

SUSTAINABILITY REPORT 2010

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HERE 



SUSTAINABILITY REPORT 2010

CONTENTS

A message from our Chief Executive p/4

Our strategy p/5

Customers p/6 ●

Accessibility p/10 ●

Our employees p/12 ●

Suppliers p/16 ●

The community p/17 ●

Environment p/21 ●

Community partnerships p/27 ●

GRI table p/28 ●

AAMI forms part of Suncorp's portfolio of trusted brands to help our customers build and protect their dreams. AAMI is a wholly owned subsidiary of Suncorp Metway LTD and its registered office is in Brisbane.

AAMI is a leader in the highly competitive Australian market for motor, home and travel insurance. AAMI is the sole underwriter of the insurance sold under the AAMI brand and manages its claims. AAMI is an Australian Financial Services Licensee and falls under Australian Federal Law and ASIC (Australian Securities and Investment Commission) and APRA (Australian Prudential Regulation Authority) policy/standards governing its management and prudential requirements. This includes the nomination of its responsible managers for each regulator (including its Chief Executive Officer) and meeting all competency requirements for its responsible managers and employees.

As a national insurance brand, AAMI is a direct seller, dealing directly with four million customers who hold 3.2 million policies.

Established in 1970, AAMI now employs more than 3,100 staff in some 60 offices, branches and customer service centres operating in every state and territory in Australia.

For financial details and more information on our governance and operating structure please see the Suncorp Annual Report 2009/10 at <http://www.suncorp.com.au/>.

A message from our Chief Executive

Welcome to AAMI's fourth annual *Sustainability Report*, which focuses on the 2009/10 financial year.

This report meets Promise 17 and 18 of the *AAMI Customer Charter* in which we promise to "report on our performance against measures of our commitment to open and honest business practices" and "AAMI will report on its environmental initiatives annually, as it promises to reduce its carbon footprint".

For the second year, this report has been written using the Global Reporting Initiative framework. This framework provides a holistic view of sustainability, which aligns to AAMI's own philosophy – that sustainability is about creating a long term insurance business which actively supports and participates in the Australian community.

At AAMI we value the communities in which we live and work and we believe in protecting and giving back to them. This sustainability report shows you how we go about this, through engaging and empowering our employees, maintaining and forming strong community partnerships and working closely with suppliers to ensure the sustainability of their own industries.

We believe we can do the right thing by all of our stakeholders – our customers, our employees, our communities and our environment – and at the same time be a successful brand as part of a profitable company.



Mark Milliner
Chief Executive, Personal Insurance



Our strategy

AAMI's strategy aligns with the Group Corporate Social Responsibility (CSR) strategy, 'A Responsible Approach'. Our approach as a group includes the way we engage with our stakeholders; are clear about our direction, governance and risk management; invest in our people, customers and the communities in which we operate; and minimise our environmental impact.

We aspire to be the best practice exemplar for our stakeholders through our influence in our actions and practices.

Since 2002 AAMI have embedded community promises in our AAMI Customer Charter (<http://www.aami.com.au/customer-service/customer-charter.aspx>). Initially, AAMI decided to reduce waste to landfill and promised our customers that less than 20 per cent of waste to landfill would be made up of paper and cardboard. This led to the implementation of a recycling and

auditing program within AAMI and has more recently become one of our key performance indicators for sustainability.

This will also be the second year in which we have offset our fleet and flight emissions by purchasing trees planted by Greenfleet (www.greenfleet.com).

We promise to report on environmental initiatives annually, as we promise to reduce our carbon footprint.

This sustainability report is for data from the 2009/10 financial year and follows out previous 2008/09 Sustainability Report. The report covers off all of AAMI's operations. This report meets our customer promise and shows how we are working with the Australian community as well as introducing environmental initiatives to reduce our carbon footprint. It also shows the results from a CO2 emission perspective of how our work is progressing.

GRI REPORTING LEVEL

This will be the second year we have reported using the Global Reporting Initiative Framework (<http://www.globalreporting.org>).

"The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the worlds most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide.

This framework sets out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance."¹

This report outlines AAMI's relationship with its key stakeholders being; its customers, its employees, its suppliers, its regulators, the Australian community as a whole, and its shareholders, via its parent company, Suncorp Metway Ltd. Each of these stakeholders have an interest in how we operate and our view on sustainability.



¹ www.globalreporting.org/AboutGRI/WhatIsGRI/

Customers

Customer survey results

AAMI conducts quarterly market research with our customers by surveying those who have recently had a claim.

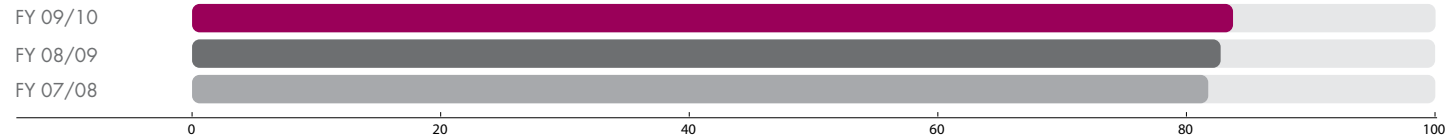
One question asked is how likely it is that as an AAMI claimant you would recommend AAMI as a preferred insurer to a friend or family member.

The results below show the percentage (%) of Motor and Home claimants who said they would be likely* to recommend AAMI to a friend or family member.

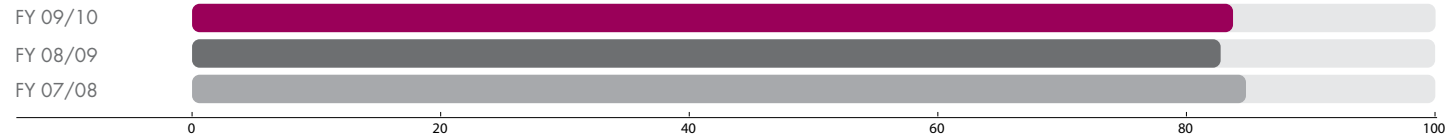
AAMI's advertising adheres to the standards set out by the Advertising Standards Bureau which administers Australia's national system of self-regulation in relation to both public and competitor complaints. All advertising material and direct marketing campaigns receive legal sign off to ensure they comply with relevant laws/codes.

CUSTOMER SATISFACTION RESULTS

ADVOCACY: % OF INSURANCE CLAIMANTS LIKELY TO RECOMMEND AAMI* (7-10 RATING) MOTOR



ADVOCACY: % OF INSURANCE CLAIMANTS LIKELY TO RECOMMEND AAMI* (7-10 RATING) HOME



*This is the percentage of claimants who gave a score between 7-10 on a 0-10 rating scale (where 0 is not at all likely and 10 is extremely likely) in response to the question "How likely are you to recommend AAMI to a friend or family member?"

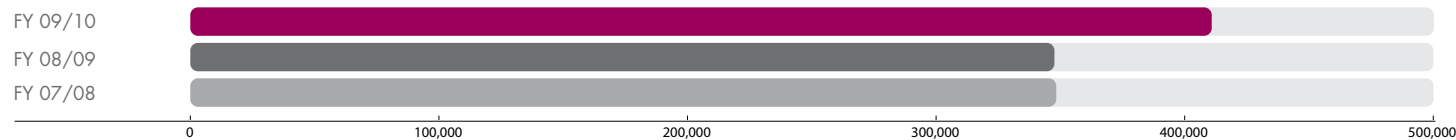
Commitment to resolving claims fairly

During 2009/10, AAMI managed 411,097 claims. As table 2 shows this is a significant increase over the past 2 years. This is in part due to the Travel product being on offer for the full reporting year.

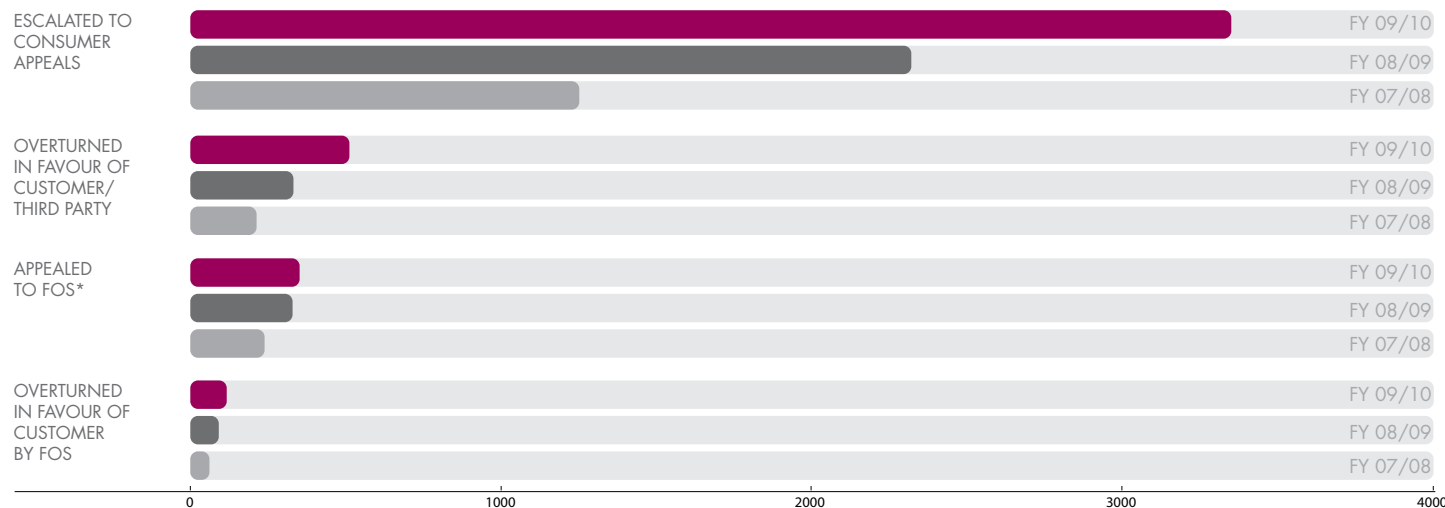
We are committed to resolving claims fairly. To assist us we have an internal Consumer Appeals Service (CAS) as well as the external Financial Ombudsman Service (FOS). If the customer (insured or third party) is not satisfied with our Ombudsman's findings they are able to appeal to FOS.

We have included a paragraph in all letters to third parties which informs them how to escalate any concerns to the Ombudsman. In promoting this service we have seen an increase in the number of escalations, although the overturn rate remains steady.

TOTAL NUMBER OF CLAIMS RECEIVED



CLAIMS DECISIONS REVIEWED BY CAS OR FOS





Dealing with Financial Hardship

AAMI have been working with Kildonan Financial Counsellors throughout 2009/10, in reviewing and seeking to improve our debt recovery practices, particularly when dealing with cases of financial hardship. An extensive review was conducted whereby Kildonan Financial Counsellors spent many hours within the AAMI Claims Technical operations area (who process claims for all brands under the Suncorp Personal Insurance banner), observing and speaking to our people and reviewing files.

This review led to a series of workshops in Melbourne, Sydney and Brisbane facilitated by Kildonan. These workshops were designed to increase our peoples' ability to identify cases of financial hardship and ensure we are providing an appropriate service to debtors. The workshops were of enormous benefit to our business and we anticipate repeating these on an annual basis as a form of refresher training and to ensure we are always understanding of changing consumer needs and challenges.

Further to these visits, Kildonan conducted a survey of Consumer

Advocates to gain an understanding of their view in dealings with AAMI. In reviewing the survey feedback our goal in 2010/11 was to set up a consumer steering committee for Personal Insurance, including leading consumer groups, legal aid and financial counsellors with a view to improve dialogue. Since receiving the survey feedback the Insurance Council of Australia (ICA) have convened a committee in which we now sit. Given this, we will look to alternative engagement strategies.

AAMI's insurance documentation (Product Disclosure Statements, schedules and renewals) content is governed by various laws and codes in Australia. We are 100 per cent compliant with these requirements.

Compliance and risk

AAMI's insurance documentation (Product Disclosure Statements, schedules and renewals) content is governed by various laws and codes in Australia. We are 100 per cent compliant with these requirements.

TABLE 3 : COMPLIANCE AND RISK BREACHES

TYPE	NUMBER OF BREACHES		
	07/08	08/09	09/10
"Significant" breaches reported to ASIC *	0	1	0
General Insurance Code of Practice	16 times, 9 customers	7 times, 4 customers	1
Prudential breaches – APRA	0	0	0
Motor Vehicle Insurance and Repair Industry Code of Conduct – disputes	0	5 referred to appeal internally, 0 externally	0
Fine from a regulator or government body	0	0	0
Issues raised via whistleblower process (internal)	1	2	0
Legal actions against AAMI under the Trade Practices Act	0	0	2
Environmental laws and regulations	0	0	0
Fines for breach of environmental laws	0	0	0
Payments to political parties		\$900.00	0
Discrimination incidents	0	0	0

*ASIC – Australian Security and Investment Commission

Claims management

The 2009/10 year saw several catastrophic storms impacting across Australia from Queensland to New South Wales, Victoria and Western Australia.

Melbourne Hail Storms

Wild weather and severe storms hit Melbourne on 6 March 2010 with huge hail stones and flooding causing widespread damage to cars and homes.

This turned into one of the biggest weather events in AAMI's long history with many customers affected. In all, we received a total of 31 324 claims, of which 18 331

were for motor vehicle damage and the remaining 12 993 for damaged homes.

The storm hit not only on a weekend, but also on a Victorian Public Holiday, however the response from AAMI staff was impressive with many coming into the office to assist wherever possible. Operations Manager, Western Region Victoria, Cliff Cabral noted 'when we received a call on the Sunday asking us to go to Head Office, it was encouraging to see so many staff and leaders willing to give up their own time on a long weekend to assist in lodging claims and formulating a plan on how best to manage the challenges ahead'.

Accessibility

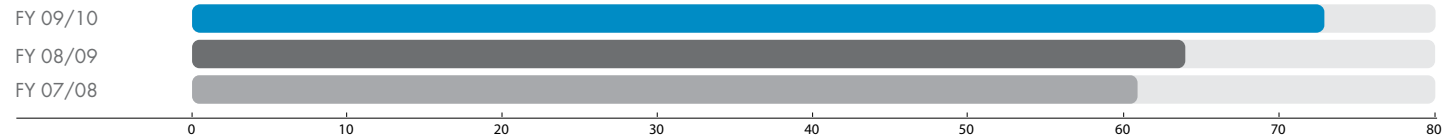
Different languages

Our communities and therefore our customers have diverse backgrounds. In order to ensure accessibility of our products and services, we include a promise in our Customer Charter to provide all our documentation in plain language. As an extension of this promise, we also provide our services in many languages. Our Consumer Appeals Brochure is available in five key languages spoken in Australia. We also continue to provide a comprehensive external interpreter service for customers/ third parties whose first spoken language is not English. The most common languages are Vietnamese, Mandarin (Chinese) and Arabic.

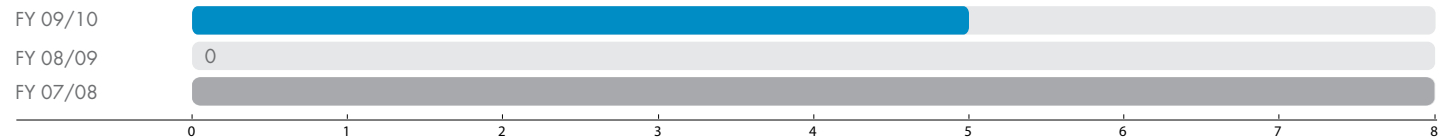
We again saw an increase in usage for the interpreter service which is largely due to its internal promotion to our employees and the effectiveness and accuracy of the service.

INTERPRETER SERVICE USAGE

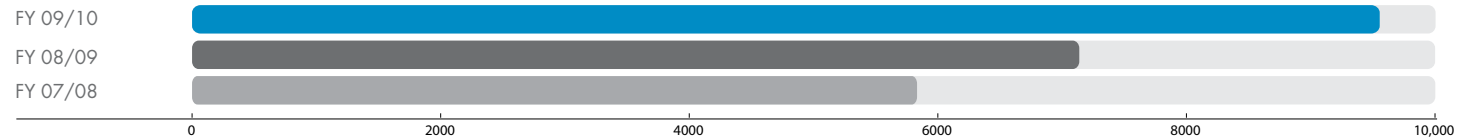
NUMBER OF LANGUAGES 14% INCREASE



NUMBER OF SITE VISITS



NUMBER OF TELEPHONE CALLS 32.5% INCREASE



We'll Be There

AAMI is on call 24 hours a day, seven days a week, via our contact centres, to lodge claims and sell insurance policies. Whatever time a customer calls they can be assured they will be speaking to a real person and have access to a decision maker to respond to their needs. Our website also provides 24-hour access to gain a quote, purchase an insurance policy, renew a policy, lodge a claim, and update personal details www.aami.com.au.

Product innovation

Safe Driver Rewards

AAMI has a proud history of offering our customers innovative policy benefits and services. In December 2009, AAMI launched Safe Driver Rewards, which rewards and promotes safe driving. Customers who do not have an at fault claim will be rewarded with additional

benefits and discounts. The longer the customer remains at AAMI without having an at fault claim the greater the level of benefit. Each year the customer is rewarded with a new status on their policy from Silver through to Diamond. Some of the benefits extend to Safe Driver Discounts, \$100 Excess Credit, Free Hire Car Benefit and Safe Driver Rewards Protection.

Policy positions and industry consultation

The Group, of which AAMI is part, actively participates in public consultation processes, whether it is on a state or federal level.

In the 2009/10 period we have participated in discussions with key stakeholders in relation to:

- The Royal Victorian Bushfires Commission,
- State governments in relation to fire services levy, tow trucks and anti-discrimination laws,

- Federal government in regards to consumer protection, flood insurance and community resilience (via the Insurance Council).
- AAMI actively engages with the Insurance Council, its Industry body.

Of significance in 2010, after recommendations from the Henry Tax Review and the Royal Bushfire Commission, the Fire Services Levy (FSL) is to be removed from insurance policies in Victorian.

AAMI welcomes this development, as this will enable fair and equitable collection of the tax from all home owners. "The FSL simply wasn't fair on those householders who chose not to protect their properties by insuring as they were effectively carrying those who had made the decision not to insure," said Mark Milliner, Chief Executive, Personal Insurance.

Our employees

Staff remuneration

AAMI's employees are currently paid according to AAMI's enterprise agreement. AAMI uses three key indicators to determine an employee's pay level, performance, internal relativity, and market rates. Salaries are reviewed on an annual basis.

Superannuation

Our employees are paid 9.5 per cent of their salary each year into the AAMI Superannuation Fund. This remains 0.5 per cent above the statutory minimum.

Learning and development

Training at AAMI is role dependant and developed by our Learning and Development department. AAMI has standard training packages for each type of main entry level role, whether it be in sales, customer relations, branch management, assessing or claims management.

Employees are required to complete the training for each role prior to starting. There are also compulsory management training packages for new leaders.

Staff health

Occupational health and safety

AAMI has occupational health and safety committees across Australia, at least one in each state. All employees are represented and there are local OH&S representatives in contact centres, service centres and operational offices.

During the 2009/10 reporting period, AAMI's Lost Time Injury Frequency rate was 6.95 (32 incidents). There were no fatalities at work.

Employee Assistance Program

AAMI has an Employee Assistance Program to help support employees and family members who may need counselling. This is a free service in which employees are entitled to four hours. In 2009/10, 102 AAMI staff and their families accessed this service.

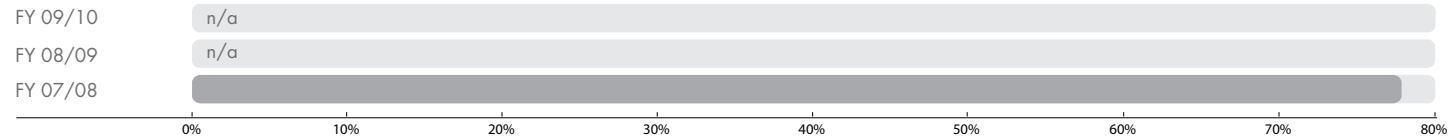
Staff information

Whilst employee surveys have traditionally been conducted every 18 months one was not conducted for 2009/10. Due to the re-structure of the business a new employee survey has been developed which we will be able to report on in the 2010/11 year.

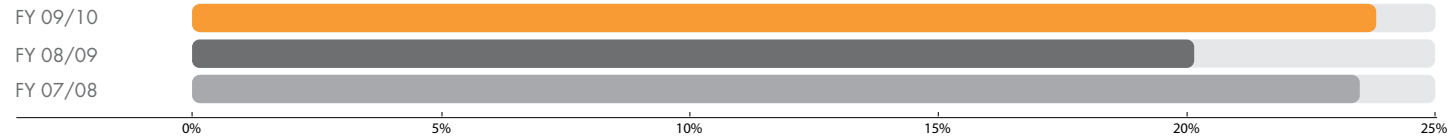
This year we have also included involuntary turnover. Due to the realignment of backend functions across Personal Insurance to remove duplication, some roles were made redundant.

ENGAGEMENT AND TURNOVER

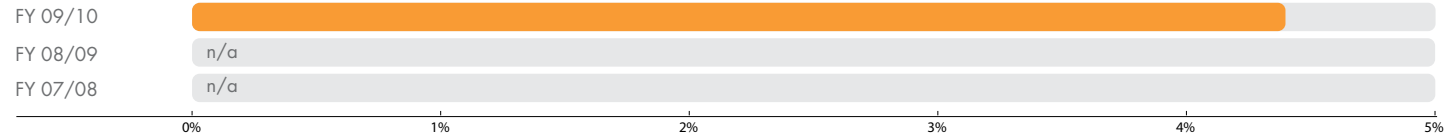
EMPLOYEE ENGAGEMENT



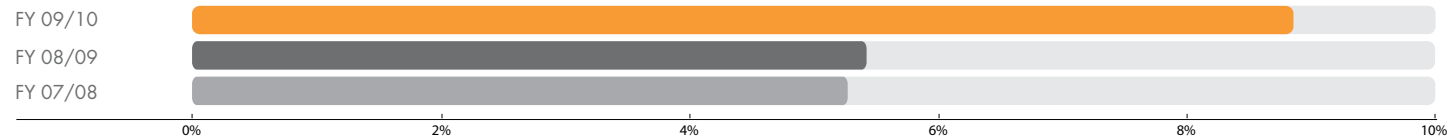
VOLUNTARY TURNOVER



INVOLUNTARY TURNOVER



STAFF ABSENTEEISM (UNPLANNED)



Workplace diversity

AAMI is committed to the principles of Equal Employment Opportunity in the workplace and again in 09/10 did not report any breaches to any discrimination laws.

Please note there are 28 employees that do not appear in the age breakdown table as birth dates have not been provided by those employees and are therefore not on file.

AAMI does not mandate the recording of employees ethnic background, therefore is unable to report on employees ethnicity.

MALE – FEMALE RATIOS

	2007/08		2008/9		2009/10	
	Male	Female	Male	Female	Male	Female
Total	65	35	33	67	35	65

AGE BREAKDOWN OF AAMI STAFF 2009/10

	<20	20-35	35-50	50+
Total	36	1757	954	413

Our commitment to flexible work practices

At AAMI we encourage and promote a work-life balance and are committed to providing a flexible, family friendly workplace. We provide for job share, flexible rostering and RDOs (rostered days off) as well providing part-time work to employees where an employee requests it and AAMI is able to accommodate the employee's request. Further, employees have access to a paid Flexi-Day and Emergency Day in addition to personal and annual leave entitlements. We also allow employees to work from home on an ad-hoc basis, where the business can support it.

Job share – roles included Operations Managers, Administration Managers, External Disputes Resolution Case Managers and branch officers.

Childcare leave – AAMI offers an additional 12 months child care leave for staff with children under the age of two, unfortunately due to a new payroll and reporting system we are no longer able to report this figure.

Career break – AAMI offer a 12 month career break to staff who have been employed by AAMI for more than three years.

All benefits offered to full-time employees are also offered to part-time employees, including life insurance and total disability benefits offered under the AAMI Superannuation Fund.

Employment status	2007/08	2008/09	2009/10
Full-time	73.3	71.12	74.44
Part-time	19.69	21.51	22.14
Fixed term	0.19	0.21	0.67
Job share	0.35	0.27	0.25
Casual	n/a	0.32	0.13
Parental leave	3.54	3.65	1.71
Child-care leave	1.43	1.71	n/a
Career break	1.2	1.21	0.67

Suppliers

Our main suppliers are smash repairers, builders and tradespeople. We use Australian based suppliers. As such, all suppliers fall under Australia's workplace and human rights laws.

When AAMI contracts with a supplier, we ensure that the supplier meets all relevant laws pertaining to the supply of the good or service (for example, Privacy Laws, applicable Codes of Practice or fair trading laws). Via its contractual relationship, we monitor the performance of our suppliers on pre-agreed indicators, including quality, timeliness and cost.

Initiatives to support AAMI's suppliers

Research into the smash repair industry

AAMI has long recognised that without the existence of a competitive and viable smash repair industry we would be unable to provide our customers with the level of service they deserve when making a claim. For this reason we work closely with a network of repairers nationally, surveying

them on a bi-annual basis to monitor their views on the state of the industry, and their future expectations. The results of this survey are then made available to all repairers to assist them with their individual business planning.

Motor Vehicle Insurance and Repair Code of Conduct

AAMI was also one of the first insurance companies to sign up to the voluntary industry Code of Conduct which was introduced in 2006 to improve the relationship between smash repairers and the insurance industry. By setting minimum standards of fairness and transparency the Code provides increased accountability for insurance companies and gives repairers more security in their dealings with them, allowing them to more confidently plan and manage their businesses over the long term. AAMI was one of three representatives on the Code Administration Committee and a Board Member of I-CAR Australia, the national

body providing technical training for repairers and assessors on repair methods and new vehicle technology.

Apprentice Subsidy Scheme

Australia, like many other OECD countries, is facing a skills shortage crisis. AAMI recognised this issue early amongst one of its major supplier groups, the smash repair industry, and in 1997 decided to introduce an Apprentice Subsidy Scheme. To date we have spent close to \$5 million on this scheme.

This scheme is designed to help maintain a pool of qualified and committed new entrants to the smash repair industry.

In 2009/10 the scheme assisted 268 apprentices in all states and territories in which AAMI operates an increase of 20 over the last financial year. The subsidies are currently valued at \$12,000 each for a four-year apprenticeship, and are paid to motor body repair businesses to help fund the costs of employing and training

apprentices. In 2010 we further enhanced the scheme by paying \$1,000 per year directly to the apprentice for each successfully completed year of the apprenticeship.

In 2009/10 AAMI contributed more than \$800,000 to this scheme.

AAMI/ Australian BodyShop News TAFE Grant Program

AAMI provides further support for apprentices of automotive smash repairers and painters via its grants program for TAFE Colleges. This is run in conjunction with Australian BodyShop News magazine. Established in 2002, the program includes grants to a total of \$20,000 annually for equipment and programs of direct relevance and benefit to automotive body repair and spray-painting apprentices. Our objective is to provide TAFE Colleges with some extra funding that can be applied to upgrading equipment or to additional activities, which enrich their courses for apprentices.

The community

AAMI uses the London Benchmarking Group (LBG) reporting model to calculate its contributions to the community and verify its results. The LBG model helps businesses to improve the measurement, management and reporting of their corporate community involvement programs. It moves beyond charitable donations to include the full range of contributions (in time, in-kind and in cash) made to community causes, and assesses the actual results for the community and for the business (see www.lbg-australia.com for more information).



VERIFICATION STATEMENT FROM LBG AUSTRALIA/NEW ZEALAND

The LBG model helps businesses improve the measurement, management and reporting of their corporate community investment programs. It covers the full range of contributions (cash, time and in-kind donations) made to community causes, and assesses the results achieved for the community and for the business.

As managers of LBG Australia/New Zealand, we have worked with AAMI to review its understanding and application of the LBG model in respect of the wide range of community programs supported. Our aim has been to ensure that the evaluation principles have been correctly and consistently applied. Having conducted an assessment, we are satisfied that this has been achieved. Our work has not extended to an independent audit of the data.

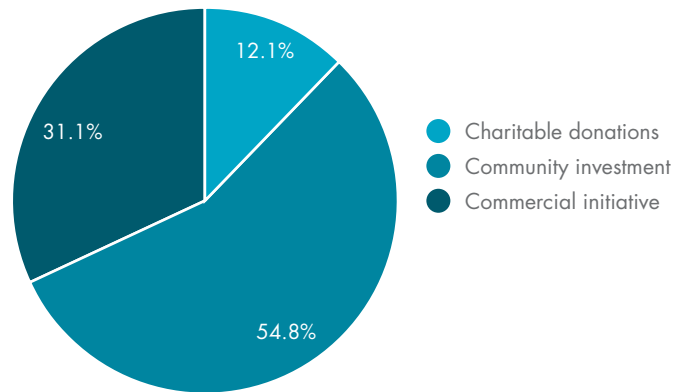
Jessica Pattison
LBG Manager

In 2009/10 AAMI contributed \$3,031,073 to the communities in which we operate. The majority of this funding was through community partnerships, however some was provided in the form of time and services donated by AAMI and our people.

This pie chart shows the makeup of our donations, using LBG's categories (Why).

AAMI CONTRIBUTION

WHY CONTRIBUTIONS ARE MADE



Charitable

Donations – Belonging Small Grants Program

The AAMI Belonging Small Grants program continues to support our people, who volunteer within their local communities and celebrates its 10th year in operation. Our staff and their families are able to apply for a small grant, twice a year to help provide financial support to a community organisation that they participate in. A national employee committee is responsible for the running and the administration of the program.

In 2009/10,

- AAMI provided \$61,247 to
- 57 community organisations nationally.

In its milestone year of being available to all AAMI employees we received a record number of applications for the year. To date, AAMI have donated over \$460,000 to almost 500 employees.



Community Investment – an example – Victorian SES

AAMI continues to be the major sponsor of Victoria State Emergency Service (SES). We started sponsorship in September 2002. Sponsorship for 2009/10 totalled \$469,960 including premium subsidies which are available to all Victorian SES Volunteers.

The Victoria State Emergency Service (SES) is a volunteer based emergency service servicing the State of Victoria. The SES has a wide range of roles including planning for and responding to floods, severe storms, earthquakes, road accident rescue as well as search and rescue.

The AAMI sponsorship covers a range of activities from providing funds for the production and dissemination of community safety messages to the provision of safety gear and equipment. Annual regional trips where equipment is individually provided to each of the 149 SES Units in Victoria, is a highlight of the program.



Commercial Initiatives – Skilled Drivers

Skilled Drivers of Australia Limited is a not-for-profit organisation established by AAMI. It runs a program that is designed to encourage safe driving behaviour among licensed drivers under 25 years of age.

The AAMI Skilled Drivers Course is a one day, young driver awareness course. The overall objective of the course is to positively influence the driving behaviour of young drivers.

The AAMI Skilled Drivers course is free for AAMI comprehensive policy holders under 25 years of age and children/grandchildren of AAMI comprehensive policy holders. Other drivers can attend for a small fee to cover costs. Additionally those who have attended receive a 10 per cent discount on their insurance premium whilst they are under 25.

In 2009/10

- 5,277 young drivers attended the AAMI Skilled Drivers Programme

- AAMI contributed \$1,227,346 towards the running costs, and
- Attendees (past and present) saved \$1,165,832 off their premiums.

We will continue to promote this program to grandparents, parents and their children.

Community Issues

Skilled Drivers remains our biggest community program, and is categorised under the LBG model as Education and Young People. The SES is classified as Aid and Development and is AAMI's next largest community initiative.

AAMI is also a major supporter the National Trauma and Research Institute (NTRI); accounting for five per cent of our contribution towards health.

P.A.R.T.Y

AAMI is pleased to be working with the NTRI as the major sponsor of the Alfred Hospital's P.A.R.T.Y (Prevention of Alcohol and Risk-related Trauma in Youth) program. This partnership commenced in 2009 which was a goal of ours in our 08/09 Sustainability Report.

Up to 40 per cent of deaths among 15-25 year olds are the result of trauma. P.A.R.T.Y is an education program that aims to reduce risk-related death and disability in senior school students and is being run by the NTRI at The Alfred. This program enables teenagers to witness the appalling impact of trauma first-hand and is coupled with an education

component to help them recognise potential injury-producing situations and make prevention-oriented choices. Participants in the P.A.R.T.Y program are also offered the opportunity to complete a complimentary AAMI Skilled Drivers Course once they reach legal driving age.

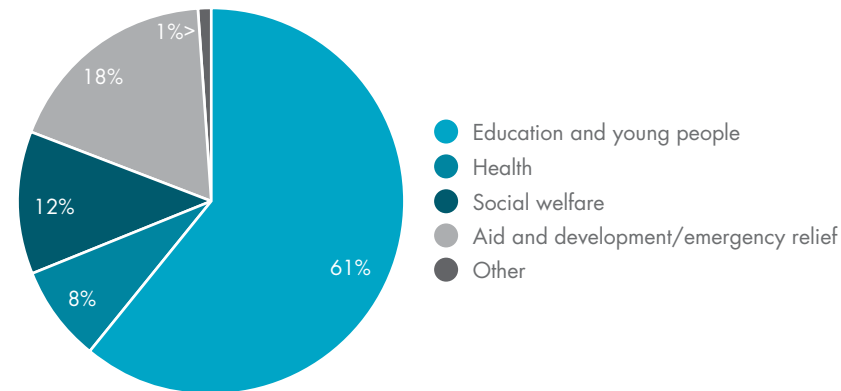
To date over 500 students have participated in the program and in testament to its popularity it is currently booked out until 2012.

Staff activities

We support and encourage employee fundraising activities by providing support by making time and facilities available to our people. Employee charity committees sit in each state. It is these committees that decide, with feedback from their peers, which charities they would like to support and what fundraising activities they would like to run. In 2009/10 our employees raised \$86,872 for charities. On top of this, AAMI gift matched \$55,000, bringing total charitable donations to \$141,872.

It is estimated that more than 80 per cent of AAMI people participated in local fundraising activities in some way over the year.

COMMUNITY ISSUES ADDRESSED



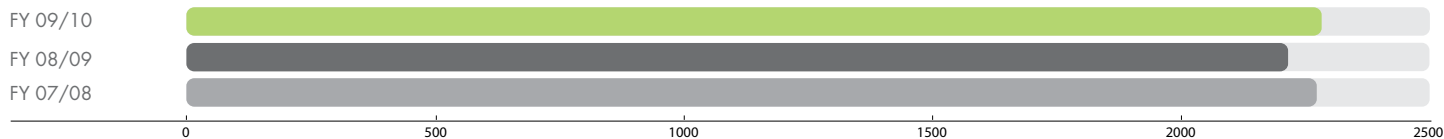
Environment

Overview

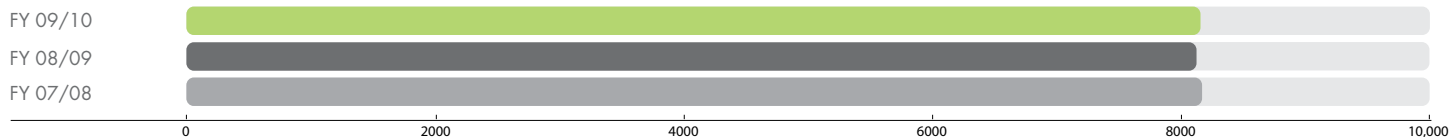
The 2009/2010 year saw significant changes to our business model and strategy. As such, it was a challenging time for our people which strained the focus on reducing our emissions. In aligning our personal insurance businesses, we now have an exciting opportunity to leverage our scale and drive improvements.

EMISSION SUMMARY 2009/10

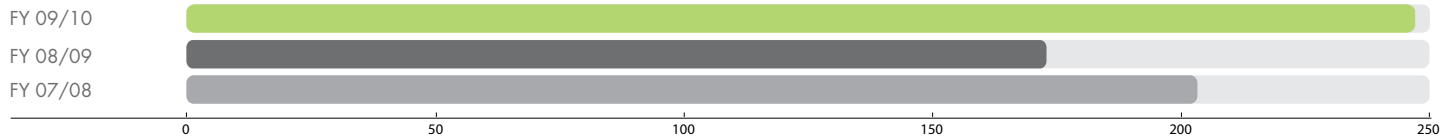
SCOPE 1: FLEET



SCOPE 2: ELECTRICITY



SCOPE 3: LANDFILL



SCOPE 3: PAPER

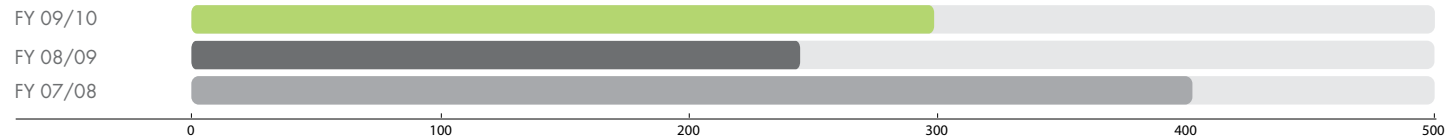


Overview continued

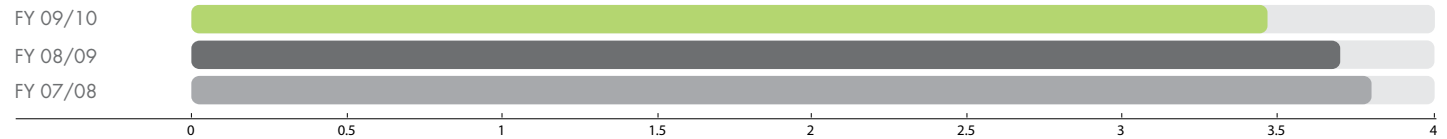
* The factors used in this sustainability report for calculating CO2 emissions are sourced from the Department of Climate Change's NGA Factors for electricity, fuel (fleet) and refrigerants, and the Greenhouse Gas Protocol's factors for flights. Paper is sourced from Australian Plantation Products and Paper Industry Council, Australian Paper Industry Statistics 2004/05.

EMISSION SUMMARY 2009/10 continued

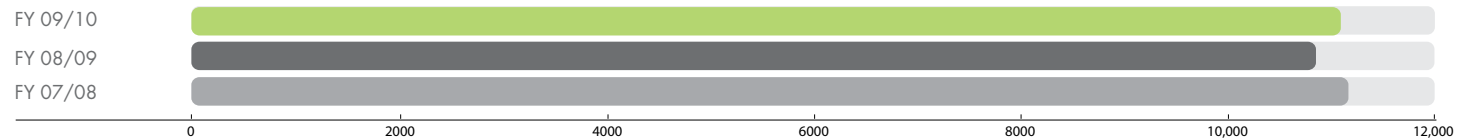
SCOPE 3: AIR TRAVEL



TOTAL PER EMPLOYEE



TOTAL (TONNES CO2-E)



Scope 1 – Fleet

Of the fuel used in our fleet, 100% is unleaded. Whilst our fuel usage increased slightly this year, our fleet size also increased marginally. Moving forward into the new year we will be placing focus on increasing the amount of E10 fuel we use in our fleet vehicles as a way to reduce our emissions.

FLEET EMISSIONS

	2007/08	2008/9	2009/10
Kilometres travelled	8,482,382	8,079,298	8,137,540
Emissions (Tonnes of CO ₂)	2,275	2,221.81	2,285
% of fuel used E10	-	9.3	10
Offset	100%	100%	100%
Net emissions	0	0	0

Scope 2 – Electricity

Whilst this year we saw a marginal increase in our emissions for electricity, when we convert this to electricity per FTE there was actually a decrease from 2.7 in 2008/9 to 2.5 this year.

The past year has also seen AAMI introduce more energy efficient technology into its contract repair shops. A recent audit and comparison on a traditional repair shop has shown that this new technology is significantly more energy efficient per panel of car repair.

ELECTRICITY EMISSIONS

	2007/08	2008/9	2009/10
KWs used	7,313,427.08	7,212,155	8,173,189
Scope 2 emissions (tonnes of CO ₂ –e)	8,186	8,143	8,176

Scope 3

Paper

Internal paper usage again reduced on last year by 14%. This can be attributed to the launch of the AAMI Intranet in November 2009 which was quickly followed by email access for all employees. These tools compliment face to face communication and ensure version control whilst importantly reduce the impact on our environment.

Flights

In 2009/10 the number of kilometres travelled by flying increased by 8.1 per cent. We continue to use video and teleconferencing as our preferred method of communicating, however, we have seen an increase in flight activity on the previous year.

It is pleasing to note however that whilst we have seen an increase in flights we have also seen an increase in Video Conferencing utilisation rates. These are continually reviewed to ensure we have adequate resources available with the view of minimising flights.

PAPER EMISSIONS

	2007/08	2008/9	2009/10
Internal paper (reams)	32,570	28,265.3	24,093
GHG emission (t CO ₂ -e / t of paper produced)	110.85	96.2	82.6
% recycled paper	50%	50%	50%

FLIGHT EMISSIONS

	2007/08	2008/9	2009/10
Kilometres travelled	2,558,419	1,970,910.5	2,429,028
Emissions (tonnes of CO ₂ -e)	403.33	244.65	299.31
Offset		100%	100%
Net Emissions		0	0

Landfill (estimates)

Non claims waste – i.e. waste from buildings and operations.

Waste audit results

AAMI has again met its internal KPI to ensure that less than 20% of waste sent to landfill is recyclable. This is monitored in the bi-annual 'battle of the bins' audit which is completed by the National Green Team.

LANDFILL EMISSIONS

	2007/08	2008/9	2009/10
Tonnes	185.65	158	243.51
Emissions (tonnes of CO ₂ -e)	185.54	173	246.91

BI-ANNUAL WASTE AUDIT RESULTS

	2007/08	2008/9	2009/10
% of waste sent to landfill that was recyclable	11.97	15.42	12.5
Target	20%	20%	20%

Community partnerships

World Wildlife Fund

In 2009/10, we continued to support the World Wildlife fund via Earth Hour. AAMI again provided a member of staff to the World Wildlife Fund for a 2.5 month secondment to help organise Earth Hour in Victoria.

Ming Ta, Technical Support Leader for Claims Assist, kept his AAMI colleagues up to date with his experiences by providing a blog on both the AAMI intranet and the WWF Internet. "I'm really enjoying this role at Earth Hour as it has given me the opportunity to try something completely different. I've loved the challenge of further developing my skills in planning and organising. Most importantly, I've really enjoyed the chance to help coordinate an event in an area which I am passionate about."

Once again AAMI buildings across Australia participated in Earth Hour.



Greenfleet

In 2009/10, we continued our partnership with Greenfleet. This included joint research into green living and driving behaviours (AAMI's Green Home & Motor Index); AAMI staff planting trees to help offset our fleet's emissions, the purchasing of offsets from Greenfleet and education initiatives (e.g. joint webcasting).

www.greenfleet.com.au



If you have any comments or feedback, please do not hesitate to contact us at green@aami.com.au

GRI table

AAMI commissioned Net Balance Management Group Pty Ltd (Net Balance) to undertake a review of its 2009/10 Sustainability Report ('the Report'). The review comprised a third party application level check against the requirements of the Global Reporting

Initiative (GRI) G3 Guidelines. Net Balance has classified AAMI's 2009/10 Sustainability Report as a GRI C Application Level. AAMI is encouraged to continue to build upon the work that has been done and to improve its adherence to the GRI over time.



Profile Disclosure	Description		Reference
1.1	Statement from the most senior decision-maker of the organization.	C	A message from AAMI's General Executive (p.3)
2.1	Name of the organization.	C	Introduction (p.3)
2.2	Primary brands, products, and/or services.	C	Introduction (p.3)
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	C	Introduction (p.3)
2.4	Location of organization's headquarters.	C	Introduction (p.3)
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	C	Introduction (p.3) Also see: http://www.aami.com.au/company-information/profile.aspx
2.6	Nature of ownership and legal form.	C	Introduction (p.3)
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	C	See http://www.aami.com.au/company-information/profile.aspx
2.8	Scale of the reporting organization.	C	Introduction (p.3)
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	C	No significant changes. Further information regarding the structure of AAMI can be found in the Suncorp Annual Report, see http://www.suncorp.com.au/
2.10	Awards received in the reporting period.	C	There were no awards received in the reporting period of this Sustainability Report.

Key:

C: Compliance

P: Partial compliance

GRI TABLE CONTINUED

Profile Disclosure	Description		Reference
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	C	Our Strategy (p.5)
3.2	Date of most recent previous report (if any).	C	Our Strategy (p.5)
3.3	Reporting cycle (annual, biennial, etc.)	C	A message from AAMI's General Executive (p.3)
3.4	Contact point for questions regarding the report or its contents.	C	Page 26.
3.5	Process for defining report content.	C	Our Strategy (p.5)
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	C	Our Strategy (p.5)
3.7	State any specific limitations on the scope or boundary of the report.	C	There are no limitations to this report.
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	C	This report covers all AAMI owned and leased operations throughout Australia
3.9	Data measurement techniques and the bases of calculations.	C	The community (p.18) Emission summary (p.22)
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	C	There were restatements from the 2008/09 Sustainability Report.
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	C	There have been no significant changes from the previous reporting period
3.12	Table identifying the location of the Standard Disclosures in the report.	C	GRI table (pp.26-27)
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	C	See http://www.suncorpgroup.com.au/phoenix.zhtml?c=144033&p=irol-govhighlights
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	C	See http://www.suncorpgroup.com.au/phoenix.zhtml?c=144033&p=irol-govboard
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	C	See http://www.suncorpgroup.com.au/phoenix.zhtml?c=144033&p=irol-govboard and http://www.suncorpgroup.com.au/phoenix.zhtml?c=144033&p=irol-govBoard
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	C	See http://www.suncorpgroup.com.au/phoenix.zhtml?c=144033&p=irol-faq
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	C	Smash Repairer Code of Conduct (p.16)
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	C	Smash Repairer Code of Conduct (p.16)
4.14	List of stakeholder groups engaged by the organization.	C	Our strategy (p.4)
4.15	Basis for identification and selection of stakeholders with whom to engage.	C	Our strategy (p.5)

Key:

C: Compliance

P: Partial compliance

GRI TABLE CONTINUED

Profile Disclosure	Description		Reference
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	P	Customer survey results (p.6) Policy positions (p.11)
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	P	Dealing with financial hardship (p.7)
Disclosures on Management Approach			
DMA	Economic	P	Our strategy (p.4) Claims management (p.9)
	Environment	P	Our strategy (p.4)
	Labour	P	Our commitment to flexible work practices (pp.15) Staff health (p.12) Learning and development (p.15) Workplace diversity (p.14)
	Human Rights	P	Accessibility (p.10) Workplace diversity (p.13)
	Society	P	Our strategy (p.4) The community (p.18) Policy positions (p.11)
	Product Responsibility	P	Compliance and risk (p.8) Customer survey results (p.6)
Economic Performance Indicators			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	C	Financials, Taxation (p.5) The community (p.18)
EC3	Coverage of the organization's defined benefit plan obligations.	C	Superannuation (p.12)
EC4	Significant financial assistance received from government.		
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	P	Suppliers (p.16)
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	C	Commercial initiatives- Skilled drivers (p.20) Community issues (p.21) Community partnerships (pp.24-25)
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	C	Claims results (pp.9-11) Community partnerships (pp.24-25)

Key:

C: Compliance

P: Partial compliance

GRI TABLE CONTINUED

Profile Disclosure	Description		Reference
Environmental Performance Indicators			
EN1	Materials used by weight or volume.	P	Paper (p.23)
EN2	Percentage of materials used that are recycled input materials.	P	Paper (p.23)
EN3	Direct energy consumption by primary energy source.	C	Scorecard (p.22)
EN4	Indirect energy consumption by primary source.	C	Scorecard (p.23)
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	P	Scorecard (p.23)
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	P	Scorecard (pp.22-23) World Wildlife Fund (p.24)
EN16	Total direct and indirect greenhouse gas emissions by weight.	C	Emission summary (p.22)
EN17	Other relevant indirect greenhouse gas emissions by weight.	C	Emission summary (p.22)
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	P	Initiatives to reduce emissions and results (pp.23-25)
EN22	Total weight of waste by type and disposal method.	C	Waste audit results (p.24)
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	C	Compliance and risk (p.8)
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	C	Our strategy (p.4) Flights (p.23) Greenfleet (p.25)
Labour Performance Indicators			
LA1	Total workforce by employment type, employment contract, and region.	P	Workplace diversity (p.14)
LA2	Total number and rate of employee turnover by age group, gender, and region.	P	Staff information (p.13)
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	C	Our commitment to flexible work practices (p.15)
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	C	Occupational health and safety (p.12)
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	P	Occupational health and safety (p.12)
LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	P	Employee Assistance Program (p.12)
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	P	Workplace diversity (pp.13-14)

Key:

C: Compliance

P: Partial compliance

GRI TABLE CONTINUED

Profile Disclosure	Description		Reference	Key:
Human Rights Performance Indicators				
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	P	Suppliers (p.16)	C: Compliance
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	P	Learning and development (p.12)	P: Partial compliance
HR4	Total number of incidents of discrimination and actions taken.	C	Workplace diversity (p.13)	
Society Performance Indicators				
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	P	Apprentice subsidy scheme (p.16) TAFE grant program (p.17)	
SO5	Public policy positions and participation in public policy development and lobbying.	C	Policy positions (p.11)	
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	C	Compliance and risk (p.8)	
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes.	C	Compliance and risk (p.8)	
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	C	Compliance and risk (p.8)	
Product Responsibility Performance Indicators				
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	C	Compliance and risk (p.8)	
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	C	Compliance and risk (p.8)	
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	C	Compliance and risk (p.8)	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	C	Customers (pp.6-8)	
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	C	Customers (p.8)	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	C	Compliance and risk (p.8)	
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	C	Compliance and risk (p.8)	
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	C	Compliance and risk (p.8)	

