

Global Reporting Initiative

The Global Reporting Initiative (GRI) provides a globally applicable framework in the form of guidelines that set out economic, social and environmental indicators for organisations to report against.

The GRI G3.1 Guidelines have been a guide for the preparation of our 2011 on-line business sustainability reporting. It represents a balanced presentation of our organisation's economic, environmental and social performance and governance, and has been designed to provide our stakeholders with meaningful information about IAG.

We have also used the GRI Financial Services Sector Supplement: Social Performance and the GRI Financial Services Sector Supplement: Environmental Performance to develop the online reporting content. All G3.1 based reports must self declare the level to which they have applied the GRI reporting framework—their 'Application Level'.

Our reporting applies the GRI reporting framework to a self declared B application level, which means that we have demonstrated robust sustainability reporting and well developed reporting systems based on the GRI G3.1. We have provided an explanation about any core indicators that we have not reported against. All GRI indicators are listed in the GRI index.

Adherence to the GRI requirements are marked as:

- 'C' for Conformance;
- 'PC' for Partial Conformance; and
- 'NR' for Not Reported.

'NA' is used when an issue is Not Applicable and 'GRI only' is used for indicators that are reported only in this index.

Comments in italics represent the name of the page where the information can be found online at www.iag.com.au.

GRI DISCLOSURES AND INDICATORS			
1. PROFILE			
1.1	Statement from the most senior decision maker of the organisation	C	A message from our CEO, <i>Business Sustainability</i>
1.2	Description of key impacts, risks, and opportunities	C	<i>Business sustainability / The issues that matter</i>
2. ORGANISATIONAL PROFILE			
2.1	Name	C	Insurance Australia Group Limited
2.2	Primary brands, products and services	C	<i>About IAG / Our brands</i>
2.3	Operational structure	C	<i>About IAG / Our brands</i>
2.4	Location of organisation's headquarters	GRI only	IAG's headquarters are located at 388 George St, Sydney, Australia
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues	C	<i>About IAG, About This Report – Business sustainability / About this report</i>

	covered in the report		
2.6	Nature of ownership and legal form	C	History - About IAG / History
2.7	Markets served and type of customers	C	Our brands – About IAG / Our brands Stakeholder engagement – Business sustainability / Stakeholder engagement
2.8	Scale of the organisation, including:	C	IAG Annual Report – Results and Reports
	- Number of employees;	C	Our performance – Business Sustainability / FY11 performance
	- Net revenues;	C	IAG Annual Report – Results and Reports
	- Total capitalisation;	C	IAG Annual Report – Results and Reports
	- Quantity of products or services provided; and	C	IAG Annual Report – Results and Reports
	- Total assets;	C	IAG Annual Report – Results and Reports
	- Beneficial ownership; and	C	IAG Annual Report – Results and Reports
	- Breakdowns by country/region of the following:		
	o Sales/revenues by countries/regions that make up 5 percent or more of total revenues;	C	IAG Annual Report – Results and Reports
	o Costs by countries/regions that make up 5 percent or more of total revenues; and	C	IAG Annual Report – Results and Reports
	o Employees.		
2.9	Significant changes during the reporting period regarding size, structure, or ownership	C	IAG Annual Report – Results and Reports
2.10	Awards received	C	Our Awards – About IAG / Our awards
3. REPORT PARAMETERS			
REPORT PROFILE			
3.1	Reporting period	C	About This Report – Business sustainability / About this report
3.2	Date of most recent previous report	C	Report is produced annually, previous reports available online – Business Sustainability / Other reports
3.3	Reporting cycle	C	Annual, by financial year 1 July-30 June
3.4	Contact point for questions	C	sustainability@iaq.com.au
REPORT SCOPE AND BOUNDARY			
3.5	Process for defining report content, including:		
	- Determining materiality;	C	About This Report – Business sustainability / About this report
	- Prioritising; and	C	About This Report – Business

			<i>sustainability / About this report</i>
	- Identifying stakeholders.	C	Stakeholder engagement – <i>Business Sustainability / Stakeholder engagement</i>
3.6	Boundary of the report	C	About This Report – <i>Business sustainability / About this report</i>
3.7	Any specific limitations on the scope or boundary of the report	C	Detailed throughout and included within our glossary of terms – <i>Business Sustainability / Glossary</i>
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities	C	We have reported qualitatively or quantitatively on entities for which the IAG Group retains operational control
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques	C	Detailed throughout and included within our glossary of terms – <i>Business Sustainability / Glossary</i>
3.10	Explanation of the effect of any re-statements of information provided in earlier reports and the reasons	C	Detailed throughout and included within our glossary of terms – <i>Business Sustainability / Glossary</i>
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods	C	Detailed throughout and included within our glossary of terms – <i>Business Sustainability / Glossary</i>
GRI CONTENT INDEX			
3.12	Table/list identifying the location of the standard disclosures in the report	C	This table, the GRI Index
ASSURANCE			
3.13	Policy and current practice with regard to seeking external assurance for the report	C	Details of assurance – <i>Business Sustainability / Assurance</i>
4. GOVERNANCE, COMMITMENTS, AND ENGAGEMENT			
GOVERNANCE			
4.1	Governance structure of the organisation, including committees under the Board responsible for specific tasks.	C	Corporate governance – <i>About IAG / Corporate Governance</i>
4.2	Indicate whether the Chair of the Board is also an executive officer	C	Board of Directors – <i>About IAG / Board and Executive team</i>
4.3	The number of members of the Board that are independent and/or non-executive members	C	IAG Annual Report – <i>Results and Reports</i> , Corporate Governance – <i>About IAG / Board and Executive team</i>
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to	C	IAG Annual Report – <i>Results and Reports</i> , Engagement with our stakeholders – <i>Business Sustainability /</i>

	the Board		<i>Stakeholder engagement</i>
4.5	Linkage between compensation for members of the Board, senior managers and executives and the organisation's performance (including social and environmental performance)	C	IAG Annual Report – <i>Results and Reports</i>
4.6	Processes in place for the Board to ensure conflicts of interest are avoided	C	Corporate governance - <i>About IAG / Corporate Governance</i>
4.7	Process for determining the qualifications and expertise of the members of the Board for guiding the organisation's strategy on economic, environmental, and social topics	C	Corporate governance policies and principles - <i>About IAG / Corporate Governance</i> , IAG Annual Report - <i>Results and Reports</i>
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance	C	Code of Ethics - <i>About IAG / Corporate Governance / Codes and Policies</i> , IAG principles and values – <i>About IAG / Principles and values</i>
4.9	Procedures of the Board for overseeing the organisation's identification and management of economic, environmental and social performance	C	IAG views sustainability performance across a broad range of aspects including economic, customer, workforce, community and environmental performance. This performance is reviewed on an on-going basis. Corporate governance - <i>About IAG / Corporate Governance</i>
4.10	Processes for evaluating the highest governance body's own performance	C	Corporate governance - <i>About IAG / Corporate Governance</i> , IAG Annual Report – <i>Results and Reports</i>

COMMITMENTS TO EXTERNAL INITIATIVES

4.11	Explanation of whether and how the precautionary approach or principle is addressed (Article 15 of the Rio Principles)	C	Risk management approach - <i>About IAG / Corporate Governance / Risk management]</i>
4.12	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or endorses	PC	Benchmarking – <i>Business Sustainability / FY11 Performance</i> , A message from our CEO, <i>Business Sustainability</i> , IAG Principles and values- <i>About IAG / Principles and values</i> , GRI Index - <i>this table</i>
4.13	Memberships in associations and/or national/international advocacy organisations	C	Detailed throughout

STAKEHOLDER ENGAGEMENT

4.14	List of stakeholder groups engaged by the organisation	C	Detailed throughout and Stakeholder engagement – <i>Business Sustainability / Stakeholder engagement</i>
4.15	Basis for identification and selection of stakeholders with whom to engage	PC	Detailed throughout and Stakeholder engagement – <i>Business Sustainability / Stakeholder engagement</i>
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	C	Detailed throughout and Stakeholder engagement – <i>Business Sustainability / Stakeholder engagement</i>
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting	C	The issues that matter – <i>Business Sustainability / the issues that matter</i>

5. MANAGEMENT APPROACH AND PERFORMANCE INDICATORS

ENVIRONMENTAL - MANAGEMENT APPROACH	C	Our environmental sustainability strategy includes managing not only our impact on the environment, but also the impact of the environment and the changing climate on our business. The issues that matter – <i>Business Sustainability / the issues that matter</i> , Our performance – <i>Business Sustainability / FY11 performance</i>
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ENVIRONMENTAL PERFORMANCE INDICATORS

ASPECT: MATERIALS

EN1	Materials used by weight or volume	C	Our Performance - <i>Business Sustainability / FY11 performance</i> , Five year performance summary – <i>Business Sustainability / Data summary</i>
EN2	Percentage of materials used that are recycled input materials	NR	Qualitative commentary provided on IAG's approach to sustainable consumption of resources and repairs only

ASPECT: ENERGY

EN3	Direct energy consumption by primary energy source	C	Our Performance - <i>Business Sustainability / FY11 performance</i> , Five year performance summary – <i>Business Sustainability / Data summary</i>
EN4	Indirect energy consumption by primary source	C	Our Performance - <i>Business Sustainability / FY11 performance</i> , Five year performance summary – <i>Business Sustainability / Data summary</i>

EN5	Energy saved due to conservation and efficiency improvements	PC	Our Performance - <i>Business Sustainability / FY11 performance</i> , Five year performance summary – <i>Business Sustainability / Data summary</i> Managing our business – <i>Business Sustainability / the issues that matter</i>
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	NA	IAG is a financial service provider. IAG's environmental performance - <i>Business Sustainability / FY11 performance</i>
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	C	Our Performance - <i>Business Sustainability / FY11 performance</i> , Five year performance summary – <i>Business Sustainability / Data summary</i> Managing our business – <i>Business Sustainability / the issues that matter</i>

ASPECT: WATER

EN8	Total water withdrawal by source	GRI only	We do not report on this indicator as yet since we have not been able to collect reliable data on our water consumption across our property network. We recognise that water is a scarce resource therefore will look to report on this indicator in FY12.
EN9	Water sources significantly affected by withdrawal of water	GRI only	We do not report on this indicator as yet since we have not been able to collect data on our water consumption.
EN10	Percentage and total volume of water recycled and reused	GRI only	We do not report on this indicator as yet since we have not been able to collect reliable data on our water consumed and recycled. We will investigate the viability of reporting this indicator in FY12.

ASPECT: BIODIVERSITY

EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	NA	IAG's operations do not impact on areas of high diversity value
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	NA	IAG's activities, products and services do not impact on areas of high diversity value
EN13	Habitats protected or restored	NA	IAG's operations do not impact on areas of high diversity value

EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	NA	IAG's operations do not impact on areas of high diversity value
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	NA	IAG's operations do not impact on habitats with IUCN Red List species and national conservation list species
ASPECT: EMISSIONS, EFFLUENTS AND WASTE			
EN16	Total direct and indirect greenhouse gas emissions by weight	C	Our Performance - <i>Business Sustainability / FY11 performance</i> , Five year performance summary – <i>Business Sustainability / Data summary</i>
EN17	Other relevant indirect greenhouse gas emissions by weight	C	We have reported on all of our largest known emission sources. We are investigating other sources of our indirect emissions, and for the first year this year have reported on taxi travel for our Australian business. This is not a material source of emissions. Our Performance - <i>Business Sustainability / FY11 performance</i> , Five year performance summary – <i>Business Sustainability / Data summary</i>
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	C	The issues that matter – <i>Business Sustainability / The issues that matter</i> , Our Performance - <i>Business Sustainability / FY11 performance</i>
EN19	Emissions of ozone-depleting substances by weight	NR	As a financial institution, IAG does not directly produce significant amounts of ozone-depleting substances or other significant emissions, such as SO and NO
EN20	NO, SO and other significant air emissions by type and weight	NA	See EN19 for more information
EN21	Total water discharge by quality and destination	NA	As a financial institution, IAG does not have any significant discharges to water
EN22	Total weight of waste by type and disposal method	NR	We do not collect this data but are investigating it for FY12
EN23	Total number and volume of significant spills	NA	As a financial institution, IAG does not have significant spills
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII and percentage of transported waste shipped internationally	NA	IAG does not have any hazardous waste

EN25	Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff	NA	As a financial institution, IAG does not have any significant discharges of water and runoff
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ASPECT: PRODUCTS AND SERVICES

EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	PC	The issues that matter – <i>Business Sustainability / The issues that matter, Our Performance - Business Sustainability / FY11 performance</i>
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EN27	Percentage of products sold and their packaging materials that are reclaimed by category	NR	IAG does not produce physical products but is concerned about the use of paper in providing customers with information.
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ASPECT: COMPLIANCE

EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	GRI only	There were no known sanctions for non-compliance imposed on IAG in FY2011
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ASPECT: TRANSPORT

EN29	Significant environmental impacts of transporting products and other good and materials used for the organisation's operations and transporting members of the workforce	NR	<p>IAG does not generate significant environmental impacts through transportation of its products and services.</p> <p>For air travel for members of IAG's workforce, fuel consumed by our tool of trade fleet, and taxi travel data for our Australian emissions see Our Performance - <i>Business Sustainability / FY11 performance</i>, Five year performance summary – <i>Business Sustainability / Data summary</i></p>
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ASPECT: OVERALL

EN30	Total environmental protection expenditures and investments by type	NR	<p>Our environmental protection expenditures include the costs of disposing our waste, in-kind expenditure through IAG's volunteer day program and sponsorship and participation in environmental community groups</p> <p>Our Performance - <i>Business</i></p>
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*Sustainability / FY11 performance,
Five year performance summary –
Business Sustainability / Data summary*

SOCIAL PERFORMANCE INDICATORS

HUMAN RIGHTS - MANAGEMENT APPROACH

C

All of IAG's activities and actions are governed by our values and our code of conduct and ethics – *About IAG / Principles and values, About IAG / Corporate governance / Codes and policies*

HUMAN RIGHTS PERFORMANCE INDICATORS

ASPECT: INVESTMENT AND PROCUREMENT PRACTICES

HR1 Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening

PC

IAG's approach to investment management – *Business Sustainability / The issues that matter*

HR2 Percentage of significant suppliers, contractors and other business partners that have undergone screening on human rights and actions taken

NR

IAG's approach to relationships with suppliers is detailed throughout the document – *Business Sustainability / The issues that matter.*

HR3 Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained

NR

All of IAG's activities and actions are governed by our values and our code of conduct and ethics – *About IAG / Principles and values, About IAG / Corporate governance / Codes and policies*

ASPECT: NON-DISCRIMINATION

HR4 Total number of incidents of discrimination and actions taken

NR

Aligned to IAG's devolved operating model each of our operating divisions has processes in place and is responsible for the management of incidents and ensuring that appropriate actions are taken. This is not reported externally.

ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

HR5 Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be at significant risk and actions taken to support these rights

GRI only

Freedom of association is protected by the Fair Work Act 2009 in Australia and the Employment Relations Act 2000 in New Zealand, which mandate not only that employees are free to join a union, but also that they should not suffer detriment because of their membership of a trade union. This will therefore be relevant to our suppliers in these

regions.

IAG's Code of Ethics specifically refers to the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work, which includes freedom of association.

In addition, the IAG Enterprise Agreement also contains a number of clauses broadly relevant to the exercise of freedom of association

ASPECT: CHILD LABOUR

HR6	Operations and significant suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour	GRI only	Over the reporting period, neither we nor our suppliers had any known incidents of child labour. We operate under the requirements of local legislation in this area and expect our suppliers to do the same. All of our activities are governed by our Code of ethics – About IAG / Corporate governance / Codes and policies .
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ASPECT: FORCED AND COMPULSORY LABOUR

HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labour and measures to contribute to the elimination of forced or compulsory labour	GRI only	Over the reporting period, neither we nor our suppliers had any known incidents of child labour. We operate under the requirements of local legislation in this area and expect our suppliers to do the same. All of our activities are governed by our Code of Ethics - About IAG / Corporate governance / Codes and policies .
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ASPECT: SECURITY PRACTICES

HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations	NR	All of IAG's activities and actions are governed by our values and our code of conduct and ethics – About IAG / Principles and values, About IAG / Corporate governance / Codes and policies
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ASPECT: INDIGENOUS RIGHTS

HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	GRI only	Over the reporting period, there were no known incidents involved rights of indigenous people
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ASPECT: ASSESSMENT			
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments	GRI only	Human rights has not currently been identified as a risk for IAG's operations and consequently no human rights reviews have been conducted.
ASPECT: REMEDIATION			
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms	GRI only	Over the reporting period, there were no known grievances related to human rights
LABOUR PRACTICES AND DECENT WORK - MANAGEMENT APPROACH		C	<p>To ensure our long term success we believe in having the right people, in the right roles. Our ongoing success relies on us recruiting and retaining the right people now and developing their talent into the future. As a result we are investing in Group-wide leadership programs to ensure we develop future leaders across the organization.</p> <p>The issues that matter – <i>Business Sustainability / The issues that matter</i></p>
LABOUR PRACTICES AND DECENT WORK PERFORMANCE INDICATORS			
ASPECT: EMPLOYMENT			
LA1	Total workforce by employment type, employment contract and region, broken down by gender	C	Our Performance - <i>Business Sustainability / FY11 performance</i> , Five year performance summary – <i>Business Sustainability / Data summary</i>
LA2	Total number and rate of employee turnover by age group, gender and region	PC	Our Performance - <i>Business Sustainability / FY11 performance</i> , Five year performance summary – <i>Business Sustainability / Data summary</i>
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	GRI only	Full time and part time employees receive and have access to the same benefits
LA15	Return to work and retention rates after parental leave, by gender	NR	This will be investigated for FY12.
ASPECT: LABOUR/MANAGEMENT RELATIONS			
LA4	Percentage of employees covered by collective bargaining agreements	GRI only	In our Australian and New Zealand operations, all employees with the exception of senior management are covered by collective bargaining agreements. In our Asia and UK

			operations there are no collective bargaining agreements.
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements	GRI only	<p>Notice periods in the instance of operational change are set out in the Insurance Australia Group Enterprise Agreement (EA) 2003. It provides that for employees with less than 25 years service to receive eight weeks' notice of retrenchment (or payment in lieu) while employees who are either over 45 years of age or have over 25 years services to receive 12 weeks' notice (or payment in lieu).</p> <p>The IAG EA also contains provisions regarding consultation with employees and/or the Finance Sector Union regarding any change program that will impact on employees or on their working arrangements</p>

ASPECT: OCCUPATIONAL HEALTH AND SAFETY

LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	GRI only	Joint management – worker health and safety committees are in place across our Australian and New Zealand businesses.
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region and by gender	PC	Our Performance - <i>Business Sustainability / FY11 performance</i> , Five year performance summary – <i>Business Sustainability / Data summary</i> . This is not reported by gender.
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	GRI only	HIV and AIDS and other communicable diseases are not material risks in our areas of operation. However, we provide a range of services for our staff to mitigate diseases, e.g. RSI and stress. These include the Employee Assistance Program and occupational health and safety training
LA9	Health and safety topics covered in formal agreements with trade unions	GRI only	The Insurance Australia Group Enterprise Agreement (EA), of which the Finance Sector Union is a party, contains a specific commitment to a safe workplace (clause 1.2.5). The IAG EA refers to IAG's Charter for Health, Safety and Security and additional

occupational health and safety policies that apply at IAG

ASPECT: TRAINING AND EDUCATION

LA10	Average hours of training per year per employee by gender, and by employee category	GRI only	IAG has a wide range of training available to all of our people and is focused on providing high quality tailored training for our employees, rather than a specific quantity of training. As part of the annual performance management process, specific development plans are determined for each employee and training requirements identified at this time. We have an on-line internal training system that records all mandatory internal training undertaken by our people however, training undertaken outside of the organisation is not captured in this system.
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	GRI only	IAG offers its employees the following initiatives, which are provided for in both the Insurance Australia Group Enterprise Agreement (EA), or through policy: <ul style="list-style-type: none"> - external study support; - internal training/learning and development programs; - career breaks; - create retirement seminars for those approaching retirement; - retrenchment outplacement services; and - severance pay.
LA12	Percentage of employees receiving regular performance and career development reviews, by gender	GRI only	100%. Organisation policy requires all parts of the business and all categories of employees to follow a performance appraisal process

ASPECT: DIVERSITY AND EQUAL OPPORTUNITY

LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	PC	Board of directors - <i>About IAG / Board and Executive team</i> , IAG Annual Report - <i>Results and Reports</i>
LA14	Ratio of basic salary of men to women by employee category, by significant locations of operation	C	Our Performance - <i>Business Sustainability / FY11 performance</i> , Five year performance summary – <i>Business Sustainability / Data summary</i>

SOCIETY - MANAGEMENT APPROACH		C	<p>Insurance is about sharing risk across the community, so it is important for us to engage in the communities in which we operate to help them reduce and manage their risks.</p> <p>We take a strategic approach to community investment, seeking partnerships which enable us to share our knowledge and promote initiatives that reduce risk at home, on the road and in the broader community.</p> <p>The issues that matter - <i>Business Sustainability / The issues that matter</i></p>
SOCIETY PERFORMANCE INDICATORS			
ASPECT: COMMUNITY			
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	GRI only	<p>In assessing and selecting the location and positioning of our offices we consider:</p> <ul style="list-style-type: none"> - the location and concentration of IAG members and participating employers; - the age and business demographics of the areas being considered; and - growth forecasts for the areas. <p>To minimise the likelihood of exiting a community we attempt to ensure that our offices are established in regional cities, have long term leases and employ local people to operate the centres.</p> <p>We do not have any structured programs in place for assessing and managing the impacts of operations on communities.</p>
SO9	Operations with significant potential or actual negative impacts on local communities	NA	IAG is a financial services provider and our operations do not have negative impacts on the local community
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	NA	IAG is a financial services provider and our operations do not have negative impacts on the local community

ASPECT: CORRUPTION			
SO2	Percentage and total number of business units analysed for risks related to corruption	PC	100%. Code of Conduct; Security Trading Policy; Continuous Disclosure Policy, Risk Management and Compliance Committee Charter - About IAG / Corporate governance , Codes and policies - About IAG / Corporate governance / Codes and policies
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures	PC	Risk management - About IAG / Corporate governance Ethics - About IAG / Corporate governance
SO4	Actions taken in response to incidents of corruption	PC	The have been no known incidents of corruption during the reporting period. IAG's activities are governed by our Code of Ethics - About IAG / Corporate governance
ASPECT: PUBLIC POLICY			
SO5	Public policy positions and participation in public policy development and lobbying	C	IAG actively engages in public policy development. Government submissions - News centre / Government submissions
SO6	Total value of financial and in-kind contributions to political parties, politicians and related institutions by country	C	IAG does not make direct contributions to any political party. Consistent with Australian legislative requirements, IAG discloses all political contributions that are made to political parties.
ASPECT: ANTI-COMPETITIVE BEHAVIOUR			
SO7	Total number of legal actions for anticompetitive behaviour, anti-trust and monopoly practices and their outcomes	GRI only	There were no known legal actions for anti competitive behavior, anti trust and monopoly practices
ASPECT: COMPLIANCE			
SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations	GRI only	No new significant fines or non-monetary sanctions imposed in FY2011
PRODUCT RESPONSIBILITY - MANAGEMENT APPROACH		C	The issues that matter - Business Sustainability / The issues that matter
PRODUCT RESPONSIBILITY PERFORMANCE INDICATORS			
ASPECT: CUSTOMER HEALTH AND SAFETY			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for	NA	Our products do not have any significant direct health and safety issues

	improvement and percentage of significant products and services categories subject to such procedures		
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	GRI only	There were no known incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products or services
ASPECT: PRODUCT AND SERVICE LABELLING			
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	GRI only	IAG complies with the relevant government legislation in the countries in which it operates
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by types of outcomes	GRI only	No known incidents in FY2011
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	C	Our Performance – <i>Business Sustainability / FY11 performance</i> , The issues that matter – <i>Business Sustainability / The issues that matter</i>
ASPECT: MARKETING COMMUNICATIONS			
PR6	Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship	GRI only	IAG complies with the relevant government legislation in the countries in which it operates
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship by type of outcomes	GRI only	There were no known incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship in FY2011
ASPECT: CUSTOMER PRIVACY			
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	GRI only	Refer to SO8

ASPECT: COMPLIANCE			
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services	GRI only	There were no significant fines for non-compliance with laws and regulations concerning the provision and use of products and services in FY2011
ECONOMIC - MANAGEMENT APPROACH		C	<p>Our approach to customers, community, the environment and our people provides the foundation for financial performance.</p> <p>Equally, we can only continue to meet our obligations to our stakeholders and deliver value to our shareholders if we continue to drive financial performance. Central to this is maintaining a strong capital and investment position, and using our risk expertise to appropriately identify and respond to risk.</p> <p>The issues that matter – <i>Business Sustainability / The issues that matter</i></p>
ECONOMIC PERFORMANCE INDICATORS			
ASPECT: ECONOMIC PERFORMANCE			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	C	IAG Annual Review – <i>Results and reports</i> , Five year performance summary – <i>Business Sustainability / Data summary</i> , Our performance – <i>Business Sustainability/ FY11 performance</i>
EC2	Financial implications and other risks and opportunities for the organisation’s activities due to climate change	PC	The issues that matter – <i>Business Sustainability / The issues that matter</i>
EC3	Coverage of the organisation’s defined benefit plan obligations	GRI only	All new employees enter accumulation style benefits. Historical defined benefit arrangements are closed to new members and are managed by the operators of the funds in their respective countries
EC4	Significant financial assistance received from the government	GRI only	No significant financial assistance was received from governments in FY2011
ASPECT: MARKET PRESENCE			
EC5	Range of ratios of standard entry level wage by gender compared to	GRI only	At a minimum, IAG offers wage levels that meet the legislative requirements of

	local minimum wage at significant locations of operation		the jurisdictions in which it operates, although the goal is to offer competitive wages for comparable roles in comparable companies in the relevant labour market, irrespective of gender
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	NR	This is not disclosed. Our approach to our relationship with suppliers is detailed at – Business Sustainability / The issues that matter
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation	GRI only	When recruiting for positions, IAG advertises internally and externally as necessary. External advertising for roles in regional centres includes local newspapers and regional job search websites. We have not reported the proportion of senior management hired from the local community
ASPECT: INDIRECT ECONOMIC IMPACTS			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	NA	IAG does not provide funds for these kinds of developments
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	PC	IAG Annual Review – Results and reports
FINANCIAL SERVICES SECTOR SUPPLEMENT			
ENVIRONMENTAL PERFORMANCE SUPPLEMENT			
F1	Description of environmental policies applied to core business lines	C	Our environmental sustainability strategy includes managing not only our impact on the environment, but also the impact of the environment and the changing climate on our business – Business Sustainability / The things that matter
F2	Description of process(es) for assessing and screening environmental risks in core business lines	C	Environmental risk assessment is a fundamental part of our business making when accepting and pricing customers' risk – About IAG / Corporate Governance
F3	State the threshold(s) at which environmental risk assessment procedures are applied to each core business line	GRI only	None. We do not have specific thresholds at which environmental risk assessment procedures are applied.
F4	Description of processes for monitoring clients' implementation	NR	This indicator only applies to retail, commercial and corporate banking

	of and compliance with environmental aspects raised in risk assessment process(es)		
F5	Description of process(es) for improving staff competency in addressing environmental risks and opportunities	PC	Environmental risks and opportunities are assessed as with any other risk or opportunity facing the business. Our Natural Perils Hazard Team are a group of internal experts that sit centrally and are able to provide expert advice.
F6	Number and frequency of audits that include the examination of environmental risk systems and procedures related to core business lines	C	Our internal environmental management systems have been reviewed internally against the principles of ISO14001. Each year these systems are reviewed by a third party assurance provider using the AA1000 AccountAbility Principles Standard
F7	Description of interactions with clients/investee companies/business partners regarding environmental risks and opportunities	C	Stakeholder engagement – <i>Business Sustainability / Stakeholder engagement</i> , Benchmarking – <i>Business Sustainability / FY11 performance</i>
F8	Percentage and number of companies held in the institution's portfolio with which the reporting organisation has engaged on environmental issues	NR	This is not reported – <i>Business Sustainability / The issues that matter</i>
F9	Percentage of assets subjected to positive, negative and best-in-class environmental screening	PC	<i>Business Sustainability / The issues that matter</i>
F10	Description of voting policy on environmental issues for shares over which the reporting organisation holds the right to vote shares or advise on voting	GRI only	There are no assets under management where IAG directly holds the right to vote shares or advise on voting. We outsource this to the external equity managers who vote on our behalf according to an agreed proxy voting process. We are responsible in our proxy voting and set expectations of our external investment managers
F11	Percentage of assets under management where the reporting organisation holds the right to vote shares or advise on voting	GRI only	There are no assets under management where IAG directly holds the right to vote shares or advise on voting. We outsource this to the external equity managers who vote on our behalf according to an agreed proxy voting process. We are responsible in our proxy voting and set expectations of our external investment managers
F12	Total monetary value of specific environmental products and	NR	The value of specific environmental products is yet to be evaluated

	specific environmental products and services broken down according to the core business lines		
F13	Value of portfolio for each core business line broken down by specific region and by sector	C	IAG Annual Review – <i>Results and reports</i>
SOCIAL PERFORMANCE SUPPLEMENT			
CORPORATE SOCIAL RESPONSIBILITY			
CSR1	Social elements of CSR policy including corporate definition of CSR	C	The issues that matter – <i>Business Sustainability / The issues that matter</i>
CSR2	Structure and relevant CSR responsibilities, including explanation of the installed procedures	PC	Corporate governance - <i>About IAG / Corporate governance</i>
CSR3	CSR audits and auditor hours	GRI only	In FY2011 IAG’s Group Audit and Risk team undertook an audit of IAG’s sustainability performance indicators. This covered approximately 900 hours
CSR4	Procedures for handling issues sensitive to stakeholders and responsiveness	PC	Codes and policies - <i>About IAG / Corporate governance</i> . Continuous disclosure policy, Security trading policy.
CSR5	Number of non compliance incidents with any law or regulatory code of conduct	GRI only	There were no known no compliance incidents with any law or regulatory code of conduct
CSR6	Stakeholder dialogue and involvement procedures	C	Stakeholder engagement – <i>Business Sustainability / Stakeholder engagement</i>
INTERNAL SOCIAL PERFORMANCE			
INT1	Social responsibility issues covered in organisation’s human resources policies	C	The issues that matter – <i>Business Sustainability / the issues that matter</i> IAG Code of Ethics - <i>About IAG / Corporate Governance</i>
INT2	Staff turnover and job creation	PC	Our Performance - <i>Business Sustainability / FY11 performance</i> , Five year performance summary – <i>Business Sustainability / Data summary</i>
INT3	Employee satisfaction	C	Our Performance - <i>Business Sustainability / FY11 performance</i> , Five year performance summary – <i>Business Sustainability / Data summary</i>
INT4	Senior management remuneration	C	IAG Annual Report - <i>Results and reports</i>
INT5	Report on bonuses that are not oriented purely towards short term	C	The IAG Board has established that executive Short Term Incentives (STI)

	financial success, but which contain additional sustainability elements		are based 50% on financial performance and 50% on non-financial measures. Annually a proportion of STI is paid as cash and a proportion as deferred share rights. Long term incentives in the form of rights over IAG shares are also awarded to executives to strengthen the alignment between the interests of executives and shareholders. For more information refer to the Remuneration Report 2011 – <i>Results and reports</i>
INT6	Female-male salary ratio	C	Our Performance - <i>Business Sustainability / FY11 performance</i> , Five year performance summary – <i>Business Sustainability / Data summary</i>
INT7	Employee profile per hierarchy level and country	PC	Our Performance - <i>Business Sustainability / FY11 performance</i> , Five year performance summary – <i>Business Sustainability / Data summary</i>
PERFORMANCE TO SOCIETY			
SOC1	Charitable contributions	C	Our Performance - <i>Business Sustainability / FY11 performance</i> , Five year performance summary – <i>Business Sustainability / Data summary</i>
SOC2	Economic value created by an organisation's activities	C	IAG Annual Report - <i>Results and reports</i>
SUPPLIERS			
SUP1	Policies and procedures to screen suppliers' social performance	NR	The things that matter – <i>Business Sustainability / The things that matter</i>
SUP2	Supplier satisfaction	NR	We work closely with each of our suppliers, facilitating an open dialogue for any identified issues to be raised and addressed on an individual basis
ASSET MANAGEMENT			
AM1	Social criteria applied in asset management	PC	The issues that matter - <i>Business Sustainability / The issues that matter</i>
AM2	Report on provision of tailored and innovative products and services applying special positive ethical/sustainability criteria	PC	The issues that matter - <i>Business Sustainability / The issues that matter</i>
AM3	Socially Responsible Investment oriented shareholder activity	C	The issues that matter - <i>Business Sustainability / The issues that matter</i>
INSURANCE			
INS1	Social criteria applied in underwriting policy	PC	The issues that matter - <i>Business Sustainability / The issues that matter</i>

INS2	Customer profile	NR	We take age into account in determining the risk profile of our customers, for example, discounts for over 50 year olds, as they are a better risk
INS3	Report on the number of complaints received from customers	NR	As part of our obligations under the General Insurance Code of Practice, we provide statistics to the Financial Ombudsman Service on complaints and disputes. We will consider reporting these figures in FY2012
INS4	Provision of tailored and innovative products and services applying special ethical/sustainability criteria	PC	The issues that matter - <i>Business Sustainability / The issues that matter</i>