



Independent Limited Assurance Report to the Directors of Insurance Australia Group Limited

Conclusion

Based on the evidence we obtained from the procedures performed, we are not aware of any material misstatements in the Information Subject to Assurance included in the FY2023 Reporting Suite, which has been prepared by Insurance Australia Group Limited in accordance with the Criteria for the financial year ended 30 June 2023.

Information Subject to Assurance

The Information Subject to Limited Assurance includes sustainability-related quantitative and qualitative disclosures presented in Insurance Australia Group Limited's (IAG) FY2023 Reporting Suite for the financial year ended 30 June 2023 (*"Information Subject to Assurance"*) and is shown in the appendix to this limited assurance report.

The Reporting Suite includes IAG's FY2023: Annual Report; Group Climate-related disclosures; New Zealand Climate-related disclosures; Environmental, Social and Governance (ESG) Data Summary.

Criteria Used as the Basis of Reporting

The Measurement Criteria used for the preparation of the Information Subject to Assurance for Insurance Australia Group Limited is described and published in the section Glossary of Terms & Methodology within the IAG Environmental, Social and Governance (ESG) Data Summary for FY2023 accessible via <https://www.iag.com.au/safer-communities/our-esg-performance> as well as relevant Global Reporting Initiative (GRI) Universal Standards as it relates to qualitative disclosures around IAG's material sustainability issues (*"the criteria"*).

Basis for Conclusion

We conducted our work in accordance with Australian Standard on Assurance Engagements ASAE 3000 (*"the Standard"*). In accordance with the Standard, we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that we are not aware of any material misstatements in the Information Subject to Assurance, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness; and
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.



Summary of Procedures Performed

Our limited assurance conclusion is based on the evidence obtained from performing the following procedures:

- enquiries with relevant Insurance Australia Group Limited personnel to understand the internal controls, governance structure and reporting process of the Information Subject to Assurance;
- reviews of relevant documentation including the basis of preparation and the Criteria;
- analytical procedures over the Information Subject to Assurance;
- walkthroughs of the Information Subject to Assurance to source documentation;
- evaluating the appropriateness of the criteria with respect to the Information Subject to Assurance; and
- reviewed the Reporting Suite for the financial year ended 30 June 2023 in its entirety to ensure it is consistent with our overall knowledge of assurance engagement.

How the Standard Defines Limited Assurance and Material Misstatement

The 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.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of Insurance Australia Group Limited.

Use of this Assurance Report

This report has been prepared for the Directors of Insurance Australia Group Limited for the purpose of providing an assurance conclusion on the Information Subject to Assurance and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of Insurance Australia Group Limited, or for any other purpose than that for which it was prepared.

Management's responsibility

Management are responsible for:

- determining that the criteria is appropriate to meet their needs;
- preparing and presenting the Information Subject to Assurance in accordance with the criteria; and
- establishing internal controls that enable the preparation and presentation of the Information Subject to Assurance that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to perform a limited assurance engagement in relation to the Information Subject to Assurance for the financial year ended 30 June 2023, and to issue an assurance report that includes our conclusion.

Our Independence and Quality Control

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Australian Professional and Ethical Standards Board, and complied with the applicable requirements of Australian Standard on Quality Control 1 to maintain a comprehensive system of quality control.

KPMG
21 August 2023



Appendix: Information Subject to Assurance

Below, the sustainability-related quantitative and qualitative disclosures presented in Insurance Australia Group Limited's (IAG) FY2023 Reporting Suite for the financial year ended 30 June 2023 ("Information Subject to Assurance") are presented:

Quantitative disclosures description	Value assured for FY2023		
	Australia	New Zealand	Group
Customer			
Complaints resolved in 30 days (%)	95%		
Transactional Net Promoter Score (NPS)	45	51	
Community Investment			
Community investment (AU\$/NZ\$)	AU\$9.3m	NZ\$0.8m	AU\$10.0m
Volunteered hours (hours)	6,477	2,813	9,290
Sustainable procurement: Indigenous spend (AU\$)	AU\$1.1m		
Sustainable procurement: Number of Indigenous suppliers	23		
Workforce			
Part-time employment (%)	16%	8%	13%
Full-time equivalent (FTE)	7,802	3,768	11,597
Total headcount	8,468	3,962	12,457
Staff turnover (%)	19%	14%	17%
Absenteeism (%)	5%	5%	5%
First Nations employment	1.2%		
Age breakdown <30 years	13%	17%	
Age breakdown 30-50 years	63%	57%	
Age breakdown >50 years	24%	26%	
Representation of Men and Women			
General employees salary ratio (\$) (mean)	1.11	1.13	1.12
Manager / senior specialist salary ratio (\$) (mean)	1.07	1.04	
Senior manager salary ratio (\$) (mean)	1.01	0.98	
Heads of / general manager salary ratio (\$) (mean)	1.04	1.10	
Gender pay gap (mean)		20%	
Women employed in the workforce	60%	62%	60%
Women in senior management positions	44%	48%	45%
Women in executive positions			44%
Women on the board			20%
Workplace Health and Safety			
Lost-time injury frequency rate (LTIFR)	0.95	0.67	0.86



Value assured for FY2023

Quantitative disclosures description

Australia New Zealand Group

Climate-Related Metrics			
Normalised carbon footprint of listed Australian equity portfolio (tCO2e per \$US million)			83.6
Normalised carbon footprint of listed global equity portfolio (tCO2e per \$US million)			58.8
Weighted average carbon intensity of listed Australian equity portfolio (tCO2e per \$US million sales)			113.5
Weighted average carbon intensity of listed global equity portfolio (tCO2e per \$US million sales)			89.0
Investment in green bonds (AU\$)			AU\$238m
Underwriting			
Gross written premium (GWP) from mining and fossil fuel power generation activities (%)			0.002
Gross written premium (GWP) from mining and fossil fuel power generation activities (AU\$)			AU\$0.25m
Environment			
Scope 1 GHG emissions (tCO2e)	4,290	1,327	5,617
Scope 2 GHG emissions (tCO2e)	9,244	485	9,729
Scope 3 GHG emissions (tCO2e)	8,623	2,138	10,761
Total Scope 1, 2 and 3 GHG emissions intensity KPI (tCO2e/FTE)	2.86	1.08	
Work from home (tCO2e)	2,563	300	
Fuel consumption (kL)	1,538	356	
Fuel consumption KPI (kL/vehicle)	1.57	1.36	
Air travel (thousand kms)	10,751	3,480	
Air travel KPI (km/FTE)	1,389	952	
Electricity (MWh)	11,718	4,035	
Electricity KPI (MWh/FTE)	1.50	1.10	
Natural gas (GJ)	1,659		
Stationary LPG (GJ)		8,296	
Carbon offsets purchased (tCO2e)			26,107

Qualitative disclosures description

Qualitative Disclosures	Value assured for FY2023
Selected significant climate-related qualitative disclosures and selected significant qualitative disclosures in relation to the in-scope quantitative disclosures (see table above)	<p>Pages 13 to 33 in the Annual Report for FY2023, with the exception of the section "Shareholders"</p> <p>Pages 15 to 20 in the Group Climate-related Disclosures for FY2023 (report section on metrics & targets)</p> <p>Pages 15 to 20 in the New Zealand Climate-related Disclosures for FY2023 (report section on metrics & targets)</p>
Selected significant qualitative disclosures pretraining to IAG's material sustainability-related issues	Page 13 in the Annual Report for FY2023