



LEA 02	Disclosures: Mandatory	Reason for Interaction	Principle: PRI 1, 2, 3
Individual/ internal staff engagements	<p><input checked="" type="checkbox"/> To support investment decision-making in &amp; company's interests</p> <p><input checked="" type="checkbox"/> To influence corporate transition or identify the need for a transition</p> <p><input checked="" type="checkbox"/> To engage internal ESG issues</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via internal staff</p>	<p><input checked="" type="checkbox"/> To support investment decision-making in &amp; company's interests</p> <p><input checked="" type="checkbox"/> To influence corporate transition or identify the need for a transition</p> <p><input checked="" type="checkbox"/> To engage internal ESG issues</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via collaborative engagements</p>	
Collaborative engagements	<p><input checked="" type="checkbox"/> To support investment decision-making in &amp; company's interests</p> <p><input checked="" type="checkbox"/> To influence corporate transition or identify the need for a transition</p> <p><input checked="" type="checkbox"/> To engage internal ESG issues</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via collaborative engagements</p>		
Service provider engagements	<p><input checked="" type="checkbox"/> To support investment decision-making in &amp; company's interests</p> <p><input checked="" type="checkbox"/> To influence corporate transition or identify the need for a transition</p> <p><input checked="" type="checkbox"/> To engage internal ESG issues</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via service providers</p>		

# RI TRANSPARENCY REPORT

## 2020

Insurance Australia Group (IAG)

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2020 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		🔒	n/a							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Private							✓
OO 08	Segregated mandates or pooled funds	✓	Private							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	✓	Public							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown of listed equity investments by passive and active strategies	🔒	n/a							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown of fixed income investments by passive and active strategies	✓	Public							✓
OO FI 02	Reporting on strategies that are <10% of actively managed fixed income	🔒	n/a							✓
OO FI 03	Fixed income breakdown by market and credit quality	✓	Public							✓
OO SAM 01	Breakdown of externally managed investments by passive and active strategies	✓	Private							✓
OO PE 01	Breakdown of private equity investments by strategy	🔒	n/a							✓
OO PE 02	Typical level of ownership in private equity investments	🔒	n/a							✓
OO PR 01	Breakdown of property investments	🔒	n/a							✓
OO PR 02	Breakdown of property assets by management	🔒	n/a							✓
OO PR 03	Largest property types	🔒	n/a							✓
OO INF 01	Breakdown of infrastructure investments	🔒	n/a							✓
OO INF 02	Breakdown of infrastructure assets by management	🔒	n/a							✓
OO INF 03	Largest infrastructure sectors	🔒	n/a							✓
OO HF 01	Breakdown of hedge funds investments by strategies	🔒	n/a							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 01 CC	Climate risk	✓	Private							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public						✓	
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Private							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Private							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	✓	Private							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	✓	Private	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13 CC		⚠	n/a							✓
SG 14	Long term investment risks and opportunity	✓	Private	✓						
SG 14 CC		✓	Private							✓
SG 15	Allocation of assets to environmental and social themed areas	✓	Private	✓						
SG 16	ESG issues for internally managed assets not reported in framework	✓	Public							✓
SG 17	ESG issues for externally managed assets not reported in framework	✓	Public							✓
SG 18	Innovative features of approach to RI	✓	Private							✓
SG 19	Communication	✓	Public		✓				✓	
SG End	Module confirmation page	✓	-							

Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	ESG incorporation strategies	✓	Public	✓						
SAM 02	Selection processes (LE and FI)	✓	Public	✓						
SAM 03	Evaluating engagement and voting practices in manager selection (listed equity/fixed income)	✓	Public		✓					
SAM 04	Appointment processes (listed equity/fixed income)	✓	Public	✓						
SAM 05	Monitoring processes (listed equity/fixed income)	✓	Public	✓						
SAM 06	Monitoring on active ownership (listed equity/fixed income)	✓	Public	✓						
SAM 07	Percentage of (proxy) votes	✓	Public		✓					
SAM 08	Percentage of externally managed assets managed by PRI signatories	✓	Private	✓						
SAM 09	Examples of ESG issues in selection, appointment and monitoring processes	✓	Public	✓						✓
SAM End	Module confirmation page	✓	-							

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Incorporation strategies applied	✓	Public	✓						
FI 02	ESG issues and issuer research	✓	Private	✓						
FI 03	Processes to ensure analysis is robust	✓	Public	✓						
FI 04	Types of screening applied	✓	Public	✓						
FI 05	Examples of ESG factors in screening process	-	n/a	✓						
FI 06	Screening - ensuring criteria are met	✓	Public	✓						
FI 07	Thematic investing - overview	✓	Private	✓						
FI 08	Thematic investing - themed bond processes	✓	Public	✓						
FI 09	Thematic investing - assessing impact	✓	Public	✓						
FI 10	Integration overview	🔒	n/a	✓						
FI 11	Integration - ESG information in investment processes	🔒	n/a	✓						
FI 12	Integration - E,S and G issues reviewed	🔒	n/a	✓						
FI 13	ESG incorporation in passive funds	🔒	n/a	✓						
FI 14	Engagement overview and coverage	✓	Private		✓					
FI 15	Engagement method	✓	Private	✓	✓					
FI 16	Engagement policy disclosure	✓	Private	✓	✓					
FI 17	Financial/ESG performance	✓	Private							✓
FI 18	Examples - ESG incorporation or engagement	-	n/a	✓	✓					
FI End	Module confirmation page	✓	-							

Confidence building measures				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01	Assurance, verification, or review	✓	Public							✓
CM1 02	Assurance of last year`s PRI data	✓	Public							✓
CM1 03	Other confidence building measures	✓	Public							✓
CM1 04	Assurance of this year`s PRI data	✓	Public							✓
CM1 05	External assurance	🔒	n/a							✓
CM1 06	Assurance or internal audit	🔒	n/a							✓
CM1 07	Internal verification	✓	Public							✓
CM1 01 End	Module confirmation page	✓	-							

# Insurance Australia Group (IAG)

## Reported Information

### Public version

### Organisational Overview

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.



## Basic information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the type that best describes your organisation or the services you provide.

- Non-corporate pension or superannuation or retirement or provident fund or plan
- Corporate pension or superannuation or retirement or provident fund or plan
- Insurance company
- Foundation
- Endowment
- Development finance institution
- Reserve - sovereign or government controlled fund
- Family office
- Other, specify

OO 01.3

Additional information. [Optional]

**IAG is the largest general insurance company in Australia and New Zealand, with leading brands in Australia including NRMA Insurance, CGU, WFI, SGIO, SGIC and Swann Insurance. With more than 8.5 million customers and information on the majority of motor vehicles and domestic residences in its markets, IAG uses its leadership position to understand and provide world-leading customer experiences, making communities safer and more resilient for the future.**

**IAG's purpose is to make your world a safer place and the company is committed to being a responsible and ethical business that exceeds community and customer expectations. The IAG-wide Safer Communities Plan delivers on its purpose, prioritising two key areas where it can make a meaningful difference to society and create commercial value:**

**- Disaster risk reduction and climate change - enabling communities in Australia and New Zealand to better prepare for, and respond to, natural perils and climate change.**

**- Community connection and resilience - building safer and more connected communities that have the capacity to grow and thrive by partnering, accelerating the role of business in resilience and taking a community-led approach.**

**IAG supports the international commitment to the United Nations' 17 Sustainable Development Goals (SDGs) to advance economic, social and environmental prosperity. This support recognises that the social and environmental challenges faced by communities, countries and regions affect business and influence commercial success. While IAG's work to create safer communities and focus on risk transfer through insurance can support many of the SDGs, IAG prioritises those SDGs where it can make the largest difference:**

**SDG 8 - Decent work and economic growth**

**SDG 9 - Industry, innovation and infrastructure**

**SDG 11 - Sustainable cities and communities**

**SDG 13 - Climate action**

**Each year, IAG engages its key stakeholders to help identify the material issues that affect its ability to make your world a safer place. Materiality is based on the importance of each issue to IAG's stakeholders and their impact on the community, environment and economy. Issues identified as material to IAG's business for FY20 are:**

**Post disaster relief and emergency response**

**Customer and partner experience**

**Trust in institutions**

**Accessibility and affordability of insurance**

**Community connection and resilience**

**Climate change and its impacts**

Climate change is a key consideration in IAG's strategy-setting process. IAG uses risk-based pricing, reinsurance and annual premium adjustment to address the short-term risks of climate change, and longer term recognises considerations such as the increasing frequency and severity of natural peril events.

IAG's objectives and progress are outlined in its Climate Action Plan and Scorecard, which is released publicly every six months at [www.iag.com.au](http://www.iag.com.au).

Please note this disclosure does not cover business operations in Vietnam due to materiality and Joint Ventures where we do not control or manage the assets.

<b>OO 02</b>	<b>Mandatory</b>	<b>Public</b>	<b>Peering</b>	<b>General</b>
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<b>OO 02.1</b>	Select the location of your organisation's headquarters.
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Australia

<b>OO 02.2</b>	Indicate the number of countries in which you have offices (including your headquarters).
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- 1
- 2-5
- 6-10
- >10

<b>OO 02.3</b>	Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).
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	FTE
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10196

<b>OO 02.4</b>	Additional information. [Optional]
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**10,196 at 30 June 2019 for Australia and New Zealand employees.**

**Data assured by EY, assurance statement can be found here:**

**<https://www.iag.com.au/sites/default/files/Documents/Safer%20Communities/IAG-FY19-Final-Assurance-Statement.pdf>.**

**ESG Data Summary can be found here:**

**<https://www.iag.com.au/sites/default/files/Documents/Safer%20Communities/IAG-FY19-Data-Summary.pdf>**

**FTE indicates the size of IAG's workforce that takes into account part time employees where full-time employees are given a value of one (1). The value for part time employees is based on their regular hours as a proportion of full-time hours. The FTE includes all permanent full-time (including executives) and part-time employees, employees on a fixed term contract (paid by an IAG Group company's payroll) and employees on leave without pay (less than 28 calendar days). It excludes guests (not paid by IAG), casuals and employees on extended leave without pay (more than 28 calendar days) on the day data was reported.**

<b>OO 03</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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**OO 03.1**

Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

Yes

No

**OO 03.3**

Additional information. [Optional]

Investments for controlled subsidiaries are managed centrally.

**OO 04**

**Mandatory**

**Public**

**Gateway/Peering**

**General**

**OO 04.1**

Indicate the year end date for your reporting year.

31/12/2019

**OO 04.2**

Indicate your total AUM at the end of your reporting year.

Include the AUM of subsidiaries, but exclude advisory/execution only assets, and exclude the assets of your PRI signatory subsidiaries that you have chosen not to report on in OO 03.2

	trillions	billions	millions	thousands	hundreds
Total AUM		9	609	000	000
Currency	AUD				
Assets in USD		6	509	132	853

Not applicable as we are in the fund-raising process

<b>OO 06.1</b>	Select how you would like to disclose your asset class mix.
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as percentage breakdown

as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	0	<10%
Fixed income	>50%	10-50%
Private equity	0	<10%
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	<10%
Fund of hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	<10%	0

Money market instruments	0	0
Other (1), specify	0	<10%
Other (2), specify	0	0

**OO 06.2** Publish asset class mix as per attached image [Optional].

**OO 06.3** Indicate whether your organisation has any off-balance sheet assets [Optional].

- Yes
- No

**OO 06.5** Indicate whether your organisation uses fiduciary managers.

- Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.
- No, we do not use fiduciary managers.

**OO 09** **Mandatory** **Public** **Peering** **General**

**OO 09.1** Indicate the breakdown of your organisation's AUM by market.

99	Developed Markets
1	Emerging Markets
0	Frontier Markets
0	Other Markets
100%	Total 100%

**Asset class implementation gateway indicators**

**OO 10** **Mandatory** **Public** **Gateway** **General**

**OO 10.1**

Select the active ownership activities your organisation implemented in the reporting year.

**Listed equity – engagement**

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We require our external managers to engage with companies on ESG factors on our behalf.
- We do not engage directly and do not require external managers to engage with companies on ESG factors.

**Listed equity – voting**

- We cast our (proxy) votes directly or via dedicated voting providers
- We require our external managers to vote on our behalf.
- We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

**Fixed income SSA – engagement**

- We engage with SSA bond issuers on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with SSA bond issuers on ESG factors. Please explain why you do not.

**Fixed income Corporate (financial) – engagement**

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

**Fixed income Corporate (non-financial) – engagement**

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We require our external managers to engage with companies on ESG factors on our behalf.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

**Fixed income Corporate (securitised) – engagement**

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We require our external managers to engage with companies on ESG factors on our behalf.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

**OO 11****Mandatory****Public****Gateway****General****OO 11.1**

Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

Fixed income - SSA

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - corporate (financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - corporate (non-financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

Cash

- We address ESG incorporation.
- We do not do ESG incorporation.

**OO 11.2**

Select the externally managed assets classes in which you and/or your investment consultants address ESG incorporation in your external manager selection, appointment and/or monitoring processes.

Asset class	ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes
Listed equity	<p data-bbox="564 342 1474 427">Listed equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="564 439 1289 465"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="564 479 1326 506"><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="564 519 1305 546"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="564 560 940 586"><input type="checkbox"/> We do not do ESG incorporation</p>
Fixed income - corporate (non-financial)	<p data-bbox="564 656 1474 741">Fixed income - corporate (non-financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="564 775 1289 801"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="564 815 1326 842"><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="564 855 1305 882"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="564 896 940 922"><input type="checkbox"/> We do not do ESG incorporation</p>
Fixed income - securitised	<p data-bbox="564 996 1474 1081">Fixed income - securitised - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="564 1093 1289 1120"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="564 1133 1326 1160"><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="564 1173 1305 1200"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="564 1214 940 1240"><input type="checkbox"/> We do not do ESG incorporation</p>
Private equity	<p data-bbox="564 1310 1474 1395">Private equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="564 1406 1289 1433"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="564 1447 1326 1473"><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="564 1487 1305 1514"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="564 1527 940 1554"><input type="checkbox"/> We do not do ESG incorporation</p>
Hedge funds	<p data-bbox="564 1624 1474 1709">Hedge funds - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="564 1720 1289 1747"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="564 1760 1326 1787"><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="564 1800 1305 1827"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="564 1841 940 1868"><input type="checkbox"/> We do not do ESG incorporation</p>
Other (1)	<p data-bbox="564 1937 1474 2000">Other (1) - ESG incorporation addressed in your external manager</p>



	selection, appointment and/or monitoring processes
	<input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation

**OO 11.4** Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.

External investment manager selection, appointment, initial and ongoing due diligence and engagement with investment managers is made cognisant of managers consideration of ESG risks (and opportunities) in security selection and portfolio construction, including their active ownership/stewardship approaches. Written guidelines for investment manager due diligence and implementation and an ESG policy for investments outline the overall requirements. As a supplement, we also use investment consultants and ESG research providers as independent resources where relevant in supporting these activities. Appointment of investment managers is made considerate of their ESG credentials as relevant to the asset class, the form of the investment (segregated mandate or comingled vehicle) and investor rights.

ESG due diligence includes an assessment of:

- Current, planned or possible integration of ESG considerations in security selection portfolio construction/risk management
- ESG and carbon footprint related portfolio objectives, targets, overlays and/or restrictions that may be employed
- Capabilities for reporting and benchmarking strategies for ESG factors/risks and climate footprint
- ESG research agenda and the use of ESG research providers
- Active ownership, stewardship and proxy voting activities/policies and examples of regular reporting available to clients
- ESG policy framework, outlining responsibility for investment management of ESG issues and oversight
- Participation in ESG related organisations (PRI etc.).

Our approach recognises that collaboration with others in the investment industry may increase the extent to which our ESG program can benefit. We are therefore an active participant in collaborations that can help us to further integrate ESG into our investment processes.

IAG reviews polices and processes related to responsible investment and investment manager selection and appointment on an annual basis.

<b>OO 12</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>General</b>
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**OO 12.1** Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules

- Organisational Overview
- Strategy and Governance

RI implementation directly or via service providers

Direct - Fixed Income

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)

RI implementation via external managers

Indirect - Selection, Appointment and Monitoring of External Managers

- Listed Equities
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private Equity

Closing module

- Closing module

Peering questions

OO FI 01	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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OO FI 01.1	Provide a breakdown of your internally managed fixed income securities by active and passive strategies
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<b>SSA</b>	<table border="1"> <tbody> <tr> <td data-bbox="496 221 619 286"> </td> <td data-bbox="619 221 1474 286">           Passive         </td> </tr> <tr> <td data-bbox="496 297 619 331">           0         </td> <td></td> </tr> <tr> <td data-bbox="496 365 619 430"> </td> <td data-bbox="619 365 1474 430">           Active - quantitative (quant)         </td> </tr> <tr> <td data-bbox="496 441 619 474">           0         </td> <td></td> </tr> <tr> <td data-bbox="496 508 619 573"> </td> <td data-bbox="619 508 1474 573">           Active - fundamental and active - other         </td> </tr> <tr> <td data-bbox="496 584 619 618">           100         </td> <td></td> </tr> <tr> <td data-bbox="496 651 619 716"> </td> <td data-bbox="619 651 1474 716">           Total         </td> </tr> <tr> <td data-bbox="496 728 619 761">           100%         </td> <td></td> </tr> </tbody> </table>		Passive	0			Active - quantitative (quant)	0			Active - fundamental and active - other	100			Total	100%	
	Passive																
0																	
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Update: this indicator has changed from "Mandatory to report, voluntary to disclose" to "Mandatory". **Your response to this indicator will be published in the Public Transparency Report.** This change is to enable improved analysis and peering.

**OO FI 03.1** Indicate the approximate (+/- 5%) breakdown of your SSA investments, by developed markets and emerging markets.

SSA	Developed markets	100
	Emerging markets	0
	Total	100%

**OO FI 03.2** Indicate the approximate (+/- 5%) breakdown of your corporate and securitised investments by investment grade or high-yield securities.

Type	Investment grade (+/- 5%)	High-yield (+/- 5%)	Total internally managed
Corporate (financial)	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<b>100%</b>
Corporate (non-financial)	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<b>100%</b>

If you are invested in private debt and reporting on ratings is not relevant for you, please indicate below

OO FI 03.2 is not applicable as our internally managed fixed income assets are invested only in private debt.

# Insurance Australia Group (IAG)

## Reported Information

### Public version

### Strategy and Governance

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Investment policy

SG 01

Mandatory

Public

Core Assessed

General

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 01.1**

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

**SG 01.2**

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

**SG 01.3**

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

**SG 01.4**

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

IAG considers environment, social, and corporate governance (ESG) issues when constructing its investment strategy and guidelines. The investment principles are considered (and balanced) against investment and strategies collectively, with a view to aligning to, and supporting the delivery of IAG's purpose.

IAG is committed to minimize the negative impacts of its business and pursue continuous improvement in its social and environmental performance. IAG does this by managing its direct and indirect impacts, exploring and pursuing opportunities to improve performance in its value chain and sphere of influence. This includes IAG's procurement, supply chain, investments, partnerships and interactions with customers, as well as through IAG's engagement with government and civil society.

IAG's strategic commitments to climate change are set out in its Climate Action Plan, one focus area is Invest Responsibly which outlines how IAG invests responsibly to address climate impacts through three objectives:

- Shift investments to companies that have a lower exposure to climate-related risks or a forward-looking strategy to manage these risks.
- Actively support action on climate change and a net-zero future.
- Measure carbon intensity and include climate related risks in the (ESG) risk management of our investments.

No

**SG 02****Mandatory****Public****Core Assessed****PRI 6**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 02.1**

Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

- Policy setting out your overall approach

URL/Attachment

- URL
- Attachment (will be made public)

Attachment

[File 1:IAG-Social-and-Environmental-Policy.pdf](#)

[File 2:1H20-Climate-Action-Plan-Scorecard\\_0.pdf](#)

- Formalised guidelines on environmental factors
- Formalised guidelines on social factors
- Formalised guidelines on corporate governance factors
- Asset class-specific RI guidelines
- Screening / exclusions policy
- Engagement policy
- (Proxy) voting policy
- We do not publicly disclose our investment policy documents

**SG 02.2** Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

- Your organisation’s definition of ESG and/or responsible investment and it’s relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change

URL/Attachment

- URL
- Attachment

File Attachment

[1H20-Climate-Action-Plan-Scorecard\\_0.pdf \[873KB\]](#)

- We do not publicly disclose any investment policy components

SG 03	Mandatory	Public	Core Assessed	General
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**SG 03.1**

Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

**SG 03.2**

Describe your policy on managing potential conflicts of interest in the investment process.

Investment activity complies with IAG Group policies, regulatory requirements, fiduciary and contractual obligations, and industry membership obligations.

**1. IAG Group requirements**

IAG Capital Markets is required to ensure that its policies and/or procedures proactively identify areas in which a COI may arise within the Business Unit. Employees must report all suspected conflicts of interest on the Conflicts of Interest Register on the intranet and to their immediate manager.

**2. Regulatory requirements**

As an Australian Financial Services Licence (AFSL) holder, IAG Asset Management is required to comply with ASIC Regulatory Guide 181 Licensing: Managing Conflicts of Interest.

**3. IAG Asset Management's fiduciary obligations as Trustee of the IAG Asset Management Wholesale Trusts**

These include obligations set out in the Trust Deeds and common law principles.

No

**SG 03.3**

Additional information. [Optional]

As a general insurance company, IAG does not manage money on behalf of external clients.

## Objectives and strategies

**SG 05**

**Mandatory**

**Public**

**Gateway/Core Assessed**

**General**

**SG 05.1**

Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

**SG 05.2**

Additional information. [Optional]

Responsible Investment Policy is reviewed annually.

## Governance and human resources

SG 07.1	Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.
---------	---

	Roles
--	-------

- Board members or trustees
- Internal Roles (triggers other options)

	Select from the below internal roles
--	--------------------------------------

- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
  - Executive General Manager, Capital Markets**
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
    - No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
- Investor relations
- Other role, specify (1)
- Other role, specify (2)
- External managers or service providers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment

<b>SG 07.2</b>	For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.
----------------	---

Investments staff and portfolio managers consider the investment portfolio ESG risks and/or external fund manager's ESG capabilities when assessing for potential new appointment, as well as maintaining an on-going dialogue to assess the ESG capabilities. Portfolio managers are provided with investment portfolio ESG reporting for both internally managed and externally managed portfolios. In addition to regular dialogue and portfolio review external investment managers are required to complete an annual ESG questionnaire detailing ESG related investment activities and integration.

IAG's Chief Executive Officer (CEO) has management accountability for the implementation, performance and external disclosure of IAG's safer communities' activities, which includes climate change and the Climate Action Plan. The Group Executive People Performance and Reputation has accountability for oversight of climate change activity and the Climate Action Plan, with accountability for key objectives and programs outlined in the Plan owned by relevant IAG Group Leadership Team (GLT) members. Progress against IAG's Climate Action Plan is reported to the IAG GLT at least every six months.

<b>SG 07.3</b>	Indicate the number of dedicated responsible investment staff your organisation has.
----------------	--

Number
--------

1

<b>SG 07.4</b>	Additional information. [Optional]
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1 FTE across roles in IAG's Capital Markets team

## Promoting responsible investment

<b>SG 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 4,5</b>
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<b>SG 09.1</b>	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
----------------	---

**Select all that apply**

Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)
--

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
--

**UNEP FI PRI**

- IAG is a member of the UNEP FI Principles for Responsible Investment
- IAG makes annual public disclosures to the PRI which are publicly available

- IAG attendance at PRI in Person in Paris 2019
- IAG maintains dialogue with external investment managers and encourages where appropriate participation with PRI and use of PRI guidance and resources
- IAG partnering with PRI and other financial sector players in the Australian Sustainable Finance Initiative (in Australia) and Aotearoa Circle (in NZ) on creating more sustainable finance systems.

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AVCA: Sustainability Committee
- France Invest – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

**CDP**

IAG is a CDP Responding Company and has responded to the CDP Climate Change questionnaire annually since 2010 and regularly participates in their events. IAG's 2019 CDP Score was a B.

- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Climate Action 100+
- Code for Responsible Investment in SA (CRISA)
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- Invest Europe Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- HKVCA: ESG Committee
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Financial Action in the 21st Century
- Principles for Sustainable Insurance

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

#### UNEP FI PSI

IAG is a member of the UNEP FI Principles for Sustainable Insurance.

IAG's Chief Strategy and Innovation Officer, Julie Batch is the Co-Chair for the UNEP FI PSI.

IAG is participating in the UNEP FI PSI TCFD Pilot to develop a new generation of risk assessment tools designed to enable the insurance industry to better understand the impacts of climate change on their business.

In November 2019, IAG hosted a UNEP PSI Oceania market event at its office in Sydney. The event demonstrated how the PSI is shaping the global sustainable insurance agenda through collaborative initiatives across key environmental, social and governance (ESG) issues and the insurance industry's roles as risk managers, insurers and investors. It provided a forum to discuss key sustainability developments in the insurance industry and financial sector in Australia and New Zealand. It also worked to shape and identify core elements of a sustainable insurance agenda in the region.

IAG makes annual public disclosures to the PSI which are publicly available.

- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify ASFI

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic  
 Moderate  
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

#### **Australian Sustainable Finance Initiative (ASFI)**

In Australia, IAG is Co-Chair of ASFI (alongside RIAA), which is working to set a roadmap to realign the finance sector to support greater social, environmental and economic outcomes. In December 2019, ASFI released its first progress report, identifying six critical challenges that the finance sector must address to navigate risks and opportunities for Australia's future resilience, prosperity and wellbeing including Leadership, culture and institutional structures; Community and consumer interests and expectations; Frameworks, tools and standards; Decision-making and valuation; Unlocking sustainable finance and allocating capital to where it is needed; and Policy, regulation and supervision. In this forum, IAG contributes knowledge, insights and capability towards developing sector-wide approaches to the availability and affordability of insurance products and addressing sustainability issues which are affecting financial systems.

#### **The Aotearoa Circle - Sustainable Finance Forum**

In New Zealand, IAG plays a key role in the Sustainable Finance Forum which is a partnership of public and private sector leaders committed to sustainable prosperity and the conservation of natural resources across the country. In this forum, IAG contributes knowledge, insights and capability towards developing sector-wide approaches to the availability and affordability of insurance products and addressing sustainability issues which are affecting financial systems.

- Responsible Finance Principles in Inclusive Finance  
 Shareholder Association for Research and Education (Share)  
 United Nations Environmental Program Finance Initiative (UNEP FI)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic  
 Moderate  
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

#### **UNEP FI**

IAG has been a member of UNEP FI since 2003 and plays a leadership role in the UNEP FI PSI and PRI. IAG currently holds a Co-Chair position of the UNEP FI Global steering committee.

- United Nations Global Compact  
 Other collaborative organisation/initiative, specify  
Australian Business Roundtable for Disaster Resilience and Safer Communities

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

#### **Australian Business Roundtable for Disaster Resilience & Safer Communities**

IAG is a founding partner of the Australian Business Roundtable for Disaster Resilience and Safer Communities with, Optus, Munich Re, Westpac and the Australian Red Cross to influence public policy and spending in sustainable and resilient infrastructure to reduce the social and economic cost of natural disasters.

The Roundtable was established in 2012 and brings together aligned organisations to lead and influence public policy in a way that reduces the impact and cost of extreme weather events on life, property and the economy. In the past 12 months, the Roundtable refined its focus to engage with disaster resilience frameworks and policies sitting at all levels of government, and to demonstrate that business and the wider Australian community have a role to play in building resilient communities.

The ABR's research has continued to be used by a diverse range of stakeholders to inform the national conversation around disaster resilience and climate resilience.

Find out more about the Australian Business Roundtable here: <http://australianbusinessroundtable.com.au/>

- Other collaborative organisation/initiative, specify

Insurance Council of Australia

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

#### **Insurance Council of Australia**

The Insurance Council of Australia is the representative body of the general insurance industry in Australia. IAG is a member of the ICA and plays an active role its Climate Change Action Committee and Data and Knowledge Sub Committee.

- Other collaborative organisation/initiative, specify

100 Resilient Cities

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

### 100 Resilient Cities

As part of 100 Resilient Cities, IAG has sat on working groups for, Melbourne and Sydney and been involved in the programs in Christchurch and Wellington.

Resilient Sydney is supporting the work with Sydney Councils, the Red Cross, IAG, the Australian Business Roundtable for Disaster Resilience and Safer Communities and partners to promote the Red Cross and IAG co-created "Get Prepared" app. The Get Prepared app is a free and easy to use tool to help community members prepare for any type of emergency by:

- establishing a quick and easy network of support with three key contacts
- promoting review of the risks relevant to where they live
- providing checklists of actions to make an emergency plan
- saving the emergency plan as a PDF to be printed and shared with others.

Resilient Sydney aims for 100,000 Sydney residents have downloaded the app to undertake preparedness activities.

Find out more here: [https://www.cityofsydney.nsw.gov.au/\\_\\_data/assets/pdf\\_file/0008/309896/Resilient-Sydney-A-strategy-for-city-resilience-2018-part-3.pdf](https://www.cityofsydney.nsw.gov.au/__data/assets/pdf_file/0008/309896/Resilient-Sydney-A-strategy-for-city-resilience-2018-part-3.pdf)

Other collaborative organisation/initiative, specify

Geneva Association

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic  
 Moderate  
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

### Geneva Association

Since 2014, IAG has supported the Geneva Association's Climate Risk Statement guiding principles on the substantial role insurance can play[NS1] in global efforts to tackle climate-related risks.

IAG participates in the Geneva Association's Emerging Risks Working Group addressing Physical and Transition risks in different regions internationally.

SG 10

Mandatory

Public

Core Assessed

PRI 4

SG 10.1

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes



**SG 10.2**

Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

- Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)
- Provided financial support for academic or industry research on responsible investment
- Provided input and/or collaborated with academia on RI related work
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment

**Description**

Broad discussion on responsible investment during Annual General Meeting and IAG executive speaking engagements at UNEP FI, PRI, PSI and the Australia Business Roundtable for Disaster Resilience and Safer Communities events.

**Frequency of contribution**

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
- Wrote and published articles on responsible investment in the media
- A member of PRI advisory committees/ working groups, specify
- On the Board of, or officially advising, other RI organisations (e.g. local SIFs)
- Other, specify
- No

**Outsourcing to fiduciary managers and investment consultants****SG 12****Mandatory****Public****Core Assessed****PRI 4**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 12.1**

Indicate whether your organisation uses investment consultants.

- Yes, we use investment consultants

**SG 12.2**

Indicate how your organisation uses investment consultants in the selection, appointment and/or monitoring of external managers.

- We use investment consultants in our selection and appointment of external managers

Asset class
-------------

- |   |
|---|
| <input checked="" type="checkbox"/> Listed Equity (LE)<br><input type="checkbox"/> Fixed income - Corporate (non-financial)<br><input type="checkbox"/> Fixed income - Securitised<br><input checked="" type="checkbox"/> Other asset classes |
|---|

- We use investment consultants in our monitoring of external managers

Asset class
-------------

- |  |
|--|
| <input checked="" type="checkbox"/> Listed Equity (LE)<br><input type="checkbox"/> Fixed income - Corporate (non-financial)<br><input checked="" type="checkbox"/> Fixed income - Securitised<br><input checked="" type="checkbox"/> Other asset classes |
|--|

- We do not use investment consultants for selection, appointment and monitoring of external managers.

**SG 12.3**

Indicate if your organisation considers responsible investment in the selection, appointment and/or review processes for investment consultants.

- Responsible investment is considered when evaluating investment consultants' investment beliefs, strategies and policies in the selection process.
- Responsible investment is considered when evaluating investment consultants' public commitment to, and promotion of, responsible investment in the selection process.
- Responsible investment is considered when reviewing investment consultants' approach to investment manager ratings, research and recommendations in the monitoring process.
- Consultants' responsibilities in terms of responsible investment in manager selection, appointment and monitoring processes are included in our contractual agreements with the investment consultants.
- We do not consider responsible investment in the selection, appointment and/or review processes for investment consultants.

**SG 12.4**

Indicate whether you use investment consultants for any the following services. Describe the responsible investment components of these services.

- Custodial services
- Investment policy development
- Strategic asset allocation
- Investment research

Describe how responsible investment is incorporated
---

IAG subscribes to investment manager database
---

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above
- No, we do not use investment consultants.

### ESG issues in asset allocation

<b>SG 13</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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#### SG 13.1

Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, in order to assess future ESG factors
- Yes, in order to assess future climate-related risks and opportunities
- No, our organisation does not currently carry out scenario analysis and/or modelling

### Asset class implementation not reported in other modules

<b>SG 16</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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#### SG 16.1

Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Cash	IAG relies on and subscribes to external credit rating agency assessments of credit risk (Standard & Poors) and ESG ratings assessments from MSCI ESG manager. In doing so IAG Asset Management has assessed the extent to which ESG issues have been considered in the overall credit risk assessment. IAG Asset Management maintains close dialogue with, and monitoring of issuers in portfolios, including an assessment of issuer ESG practices.

<b>SG 17</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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#### SG 17.1

Describe how you address ESG issues for externally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Private equity	Where relevant IAG will seek to monitor ESG risks and incorporation of ESG considerations within portfolios. IAG will seek to be active investor through its participation in investor advisory committees or boards where the nature and size of the investment warrants this.
Hedge funds - DDQ	<div style="background-color: #0070C0; color: white; padding: 5px; text-align: center;">Select whether you use the PRI Hedge Fund DDQ</div> <input type="radio"/> Yes <input checked="" type="radio"/> No
Hedge funds	Where relevant IAG will seek to monitor ESG risks and incorporation of ESG considerations within portfolios. IAG will seek to be active investor through its participation in investor advisory committees or boards where the nature and size of the investment warrants this. In 2019 IAG requested completion of ESG questionnaire by hedge fund managers.
Other (1) [as defined in Organisational Overview module]	Where relevant IAG will seek to monitor ESG risks and incorporation of ESG considerations within portfolios. IAG will seek to be active investor through its participation in investor advisory committees or boards where the nature and size of the investment warrants this. In 2019 IAG requested completion of ESG questionnaire by global convertible bond manager.

## Communication

<b>SG 19</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2, 6</b>
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### SG 19.1

Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

#### Selection, Appointment and Monitoring

#### Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

<b>Disclosure to clients/beneficiaries</b>	
Disclosure to clients/beneficiaries	<input checked="" type="checkbox"/> How responsible investment considerations are included in manager selection, appointment and monitoring processes <input type="checkbox"/> Details of the responsible investment activities carried out by managers on your behalf <input checked="" type="checkbox"/> E, S and/or G impacts and outcomes that have resulted from your managers' investments and/or active ownership <input type="checkbox"/> Other
Frequency	<input checked="" type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested

Fixed income

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

<b>Disclosure to clients/beneficiaries</b>	
Disclosure to clients/beneficiaries	<input checked="" type="radio"/> Broad approach to RI incorporation <input type="radio"/> Detailed explanation of RI incorporation strategy used
Frequency	<input type="checkbox"/> Quarterly <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input checked="" type="checkbox"/> Ad hoc/when requested

# Insurance Australia Group (IAG)

## Reported Information

### Public version

#### Indirect – Manager Selection, Appointment and Monitoring

## PRI disclaimer

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## Listed Equity and Fixed Income Strategies

SAM 01	Mandatory	Public	Gateway	PRI 1
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**SAM 01.1** Indicate which of the following ESG incorporation strategies you require your external manager(s) to implement on your behalf for all your listed equity and/or fixed income assets:

### Active investment strategies

Active investment strategies	Listed Equity			FI - Corporate (non-financial)	FI - Securitised
Screening	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Thematic	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Integration	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>

## Selection

SAM 02	Mandatory	Public	Core Assessed	PRI 1
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**SAM 02.1** Indicate what RI-related information your organisation typically covers in the majority of selection documentation for your external managers

	LE			FI - Corporate (non-financial)	FI - Securitised			
Your organisation's investment strategy and how ESG objectives relate to it	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
ESG incorporation requirements	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>			
ESG reporting requirements	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>			
Other	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>			
No RI information covered in the selection documentation	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>			

**SAM 02.2**

Explain how your organisation evaluates the investment manager's ability to align between your investment strategy and their investment approach

Strategy

	LE		FI - Corporate (non-financial)	FI - Securitised			
Assess the time horizon of the investment manager's offering vs. your/beneficiaries' requirements	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Assess the quality of investment policy and its reference to ESG	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Assess the investment approach and how ESG objectives are implemented in the investment process	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Review the manager's firm-level vs. product-level approach to RI	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Assess the ESG definitions to be used	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Other	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			
None of the above	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			

ESG people/oversight



	LE		FI - Corporate (non-financial)	FI - Securitised			
Assess ESG expertise of investment teams	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Review the oversight and responsibilities of ESG implementation	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Review how is ESG implementation enforced /ensured	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Review the manager's RI-promotion efforts and engagement with the industry	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Other	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			
None of the above	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			

Process/portfolio construction/investment valuation

	LE		FI - Corporate (non-financial)	FI - Securitised			
Review the process for ensuring the quality of the ESG data used	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			
Review and agree the use of ESG data in the investment decision making process	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Review and agree the impact of ESG analysis on investment decisions	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			
Review and agree ESG objectives (e.g. risk reduction, return seeking, real-world impact)	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			
Review and agree manager's ESG risk framework	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			
Review and agree ESG risk limits at the portfolio level (portfolio construction) and other ESG objectives	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			
Review how ESG materiality is evaluated by the manager	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Review process for defining and communicating on ESG incidents	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			
Review and agree ESG reporting frequency and detail	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			
Other, specify	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			
None of the above	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			

### SAM 02.3

Indicate the selection process and its ESG/RI components

- Review ESG/RI responses to RfP, RfI, DDQ etc.
- Review responses to PRI's Limited Partners' Responsible Investment Due Diligence Questionnaire (LP DDQ)
- Review publicly available information on ESG/RI
- Review assurance process on ESG/RI data and processes
- Review PRI Transparency Reports
- Request and discuss PRI Assessment Reports
- Meetings with the potential shortlisted managers covering ESG/RI themes
- Site visits to potential managers offices
- Other, specify

**SAM 02.4**

When selecting external managers does your organisation set any of the following:

	LE		FI - Corporate (non-financial)	FI - Securitised			
ESG performance development targets	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			
ESG score	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			
ESG weight	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			
Real world economy targets	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			
Other RI considerations	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			
None of the above	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			

**SAM 03**

**Mandatory**

**Public**

**Additional Assessed**

**PRI 2**

**SAM 03.1**

Indicate how your organisation typically evaluates the manager's active ownership practices in the majority of the manager selection process.

Engagement

	LE		FI - Corporate (non-financial)	FI - Securitised
Review the manager's engagement policy	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review the manager's engagement process (with examples and outcomes)	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Ensure whether engagement outcomes feed back into the investment decision-making process	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Other engagement issues in your selection process specify	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

(Proxy) voting

	<b>LE</b>
Review the manager's voting policy	<input checked="" type="checkbox"/>
Review the manager's ability to align voting activities with clients' specific voting policies	<input checked="" type="checkbox"/>
Review the manager's process for informing clients about voting decisions	<input checked="" type="checkbox"/>
Ensure whether voting outcomes feed back into the investment decision-making process	<input checked="" type="checkbox"/>
Review the number of votes cast as a percentage of ballots/AGMs or holdings and available rationale	<input checked="" type="checkbox"/>
Other active ownership voting issues in your selection process; specify	<input type="checkbox"/>

**SAM 03.2**

Describe how you assess if the manager's engagement approach is effective.

- Impact on investment decisions
- Financial impact on target company or asset class
- Impact on ESG profile of company or the portfolio
- Evidence of changes in corporate practices(i.e. ESG policies and implementation activities)
- Other, specify

We review the managers reporting on engagement and proxy voting and we discuss these as part of our quarterly meetings with the managers.

- None of the above

**SAM 03.3**

Describe how you assess if the manager's voting approach is effective/appropriate

- Impact on investment decisions
- Impact on ESG profile of company or the portfolio
- Evidence of changes in corporate practices(i.e. ESG policies and implementation activities)
- Other, specify

We review the managers reporting on engagement and proxy voting and we discuss these as part of our quarterly meetings with the managers.

- None of the above

**Appointment**

<b>SAM 04</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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**SAM 04.1**

Indicate if in the majority of cases and where the structure of the product allows, your organisation does any of the following as part of the manager appointment and/or commitment process

- Sets standard benchmarks or ESG benchmarks
- Defines ESG objectives and/ or ESG related exclusions/restrictions
- Sets incentives and controls linked to the ESG objectives
- Requires reporting on ESG objectives
- Requires the investment manager to adhere to ESG guidelines, regulations, principles or standards
- Other, specify (1)
- Other, specify (2)
- None of the above

**SAM 04.2**

Provide an example per asset class of your benchmarks, objectives, incentives/controls and reporting requirements that would typically be included in your managers' appointment.

## Asset class

- Listed equity (LE)

## Benchmark

- We do not set benchmarks

## ESG Objectives

- ESG related strategy, specify
- ESG related investment restrictions, specify
  - IAG may exclude or limit investment in a particular company or group of companies. Where relevant these exclusions or limitations will be included in relevant investment management mandates. These circumstances may include:
    - ESG risks to the company that are not, or cannot be, appropriately or adequately reflected in the risk-adjusted return
    - The investment being inappropriate to the extent that it may have a negative impact on IAG's reputation
    - The investment/issuer failing to recognise or strategically address ESG risks
- ESG integration, specify
  - IAG has mandated climate related restrictions or targets in relation to external investment mandate for equities, global convertible bonds and bank loans.
- Engagement, specify
  - IAG engages with external managers annually to discuss portfolio holdings identified with higher ESG risks, i.e. how ESG risk is considered and what engagement measures have been undertaken with these companies with a view to encouraging mitigation of ESG risks?
- Voting, specify
  - IAG will review the external investment manager's policy on proxy voting and use of proxy votes as part of the initial due diligence and ongoing monitoring of the external investment manager. Where appropriate investment mandates specify proxy voting reporting requirements.
- Promoting responsible investment
- ESG specific improvements
  - IAG has implemented a shift investments to companies that have a lower exposure to climate-related risks or a forward-looking strategy to manage these risks across its listed equity portfolios and convertible bonds portfolio.

For further details refer to IAG Climate related financial disclosure for 2019 and IAG Climate Action Plan [www.iag.com.au/sites/default/files/Documents/Safer%20Communities/IAG-Climate-Action-Plan-FY19-scorecard.pdf](http://www.iag.com.au/sites/default/files/Documents/Safer%20Communities/IAG-Climate-Action-Plan-FY19-scorecard.pdf).  
[www.iag.com.au/safer-communities/esg-commitments-and-performance/climate-related-disclosure-2019](http://www.iag.com.au/safer-communities/esg-commitments-and-performance/climate-related-disclosure-2019)

- Other, specify
- ESG guidelines/regulation, principles/standards, specify

IAG Asset Management's Guidelines for Investment Manager Due Diligence and Implementation and Responsible Investment Policy outline the overall requirements for the appointment, due diligence and ongoing monitoring of external investment managers.

### Incentives and controls

- We do not set incentives and controls

### Reporting requirements

- Monthly
- Quarterly
- Bi-annually
- Annually
- Ad-hoc/when requested
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised

### SAM 04.3 Indicate which of these actions your organisation might take if any of the requirements are not met

- Discuss requirements not met and set project plan to rectify
- Place investment manager on a "watch list"
- Track and investigate reason for non-compliance
- Re-negotiate fees
- Failing all actions, terminate contract with the manager
- Other, specify
- No actions are taken if any of the ESG requirements are not met

## Monitoring

<b>SAM 05</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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### SAM 05.1 When monitoring managers, indicate which of the following types of responsible investment information your organisation typically reviews and evaluates

	LE		FI - Corporate (non-financial)	FI - Securitised			
ESG objectives linked to investment strategy (with examples)	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Evidence on how the ESG incorporation strategy(ies) affected the investment decisions and financial / ESG performance of the portfolio/fund	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Compliance with investment restrictions and any controversial investment decisions	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
ESG portfolio characteristics	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			
How ESG materiality has been evaluated by the manager in the monitored period	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			
Information on any ESG incidents	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			
Metrics on the real economy influence of the investments	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			
PRI Transparency Reports	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
PRI Assessment Reports	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			
RI-promotion and engagement with the industry to enhance RI implementation	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			
Changes to the oversight and responsibilities of ESG implementation	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Other general RI considerations in investment management agreements; specify	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			
None of the above	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			

**SAM 05.2**

When monitoring external managers, does your organisation set any of the following to measure compliance/progress

	LE		FI - Corporate (non-financial)	FI - Securitised			
ESG score	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			
ESG weight	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			
ESG performance minimum threshold	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			
Real world economy targets	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			
Other RI considerations	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			
None of the above	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			

**SAM 05.3** Provide additional information relevant to your organisation's monitoring processes of external managers. [OPTIONAL]

In addition to quarterly meetings, including discussion of ESG integration with investment managers, IAG requests completion of an annual ESG questionnaire.

<b>SAM 06</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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**SAM 06.1** When monitoring managers, indicate which of the following active ownership information your organisation typically reviews and evaluates from the investment manager in meetings/calls

Engagement



	LE		FI - Corporate (non-financial)	FI - Securitized
Report on engagements undertaken (summary with metrics, themes, issues, sectors or similar)	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Report on engagement ESG impacts (outcomes, progress made against objectives and examples)	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Information on any escalation strategy taken after initial unsuccessful dialogue	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Alignment with any eventual engagement programme done internally	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Information on the engagement activities' impact on investment decisions	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other RI considerations relating to engagement in investment management agreements; specify	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

(Proxy) voting

	LE
Report on voting undertaken (with outcomes and examples)	<input checked="" type="checkbox"/>
Report on voting decisions taken	<input checked="" type="checkbox"/>
Adherence with the agreed upon voting policy	<input checked="" type="checkbox"/>
Other RI considerations relating to (proxy) voting in investment management agreements; specify	<input type="checkbox"/>
None of the above	<input type="checkbox"/>

SAM 07

Mandatory

Public

Core Assessed

PRI 2

SAM 07.1

For the listed equities for which you have given your external managers a (proxy) voting mandate, indicate the approximate percentage (+/- 5%) of votes that were cast during the reporting year.

Votes cast (to the nearest 5%)

%

100

Specify the basis on which this percentage is calculated.

- Of the total number of ballot items on which they could have issued instructions
  - Of the total number of company meetings at which they could have voted
  - Of the total value of your listed equity holdings on which they could have voted
- We do not collect this information.

**SAM 07.2** For the listed equities for which you have given your external managers a mandate to engage on your behalf, indicate the approximate percentage (+/- 5%) of companies that were engaged with during the reporting year.

Number of companies engaged

126

Proportion (to the nearest 5%)

35

**SAM 07.3** Additional information [OPTIONAL]

For global equities our external managers have formal engagement/stewardship programs on RI areas of concern. We meet with the engagement RI specialists to discuss their approaches and areas of focus and receive reporting on the sectors and companies engaged and the outcomes of the engagement programs.

## Outputs and outcomes

<b>SAM 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1,6</b>
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**SAM 09.1** Provide examples of how ESG issues have been addressed in the manager selection, appointment and/or monitoring process for your organisation during the reporting year.

Add Example 1

Topic or issue	Analysis of exposure to and subsequent restriction in investment in thermal coal mining activities in investment mandates.
Conducted by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Investment consultants
Asset class	<input checked="" type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – corporate (non financial) <input type="checkbox"/> Fixed income – securitised
Scope and process	Remove companies that generate more than 10% revenues from thermal coal mining activities.
Outcomes	Companies engaged in production of thermal coal excluded in investment mandates revenue threshold of 10%).

- Add Example 2
- Add Example 3
- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- We are not able to provide examples

# Insurance Australia Group (IAG)

## Reported Information

### Public version

### Direct - Fixed Income

## PRI disclaimer

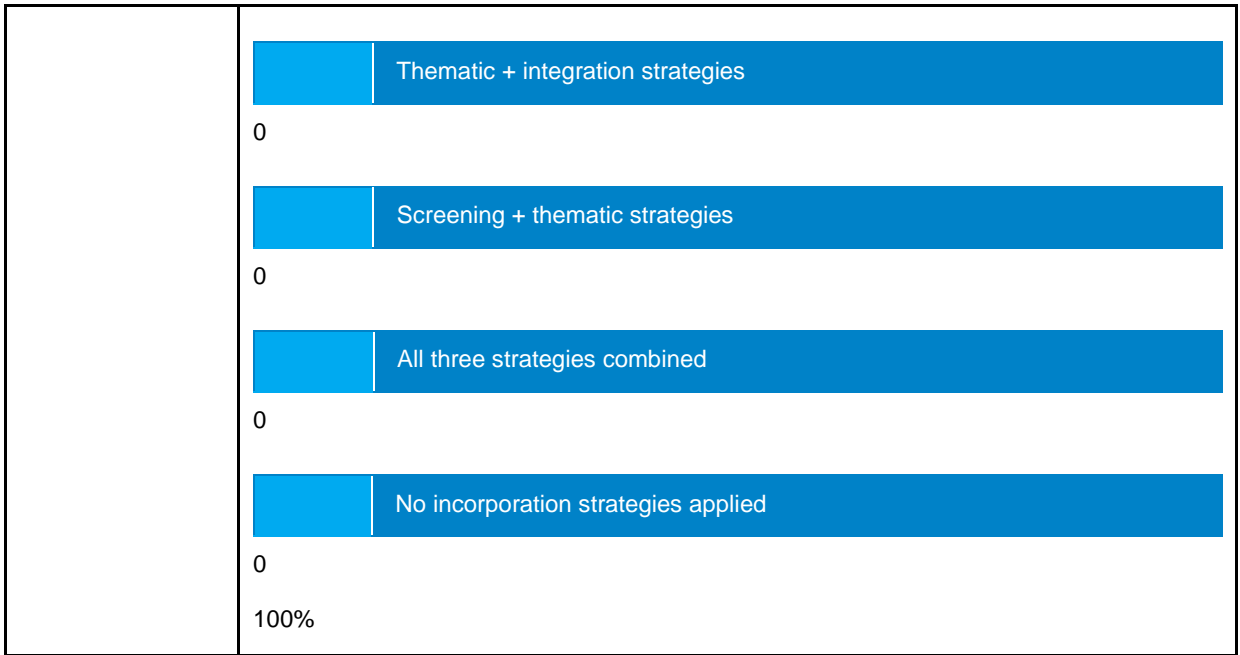
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## ESG incorporation in actively managed fixed income

### Implementation processes

FI 01	Mandatory	Public	Gateway	PRI 1
FI 01.1	Indicate (1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and (2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.			

SSA	<table border="1"> <thead> <tr> <th>Strategy</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Screening alone</td> <td>95</td> </tr> <tr> <td>Thematic alone</td> <td>0</td> </tr> <tr> <td>Integration alone</td> <td>0</td> </tr> <tr> <td>Screening + integration strategies</td> <td>0</td> </tr> <tr> <td>Thematic + integration strategies</td> <td>0</td> </tr> <tr> <td>Screening + thematic strategies</td> <td>5</td> </tr> <tr> <td>All three strategies combined</td> <td>0</td> </tr> <tr> <td>No incorporation strategies applied</td> <td>100</td> </tr> </tbody> </table>	Strategy	Percentage	Screening alone	95	Thematic alone	0	Integration alone	0	Screening + integration strategies	0	Thematic + integration strategies	0	Screening + thematic strategies	5	All three strategies combined	0	No incorporation strategies applied	100
Strategy	Percentage																		
Screening alone	95																		
Thematic alone	0																		
Integration alone	0																		
Screening + integration strategies	0																		
Thematic + integration strategies	0																		
Screening + thematic strategies	5																		
All three strategies combined	0																		
No incorporation strategies applied	100																		
Corporate (financial)	<table border="1"> <thead> <tr> <th>Strategy</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Screening alone</td> <td>100</td> </tr> <tr> <td>Thematic alone</td> <td>0</td> </tr> <tr> <td>Integration alone</td> <td>0</td> </tr> <tr> <td>Screening + integration strategies</td> <td>0</td> </tr> </tbody> </table>	Strategy	Percentage	Screening alone	100	Thematic alone	0	Integration alone	0	Screening + integration strategies	0								
Strategy	Percentage																		
Screening alone	100																		
Thematic alone	0																		
Integration alone	0																		
Screening + integration strategies	0																		



Corporate (non-financial)	Screening alone	80
	Thematic alone	0
	Integration alone	0
	Screening + integration strategies	0
	Thematic + integration strategies	0
	Screening + thematic strategies	20
	All three strategies combined	0
	No incorporation strategies applied	0
		100%

**FI 01.2** Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

IAG relies on and subscribes to external credit rating agency assessments of credit risk (Standard & Poors) and ESG ratings assessments from MSCI ESG manager. In doing so IAG Asset Management has assessed the extent to which ESG issues have been considered in the overall credit risk assessment. IAG Asset Management maintains close dialogue with, and monitoring of issuers in portfolios, including an assessment of issuer ESG practices and CBI certification.

<b>FI 03</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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**FI 03.1** Indicate how you ensure that your ESG research process is robust:

- Comprehensive ESG research is undertaken internally to determine companies' activities; and products and/or services
- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- Internal audits and regular reviews of ESG research are undertaken in a systematic way.
- A materiality/sustainability framework is created and regularly updated that includes all the key ESG risks and opportunities for each sector/country.
- Other, specify

specify description

Regular interaction and review of alternative ESG research providers

- None of the above

**FI 03.2** Describe how your ESG information or analysis is shared among your investment team.

- ESG information is held within a centralised database and is accessible to all investment staff
- ESG information is displayed on front office research platforms
- ESG information is a standard item on all individual issuer summaries, research notes, 'tear sheets', or similar documents
- Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- Records capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

**(A) Implementation: Screening**

<b>FI 04</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>PRI 1</b>
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**FI 04.1** Indicate the type of screening you conduct.

Select all that apply

	<b>SSA</b>	<b>Corporate (financial)</b>	<b>Corporate (non-financial)</b>	
Negative/exclusionary screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Positive/best-in-class screening	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Norms-based screening	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

<b>FI 04.2</b>	Describe your approach to screening for internally managed active fixed income
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IAG has implemented a restriction on companies with more than 10% revenue on thermal coal mining activities.

<b>FI 06</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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<b>FI 06.1</b>	Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.
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Type of screening	Checks
<b>Negative/exclusionary screening</b>	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above

**(B) Implementation: Thematic**

<b>FI 08</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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<b>FI 08.1</b>	Indicate whether you encourage transparency and disclosure relating to the issuance of themed bonds as per the Green Bonds Principles, Social Bond Principles, or Sustainability Bond Guidelines..
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- We require that themed bond proceeds are only allocated to environmentally or socially beneficial projects
- We require the issuer (or 3rd party assurer) to demonstrate a process which determines the eligibility of projects to which themed bond proceeds are allocated
- We require issuers to demonstrate a systematic and transparent process of disbursing themed bond proceeds to eligible projects until all funds are allocated
- We require issuers to report at least once per year on the projects to which proceeds have been allocated including a description of those projects
- Other, specify
- None of the above

<b>FI 08.2</b>	Describe the actions you take when issuers do not disburse bond proceeds as described in the offering documents.
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We would likely divest. This situation has yet to arise.

<b>FI 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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- We require issuers to report at least once per year on specific environmental or social impacts resulting from our themed investments
- We ensure independent audits are conducted on the environmental or social impact of our investments
- We have a proprietary system to measure environmental and social impact
- We measure the impact of our themed bond investments on specific ESG factors such as carbon emissions or human rights
- Other, specify  
IAG monitor and where appropriate utilise recognised forms of green, social and diversity bond accreditation or certification.
- None of the above

# Insurance Australia Group (IAG)

## Reported Information

### Public version

### Confidence building measures

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Confidence building measures

CM1 01	Mandatory	Public	Additional Assessed	General
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**CM1 01.1** Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:

- Third party assurance over selected responses from this year's PRI Transparency Report
- Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year)
- Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year)
- Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
  - Whole PRI Transparency Report has been internally verified
  - Selected data has been internally verified
- Other, specify
- None of the above

CM1 02	Mandatory	Public	Descriptive	General
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**CM1 02.1** We undertook third party assurance on last year's PRI Transparency Report

- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year's PRI Transparency Report
- We did not assure last year's PRI Transparency report
- None of the above, we were in our preparation year and did not report last year.

CM1 03	Mandatory	Public	Descriptive	General
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**CM1 03.1** We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- We adhere to an RI certification or labelling scheme
- We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report

**CM1 03.3** Provide a link to the public report (such as a sustainability report that you carry out third party assurance over and for which you have used extracts of in this year's PRI Transparency Report. Also include a link to the external assurance provider's report.

Link to sustainability, RI, or integrated report [URL]

<https://www.iag.com.au/sites/default/files/Documents/Results%20%26%20reports/2019-annual-review-safer-communities-report.pdf>

Link to external assurance provider`s report [URL]

<https://www.iag.com.au/sites/default/files/Documents/Safer%20Communities/IAG-FY19-Final-Assurance-Statement.pdf>

- ESG audit of holdings
- Other, specify
- None of the above

**CM1 03.5** Additional information [OPTIONAL]

IAG's equivalent of a sustainability report is the Annual Review & Safer Communities Report which is assured externally 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'). In addition, in FY19 IAG undertook a voluntary TCFD aligned Climate-related Disclosure. While this was outside of public assurance scope in FY19, the Climate-related Disclosure was subject to an internal assurance process with the intent to be in scope for external assurance in FY20.

**CM1 04**

**Mandatory**

**Public**

**Descriptive**

**General**

**CM1 04.1** Do you plan to conduct third party assurance of this year`s PRI Transparency report?

- Whole PRI Transparency Report will be assured
- Selected data will be assured
- We do not plan to assure this year`s PRI Transparency report

**CM1 04.3** Additional information [OPTIONAL]

As key aspects of the PRI Transparency report refer to information IAG has publicised – and the intent for IAG Climate-related Disclosures to be externally assured from FY20 – IAG does not plan to assure this year's PRI Transparency report.

**CM1 07**

**Mandatory**

**Public**

**Descriptive**

**General**

**CM1 07.1** Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed

**Who has conducted the verification**

- CEO or other Chief-Level staff

## Sign-off or review of responses

- Sign-off
- Review of responses
- The Board
- Investment Committee
- Compliance Function
- RI/ESG Team
- Investment Teams
- Legal Department
- Other (specify)