

## HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

### REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS INSURANCE SECTOR

#### Insurance Australia Group

#### IAG16QON:

**CHAIR:** I want to ask a quick follow on question to the one raised by the deputy chair around net zero for IAG. What is your greenhouse gas emissions profile?

**Mr Hawkins:** At the moment, we buy to be neutral

**CHAIR:** You buy to be neutral—so you're already neutral?

**Mr Hawkins:** At the moment the profile of our company [inaudible] and that's been the case for, I'd say, 10 years.

**CHAIR:** Is that scope 1, scope 2 and scope 3 emissions?

**Mr Hawkins:** I'll come back to you on that, sorry, but I believe it is.

**CHAIR:** You'll take that on notice then.

**Mr Hawkins:** I will.

#### Answer:

IAG has been carbon neutral across both its scope 1 and scope 2 emissions as well as its measured scope 3 emissions, since 2012, having purchased 41,046 tonnes of carbon offsets in FY19 to maintain carbon neutrality throughout FY20.

#### *Context*

IAG is committed to “reduce its emissions” as a key focus in IAG’s Climate Action Plan and Scorecard. Using FY18 as its baseline, IAG set science-based absolute emissions reduction targets for its Group scope 1 and 2 emissions to meet its Paris Agreement commitments to keep climate change below 2°C. Full details are at:

<https://www.iag.com.au/sites/default/files/Documents/Safer%20Communities/FY20-Climate-related-disclosure.pdf>

#### *Target*

These absolute targets for the IAG Group scope 1 and 2 emissions include a:

- 20% reduction by 2020.
- 43% reduction by 2025.
- 71% reduction by 2030.
- 95% reduction by 2050.

### *Progress in FY20*

IAG reduced scope 1 and 2 greenhouse gas emissions to 21,278 tonnes CO2 equivalent, achieving its FY20 science-based emission reduction target. While a reduction in emissions from operational energy and transport-related activities can be attributed to COVID-19 restrictions, IAG's activities in consolidation of its property portfolio, transitioning key offices to activity-based working, implementation of energy efficiency activities and the increasing fuel efficiency of fleet vehicles continued to drive down scope 1 and 2 emissions.

Financial year 2020-21 ESG (and emissions) data will be published on 12 August 2021. Financial year 2021-21 Carbon Neutral Disclosure will likely be complete early in 2022.