manager	0.96	1.02	1.08	1.08	1.13
Male to female salary ratio – Position in Range (A\$)					
- General Employees	0.99	1.00	1.00	1.00	1.00
- Managers / Senior specialist	1.04	1.05	1.06	1.06	1.06
- Senior Manager	0.98	1.04	1.03	1.05	1.05
- Heads of / General Manager	0.99	1.03	1.10	1.09	1.07
Women in the workforce	58%	59%	60%	59%	59%
Women in senior management positions	35%	35%	33%	34%	34%
Women in executive positions <sup>4</sup>	20%	17%	21%	13%	25%
Women on the board	40%	33%	25%	33%	33%
Lost time injury frequency rate <sup>5</sup>	2.10	2.39 <sup>6</sup>	1.92 <sup>7</sup>	2.42 <sup>8</sup>	4.32

<sup>4</sup> This figure represents the total percentage of women on the IAG Group Leadership Team (GLT).

<sup>5</sup> Data presented to reflect the LTIFR as recorded at 30 June 2018 and prior year LTI data has been adjusted to reflect LTIs substantiated post the original report date.

<sup>6</sup> FY17 LTIFR has been adjusted up from 1.84 to 2.39

<sup>7</sup> FY16 LTIFR has been adjusted up from 1.73 to 1.92.

<sup>8</sup> FY15 LTIFR has been adjusted up from 2.0 to 2.42.

	FY18	FY17	FY16	FY15	FY14
<b>ENVIRONMENTAL</b>					
Scope 1	7,914	8,596 <sup>9</sup>	9,240 <sup>9</sup>	N/r	N/r
Scope 2	20,059	23,134 <sup>10</sup>	25,679	N/r	N/r
Scope 3	18,519	16,160 <sup>9</sup>	18,599 <sup>11</sup>	N/r	N/r
<b>Total CO<sub>2</sub>e emissions tonnes</b>	<b>46,493</b>	<b>47,890<sup>12</sup></b>	<b>53,518<sup>12</sup></b>	<b>61,255<sup>13</sup></b>	<b>51,524<sup>14</sup></b>
CO <sub>2</sub> e emissions / FTE	6.2	5.8 <sup>15</sup>	6.0 <sup>12</sup>	6.3 <sup>13</sup>	6.2 <sup>14</sup>
Fuel consumption KL	3,145	3,457 <sup>16</sup>	3,783 <sup>16</sup>	4,163 <sup>16</sup>	3,707 <sup>16</sup>
Fuel consumption / vehicle	2.3	2.2 <sup>16</sup>	2.3 <sup>16</sup>	2.3 <sup>16</sup>	2.4 <sup>16</sup>
Air travel Millions Kms	41.2	35.7	41.8 <sup>17</sup>	43.7	30.6
Air travel Km / FTE	5,481	4,331	4,659 <sup>17</sup>	4,466	3,701
Electricity MWh	21,510	24,579 <sup>18</sup>	27,337	31,919	28,520
Electricity MWh / FTE	2.9	3.0	3.0	3.3	3.5
Office paper tonnes	108	169	222	239	203
Office paper kgs / FTE	14.4	20.5	24.7	24.4	24.6
Print paper tonnes	844	539	705	1,449	1,031
Print paper Kg / Business Volume	0.07	0.04	0.06	0.12	0.09
Taxi travel (thousands Kms)	940	944	1,356	1,549	1,179
Taxi travel Kms/ FTE	125	115	151	158	143
Recycled waste tonnes	767	997	1,064	1,487	1,822
Recycled waste kg/FTE	102	121	119	152	220

<sup>9</sup> Emissions data from salary package vehicles has been included for the first time in FY18. To ensure like-for-like comparisons, all prior year Scope 1 and Scope 3 emissions figures have been re-stated to include salary package vehicle emissions.

<sup>10</sup> FY17 Scope 2 emissions have been re-stated from 22,706 to 23,134 tonnes CO<sub>2</sub>e. This is due to unreported electricity usage being identified at one of our larger sites in Australia and a correction in the allocation of electricity between our Australia and New Zealand businesses.

<sup>11</sup> FY16 Scope 3 emissions have been re-stated from 21,746 tCO<sub>2</sub>e to 18,599 tCO<sub>2</sub>e. Air travel data was re-stated to amend duplicate data in the original report.

<sup>12</sup> Prior year values for total CO<sub>2</sub>e emissions and CO<sub>2</sub>e emissions per FTE have been re-stated to reflect changes outlined in prior footnotes (see footnote 8, 9 and 10).

<sup>13</sup> FY15 total CO<sub>2</sub>e emissions have been re-stated from 58,201 tCO<sub>2</sub>e to 61,255 tCO<sub>2</sub>e and from 6.0 tCO<sub>2</sub>e to 6.3 CO<sub>2</sub>e/FTE to reflect revisions in general waste data.

<sup>14</sup> FY14 total CO<sub>2</sub>e emissions have been re-stated from 48,582 tCO<sub>2</sub>e to 51,524 tCO<sub>2</sub>e and from 5.9 to 6.2 tCO<sub>2</sub>e/FTE to reflect revisions in general waste data.

<sup>15</sup> FY17 total emissions have per FTE been re-stated from 5.4 to 5.8 CO<sub>2</sub>e/FTE. See footnotes 8 and 9 for details.

<sup>16</sup> Fuel data for salary package vehicles has been included for the first time in FY18. To ensure like-for-like comparisons, all prior year fuel figures have been re-stated to include salary package vehicle fuel usage.

<sup>17</sup> FY16 Air travel re-stated from 51.6 to 41.8 million km to amend duplicate data in the original report. Air travel km / FTE was also re-stated from 5,753 to 4,659 km / FTE.

<sup>18</sup> FY17 electricity usage has been re-stated from 24,369 to 24,579 MWh. This is due to unreported electricity usage being identified at one of our larger sites in Australia and a correction in the allocation of electricity between our Australia and New Zealand businesses.

	FY18	FY17	FY16	FY15	FY14
General Waste tonnes <sup>19</sup>	648	743	858	1,529 <sup>20</sup>	1,489
General Waste kg/FTE	86.2	90.2	95.6	156.0 <sup>20</sup>	180.1
Rental car (thousands) Kms	372	400	234	354	240
Rental car Km / FTE	49.5	48.6	26.1	36.1 <sup>21</sup>	29.1
Building refrigerants (tonnes)	2.2	2.7	2.0	2.1	1.5
Building refrigerants Kg / FTE	0.3	0.3	0.2	0.2	0.2
Water consumption (kL) <sup>22</sup>	84,922	103,118 <sup>23</sup>	93,719	9,357	N/r
Water consumption (kL)/FTE	11.3	9.6	10.5	N/r	N/r

<sup>19</sup> The reduction in general waste in FY16 is partly due to new recycling initiatives at our 388 George St head office. FY14 waste decreased significantly compared to the prior year due to the exclusion of previously incorrectly included waste from a co-located retail business.

<sup>20</sup> FY15 general waste data has been re-stated from 1,739t to 1,529t to correct a calculation error. General Waste kg/FTE was also re-stated from 178kg/FTE to 156kg/FTE to reflect this change.

<sup>21</sup> The increase in rental car kilometres in FY15 can be partially attributed to the inclusion of business car travel booked through our non-preferred suppliers for the first time.

<sup>22</sup> In FY15 we reported water consumption at our Sydney Head Office for the first time. This figure was not assured. In FY16 we expanded coverage to report water consumption for our Australian property portfolio. The FY16 figure is assured.

<sup>23</sup> FY17 water usage has been re-stated from 78,669 to 103,118 kL. This is due to updated invoices for water usage at our head office in Sydney.

## NEW ZEALAND

	FY18	FY17	FY16	FY15	FY14
<b>CUSTOMER</b>					
Business volume (million)	3.5	3.5	3.4	3.7 <sup>24</sup>	3.2
- Risks in force (million) for personal lines	3.3	3.2	3.2	N/r	N/r
- Policies in force (million) for commercial lines	0.2	0.2	0.2	N/r	N/r
<b>Net Promoter Score / broker advocacy</b>					
- Direct and financial institutions (non-broker) <sup>25</sup>	41	41	34	33	31
- Direct insurance	38	42	N/a	33	N/a
- Financial institutions	30	39	N/a	33	N/a
- NZI (broker)	-11	4	26 <sup>26</sup>	-4	-1
<b>COMMUNITY</b>					
Community investment (total NZ\$m) <sup>27</sup>	1.2	1.5	1.8	3.0	3.8
<b>WORKFORCE</b>					
Headcount	3,366	3,526	3,630	3,832	3,352
Part-time employment	8%	8%	8%	8%	8%
FTE	3,184	3,357	3,453	3,646	3,270
Staff turnover	18.1%	20.7%	17.3%	17.0%	16.0%
- employee initiated	16.1%	16.4%	16.1%	13.9%	14.1%
- employer initiated	2.0%	4.3%	2.7%	3.1%	1.9%
Employee initiated - <1 Year Service	4.0%	3.3%	3.2%	2.7%	3.8%
Absenteeism	3.9%	4.0%	4.0%	3.8%	3.8%

<sup>24</sup> From FY15 business volume includes Wesfarmers Insurance (Lumley).

<sup>25</sup> Direct and financial institutions advocacy includes State, AMI, Lantern, BNZ and ASB.

<sup>26</sup> The NZI score is the result of a company-led annual survey of brokers. The NZI result from the FY16 Broker Survey is a new benchmark due to changes in the question context and its placement in the survey. The methodology remained consistent year on year.

<sup>27</sup> The reduction in community investment can be attributed to the cessation of a number of sponsorships as the business moves to align its community investment to our purpose.

	FY18	FY17	FY16	FY15	FY14
<b>Male to female salary ratio (average) (NZ\$)</b>					
- General Employees	1.23	1.24	1.26	1.25	1.25
- Managers / Senior specialist	1.17	1.23	1.22	1.22	1.21
- Senior Manager	1.12	1.19	1.23	1.42 <sup>28</sup>	1.12
- Heads Of / General Manager <sup>29</sup>	N/a	N/a	N/a	N/a	1.41
<b>Male to female salary ratio – Position in Range (NZ\$)</b>					
- General Employees	0.99	1.00	1.00	1.00	0.98
- Managers / Senior specialist	1.05	1.03	1.04	1.05	1.03
- Senior Manager	1.11	1.12	1.03	1.04	1.05
- Heads Of / General Manager <sup>29</sup>	N/a	N/a	N/a	N/a	1.12
Women in the workforce	58%	59%	60%	60%	61%
Women in senior management positions	40%	38%	36%	31%	26%
Lost time injury frequency rate <sup>30</sup>	0.92	0.52	1.01	1.42 <sup>30</sup>	1.87
<b>ENVIRONMENTAL</b>					
Scope 1	1,329	1,479	1,683	N/r	N/r
Scope 2	816	941 <sup>31</sup>	1,144	N/r	N/r
Scope 3	4,039	2,180	2,426	N/r	N/r
<b>Total CO<sub>2</sub>e emissions tonnes</b>	<b>6,184</b>	<b>4,600<sup>31</sup></b>	<b>5,253</b>	<b>6,643<sup>32</sup></b>	<b>6,262</b>
CO <sub>2</sub> e emissions / FTE	1.9	1.4	1.5	1.8	1.9

<sup>28</sup> In FY15 the Senior Management classification for New Zealand was amended to align to the Australian definition. This resulted in a smaller Senior Management population than in prior years, increasing the variance in the salary ratio.

<sup>29</sup> 'Heads Of / General Manager' employment category only relevant to Australia.

<sup>30</sup> Data presented to reflect the LTIFR as recorded at 30 June 2018. Prior year LTI data has been adjusted to reflect LTIs substantiated post the original report date. As a result, FY15 has been adjusted up from 1.2 to 1.42.

<sup>31</sup> FY17 Scope 2 and total emissions have been re-stated from 896 to 941 tonnes CO<sub>2</sub>e. This is due to unreported electricity usage being identified at one of our larger sites in Australia and a correction in the allocation of electricity between our Australia and New Zealand businesses.

<sup>32</sup> FY15 CO<sub>2</sub>e emissions have been re-stated to reflect an updated figure for office paper per footnote 33.

	FY18	FY17	FY16	FY15	FY14
Fuel consumption KL	570	631	725	857	709
Fuel consumption / vehicle	1.6	1.7	1.7	1.7	1.7
Air travel Millions Kms	11.9	6.5	8.2	11.2	9.2
Air travel Km / FTE	3,737	1,936	2,373	3,064	2,801
Electricity MWh	6,853	7,228 <sup>33</sup>	8,293	9,191	9,391
Electricity MWh / FTE	2.1	2.2 <sup>33</sup>	2.4	2.5	2.9
Office paper tonnes	26	38	58	78 <sup>34</sup>	83
Office paper kgs / FTE	7.9	11.2	16.9	21.4	25.4
Print paper tonnes	135	143	243	389	355
Print paper Kg / Business Volume	0.04	0.04	0.1	0.1	0.1
Recycled waste tonnes	252 <sup>35</sup>	267	461	399	298
Recycled waste kg/FTE	79.13 <sup>35</sup>	79.52	133.5	109.4	91.1
General Waste tonnes	121 <sup>35</sup>	128	154	165	140
General Waste kg/FTE	38.1 <sup>35</sup>	38.2	44.6	45.3	42.8

<sup>33</sup>FY17 electricity usage has been re-stated from 6,998 to 7,228 MWh and per FTE from 2.1 to 2.2 MWh/FTE. This is due a correction in the allocation of electricity between our Australia and New Zealand businesses.

<sup>34</sup> FY15 office paper (kg and kg/FTE) has been re-stated to amend a calculation error.

<sup>35</sup> Due to a change in supplier creating issues with data quality, FY18 values for waste and recycling in New Zealand have been estimated based on previous consumption and changes to FTEs

## ASIA

	FY18	FY17	FY16 <sup>36</sup>	FY15	FY14
<b>CUSTOMER</b>					
Business volume (policies / risks in force, million)	1.7	1.6	1.7	1.7	1.8
<b>WORKFORCE</b>					
Headcount	1,882	1,952	2,046	1,897	1,828
Part-time employment <sup>37</sup>	1.4%	3.2%	2.7% <sup>38</sup>	25%	20%
FTE	1,599	1,640	1,721	1,541	1,487
Staff turnover <sup>39</sup>	23.2%	31.1%	30.9%	26.6%	18.2%
Absenteeism <sup>39</sup>	2.0%	2.0%	1.9%	1.1%	3.8%
Women in the workforce	47%	52%	54%	55%	56%
Women in senior management positions	29%	23%	26%	19%	26%
<b>ENVIRONMENTAL</b>					
Scope 1	2,217	2,293	2,104	N/r	N/r
Scope 2	1,863	2,012	2,289	N/r	N/r
Scope 3	939	833	1,367	N/r	N/r
<b>Total CO<sub>2</sub>e emissions tonnes</b>	<b>5,019</b>	<b>5,138</b>	<b>5,760</b>	<b>5,199</b>	<b>4,789</b>
CO <sub>2</sub> e emissions / FTE	3.1	3.1	3.3	3.4	2.6
Fuel consumption KL	890	924	897	729	580
Fuel consumption / vehicle	2.1	2.1	1.9	2.0	1.5
Air travel Millions Kms	2.1	2.9	3.3	3.9	2.6
Air travel Km / FTE	1,323	1,743	1,908	2,535	1,718

<sup>36</sup> In FY16 we reported on our Indonesian business for the first time.

<sup>37</sup> In Asia part-time employment is calculated based on FTE, whereas in Australia and NZ this is based on headcount. Part-time data is for Singapore only.

<sup>38</sup> From FY16 onwards, part-time employment has been adjusted to remove temporary employees to align with the Group definition. Per the definition Singapore is the only business that has part-time employees. Prior to FY16 part-time employment for Asia included temporary employees.

<sup>39</sup> From FY16 onwards, this data includes information for all of our Asian businesses. In FY15 this includes information for our Thailand and Vietnam business. In FY14 this included information for Thailand only.



	FY18	FY17	FY16 <sup>36</sup>	FY15	FY14
Electricity MWh	3,572	3,898	4,220	3,509	3,100
Electricity MWh / FTE	2.2	2.4	2.5	2.3	2.1
Office paper tonnes	23.45	23	25	21	13
Office paper kgs / FTE	14.8	13.7	14.5	13.5	8.7
Print paper tonnes	257	271	266	249	247
Print paper Kg / Business Volume	0.16	0.17 <sup>40</sup>	0.16	0.14	0.13

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<sup>40</sup> FY17 Print paper KG / Business Volume has been re-stated from 0.00017 to 0.17 due to a weight conversion error in the prior calculations.

## IAG FY18 Non-financial reporting

Below are details of the definitions used in the content and calculation of data represented in the graphs and charts in sections of this website and IAG's Annual Review & Sustainability Report.

### Reporting boundaries

Indicators pertain to Australia, New Zealand and Asia, unless otherwise stated.

In Australia, data includes the NRMA Insurance, SGIC, SGIO, Coles Insurance, CGU, Swann Insurance and WFI brands.

New Zealand brands included in the data include State. AMI, NZI and Lumley unless otherwise stated.

Data for Asia incorporates the Thai businesses of Safety Insurance, AAA Assurance Corporation in Vietnam, PT Asuransi Parolamas in Indonesia and IAG's Asia head office in Singapore. On 19 June 2018, IAG announced that it was selling its operations in Thailand, Indonesia and Vietnam. Figures for these business units have been included in this FY18 data summary. From FY19, we will not report non-financial data for these business units.

### Estimation and extrapolation methodologies

Where we have not been able to collect full year data, this has been estimated. This applies to the following categories:

#### Australia

- Final month or final quarter (dependent on the timing of billing) electricity consumption data was not available within the reporting timeframes for a number of sites. In addition, for some sites electricity consumption was not available for specific months. Where data was not available this has been estimated based on the previous period's average consumption.
- 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 not booked through our preferred supplier, activity data was extrapolated based on known data from our preferred supplier, and percentage of spend with other suppliers.

#### New Zealand

- Final month or final quarter (dependent on the timing of billing) electricity consumption data was not available within the reporting timeframes for a number of sites. Where data was not available this has been estimated based on the previous period's average consumption.
- 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.

## Glossary of Terms

### 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 by total number of available (rostered) working days for all employees in the year.

### Air travel

For Australia and New Zealand this represents the distance travelled by IAG employees including domestic and international flights booked through the online travel service provider.

In the Asia business, internal manual tracking of flights flown is undertaken for Thailand, Vietnam and Indonesia. For Singapore, flights are booked via a corporate travel provider and flights are measured using an online reporting tool.

Measured in Kms (millions) and Km per FTE.

### **Building refrigerants**

This measure is only calculated for Australia. An inventory of synthetic gases stored in air conditioning and refrigeration equipment is undertaken each 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. Where data is not available for a site the Kg of synthetic gas present has been estimated based on an equivalent floor space model using consumption figures for similar known sites.

The following refrigerants are included in the calculation: R410A, R134A, R407C, R22.

Measured in tonnes and Kg per FTE.

### **Business related car hire**

This measure is only calculated for Australia and relates to the kilometres travelled in rental cars for business purposes. The data is provided by a third-party rental car supplier for the preferred supplier, which accounts for over 80% of spend on business car hire. Business car hire booked through other providers is estimated.

Measured in Kms (thousands) and per FTE.

### **Business volume**

This measures the volume of business at a point in time. 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. This applies to both Australia and New Zealand.

In Asia (Thailand, Indonesia and Vietnam), policies in force data are provided.

### **Conversion factors for CO2e calculations**

#### **Australia**

- CO2e emission factors for the following sources are obtained from Australian Government Department for Environment Australian National Greenhouse Accounts (NGAF) July 2017 or National Greenhouse and Energy Reporting Scheme Measurement Technical Guidelines for the estimation of emissions by facilities in Australia (NGERS) October 2017 : fuel, the annual leakage rate for building refrigerants, electricity and general waste to landfill.
- CO2e emission factors for the following sources are obtained from Defra UK Government conversion factors for Company Reporting, 2017: air travel (includes a radiative force), taxi travel, global warming potential for building refrigerants, print and office paper.
- CO2e emission factors for business related car hire are obtained from the Green Vehicle Guide ([greenvehicleguide.gov.au](http://greenvehicleguide.gov.au)), an Australian Government Initiative.

#### **New Zealand**

- CO2e emission factors for the following sources are obtained from the NZ Ministry for Environment (MfE) Voluntary Greenhouse Gas Reporting Emission Factors 2016: fuel, electricity and general waste to landfill.
- CO2e emission factors for the following sources are obtained from Defra UK Government conversion factors for Company Reporting, 2017: air travel (includes a radiative force), taxi travel, global warming potential for building refrigerants, print and office paper.

#### **Asia (Thailand, Singapore and Vietnam)**

- CO2e emission factors from electricity have been adopted from the International Energy Agency - World CO2 Emissions database 2017  
CO2e emission factors for all other sources have been adopted from Defra UK Government conversion factors for Company Reporting 2017

**Emission sources included:**

Emission source	Australia	New Zealand	Asia (Indonesia, Thailand, Singapore & Vietnam)
<b>Scope 1:</b>			
Fuel consumption for tool of trade vehicles	✓	✓	✓
Building refrigerants	✓	X	X
<b>Scope 2:</b>			
Electricity	✓	✓	✓
<b>Scope 3:</b>			
Electricity	✓	✓	✓
Fuel consumption for tool of trade vehicles	✓	✓	✓
Office paper	✓	✓	✓
Print paper	✓	✓	✓
Air travel	✓	✓	✓
Taxi travel	✓	X	X
Business car hire	✓	X	X
General waste	✓	✓	X

In FY18 the CO2e per FTE figure is calculated inclusive of all emission sources applicable for each business unit as stated above.

**Customer / broker advocacy measures and Net Promoter Score**

Measured from the results of studies carried out by third parties among IAG customers (direct or intermediated). The studies include a question that asks the 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.

In Australia, there are two measures of customer advocacy, the Net Promoter Score (NPS) and the CAS Heartbeat. The NPS assesses the strength of the relationship customers have with the personal insurance brands (NRMA, SGI, Coles, CGU, WFI & RACV) 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. The NPS study is administered by DBM consultants. The CAS 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 CAS Heartbeat scores are reported in the Medallia Heartbeat portal in real time.

In Australia, the figures as at June 2018 are calculated on a 12 month rolling average.

In New Zealand, all NPS / broker advocacy score information is reported on a twelve month rolling basis. The NZI score is the result of a company-led annual survey of brokers.

This figure is not reported for the Asia businesses.

### **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 shared value framework, community investment is increasingly being directed towards partnerships and programs that create safer, stronger and more confident communities – 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. This 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 investment is not reported for the Asia business.

#### Types of community investment

*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 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.

*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**

In Australia and New Zealand, this includes metered electricity consumption and invoice data for those sites directly owned or controlled by IAG. In Asia, electricity invoices have been used to collate consumption information. 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.

Measured in MWh of electricity consumed and per FTE.

### **Full time equivalent (FTE)**

FTE is a measure of the size of IAG's workforce that takes account of part time employees. Full time employees are given a value of one. The value for part time employees is based on their regular hours as a proportion of full time hours. The FTE includes all permanent fulltime (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 we report on the data.

### **Fuel consumption**

In Australia 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. In New Zealand, Indonesia, Thailand and Vietnam, both petrol and diesel are consumed. In Australia and New Zealand, 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 will be included in our 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 and this means we have been able to re-state figures back to FY14.

Measured in kilolitres (kL) of fuel consumed and per vehicle.

### **Full time employees versus part time employees**

Percentage of full time versus part time employees included in headcount. Full time employees work 35, 37.5 or 40 hours per week depending on their Enterprise Agreement or contract. Part time employees work less weekly hours than the full time hours under their enterprise agreement. This calculation excludes temporary employees.

### **General waste to landfill**

This measure is calculated for Australia and New Zealand only. General waste to landfill means any non-hazardous waste for delivery to landfill. This excludes recyclables separately collected from the sites, which does not go to landfill. A third party contractor provides reporting on the tonnage of waste generated. The calculation includes waste for those sites directly owned or controlled by IAG (all sites and data centres). For sites not included in the monthly waste reporting process the waste tonnage for these sites have been estimated using an equivalent FTE model.

Measured in tonnes and Kg per FTE.

### **Headcount**

The 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.

No figures are reported for the Asia business.

### **Male to female salary ratio**

The ratio is determined for the Australian and New Zealand businesses by dividing mean annual FTE base salary for all males by that for all females within each employment category. 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. This is not reported for the Asia business.

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

### **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.

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. This is not reported for the Asia business.

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

### **Office paper consumption**

A3, A4 and A5 office paper consumption as determined through an in-house ordering system. This excludes glossy paper. In New Zealand, office paper consumption is measured through supplier invoices for paper ordered during the month, whilst in Asia it is based on actual paper consumed.

Measured in tonnes and Kg per FTE.

### **Print paper consumption**

Print paper consumption consisting 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.

Measured in tonnes and Kg per business volume.

### **Recycled waste**

Recycled waste is a measure of the actual quantity of paper, cardboard and co-mingled material collected for recycling across Australia and New Zealand. For New Zealand this measure also includes organic (composted) matter collected. For sites where no actual consumption data is

available the recycling quantity for Australia and New Zealand has been estimated based on an equivalent FTE model using consumption figures for similar known sites.

No figures are reported for the Asia business (Thailand, Singapore and Vietnam).

Measured in tonnes and Kg per FTE.

#### **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.

#### **Taxi travel**

Only reported in Australia, this represents the distance travelled by employees taking taxis for work purposes. 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. 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).

#### **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 was extrapolated based on an equivalent FTE model. In FY18, we identified an error in reporting at our Sydney head office and amended our FY17 figures accordingly.

Measured in kilolitres (kL).

#### **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**

Total percentage of females in senior management positions is determined by women in the position of senior manager, head of / general manager and executive roles, based on their career band in Australia. In New Zealand this represents the percentage of women in senior management or executive positions per IAG NZ's organisational structure. Senior Management are those directly reporting to the CEO and EGM (excludes Executive Assistant). Executives are those who are reporting to the CEO.

#### **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).