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Independent Assurance Report to the Management and Directors of Insurance Australia Group Limited ('IAG') in relation to its selected sustainability disclosures in its FY19 Annual Review

Our Conclusion

Based on our limited assurance procedures, nothing has come to our attention that causes us to believe that the selected sustainability disclosures for the year ended 30 June 2019 have not been reported and presented fairly, in all material respects, in accordance with the Criteria.

Ernst & Young ('EY') was engaged by IAG to undertake limited assurance over selected disclosures in IAG's FY19 Annual Review and Safer Communities Report and associated online content ('The Report'). The Subject Matter for our limited assurance engagement for the year ended 30 June 2019 for IAG Group, Australia and New Zealand was limited to:

Subject Matter

- ▶ Selected material non-financial quantitative performance indicators ('Selected Performance Information') contained in the 'Safer Communities' online content (www.iag.com.au/safer-communities/esg-commitments-and-performance) and limited to those outlined in Tables 1-3
- ▶ The consolidated performance metrics relating to the Selected Performance Information in Tables 1-3, presented throughout IAG's FY19 Annual Review and Safer Communities Report
- ▶ Selected qualitative disclosures relating to performance data as outlined in Tables 1-3, selected qualitative disclosures pertaining to IAG's material issues contained within IAG's FY19 Annual Review and Safer Communities Report as well as within its associated online content (limited to IAG's Climate Change disclosures (www.iag.com.au/safer-communities/our-climate-action-plan))

Table 1: Selected Australia Performance Data

Performance Data	
Customer	
1.	Business Volumes (including risks in force per million for personal lines and policies in force per million for commercial lines)
2.	Customer Advocacy Scores
3.	Community Investment (total A\$m)
Workforce	
4.	Part time employment (%)
5.	Full-time equivalent (FTE)
6.	Total head count
7.	Staff turnover (%)
8.	Absenteeism (%)
9.	Women in workforce, management, executive and board (% of total by position)
10.	Male to female salary ratio (average and position-in-range, A\$)
Safety	
11.	Lost Time Injury Frequency Rate (LTIFR)
Environmental	
12.	Total Scope 1 greenhouse gas (GHG) emissions (t CO ₂ -e)
13.	Total Scope 2 GHG emissions (t CO ₂ -e)
14.	Total Scope 3 GHG emissions (t CO ₂ -e)
15.	Electricity (mWh)
16.	Natural Gas (GJ)
17.	Building refrigerants (tonnes)
18.	Fuel consumption (kL)
19.	Air travel (Million kms)
20.	Taxi travel (thousands kms)
21.	Rental car (thousands kms)
22.	Water consumption (kL)
23.	Office paper (tonnes)
24.	Recycled waste (tonnes)
25.	General waste (tonnes)
26.	Paper consumption, including office and print (tonnes)



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Table 2: Selected New Zealand Performance Data

Performance Data	
Customer	
1.	Business Volumes (including risks in force per million for personal lines and policies in force per million for commercial lines)
2.	Customer Advocacy Scores
3.	Community Investment (total NZ\$m)
Workforce	
4.	Part time employment (%)
5.	Full-time equivalent (FTE)
6.	Total head count
7.	Staff turnover (%)
8.	Absenteeism (%)
9.	Women in workforce and management (% of total by position)
10.	Male to female salary ratio (average and position-in-range, A\$)
Safety	
11.	Lost Time Injury Frequency Rate (LTIFR)
12.	Resource usage, including Energy and GHG Emissions
13.	Total Scope 1 GHG emissions (t CO ₂ -e)
14.	Total Scope 2 GHG emissions (t CO ₂ -e)
15.	Total Scope 3 GHG emissions (t CO ₂ -e)
16.	Tools of trade vehicle fuel usage (kL)
17.	Electricity (mWh)
18.	Fuel consumption (kL)
19.	Air travel (Million kms)
20.	Recycled waste (tonnes)
21.	General waste (tonnes)
22.	Paper consumption, including office and print (tonnes)

Table 3: Selected Group Performance Data

Performance Data	
1.	Business volume (million)
2.	Total community investment (AUD million)
3.	Total headcount
4.	Part time employment (%)
5.	Full-time equivalent (FTE)
6.	Staff turnover (%)
7.	Absenteeism (%)
8.	Male to female salary ratio, General Employees (average and position-in-range, A\$)
9.	Women in workforce (% of total by position)
10.	LTIFR
11.	Total Scope 1 GHG emissions (t CO ₂ -e)
12.	Total Scope 2 GHG emissions (t CO ₂ -e)
13.	Total Scope 3 GHG emissions (t CO ₂ -e)

Criteria applied by IAG

The following criteria have been applied:

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

Management’s Responsibility

Management of IAG is responsible for the preparation and fair presentation of the Subject Matter in accordance with the Criteria, and is also responsible for the selection of methods used in the Criteria. No conclusion is expressed as to whether the selected methods are appropriate for the purpose described above. Further, IAG’s Management is responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Subject Matter that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate criteria; maintaining adequate records, and making estimates that are reasonable in the circumstances.

Assurance Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on our assurance engagement, conducted in accordance with the Australian Auditing and Assurance Standards Board's *Australian Standard on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ASAE 3000') and *Assurance Engagements on Greenhouse Gas Statements* ('ASAE3410'), as agreed with IAG.

In conducting our assurance engagement, we have met the requirements of the APES 110 Code of Ethics for Professional Accountants. We have the required competencies and experience to conduct this assurance engagement.

Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and, as such, do not provide all of the evidence that would be required to provide a reasonable level of assurance. 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.

The procedures performed depend on the assurance practitioner's judgement including the risk of material misstatement of the Subject Matter, whether due to fraud or error. While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems, which would have been performed under a reasonable assurance engagement.

Summary of review procedures performed

Our limited assurance procedures included the following:

- ▶ Conducting interviews with key personnel to understand the process for collecting, collating, and reporting the Subject Matter during the reporting period
- ▶ Checking that the data collection process and calculation criteria had been applied in accordance with the methodologies outlined in the Criteria
- ▶ Undertaking analytical review procedures to support the reasonableness of the data
- ▶ Checking the accuracy of calculations performed
- ▶ Obtaining and reviewing evidence to support key assumptions in calculations and other data or statements
- ▶ Identifying and tested assumptions supporting calculations
- ▶ Checking whether data and statements had been accurately transcribed from corporate systems and/or supporting evidence into the Report
- ▶ Reviewing the presentation of qualitative claims, case studies, and data against the relevant GRI Standards Reporting Principles contained in the criteria
- ▶ Determining whether material topics and performance issues identified during our procedures had been adequately and accurately disclosed

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.



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Use of our Assurance Engagement Report

We disclaim any assumption of responsibility for any reliance on this assurance report, or on the Subject Matter to which it relates, to any persons other than Management and the Directors of IAG, or for any purpose other than that for which it was prepared.

Our review included web-based information that was available via web links as of the date of this statement. We provide no assurance over changes to the content of this web-based information after the date of this assurance statement.

A handwritten signature in black ink, appearing to read 'Adam Carrel', with a long horizontal line extending to the right.

Adam Carrel
Partner
2 August 2019

The logo for Ernst & Young, featuring the company name in a stylized, cursive script font.

Ernst & Young
Sydney, Australia