



Group Social and Environmental Framework

Why this is important

1. This Framework outlines IAG's commitments to managing sustainability and social and environmental risks and opportunities for its business. It is important because IAG believes in a shared value approach – where IAG seeks to create commercial value alongside positive societal outcomes. This Framework supports IAG's strategy and purpose, to make your world a safer place, while growing and maintaining the trust that enables IAG to succeed.
2. IAG recognises that the social and environmental risks and opportunities it engages with are often complex and multi-faceted. In some instances this may involve trade-offs in decision making and IAG will manage these by prioritising our purpose, understanding where we have unique experience and capability and when to look to others that have expertise in areas where we don't have appropriate levels of knowledge.
3. This Framework is designed to produce these outcomes:
 - a) IAG's people understand IAG's sustainability and social and environmental commitments and the behaviours expected from IAG's employees.
 - b) IAG effectively manages sustainability and social and environmental risks and opportunities, in accordance with the Risk Management Strategy (RMS) and Risk Management Framework (RMF).
 - c) IAG's stakeholders understand how IAG is managing the social and environmental risks and opportunities impacting its business.

Commitments

Community engagement and impact

4. Every day IAG works to protect customers from financial loss – but its role goes beyond that. IAG works with communities to be safer and more resilient.
5. IAG respects the characteristics and history of the communities in which it participates and will operate in an ethical manner, with integrity and cultural sensitivity. Ongoing stakeholder engagement and dialogue is important to enable IAG to respond to the expectations of its customers and the community in managing its social and environmental impacts.
6. IAG believes in sharing insights on risk management with its customers, people, shareholders and the community. At a global, national, community and individual level, IAG works with people and organisations who are equally committed to reducing risks and improving resilience in communities.
7. IAG is committed to community engagement and managing impacts on communities through:
 - Enabling safer behaviour and environments.
 - Improving understanding and mitigating the impact of natural hazards, climate change and other disruptions on individuals and communities and supporting them to adapt.
 - Working collaboratively with communities, governments and other organisations to foster community connection and resilience through strategic partnerships and programs.
 - Restricting investments in, or engaging with, companies exhibiting poor social and environmental performance in areas that have been prioritised as material in our responsible investment strategy.
 - Efforts aimed at delivering impact focusing on the United Nations Sustainable Development Goals (SDGs).
8. IAG's specific community engagement and impact commitments are detailed in IAG's public disclosures, Aboriginal and Torres Strait Islander and Māori Engagement Strategy (including its

Reconciliation Action Plan), Financial Inclusion Action Plan (FIAP) and specific community related policies and plans made within IAG business units.

Human rights

9. Respect for human rights underpins IAG's purpose and its conduct as an ethical and responsible business.
10. IAG is committed to human rights through:
 - Aiming to provide an equitable experience for customers through the application of our Product Design Principles and other relevant frameworks.
 - Recognising IAG's corporate responsibility to respect human rights as outlined in the UN Guiding Principles on Business and Human Rights.
 - Identifying and managing the human rights and modern slavery risks in our operations and supply chains and reporting on our activity annually in line with relevant regulatory frameworks.
11. IAG's specific human rights commitments are detailed in IAG's Customer Family Domestic Violence Policy, Responsible Sourcing Strategy, Supplier Code of Conduct, Modern Slavery Statement and specific human rights related policies and plans.

Supporting our people

12. Creating world-leading customer experience starts with IAG's people. IAG is committed to creating connected experiences that support, empower and encourage its people to be their best. IAG's culture starts with its purpose and IAG is focused on working together to serve its customers, partners, communities and shareholders. IAG people have an important responsibility to contribute to making your world a safer place, with clear expectations of behaviour outlined in IAG's Code of Ethics and Conduct.
13. IAG is committed to supporting its people through:
 - Enabling a culture that is purpose-led, customer centric and risk intelligent.
 - Providing a healthy and safe workplace.
 - Promoting diversity, inclusion and belonging.
14. IAG's specific people commitments are detailed in IAG's public disclosures, Code of Ethics and Conduct and specific people related policies and plans.

Addressing climate change and IAG's environmental impacts

15. Climate change is one of the world's most pressing issues. Consistent with the scientific reports of the Intergovernmental Panel on Climate Change IAG believes that global temperatures have the potential to increase between 1.5 and 3.0 degrees Celsius (°C) by 2050. IAG has a long-standing commitment to climate change management and, in line with its purpose to make your world a safer place, has led initiatives aimed at addressing the opportunities and risks associated with climate change. IAG has, and will continue to, take practical steps to minimise its own environmental impact.
16. IAG is committed to addressing climate change and environmental impacts through:
 - Managing climate change risks, opportunities and impacts to our business through IAG's Enterprise Risk Profile and Risk Management Framework.
 - Working collaboratively with communities, governments and other organisations to address climate change through strategic partnerships and programs.
 - Identifying and implementing measures to prevent, minimise and manage the impacts of emissions, discharges and waste from our operations. This includes achieving Net Zero by 2050.
 - Identifying and implementing measures to improve the resource efficiency of our operations, including through IAG's use of energy, water and raw materials.
 - Exploring and pursuing opportunities to improve environmental performance in IAG's value chain and sphere of influence.

- Managing our impacts on biodiversity including consideration of IAG’s public policy positions on risk reduction projects.
- Understanding and managing material and prioritised environmental risks (including climate-related risks) in the management of our investments.

17. IAG’s specific climate change and environmental commitments are detailed in its annual disclosures, Climate and Disaster Resilience Action Plan and specific climate change and environment related policies and plans. IAG’s climate change risks are also managed through its Enterprise Risk Profile (ERP).

Roles and Responsibilities

18. The responsibilities in relation to this Framework are set out in the table below:

IAG Board (Framework Approver)	<ul style="list-style-type: none"> • Approve the Framework and any changes to it which are not minor administrative changes, making sure it is adequate and appropriate. • If appropriate, direct the Framework Owner to make any amendments that the Approver thinks are necessary. • Approve any exemptions to the Framework requested (in accordance with the Risk Management Strategy, where applicable). • Receive assurance annually from the Owner that the Framework is adequate and effective. • Responsible for approving the IAG Social and Environmental Framework; receive six-monthly reporting on safer communities and sustainability; and considering and approving external reporting on safer communities and sustainability strategies and initiatives (including climate change) within the Annual Review and the Annual Report.
IAG Group Executive People, Performance and Reputation (Owner)	<ul style="list-style-type: none"> • Ensure this Framework and any changes to it are fit for purpose and appropriate. • Ensure the appropriate experts have provided advice about this Framework’s subject matter. • Ensure the appropriate experts are monitoring the environment and the appropriate people are ensuring this Framework is being kept up to date. • Ensure those drafting this Framework have met the requirements of the Group Policy and Procedures Framework. • Agree with the Approver how often this Framework must be reviewed and make sure it is reviewed at least every three years, unless a different time period is specified to meet regulatory or legislative requirements. • When this Framework is being reviewed, make sure that the reviewer: <ul style="list-style-type: none"> • engages with Group Risk, • consults with relevant stakeholders, • recommends changes to this Framework where appropriate, and • updates any related Documents if required. • Ensure that any changes to this Framework are well communicated (including to regulators if required). • Give assurance to the Approver at least annually that this Framework is adequate and effective. • Management accountability for IAG’s Social and Environmental Framework, including: <ul style="list-style-type: none"> • Monitoring and responding to the current and emerging environmental and social issues which impact IAG’s reputation, operations and values. • Managing and responding to external stakeholder groups relating to material environmental and social issues.
Executive General Manager, Safer Communities (Key Contact)	<ul style="list-style-type: none"> • Assist the Framework Owner meet their accountabilities by interpreting the Framework, providing training and expert advice and answering questions about the Framework.
IAG Sustainability and Safer Communities Team	<ul style="list-style-type: none"> • Ensuring enterprise-wide integration of the Social and Environmental Framework and disclosure of progress.
IAG Employees	<ul style="list-style-type: none"> • Accountable for understanding and reporting any instances of non-compliance with the Framework.

Contacts for questions and more information

19. This Framework is owned by Group Executive, People, Performance and Reputation. If you have any questions or would like more information about this Framework, you should contact: Executive General Manager, Safer Communities.

Framework information

Effective from	November 2022
Owner	Group Executive, People Performance and Reputation
Approver	IAG Board
Next Review due	11 October 2025
Entities this applies to	Insurance Australia Group Ltd, its subsidiaries and any other entity or joint venture which IAG controls (collectively IAG)
Exemptions	Not applicable
Related documents	<p>List the key documents that should be read in conjunction with this Framework:</p> <ul style="list-style-type: none">• IAG Group Risk Management Strategy• IAG Group Risk Management Framework• IAG Group Risk Appetite Statement• IAG Group Enterprise Risk Profile• IAG Public Policy Policy• IAG Code of Ethics & Conduct• IAG Supplier Code of Conduct• IAG Group Risk Management Framework• IAG Continuous Disclosure Framework• IAG Fraud Risk Management Framework• IAG Group Anti-Money Laundering & Counter Terrorism Financing Framework• IAG Group Workplace Health & Safety Framework• IAG Group Whistleblower Policy• IAG Responsible Investment Policy• IAG Diversity Framework• IAG Sustainability & Safer Communities Business Plan• IAG Reconciliation Action Plan• IAG Procurement Framework• IAG Climate & Disaster Resilience Action Plan• IAG Financial Inclusion Action Plan• IAG Amplifying our Culture Program• IAG Customer Family Domestic Violence Policy

Document history

Version	Date	Amended by	Details of amendment
1.0	Nov 2020	N/A	New Policy
2.0	Nov 2022	N/A	Review of Policy, minor amendments
	May 2023	Office of the CRO	Updated to align with changes to the Group Policies and Procedures Policy, approved April 2023-review period changed from two to three years

Attachment 1: Administrative framework for social and environmental performance

Performance expectations for IAG's social and environmental management are informed by:

- The legal, regulatory and compliance requirements where IAG operates.
- Voluntary commitments IAG has made through best practice guidelines, frameworks and initiatives.
- Specific Frameworks and Policies defined by IAG or specific to operations in its brands and partners.
- The identification and assessment of issues that are deemed to pose a material impact to IAG's businesses or relate to strategic or commercial priorities.
- The expectation that IAG's suppliers (vendors) meet specific ethics and behaviour expectations outlined in IAG's Supplier Code of Conduct.
- Meeting the expectations of IAG's customers and the wider community.

IAG is committed to complying with, or exceeding, the requirements of legislation and relevant regulations in all areas in which we operate. This includes legislation regarding health and safety, corruption, labour, human rights, operating practices and environmental management. IAG prioritises work based on the significance of IAG's material issues, alignment to its strategy and Sustainability & Safer Communities Business Plan and the perspectives of key stakeholders.

Attachment 2: Best practice guidelines, frameworks and initiatives

In delivering IAG's purpose to make your world a safer place, IAG participates in and / or supports the following best practice guidelines, frameworks, indices and initiatives:

- Australian Sustainable Finance Initiative (ASFI)
- Carbon Disclosure Project (CDP)
- Dow Jones Sustainability Indexes (DJSI) and SAM Corporate Sustainability Assessment
- Financial Stability Board's Taskforce on Climate Related Disclosure (TCFD) Recommendations
- Global Reporting Initiative (GRI) Standards
- The Paris and Glasgow Agreements on climate change
- United Nations Environment Programme - Finance Initiative (UNEP-FI) – Principles for Responsible Investment (PRI)
- United Nations Environment Programme - Finance Initiative (UNEP-FI) – Principles for Sustainable Insurance (PSI)
- Australian Sustainable Finance Institute
- New Zealand Sustainable Finance Forum
- New Zealand Climate Leaders Coalition
- New Zealand Sustainable Business Council
- Net Zero Insurance Alliance

In delivering IAG's purpose to make your world a safer place, IAG is committed to considering the following best practice guidelines, frameworks and initiatives:

- United Nations Sustainable Development Goals
- United Nations Office for Disaster Risk Reduction (UNODRR) Sendai Framework for Disaster Risk Reduction
- United Nations Guiding Principles on Business and Human Rights