

# Assurance statement

## INDEPENDENT ASSURANCE STATEMENT

To the Management of IAG Limited:

Insurance Australia Group Limited (IAG) commissioned Net Balance Management Group Pty Ltd (Net Balance) to provide limited assurance of sustainability indicators as presented on IAG's website ([www.iag.com.au](http://www.iag.com.au)) in the Data Summary table under the section Sustainability (the 'sustainability indicators') for the year ended 30 June 2013.

The sustainability indicators complement the sustainability content in IAG's Annual Review (the 'Review'), which presents sustainability performance over the period 1 July 2012 to 30 June 2013.

### Assurance Objectives

The objective of the assurance engagement was to state whether anything had come to our attention that would cause us to believe, based on our limited assurance procedures, that the sustainability indicators had not been prepared and presented, in all material respects, in accordance with the criteria as presented in the Glossary of Terms section of IAG's website (the 'Reporting Criteria').

Net Balance was also engaged to undertake a review of IAG's adherence to the GRI's reporting guidance for defining content.

### Responsibility

IAG's management was responsible for the preparation and presentation of the sustainability indicators in accordance with the Reporting Criteria. This statement represents the assurance provider's independent opinion. Net Balance's responsibility in performing its assurance activities was to the management of IAG alone and in accordance with the terms of reference agreed with them. We disclaim any assumption of responsibility for reliance on this assurance statement or on the subject matter to which it relates, to any person other than the management of IAG, or for any purpose other than that for which it was prepared. Other stakeholders should perform their own due diligence before taking any action as a result of this statement.

## Assurance Standard and Scope

The limited assurance engagement was conducted in accordance with Australian Standards on Assurance Engagements ASAE3000 Assurance Engagements other than Audits or Review of Historical Financial Information ("ASAE3000") issued by the Australian Auditing and Assurance Standards Board. The engagement covered the following:

- Limited assurance of IAG's sustainability indicators for the year ended 30 June 2013 for Australia, New Zealand, United Kingdom and Asia, as presented online in the Data Summary. Selected sustainability indicators have also been presented in the Review. IAG Group economic performance metrics were excluded from the assurance scope.
- A review of IAG's adherence to the GRI's reporting guidance for defining content.

## Inherent Limitations

Because of the inherent limitations of any internal control framework and underlying data, it is possible that undetectable data manipulation, error or non-compliance may occur and not be detected. A limited assurance engagement is restricted primarily to enquiries and analytical procedures and the work is less detailed than undertaken for a reasonable assurance engagement. Additionally, non-financial performance data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and sampling or estimating such data.

## Assurance Methodology

Net Balance's assurance methodology consisted of evaluating the reliability of the sustainability indicators through the review of systems, processes, information and calculations used to support the metrics. The procedures selected depend on the assurance provider's judgement, including assessment of the risks of material misstatement of the selected sustainability indicators prepared by IAG. In making judgements, consideration was given to the internal controls relevant to the calculation and collection of the sustainability indicators.

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Evidence gathering for the evaluation of reliability and accuracy of the sustainability indicators involved the following:

- Interviews with data owners to obtain an understanding of the systems and the process used for data recording, collation and retention for the sustainability indicator data.
- Interviews with data owners to check that the Reporting Criteria have been accurately applied to the sustainability indicators as outlined in the Glossary of Terms.
- Undertaking analytical review procedures to support the reasonableness and completeness of the data.
- Identifying and testing assumptions of supporting calculations.
- Testing, on a sample basis, underlying source information to check the accuracy of the data.
- Checking the consistency of the reported information in the data summary with what is reported in the Review.
- Collection and evaluation of documentary evidence.
- A desktop review of documentation relating to IAG's stakeholder engagement and materiality processes.

The assurance engagement was undertaken from May to August 2013 and the procedures took place at IAG's head office in Sydney.

## Our Independence

In conducting this assurance engagement, Net Balance has met the requirements of our Independence Policy, available at [www.netbalance.com/services/assurance](http://www.netbalance.com/services/assurance). Net Balance confirms that we are not aware of any issue that could impair our objectivity in relation to this engagement. Net Balance has not had any part in collecting and calculating data, or in preparing Report content covered by the scope of the engagement.

During the reporting period, Net Balance team members that were not involved in the assurance engagement undertook work for IAG. This work involved Net Balance's expertise to map the shared value creation associated with a selection of IAG's community investments including the Safehome and Kidsafe WA programs. Based on a review of the work conducted for IAG against the requirements of our Independence Policy, Net Balance and IAG do not believe that our independence has been impaired.

The Net Balance assurance team has the required competencies and experience to conduct this engagement.

## Findings from the review of GRI Principles for defining report content

The documentation indicated IAG's commitment to stakeholder inclusiveness and demonstrated that IAG has a clear process for identifying, prioritising and validating material issues while considering sustainability impacts and ensuring completeness of the report content.

## Limited Assurance Conclusion

Based on our limited assurance procedures, nothing has come to our attention that causes us to conclude that the sustainability indicators (as described above), have not been prepared, in all material respects, in accordance with the Reporting Criteria as presented in the Glossary of Terms section of IAG's website.

On behalf of the assurance team  
20 August 2013  
Melbourne, Australia



Terence Jeyaretnam, FIEAust  
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Director, Net Balance