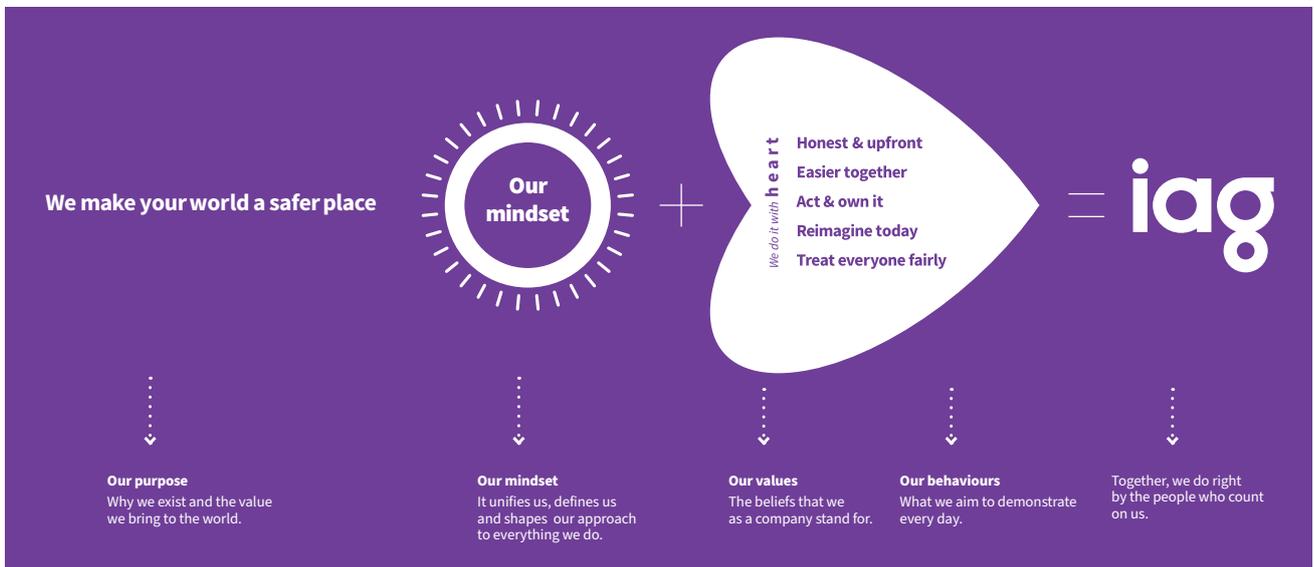


Our Culture: The IAG Way.



Creating a stronger and more resilient business starts with our people and our culture.

During FY21, we focused on further strengthening our culture to deliver on our purpose and to enable the next phase of our strategy focused on deeper customer engagement and transition to growth.

The IAG Way (set out above), was introduced to give us clear focus on who we are, what we stand for and how we need to behave to deliver positive outcomes for our customers, our communities, and our people.

We continue to review our practices to consistently embed and continually reinforce The IAG Way.

Measuring our culture

IAG reports on a range of people-related outcomes to help us understand how our people feel about their workplace, and what improvements we need to make. Information is gathered through quarterly culture pulse surveys which provide insights into our company’s cultural health and help us act to improve the people experience and mitigate risks. Our most recent quarterly pulse survey, in June 2021, was completed by 76% of our people.

We have two key measures of culture. The first is our employee net promoter score, which reflects how likely people are to recommend IAG as a place to work – and our results show they continue to be confident in doing this. As at 30 June 2021, our rolling 12-month average employee net promoter score was +46, down slightly from the 12-month rolling average of +50 for the period ended 30 June 2020. This outcome indicates our people feel confident to recommend IAG as a place to work. Flexible work practices, supportive team culture and the quality of leadership are key reasons supporting our employees’ advocacy. Employee wellbeing and the impact of organisational change remain key focus areas to manage in the future.

The second culture measure covers a range of agility indicators (Leadership Effectiveness, Connectedness and Decision Making). These indicators help IAG understand how our people experience leadership and decision making, and how connected they feel to the company and each other. Results remained consistent throughout the year. People experience positive leadership (4.16/5), feel empowered to make decisions (4.09/5), and feel connected to their team and IAG (3.95/5).

People

FY22 will see the implementation of an evolved approach to measuring culture. This approach brings together insights across People, Risk and Customer to form “one view of culture” that enables us to holistically assess and generate culture insights that we can act on. This “one view of culture” also provides clarity and guidance for IAG on organisational culture and its impact through to risk management and risk culture.

Workplace safety and wellbeing

Throughout FY21, IAG continued to focus on the safety and wellbeing of our people while responding to the changing nature of COVID-19.

Our Safety and Wellbeing Strategy helped create safe and inclusive environments that supported physical, emotional, financial and social wellbeing for all our people. The Strategy is underpinned by IAG’s Safety and Wellbeing Policy and Framework, which outlines the minimum standards for the management and compliance of safety and wellbeing risks across all IAG’s New Zealand and Australian businesses.

To support the ongoing wellbeing of our people, we implemented a number of targeted projects, including tailored webinars on the subjects of resilience through COVID-19, developing a flexible mindset, working safely from home, staying connected and changing your relationship with stress. People leaders were supported with initiatives including a Leaders Psychoeducation Roundtable and guidance on managing teams remotely. RUOK Day 2020 was embraced by many people, who used it to connect with and support colleagues, and access resources such as IAG’s mental health conversations 4 Rs model (Recognise, Respond, Refer and Reconnect) and a Mental Health Crisis Support Card, helping people to support someone in need.

Supporting our people through COVID-19 remains a priority. As part of this support, our people are being provided with two blocks of leave, of up to four hours each, to get their vaccinations.

The Working from Home (WFH) process is a key component of our flexible working practices and supports the safety and wellbeing of all our people, regardless of how often they work remotely. The ongoing impact of COVID-19 has seen an increase in the number of people and range of roles now WFH. As a result, the process now includes a visual assessment of people’s workplace set-up and a stronger focus on staying connected and supporting positive wellbeing. These changes better support ongoing conversations between the employee and their people leader and help to identify potential adjustments or additional support to reduce the risk of injury or illness. Our continued focus on the future of work and emerging risks will ensure ongoing support for flexible and permanent working from home arrangements for our people.

Over the year, around 13% of our people accessed our Employee Assistance Program for support. During Safety Month Activities in October, we launched an internal tips and tricks campaign on staying physically healthy and mentally fit, with people sharing their stories and advice.

Our Lost Time Injury Frequency Rates remains stable at zero in New Zealand and 1.55 in Australia.

Supporting a diverse and inclusive workplace

We are committed to creating an inclusive culture where people from all backgrounds can be themselves at work and feel a sense of belonging. Our focus is on improving equity, accessibility and flexibility. Improvement in these areas supports our workforce sustainability and builds competitive advantage by aligning us more closely with our customer base.

Equity

Equity recognises that we all have different aspirations, and different barriers to achieving these aspirations. Some people need more support than others, including women, First Nations people and employees who identify as LGBTQ.

Women in senior management

In FY21, we met our target for women to hold 40% of senior management positions, achieving 41% as at 30 June 2020. As a sign of our continued commitment, we are on track to meet our 2023 target of 50% women in senior management with 43% women in senior management roles as at 30 June 2021. We define senior management roles as our group executive, executive general managers and the people who report to them. More broadly, women constitute 59% of our workforce.

Further information on IAG’s gender diversity is available in IAG’s Workplace Gender Equality report available at www.iag.com.au/careers.

Gender Pay Parity

We continue to focus on gender pay parity across the company. We do this through regular ‘like for like’ role analysis as well as analysis of average pay differences across the company, taking action where unexplainable differences are identified.

Male to female annual salary ratio (Average) (\$)

	Australia		New Zealand	
	FY21	FY20	FY21	FY20
General Employees	1.1	1.1	1.22	1.23
Manager/Senior Specialist	1.08	1.07	1.12	1.15
Senior Manager	1.03	1.02	1.03	1.04
Heads Of/General Manager	1.09	1.01	1.06	N/R

Payroll compliance review

IAG has been conducting an ongoing payroll compliance review in Australia and Singapore across a number of payroll-related procedures to identify where employees may not have received their full entitlements. We initiated this review to verify that employee obligations have been met and to reconcile any errors. In our FY21 results, IAG recorded a pre-tax charge of \$56 million for remediation payments to current and former employees identified by the review and related costs, \$5 million of which relates to current year entitlements. Given the level of complexity and detail involved, we expect the review will continue throughout 2021.

Aboriginal and Torres Strait Islander employment

As part of our Elevate Reconciliation Action Plan, we are committed to increasing Aboriginal and Torres Strait Islander employment to 2% of our Australian workforce by December 2021 and to 3% by 2023. As at 30 June 2020, our First Nations representation was 1.05%, which represented 90 Indigenous employees. This year, our Aboriginal and Torres Strait Islander participation rate at 30 June 2021 increased to 1.5%, or 129 First Nations employees.

We are taking a number of steps to help us grow our representation and retention of First Nations employees. This year, we continued to grow the IAG First Nations Employee Network Group to create a greater sense of belonging and inclusivity for our First Nations people. We continued to provide cultural awareness sessions for targeted key stakeholders, refreshed our online cultural eLearning modules, and provided 19 CareerTrackers internships.



Our Elevate Reconciliation Action Plan commitments provide a strong pathway to help us achieve our targets and can be viewed on our website's reconciliation page (www.iag.com.au/reconciliation).

LGBTQ inclusion

We are proud that our Australian and New Zealand workplaces have been certified as supportive, productive and inclusive workplaces for LGBTQ people. This year we were awarded an Australian Workplace Equality Index (AWEI) Bronze Status for the third year in a row and the New Zealand Rainbow Tick certification for the fourth consecutive year.

Employee Network Groups

To bring together people who want to create a more inclusive environment for everyone, we have a number of Employee Network Groups. These groups are: First Nations, Pride, Matou Tagata Pasifika, Accessibility, Families, Haven, Mind Health and Celebrating Women. In New Zealand we recently established te Komiti Whakahaere Māori to oversee our Māori strategy.

Accessibility

IAG continues to focus on addressing accessibility barriers for our people and our customers in Australia and New Zealand. This includes improving processes to attract and onboard employees who live with disability; improving workplace adjustment processes to more effectively accommodate people with accessibility requirements; and continuing to improve digital accessibility for our employees and customers.

In FY21, in partnership with the Australian Network on Disability, IAG continued to pursue a number of important accessibility initiatives. We are developing a workplace adjustment program to ensure all employees are able to have the right adjustments made for them in the workplace. We continue to develop our early careers programs to include opportunities for people with disabilities and have welcomed 28 interns through the Stepping Into program. We have also mentored 14 job seekers through Pace Mentoring and promoted the inclusion of people with disabilities through internal awareness campaigns. IAG also completed the Australian Network on Disability self-assessment to better understand the progress we have made and enhance the roadmap we must follow to make IAG more accessible to both customers and our colleagues.

Flexibility

We continue to use our MyFlex Program to provide a range of flexible working options for our people.

In 2020, our culture survey showed that approximately 74% of our people worked flexibly. We moved quickly to enable 98% of our workforce to work remotely during COVID-19; and many of our people continue to do so, or use a hybrid of working from home and the office.

We also continue to invest in flexible working initiatives and technologies. Attune, previously known as Switch, enables our contact centre employees to change their working times and hours online to suit how and when they wish to work. Since 2019, Attune has been used by more than 300 IAG contact centre consultants and has enabled more than 10,000 shift changes, supporting greater flexibility.

Expanded leave provisions

Recognising that our people may experience a range of situations away from work, our updated Enterprise Agreement that came into effect this year includes additional leave provisions for NAIDOC Week, gender affirmation, late miscarriage, loss of baby and family and domestic violence.