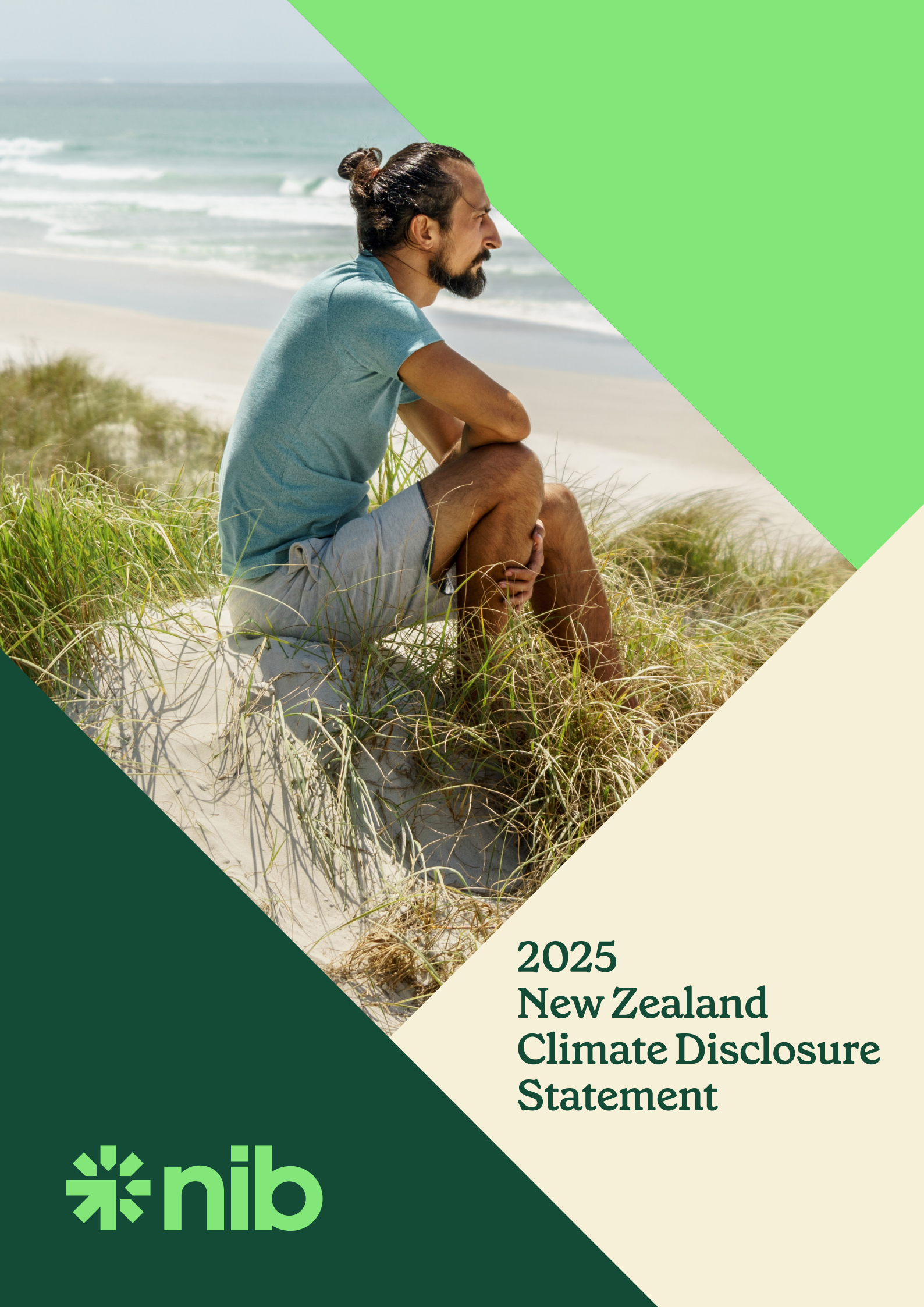




**2025
New Zealand
Climate Disclosure
Statement**



About this report

nib nz limited (nib nz) is a climate-reporting entity under the Financial Markets Conduct Act 2013. This Climate-Related Disclosure (CRD) covers nib nz, for the period 1 July 2024 to 30 June 2025 (reporting period).

There are no subsidiaries to include in this disclosure.

The disclosure has been prepared in accordance with, and complies with, the Aotearoa New Zealand Climate Standards (NZ CS 1, 2 and 3) issued by the External Reporting Board (XRB).

In recognition that it may take time to develop the capability to produce high-quality climate-related disclosures, and that some disclosure requirements, by their nature, may require an exemption, NZ CS 2 (as amended in November 2024) provides a limited number of adoption provisions from the disclosure requirements. For this second reporting year, nib nz

has chosen to use the following adoption provisions in NZ CS 2 in preparing this disclosure:

- NZ CS 2, Adoption provision 2: Anticipated financial impacts: adoption provision relating to climate-related risks and opportunities
- NZ CS 2, Adoption provision 4: scope 3 GHG emissions
- NZCS 2, Adoption provisions 5, 6 and 7: Comparatives for Scope 3 greenhouse gas (GHG) emissions and associated trends analysis. Disclosure of more than one year of comparative data for other metrics and associated trends analysis.
- NZCS 2, Adoption provision 8: Assurance over disclosed scope 3 GHG emissions

Important information for readers

This disclosure is intended to inform readers about nib nz limited's (nib nz) climate-related governance, strategy, risk management, and metrics and targets for the financial year ending 30 June 2025.

It should not be interpreted as an offer of financial or insurance products or as capital growth, earnings or any other legal, financial, tax or other advice or guidance for investors and other primary users or any other reader.

Apart from the summary of greenhouse gas emissions contained in the metrics and targets section of this disclosure, the information in this disclosure has not been independently assured.

This disclosure contains forward-looking statements and information, including climate-related scenarios, climate-related risks and opportunities, projections, metrics, targets, estimates, and assumptions about future climate-related conditions.

Forward-looking statements are not facts, but rather estimates and judgements regarding possible future actions, events and results that are based on current estimates and strategies, developed using methodologies, views and assumptions currently considered by nib nz to be the most suitable. They are necessarily subject to risks, limitations, uncertainties and/or assumptions and change.

Accordingly, no forward-looking statements, or other information presented in this disclosure that is based on estimates, assumptions or judgements, should be taken as a guarantee of future outcomes or performance on the part of nib nz. In particular, actual results, outcomes, risks and opportunities may materially differ from those which have been described in this disclosure due to various factors such as socioeconomic and macroeconomic trends, climate change, customer behaviour, policy, legislative and regulatory change, geopolitical risks and events, and other events or conditions that are unforeseen as at the date of publishing this disclosure.

nib nz has sought to provide accurate and correct disclosures as at the date of publication (including all relevant material information as at the date of publication that could reasonably be expected to influence decisions that primary users make on the basis of this disclosure), but cautions readers not to place undue reliance on the information presented in this disclosure that is forward-looking or that is otherwise based on estimates, assumptions or judgements.

Given the novel and developing nature of the information contained in this disclosure, as well as the inherent uncertainty of the subject matter, "accurate and correct" does not entail certainty of outcome. It means that nib nz has undertaken appropriate measures and implemented adequate controls such that the information presented is believed to be free from material error or misstatement and is otherwise fairly presented.

To the greatest extent possible under New Zealand law, nib nz expressly disclaims all liability for any direct, indirect or consequential loss or damage arising directly or indirectly out of the use of or inability to use, or the information contained within, this CRD.

Cross-referencing

Unless otherwise expressly stated, where external documents are referred to in this CRD, these do not form part of the disclosures but are simply general and/or contextual information to direct the reader to further information, should they wish to read more.

About us

At nib nz our purpose is the better health and wellbeing of our members. We're here to help Kiwis and their families live healthier, happier lives, and to help local businesses who want to protect their employees. We do this by offering insurance that's easy to use and affordable while also helping connect our members to the right tools and services to improve their health and wellbeing.

Our New Zealand business is part of the nib Group – a trusted international health partner that provides health and life insurance to over 1.9 million Australian and New Zealand residents. We began partnering with Kiwis after nib Group acquired Tower Medical Insurance Limited in 2012, went on to acquire the OnePath medical insurance business in 2015 and the nib nz insurance limited (previously called Kiwi Insurance Limited) life insurance business in 2022.

On 30 June 2025, we amalgamated nib nz limited, our health insurance company, and nib nz insurance limited, our life insurance company. As a result, this second Climate-Related Disclosure for nib nz limited now includes both the health and life businesses of nib in New Zealand.

Learn more about nib nz
by visiting nib.co.nz

nib New Zealand Climate-Related Disclosure

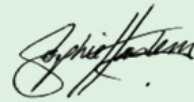
We are pleased to present our Climate-Related Disclosure (CRD) for our New Zealand health and life insurance business.

This second nib nz CRD outlines our current approach to managing and addressing climate-related risks and opportunities including our governance structure and performance metrics we have in place.

Signed for and on behalf of the Board of Directors on 25 August 2025.



Hanne Janes
Chairman



Sophie Haslem
Director

Governance

Board governance and oversight of climate-related risks and opportunities

The nib nz limited Board (Board) hold ultimate responsibility for overseeing climate-related risks and opportunities, setting targets (including climate-related targets), managing greenhouse gas emissions and climate-related reporting. In addition, they have responsibility for approval of the nib nz strategy, annual budget, and risk management policies which consider management of climate-related issues.

The Board Audit, Risk & Compliance Committee (BARCC), comprised of three Non-Executive Directors, supports the Board in identifying and managing material risks (including any material climate-related risks) as well as receiving quarterly reports from Management on key enterprise risks as part of enterprise risk management.

The BARCC meets at least quarterly (four meetings in FY25) and receives papers and reports from management on risk management including climate-related matters. The BARCC provides an update to the Board following each meeting on the matters it has considered.

The Board ensures it has appropriate skills and competencies available to it for the oversight of climate-related risks and opportunities. The Board's collective skills and competencies are recorded in a skills matrix, which is reviewed annually by the Directors individually and as a collective body with skills assessed against a rating scale that considers a Director's individual competency from 'no strength' to 'leader'. The skills matrix includes considerations of environmental, social, and governance (ESG) experience to ensure the Board as a whole has sufficient expertise as well as helping to identify areas for further training and upskilling.

The Board will continue to develop its climate-related expertise, particularly in the context of future CRDs, including through the commitment in the FY26 Sustainability goals to provide further education to the Board on climate-related matters.

The Board incorporates consideration of climate-related risks and opportunities into its regular meetings and implementation and oversight of strategy. The Board meets no less frequently than quarterly (eight meetings in FY25) and receives ongoing reporting on a quarterly basis from Management on nib nz's progress against the nib Group sustainability strategy including a focus this reporting year on nib nz's climate risk and opportunity management and reporting activities. The Board also considers and endorses nib nz's climate-related scenarios.

The Board considers climate-related risks and opportunities each year as part of nib nz's annual strategy review. The Board's annual strategy session for this reporting year included consideration of the resilience of nib's strategy in the context of the scenario analysis with a view to identifying the impact of climate-related risks and opportunities on nib nz's strategic objectives. There were no changes made to our business model or strategy to address our climate-related risks and opportunities this year, as explained further in the Strategy section below.

In the first reporting year (FY24), the Board adopted distinct emissions reductions targets for nib nz across Scopes 1 and 2 (combined) and scope 3 (see metrics and targets section for more information, including how the targets were selected, and performance against those targets). These targets have been continued into the second reporting year with no changes. Work is planned for FY26 to carry out a detailed review of the targets, recognising changes that have occurred since the targets were set including the amalgamation with nib nz insurance limited, and the release of the Science Based Targets Initiative (SBTi) Financial Institutions Net Zero Standard.

To monitor progress against and oversee achievement of these targets (and, where the Board considers it necessary, set new targets), the Board receive at least annual updates on greenhouse gas (GHG) emissions across all emissions scopes via our emissions inventory assessment. As part of these updates, Management provides details on our progress against nib nz's emissions reduction targets, allowing the Board to review performance on an annual basis and consider whether any changes need to be made to nib's operations to facilitate the achievement of those targets. Management and the Board also take the rate of technological change for aspects material to emissions reductions targets into account, to ensure that the targets remain fit for purpose, viable and achievable for nib nz.

The Board has not set any climate-related metrics for managing climate-related risks and opportunities other than nib nz's GHG emissions reduction targets. As and when the Board sets other metrics for managing climate-related risks and opportunities, nib nz will consider and develop appropriate policies for setting, monitoring progress against, and overseeing the achievement of those metrics.

In FY25, the Board also considered the governance structure relevant to the management of identified climate-related risks and opportunities, the targets, the integration of the risks and opportunities into the business risks and the scenario analyses prepared to support this CRD. No changes were proposed to the governance structure, risk and opportunity integration work or targets out of these reviews.

Amalgamation

Effective 30 June 2025, nib nz limited amalgamated with nib nz insurance limited, a life insurer in the nib nz group.

This CRD now covers both the health and life businesses of nib nz. There was considerable overlap with the management of risks, opportunities and the strategic development for the two companies prior to amalgamation. The life business was explicitly considered as part of scenario analysis, identification of current impacts and anticipated impacts, identification of climate-related risks and opportunities and in transition planning. We have included FY25 emissions associated with the life business (previously nib nz insurance limited) in the Metrics & Targets section of this disclosure. The impact of those emissions on nib nz's GHG emissions reduction targets will be included in the review of targets planned for FY26 as noted above.

Governance continued

Management of climate-related risks and opportunities

nib nz's Management, led by our Chief Executive Officer (CEO) and the Extended Leadership Team (ELT), implements Board-approved strategies and manages climate-related risks and opportunities within the established risk appetite, and reports to the Board quarterly. The Board has reviewed and approved a series of risk appetite statements that outline the level and nature of risk that the nib nz Board is willing to accept in pursuit of nib nz's strategic objectives.

The Management Risk & Sustainability Committee (MRSC) is chaired by the Head of Risk & Compliance and its membership is comprised of ELT members and other invitees as appropriate. The MRSC monitors various risks, including climate-related risks and opportunities, meeting bi-monthly. Reports and recommendations from the MRSC are provided to the BARCC as required, which then reports to the Board.

In the reporting year, we continued the Climate-Related Taskforce (Taskforce). The Taskforce, co-chaired by the nib Group Head of Sustainability (until March 2025), nib Group Head of Risk & Sustainability (from April 2025) along with nib nz Senior Corporate Counsel & Company Secretary, focuses on identifying and managing our response to climate-related risks and opportunities. The Co-Chairs of the Taskforce are responsible for the workplan, developing key materials for discussion and endorsement by the Taskforce, MRSC and Board. They also arrange for specialist presenters (both internal and external) to support the Taskforce work and obtain input from key business units about climate-related risks and opportunities from their perspectives.

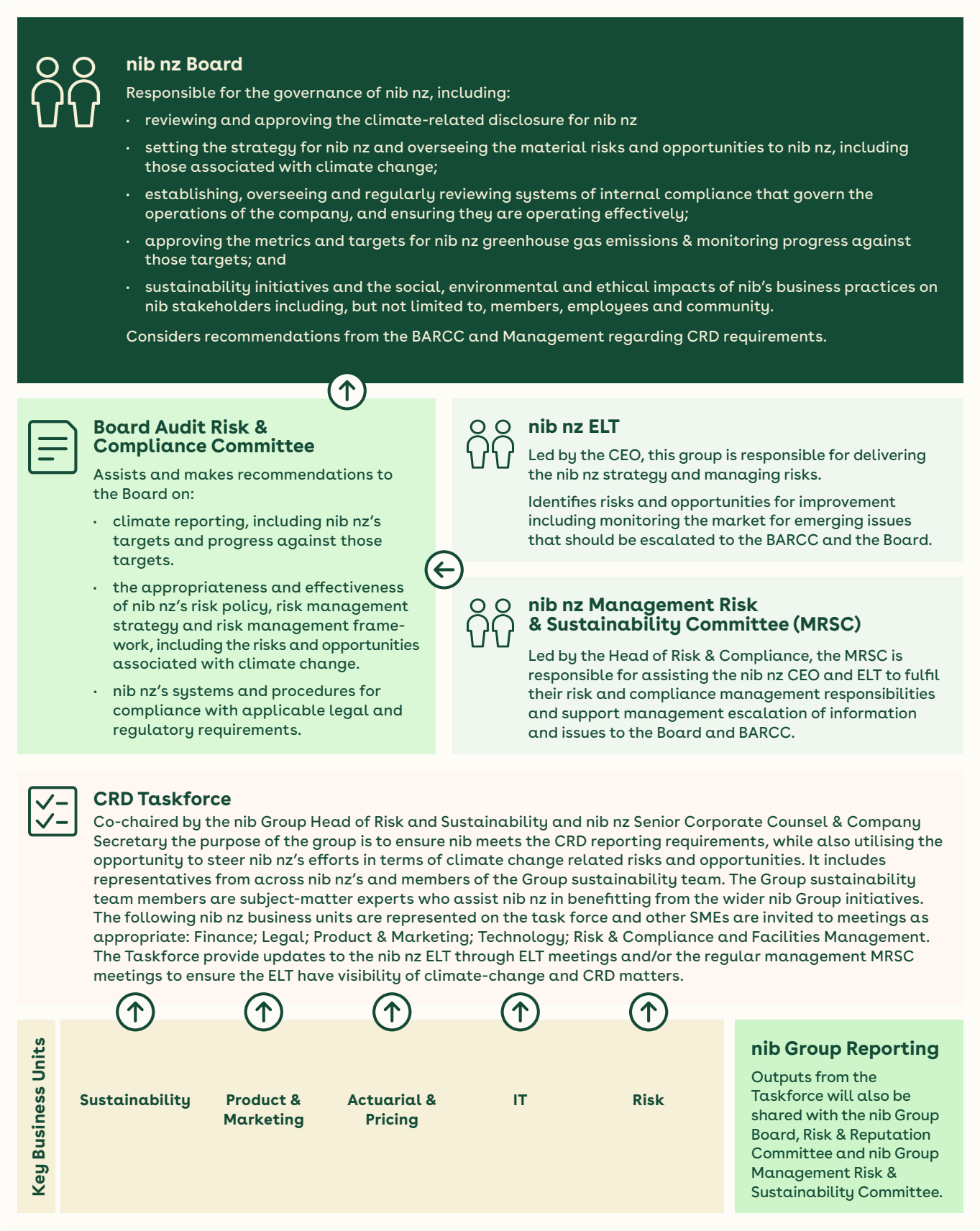
The Taskforce met regularly through the reporting year for a series of sessions including workshops to identify and validate nib nz's climate-related risks and opportunities, defining the appropriate scenarios specific to our business, and developing the Transition Planning component. The Taskforce provides a quarterly report on climate change matters and sustainability to the Board (four reports in FY25) and makes recommendations to the Board regarding any changes to the identified climate-related risks and opportunities and their management.

Link to remuneration

Our FY25 nib Group scorecard, which applies to the nib nz CEO and nib nz employees, included a 5% weighting for the achievement of our annual sustainability goals. For FY25, goals were set against all five of nib's sustainability pillars (described further in the Strategy section) with the environmental goals including the completion of the FY25 scenario analysis work and improving the data quality and frequency of emission reporting. In addition to the Group measures, the nib nz CEO's individual scorecard incorporates specific measures for the achievement of sustainability aligned with the role's scope of responsibility and influence.

We do not currently have any other specific remuneration links to the management of climate-related risks and opportunities.

Our climate governance structure



Strategy

Our business strategy

nib nz's purpose is "your better health and wellbeing". We're here to help Kiwis and their families live healthier, happier lives, and to help local businesses who want to protect their employees. We do this by offering insurance that's easy to use and affordable while also helping connect our members to the right tools and services to improve their health and wellbeing.

We are focused on:

- **Private health and life insurance enhancement and expansion:** including offering living benefits products across nib nz's sales channels (see more below).
- **New markets:** Expanding international traveller, worker and student insurance offerings.
- **Cost containment and affordability:** Managing claims to support long-term affordability for our customers.
- **Data science:** Delivering insights for effective disease prevention.
- **Government and third-party programmes:** Including partnering with iwi groups to improve population health.

Our mission: Your better health and wellbeing

- Use data science and predictive analytics in developing deep insight into the health risk of nib nz's members.
- Equip them with integrated online and digital tools for seamless engagement and healthcare system support (**Personalisation**).



In pursuit of these goals, we continue to develop organisational, talent and advanced technological capability across the Group (**Organisational capability**).

Our business model

Private health insurance helps protect people from the unexpected costs associated with private medical treatment. It's an alternative to public, government funded healthcare and may offer a broader range of treatment options.

Depending on the chosen cover, health insurance can help cover people for the big things like seeing a specialist, surgery or cancer treatment, as well as everyday health needs like the dentist, GP and physio. Consumers can buy private health insurance directly from a health insurer like nib nz, through an independent financial advice provider, or it may be available through a person's employer, iwi or other group organisation.

Life and living insurance helps provide people with financial support when a covered event occurs. nib offers products that include life, trauma, income protection, mortgage protection, total and permanent disability cover and waiver of premium insurance.

nib nz underwrites and distributes insurance products through four channels:

- **Adviser or intermediary channel:** third party financial advisers who are authorised by nib nz to sell nib nz health and life insurance policies to clients in New Zealand. This is our largest channel.
- **Direct and whitelabel:** we sell health and life insurance policies directly to the public through our in-house nominated representatives and website, and we sell health insurance through sales made through the AA website and phone line (under AA branding, ie whitelabelling), staffed by nib nz representatives.
- **Group and iwi:** We offer products through advisers and directly from nib nz that are designed to cover groups which may be employment or industry based or have other connecting features such as iwi groups.
- **International:** We sell insurance products designed to support international students, travellers and workers through UniCare and nib nz's OrbitProtect brand.

As an insurer, nib nz primarily pays claims either directly to members or to the healthcare providers to help members access the care they need, when they need it. Through our First Choice Network portal, healthcare providers can submit claims and receive payment directly from nib nz.

nib nz manages the capital we hold in order to pay claims with the support of a team of specialist actuaries and finance professionals, and in compliance with relevant regulatory requirements and nib nz's own Capital Management Plan and Risk Management Framework. Further information about nib nz's risk management processes is set out in the risk management section on pages 19-22.

Our sustainability strategy

Our purpose is to support the better health and wellbeing of our members and customers, as well as the communities we serve. We recognise that the health of our natural environment is influential on people's health and wellbeing.

This relationship is articulated in the Natural Environment pillar of our approach to sustainability, which identifies the quality of air and water, biodiversity and climate stability as crucial for human health and wellbeing. This pillar also outlines our commitment to improving our business processes and using our influence to limit our own impact on the environment.

Our sustainability pillars guide our approach to sustainability strategy, governance, risk management, policy development, decision-making and disclosure.



Strategy continued

Current climate-related impacts

Physical

There were no material physical impacts on our operations during the reporting period (FY24, also none).

Given our distributed working model which supports our employees to work remotely, we believe we are well positioned to manage the operational impacts of the physical impacts of climate change. This was demonstrated during past significant events, such as Cyclone Gabrielle and the Auckland floods in 2023, during which our operations remained unaffected.

Similarly, there was no major impact on our members' claiming patterns that could be attributed to climate-related events during the reporting period (or aforementioned events). There were also no identified material impacts up or down other aspects of nib nz's value chain.

Transitional

We recognise that as a business we will need to continue to adapt to climate change and any transitional impacts.

There were no material transitional impacts on our operations during the reporting period (FY24, also none).

Climate-related scenario analysis

nib nz uses climate-related scenario analysis to understand and explore the strategic implications of climate-related transition and physical risks and opportunities for our business, as well as testing our climate resilience.

To support our first climate disclosures against New Zealand's mandatory regime last year, nib nz conducted scenario analysis work in both FY23 and FY24. Scenarios developed in the latter part of this work were based on the Financial Services Council's (FSC) sector-specific scenarios¹, but customised for nib nz by – for example – focusing in on key features, climate drivers and uncertainties of our nib nz business, including our product and service lines, aspects of our regulated landscape and the NZ health system.

In FY25, our parent company, nib holdings limited, completed a new climate-related scenario analysis² to re-examine the possible impacts of climate change on nib Group (including nib nz) over the short, medium and long term. nib nz was strongly represented during this scenario analysis process, including through the involvement of representatives from the Taskforce, and through the use of inputs – including scenario narratives – from nib nz's previous disclosures.

The scenario analysis process

The FY25 scenario analysis process undertaken by our parent company, nib holdings, incorporated guidance on process from the NZ External Reporting Board, the designer of the CRD regime disclosure standards, as well as the NZ Financial Markets Authority, the regulator. Adhering to this guidance ensured that the Group scenario analysis process would also generate outcomes that were suitable – with minimal adaptation – for disclosure by nib nz within the context of the CRD regime. International guidance from the TCFD (for which the IFRS Foundation is now the successor) was also referenced. Our scenario process is currently a standalone process that is not integrated into our standard risk management processes.

1. The full details of the Financial Services Council NZ financial services sector climate scenarios, their parameters, and references, are available through FSC membership, or on request here: <https://www.fsc.org.nz/report/climate-scenario-narratives-for-the-financial-services-sector>

2. FY23 nib Group Climate Scenario Analysis undertaken with assistance of external partner, AECOM. Our speciality sustainability consultancy, BWD Strategic, supported the development of the narratives in both FY24 and FY25, taking previous narratives into account.

Steps involved in nib Group's FY25 scenario analysis (including the adaptation for nib nz) process included:

Stage 1 - Scenario development

- Development of pre-reading material to familiarise workshop participants (see stage 2) with climate drivers, risk categories, and impact pathways
- Research and analysis of nib Group's (including nib nz) operating context, including identification of key variables to be explored in scenarios (including key drivers and critical uncertainties at entity level)
- Development of three scenarios – and scenario narratives – based on a range of international and domestic climate scenario models including, notably, the Financial Services Council's three sector-specific scenarios and nib nz's FY24 entity-specific scenario narratives. The FSC scenarios were supplemented by other models with downscaled information for Australia, and where supporting scenario models provided parameters for both Australia and New Zealand, both were incorporated at Group level. (See further details on our three scenarios, Ambitious, Hothouse, and Too Little, Too Late, following this explanation of the scenario process).

Stage 2 – Analysis of scenarios (and climate-related risks and opportunities)

Seven workshops were then held, facilitated by our external partners (see below), and featuring strong representation from nib NZ³. These workshops were based around a structured walkthrough of the three scenarios, in order to complete the following steps:

- Identification of physical and transition risks, including their business impacts and potential and existing mitigation actions (controls),
- Assessment of climate-related risks and opportunities at a Group level, using nib's risk management framework to identify a set of material climate issues.

Stage 3 – Adaptation for nib nz (where required)

The above process was intentionally designed so that its outcomes and key materials, including the scenarios themselves, would be compatible with, and suitable for, nib nz's disclosure against the NZ CRD regime. Nonetheless, additional steps were taken following this nib Group scenario analysis process in order to prepare results for this disclosure, specifically for:

- **Scenario narratives.** Tailoring the Group-level scenarios narratives to focus singularly on nib nz was achieved by removing references to climate variables and impacts that were a) Australian-specific, and b) specific/exclusive to adjacent Group businesses (e.g. business lines that nib nz has no involvement with). The applicability of the scenarios for nib nz is unchanged given the reliance on NZ-specific inputs, including the Financial Services Council's sector-specific scenarios, underpinning Group-level scenarios.
- **Business resilience.** Consistent with the requirements of the CRD regime, nib nz then used these adapted scenario narratives to review and validate the resilience of the business model and strategy by considering how the business impacts identified in scenarios would affect the business model and strategy.
- **Climate-related risks and opportunities.** The Risk function at nib nz also took all applicable climate risks and opportunities identified at Group level and conducted its own assessment for materiality for nib nz level (see further explanation in Risk Management section).

3. nib leadership team members included in the process: Head of Member Engagement; Operational Strategy and Performance Manager; Senior Manager – Financial; Reporting & Capital Management; Senior Manager – Actuarial; Head of Risk & Compliance; Senior Corporate Counsel – Company Secretary; Head of Product, Marketing & DTC; Head of International Visitors.

Strategy continued

Overview of our three scenarios

Below is a summary overview of our three scenarios. See Appendix 3 for the key assumptions and parameters associated with each scenario.

Scenario	Description ⁴
Hothouse	A high emissions scenario (>3°C) that assumes little to no decarbonisation and consequently severe natural hazard frequency and severity.
Ambitious	A low emissions scenario (1.5°C-aligned) that aligns with the latest international agreement on climate change and assumes ambitious decarbonisation and significant economic and policy disruption.
Too little too late	A sudden shock scenario (~2°C) that assumes “BAU” on global decarbonisation until the 2030s when heightened physical impacts trigger sudden and disorderly decarbonisation.

These scenarios were constructed based on well-known domestic and international scenario models, including the FSC’s sector-specific scenarios, the UN IPCC’s Representative Concentration Pathways, the Network for Greening the Financial System (NGFS) scenarios, and the United Nations’ ‘Principles for Responsible Investment’ (PRI) scenarios. Some of these underlying scenario models, such as the UN IPCC’s and the NGFS’ scenarios, were used as the building blocks for the FSC scenarios and, as a consequence, are included both directly and indirectly. We used downscaled weather outcomes from CMIP⁵ to explore changes in climate parameters within New Zealand. More information about the data sources and underlying scenario models (archetypes) utilized for our scenario development is set out in Appendix 3.

The chosen scenarios are relevant and appropriate to assessing the resilience of nib nz’s business model and strategy to climate-related risks and opportunities because they are plausible but challenging scenarios built from credible sources and adapted to our business model. The scenarios are designed to explore climate impacts across nib nz’s entire value chain. The scenarios explore differently weighted bundles of risks, between high physical risk scenarios, high transition risk scenarios, and combinations of both. As such they fulfil the purpose of scenario analysis to explore different combinations of physical and transition risks, and to be challenging for nib nz, while remaining plausible. Finally, they fulfil the requirement of the CRD regime to analyse a 1.5-degree Celsius scenario, a 3-degree Celsius or greater scenario, and a third scenario.

Based on these scenario parameters, scenario narratives were developed at Group level and adapted for nib nz purely by removing reference to a) Australian-focused, and b) unrelated adjacent business lines (e.g. business lines relevant to the nib Group but not nib nz). Given that nib nz’s FY24 scenario narratives were also used as an input into the Group-level scenario analysis process for FY25, the net result is that nib nz’s FY25 scenario narratives follow the same high-level themes and categories as those from our FY24 disclosure. nib nz’s FY25 narratives have a greater focus on wider economic and political drivers, and less specificity placed on the location of future climate events, as compared to the FY24 narratives.

The three scenario narratives included below were provided by management to the nib nz Board for its assessment and feedback at their February meeting along with an overview of the process carried out to derive the scenarios.

4. Refer to Appendix 3 for detail behind the inputs to each scenario.

5. ‘CMIP’ refers to the Coupled Model Intercomparison Project, which is a data-based project allowing for better comparison and integration of differences across climate models. CMIP5 refers to phase 5 of this project. See <https://wcrp-cmip.org/cmip-overview/> for further explanation on CMIP, and Appendix 3 for further information on how it was used in scenario development.

The narratives were developed in climate-related scenarios with an endpoint of 2100 for the temperature outcomes, but with a focus on the time horizons of 2035 and 2050 as the most useful horizons to help nib nz identify its climate-related risks and opportunities and better understand the resilience of its business model and strategy. nib nz's climate-related scenario narrative summaries are provided below.

Scenario	Description
Hothouse [To 2050] (>3°C)	In the first decade from 2025 to 2035, the “quick wins” in decarbonisation – those that were easy and profitable – have already been exhausted. Escalating geopolitical tensions combine with public concerns over competitiveness and resource scarcity to shift global policy away from climate action. As a result, both the private and public sectors fail to decarbonise, and the physical impacts of climate change become increasingly pronounced. New Zealand begins to experience more frequent and severe droughts and heatwaves, along with increased flood risk in the South Island. A lack of coordinated guidance and regulation from governments hinders private sector decarbonisation, including aviation which runs unabated. By 2035 the combined impacts of climate change and collective inaction increase mental health concerns for many, increasing psychological claims rates and costs. By 2040, the government's expenditure on disaster relief justifies large-scale investment in natural hazard defence, which demands significant borrowing and sovereign debt. By 2050, New Zealand's average temperatures have risen 2°C above pre-industrial levels. New Zealand's rainfall increases overall, and extreme rainfall in South Island increases risk of flooding. The changed weather conditions increase the risk of cardiovascular and vector-borne disease. With neighbouring South Pacific islands becoming uninhabitable, migration to New Zealand surges, straining already overburdened social services. Governments find themselves increasingly focused on securing resources, investing in costly infrastructure to adapt to extreme heat, floods, and fires, and managing the retreat from areas impacted by climate change. New Zealand government expenditure puts pressure on budgets and sovereign debt, impacting insurers who invest significantly in government bonds. Budget pressures force governments to partially privatise or shrink select services including healthcare, increasing the role of private healthcare and insurance in society. These challenges increase demand for private health insurance, but challenge affordability.
Ambitious Time horizons to 2050 (1.5°C-aligned by 2100)	The first decade of this scenario from 2025 to 2035 sees ambitious climate regulations push the private and public sectors to radically shift behaviours and investments to decarbonise. For New Zealand insurers this includes mandated scope 3 financed and facilitated emissions reporting, including decarbonisation plans and the use of credible removal offsets. This in effect introduces a carbon price, increasing expenses for all entities with scope 1 and 2 emissions including nib and provider entities in healthcare. This increases the cost of delivering private health, impacting insurance affordability. Throughout this decade consumer demand shifts toward low-carbon products and services. Customers become loyal to brands, including insurers, with robust decarbonisation plans and boycott those who fail to decarbonise or continue to invest in fossil fuels. By 2035 the New Zealand electricity grids become increasingly renewable, reducing the requirement for entities to acquire renewable energy or retire offsets for electricity consumption. By 2050, New Zealand achieves net zero emissions and begins removing greenhouse gases from the atmosphere. During this removal and return to 1.5°C, already realised climatic changes increase the frequency and severity of natural disasters across New Zealand. However, investment in climate adaption infrastructure manages the worst impacts and limits the need for large-scale managed retreat. New Zealand increasingly adopts on- and offshore wind generation for domestic use, with limited change for private investors. Public and private sectors invest deeply in climate risk modelling, enabling proactive response to climate hazards such as heatwaves, reducing claims rates and costs. Global trade and research cooperation increases, with co-benefits to medical research and imports the increase the effectiveness and decrease cost of healthcare. Businesses innovating in emissions avoidance and engineered carbon removal scale up significantly, backed by public investment and mandatory purchases of credible offsets by hard-to-decarbonise sectors like aviation and heavy industry. Investments in these areas are well rewarded.

Strategy continued

Scenario	Description
Too little too late [To 2050] (~2°C)	In the first decade from 2025 to 2035, the world's ambition on climate mitigation splinters into two factions across private and public sectors. Europe and select Asian countries stay the course while China, the USA, Australia, and New Zealand walk back decarbonisation efforts. This creates escalating trade conflict between the blocs, impacting New Zealand's ability to import medical equipment and facilitate intercontinental tourism. This also significantly impacts both export-focused economies, with a sharp decline in demand for New Zealand's agricultural goods reducing national disposable income. In 2035, emissions continue to rise globally, increasing chronic and acute climate hazards. New Zealand avoids the worst of drought, heatwave, and wildfires, but experiences equal flood risk in the South Island. These risks cause significant damage, loss of life, and disruption to supply chains including healthcare. Rising damage costs increase sovereign debt, impacting insurance bond investments. To reduce pressure on government budgets New Zealand partially privatises or shrinks select services including health, increasing the role of private healthcare and insurance in society. These challenges increase demand for private health insurance. The cumulative impacts of physical risk, national inaction, and declining social services create nation-wide mental health concerns, driving up related claims rates and costs. By the 2040s, these issues explode in a political revolution that triggers a delayed, forceful, and disruptive policy response in New Zealand from 2030 onward as the country scrambles to make up for inaction on decarbonisation. Climate policies are introduced abruptly and unevenly with little consultation, including energy efficiency, coal phase-out, and mandatory carbon removal offsetting (carbon pricing). The lack of investment in carbon removal technology and surge in demand for offsets spikes the carbon price. High-emitting industries including healthcare face enormous cost increases, with associated insurance taking a sharp hit. Insurers rapidly account for and disclose all scopes of emissions including financed and facilitated, with decarbonisation plans in place to manage the extreme cost of mandatory offsetting. Equity investments face high instability, reducing capital buffers and investment returns. A surge in demand for low-emissions electricity with insufficient infrastructure prices out most companies, forcing them to reduce consumption or bring generation in-house. Global emissions decline rapidly from 2040 to 2050. However, a global temperature rise of at least 2°C is almost certain, with substantial GHG removal required for decades to come.

Time horizons

In reporting our climate-related risks and opportunities below, we have used the following time horizon definitions. We consider that these time horizons appropriately balance the longer-term horizon of climate change effects, some of which could be slow to emerge, with shorter term impacts and business decision-making timelines.

Horizons	Period	Aligns with
Short-term	Now and in the next 12 months	Risks and opportunities that may eventuate in the next 12 months and that are part of the existing market and risk profile and considered within nib's short-term business planning cycle (which includes our approach to capital deployment).
Medium-term	Before 2030	Risks and opportunities that may eventuate within the current longer-term business planning cycle. They are not part of the current market or risk profile but may impact the current business plan.
Long-term	After 2030	Risks and opportunities that are not expected to eventuate within the long-term business planning cycle but may impact nib's long-term prospects. These risks and opportunities are not part of the current market or risk profile but may impact the long-term business model and strategy.

Engagement with external stakeholders and providers

We used several external partners to assist us with our climate-related scenario analysis, risk management, reporting and greenhouse gas emissions. These include Edge and Kinesis, which provided support with greenhouse gas emissions inventory and reporting. BWD Strategic also provided consultancy support to nib nz through the climate scenario analysis process. BWD Strategic also advised nib nz on assessing its material climate-related risks and opportunities, as well as transition planning.

Our material climate-related risks and opportunities

In the tables below, we have summarised the climate-related risks and opportunities that were identified and assessed as material through the climate scenario analysis work in FY25.

During the year, additional work has been progressed to review nib nz's business risks in light of the updated climate scenario analysis and refine processes around the assessment and management of climate-related risks and opportunities and identify the risks where climate change may contribute to existing risks. This work is described further in our risk management section on pages 19-22. These improvements, while consistent with our intended direction of travel in integrating our climate risk work into enterprise risk management processes, have had the consequence that some climate-related risks previously disclosed as material in the FY24 CRD are no longer assessed as such.

In accordance with NZ CS 2 Adoption Provision 2, we have not assessed the anticipated financial impacts to these risks and opportunities during this reporting period. Currently, the identified climate-related risks and opportunities do not specifically form part of our internal capital deployment and funding decision-making processes.

Climate-related risk or opportunity	Impact on nib NZ if scenario eventuates	Most relevant scenarios	Impact category(s) with key impact category in bold	Timeframe
Risks				
Business Disruption Risk driven by extreme weather event Physical Risk	More frequent and severe natural hazards (e.g. flooding or fires) in Australia may impact cloud IT infrastructure managed by third party for the nib Group including nib nz. Third party sites exist in physical locations and are accessed via Telecom networks, both of which remain vulnerable to physical hazards.	Too Little Too Late +2°C Hothouse +3 °C	Customers & stakeholders Reputation and brand Regulatory, compliance and legal Financial	Medium term (before 2030)
Claims Inflation Risk driven by extreme weather events Physical Risk	Rising frequency and severity of natural hazards across New Zealand would lead to more claims (of all types), requiring higher premiums.	Too Little Too Late +2°C Hothouse +3°C	Financial Customers & stakeholders Reputation and brand	Long term (after 2030)

Strategy continued

Climate-related risk or opportunity	Impact on nib NZ if scenario eventuates	Most relevant scenarios	Impact category(s) with key impact category in bold	Timeframe
Risks				
Claims Inflation Risk driven by changes in human health Physical Risk Transition Risk	Acute and chronic natural hazard increases may cause more health concerns (e.g. cardiovascular issues from heatwaves, increased infections from vector-borne disease) than can be treated through existing private healthcare providers, increasing wait times and/or decreasing quality of care. Overall decrease in perceived member value if they cannot use their coverage. Government taking over private health services or monopolising medical resources (including people) to address challenges in the public health system may exacerbate this challenge.	Too Little Too Late +2°C Hothouse +3°C	Customers & stakeholders Clinical Financial	Long term (after 2030)
Health, Safety and Wellbeing Risk driven by extreme weather events Physical Risk	Surges in life or health claim volumes following a natural disaster (e.g. flooding or heatwave) puts pressure on claims processing teams, leading to negative employee experience. Exacerbated by significant training required to process claims, limiting ability to scale up quickly or cross-skill. Impact on Employee Assistance Programme (EAP) costs and employee initiated turnover.	Too Little Too Late +2 °C Hothouse +3°C	People & Culture Customer and stakeholders Regulatory, compliance and legal Reputation and Brand Financial	Short term (happening now or in next 12 months)
Financial – Revenue Risk driven by household budget pressure from climate-related general insurance cost increases Transition Risk Sector: Insurance Geography: New Zealand	Climate-related damage to properties is more tangible than impacts on health. When forced to pay increasing general insurance premiums, members may have reduced discretionary spending and deprioritise life and health insurance to recover costs. This may be exacerbated by ACC being regarded as an effective safety net.	Too Little Too Late +2 °C Hothouse +3°C	Financial Customer and stakeholders Reputation and Brand	Medium-term (before 2030) and long term (after 2030)
Opportunity				
Market expansion for Private Health Insurance driven by public health budget constraints from climate adaptation and hazard-related costs Transition Opportunity Sector: Insurance Geography: New Zealand	Hazard-driven damage bills and government investment in climate adaptation may put pressure on budgets, limiting spending on public health. This may increase the market for private health insurance.	Too Little Too Late +2 °C Hothouse +3 °C	Financial Customer and stakeholders Reputation and Brand	Medium-term (before 2030) and long term (after 2030)

Transition Planning

Transition plan aspects of our strategy

Our business model and strategy are outlined above on pages 8-9. Our overall assessment is that neither the execution of our decarbonisation plan (described below) nor our responses to our climate risks and opportunities will impact or affect our business model or strategy in any material way in the foreseeable future. As such, we have confidence that our business is well-positioned to operate during a global and domestic transition towards a low-emissions, climate-resilient future state.

To reach the conclusion above, we ran an exploratory workshop following the completion of the nib Group scenario analysis work, and nib nz's adaptation of that work. The workshop tested the potential impacts of our climate-related risks, as well as any risk-level responses we may introduce to manage these risks. We also tested the overall resilience of our enterprise strategy to a transition risk-weighted future, using our low emissions, 'Ambitious' scenario, described in this disclosure.

The Transition Plan aspects of our current strategy were developed drawing on guidance from the advisory body, Transition Planning Taskforce (TPT)⁶. The TPT framed its transition planning guidance around three 'channels' or pillars of a 'strategic and rounded approach': namely, Decarbonisation; Responding to climate-related risks and opportunities; and Contributing to economy-wide transition.

What follows is a description of the first two of these transition plan aspects of our current strategy. The third, Contributing to economy-wide transition, is omitted given the immateriality of our efforts in this space in FY25.

Decarbonisation. Our business strategy includes decarbonisation of our value chain so as to reduce nib nz's exposure, and associated costs, to the impact of emissions-intensive activities in the value chain. As an insurance company operating within the financial services sector, our emissions profile is low – relative to our revenues – when compared with companies in (for example) the manufacturing or agriculture sectors. Our emissions are concentrated largely in our purchased goods and services (scope 3), which is where our emissions reduction efforts are therefore also focused.

Our decarbonisation targets, actions and plan are developed – and overseen – by the Sustainability function within our parent company, nib Group. During FY25, the Sustainability function established an Environmental Working Group, including representation from nib nz. The role of the Working Group is to identify new emissions reduction initiatives, monitor existing initiatives and to advise nib Group on setting and meeting its emissions reduction targets.

During FY25, the Environmental Working Group evolved nib Group's Climate Action Reduction Plan document into a formalised Decarbonisation Plan. This effort included completing a comprehensive scan of the business for areas where emissions reductions initiatives already exist, as well as allocation of ownership for any new initiatives identified by the Working Group, for ongoing monitoring and implementation.

To continue maturing our approach to emissions measurement, nib Group has begun to shift beyond using spend as a proxy for its scope 3 emissions. It is achieving this by compiling a more comprehensive and accurate emissions inventory, which will allow for clearer appraisal, realisation and reporting of the benefits from emissions cuts.

Responses to climate risks. Our material climate-related risks and opportunities are set out on pages 15-16. Climate variables are best understood as one of multiple factors driving each of our Key Enterprise Risks (KERs). This is offered by way of explanation in how we see climate variables generating impacts for our business, not as a statement on the overall significance of climate change, for our business or for society more broadly.

⁶ The Transition Planning Taskforce was an advisory body launched by the UK government to develop a framework to support the development of credible climate transition plans in the private sector.

Strategy continued

In FY25, we assessed the sufficiency of the measures we already have in place to mitigate our climate-related risks (both transitional and physical). In making this assessment, we drew on our experiences with other major disruptions to the health sector, most notably Covid-19, as well as weather events exacerbated by climate change, such as Cyclone Gabrielle and the Auckland Anniversary Day flooding (both 2023). Ultimately, we have concluded that our existing controls are sufficient for the climate-related risks we face currently. As part of future transition planning, we will look to extend our timeframes to anticipate the need for any additional controls.

Alignment of our Transition plan with internal capital deployment and funding processes

Both of the pillars of our transition plan approach discussed above operate as internal, cross-functional work streams. Our Decarbonisation Plan is prepared and actioned as part of the Sustainability function's core work within nib Group, and has no material additional funding attached to its delivery at the current time.

Risk Management

At nib nz, the Board and ELT have established a strong tone from the top, fostering a robust and sustainable risk culture that supports the achievement of our strategy and efforts to create positive outcomes for all stakeholders, including our environment. As a licensed insurer, risk management is at the heart of what we do.

We apply a comprehensive enterprise Risk Management Framework (RMF) to manage all risks, including climate-related risks. nib nz's RMF comprises both formal and cultural components:

- Formal components include the Risk Management Strategy (RMS), Risk Appetite Statements (RAS), a defined risk taxonomy, and clearly defined roles and accountabilities across the organisation. The risk taxonomy provides a structured and consistent way to classify risks across categories such as strategic, financial, operational, compliance and conduct, supporting alignment in risk identification, assessment and reporting.
- Cultural components focus on embedding and reinforcing shared values, beliefs and attitudes through visible leadership, open discussion of risks, timely incident reporting, and recognition of desired behaviours. Together, these elements promote risk-aware decision-making and a strong, consistent risk culture across nib nz.

The Board is ultimately responsible for the RMF and for overseeing its implementation by Management. The RMF, including the nib nz RMS and RAS, is reviewed and approved by the Board annually to ensure it remains effective and fit for purpose. The Board sets the risk appetite within which Management is expected to operate and has delegated responsibility to the BARCC for reviewing nib nz's systems and processes to ensure compliance with applicable legal and regulatory obligations.

The RMS considers how uncertainty may affect the achievement of organisational objectives, including those related to climate. It includes defined risk categories relevant to nib nz, such as financial, operational, insurance, and strategic risks. Environmental objectives were formally incorporated into the RMS in FY24 and remain embedded, reflecting nib's ambition to be net zero by 2040 and reinforcing the integration of climate-related risk management into our broader RMF⁷.

The BARCC makes recommendations to the Board on matters related to risk management, the internal and external audit, the integrity of nib nz's financial statements and other material regulatory disclosures, including CRDs. In respect of risk management, BARCC's responsibilities include:

- Reviewing the effectiveness of the RMF, including alignment to strategy and strength of risk culture;
- Overseeing the identification and assessment of the material risks facing nib nz, including evaluation against the risk appetite statements. Key Enterprise Risks (KERs) are identified and assessed using an established risk matrix and are reviewed and approved annually, or as material business arises;
- Ensuring emerging or thematic risks, such as climate-related risks and opportunities, are identified and assessed through an integrated enterprise risk approach, even where they may not yet meet the threshold for KER classification;
- Monitoring the effectiveness of systems and procedures for legal and regulatory compliance; and
- Recommending the appropriate level of risk reporting to ensure effective governance and accountability.

Climate risk governance is supported by the NZ CRD Taskforce and Management Risk & Sustainability Committee (MRSC), which provide cross-functional input, oversee scenario analysis processes and outputs, and ensure alignment with both regulatory expectations and business priorities.

7. In this document, "net zero" refers to our target to reach net zero greenhouse gas emissions across Scopes 1, 2 and 3 (subject to exclusions) by achieving gross absolute emissions reductions and then offsetting residual emissions by purchasing and cancelling carbon credits. We aim to achieve net zero in this way by 2040, as explained in more detail in the Metrics and Targets section of this report, under the heading "GHG emissions target".

Risk Management continued

We monitor guidance and industry updates from regulators, including the Financial Markets Authority (FMA), Reserve Bank of New Zealand (RBNZ), and the External Reporting Board (XRB), and consider evolving expectations and good practices merging across the financial services sector.

nib nz manages risk using the Three Lines of Accountability model, which defines key organisational roles and responsibilities as outlined below:

Three lines of accountability model



Identification of climate-related risks

Climate-related risks and opportunities were identified through nib Group's and nib nz's FY25 climate-related scenario analysis process, led by the Sustainability team, with critical input and validation from the Risk & Compliance team and the CRD Taskforce, and supported by an external climate specialist. See the strategy section for further detail. We will continue to identify, assess, and manage our climate-related risks and opportunities on an annual basis through business-as-usual risk processes.

Both physical and transition climate risks were considered. These included:

- Physical risks: e.g. extreme weather events, heat stress, and chronic and acute environmental changes
- Transition risks: e.g. evolving regulation, pricing pressure, climate-related consumer behaviour changes, or impacts on affordability and access

Impacts of the climate-related risks were assessed across all nib nz impact categories in nib's 5x5 Risk Matrix, including customer outcomes, financial performance, regulatory and legal exposure, operational disruption (including third-party risk), people and culture, reputation, environmental effects, and broader social impacts.

No part of nib nz's value chain was excluded for the purposes of identifying, assessing and managing our climate-related risks. All business functions, products, and strategic partners were considered in scope, with risks documented regardless of whether they were ultimately assessed as material in the short term.

Assessment and reporting of climate-related risks

nib nz's approach to assessing climate-related risks and opportunities is designed to ensure consistency, transparency, and traceability in disclosure. It is underpinned by our internal *Climate Scenario Analysis, Risks and Opportunities Process and Climate Risks and Opportunities Disclosure Materiality Guide*. These internal documents, which were developed in alignment with our Risk Management Framework (RMF) and strategic planning processes, set out the methodology, governance and criteria we use to identify, assess and prioritise climate-related risks and opportunities. The information outlined in the following paragraphs summarise the key elements from these documents and how they are applied in practice.

Climate-related risks are assessed using the time horizons defined on page 14.

Each climate related risk and opportunity identified as part of our FY25 scenario analysis process was evaluated to determine:

- Its relevance to nib nz's business model and risk profile
- Whether it represented a new, standalone climate-related risk or acted as a driver of an existing enterprise risk
- The potential severity and plausibility of the risk and opportunity across defined time horizons (short, medium, long)

Risks and opportunities were then mapped to nib nz's enterprise risk categories using the internal 3x5 plausibility-based likelihood and impact scale, forming the basis for materiality assessment.

Each climate-related risk and opportunity is evaluated using nib nz structured assessment framework, which includes:

- A climate-specific plausibility-based scale (Very Likely, Likely, Not Likely), based on scenario-informed judgment
- Impact severity criteria drawn from nib nz's enterprise 5x5 Risk Impact Matrix, covering customer outcomes, financial performance, regulatory exposure, operational disruption, reputational impact, environmental effects, social outcomes, and people and culture
- A 3x5 materiality matrix that considers both the plausibility and impact severity to determine whether a climate-related risk or opportunity is:
 - Clearly Material – must be disclosed
 - Potentially Material – disclosure likely, pending further judgement
 - Monitor (Emerging or Not Yet Material) – tracked, not currently disclosed
 - Not Material – falls short of disclosure threshold

Materiality is assessed on an inherent basis, that is, before considering existing mitigations or controls. This approach avoids understating risk due to current preparedness, enables comparability over time, and reflects the full potential exposure under plausible climate-related scenarios.

nib nz does not apply traditional residual risk ratings (such as those used in enterprise risk heatmaps) in this context. The objective is not to prioritise risks for treatment, but to determine their materiality for disclosure.

For the FY25 reporting year, nib nz has applied NZCS 2 Adoption Provision 2 and has not quantified financial impacts of its anticipated impacts from climate related risks and opportunities. Instead, risks have been evaluated through qualitative assessment, expert judgment, and narrative analysis, aligned to the scenarios and time horizons.

Risk Management continued

Management and integration of climate-related risks and frequency of assessment

Climate-related risks are assessed and managed within nib nz's enterprise RMF across all categories of the risk taxonomy – including financial, strategic, operational, and regulatory risks – and in relation to their potential to impact Key Enterprise Risks (KERs). These risks may exist as standalone exposures or act as drivers of broader enterprise and operational risks. Prioritisation is based on materiality, potential impact, and strategic relevance – meaning that climate-related risks and risk drivers are treated equivalently to other risk types.

Our approach is integrated and aligned: climate-related risks are embedded across risk identification, assessment, treatment, and governance processes, and are subject to the same challenge, escalation, and reporting mechanisms as all other enterprise risks. This ensures climate resilience is considered within strategic planning and long-term value creation.

Climate-related risks are monitored through:

- The Risk and Control Self-Assessment (RCSA) process, where climate-impacted risks are evaluated annually alongside operational and strategic risks at the business unit level
- Escalation and oversight via governance forums such as the CRD Taskforce, MRSC, and the BARCC
- Quarterly risk reporting to MRSC and BARCC, which in turn report material matters through to the Board

Climate transition targets are currently linked to our GHG emissions inventory and net zero targets. At present, no additional climate-specific KPIs or metrics are in place for risk monitoring, but this will continue to be reviewed as our strategy matures.

Where a risk is assessed as material in the short term (1-3 years), it is:

- Escalated through the divisional risk process, with input from risk and control owners
- Considered for inclusion in the KER register, either as a new standalone KER or a material driver of an existing risk
- Tracked and reported through executive and board governance forums, including the MRSC and BARCC

Where a risk is material in the medium or long term, it is:

- Documented and monitored through the Climate-Related Disclosure (CRD) governance process
- Reassessed annually for shifts in exposure, timing, or strategic relevance

In FY25, no climate-related risks met the threshold to be classified as KERs. However, several physical and transition risks remain active in the emerging climate-related risks and opportunities register and are monitored for any change in materiality that may trigger reclassification.

This approach ensures that climate-related risks and opportunities are continuously reviewed, integrated into enterprise risk processes, and managed with the same discipline and oversight as other strategic risks.

Metrics and targets

Overview

nib nz measures its greenhouse gas (GHG) emissions six-monthly and has also established GHG emissions reduction targets that align with our broader business and sustainability strategies.

Beyond GHG emissions related metrics, there are no commonly used health or life insurance industry-based metrics to measure and manage climate-related risks and opportunities at this time. nib nz also currently does not use key performance indicators other than GHG emissions metrics and targets to measure and manage climate-related risks and opportunities.

We are focused on continuing to mature our metrics and targets, particularly the emissions data we collect and report across all scopes and in our scope 3 emissions reductions.

Greenhouse gas emissions

We have been measuring our GHG emissions for the past six years as part of broader nib Group-wide climate reporting however this is the second year we have specifically disclosed GHG emissions for the reporting entity, nib nz limited. For FY25 we have recognized the emissions from the life and living insurance business due to the amalgamation of nib nz and nib nz insurance limited during the reporting period.

We have also continued to seek ways to improve nib nz's data quality and completeness. In FY25, we completed a half-year emissions estimate to understand how our emissions were tracking and the impact of business decisions on our emissions footprint. We also began work with new emissions consultants in the second half of the year to uplift our data management approach, review our emissions boundary and underlying assumptions, and improve our understanding of data sources. As a result, there are additional categories of scope 3 emissions that we are reporting for the first time this year.

Total emissions

In FY25, nib nz's total GHG emissions for Scopes 1, 2 and 3 (location-based) were 2326.5 tCO₂-e, an increase of 23% from FY24. The key drivers for the change include:

- the inclusion of additional categories of scope 3 data (detailed below); and
- inclusion of the life and living insurance business in CRD for the first time (detailed below).

The area with the highest emissions during the year was scope 3 – category 1, purchased goods and services (67% of total emissions). This year, nib looked to expand this category through delving deeper into each business unit's spend and how that spend is allocated to emissions factors. This led to the identification of capital goods relating to our software purchases. This was not calculated previously and forms part of our evolving methodology updates in scope 3.

We understand that structural changes and improvements in methodology that enable us to calculate more scope 3 emissions warrants a re-calculation of base year emissions for comparability. For reasons described in Impact of amalgamation below, and for the inclusion of scope 3 categories that were not possible to calculate in FY20 as described in footnote 13, the scope 3 FY25 emissions are not directly comparable to the scope 3 FY20 base year. To ensure comparability going forward, we are undertaking a scope 3 base year re-calculation in FY26. Where possible, we have voluntarily published our scope 3 emissions this year and have improved both granularity and scope of coverage. We intend to complete a more comprehensive exercise in the next reporting year to make the comparison more meaningful.

Impact of amalgamation

A full year of emissions from the amalgamated entity has been recognised in FY25. The amalgamation had no impact on scope 1 and 2 emissions as there is no combustion activity under the direct control of the business. The FY25 scope 3 emissions resulting from the amalgamated business are approximately 259C02-e.

Metrics and targets continued

The GHG Protocol requires that we recalculate the base year for structural changes such as this amalgamation that meet a significance threshold, which nib nz has set as 5%. The emissions from the amalgamated business are approximately 12% of scope 3 emissions in FY25. However, we are unable to determine the quantity of emissions that would have existed in the scope 3 base year FY20. The life and living insurance business was acquired by nib during FY22 and, while we acknowledge the business was operating prior to our acquisition in the FY20 period, neither spend nor activity data is available for the period when the life and living insurance business was not part of the nib Group. We have considered the use of proxy or estimates to backcast the emissions but due to inability to understand the scale or operations of the business in the FY20 period, which could have been substantially different, these methods were not considered reliable and any recalculation would be highly uncertain. Given the quantum of the emissions are approximately 12% of total scope 3 in the current period, and this proportion will decrease further from next year once all scope 3 emissions have been assessed (currently some are excluded in reliance on NZ CS 2, adoption provision 4), their inclusion in the base year is not considered fundamental to measuring our performance. We will continue to look at suitable recalculation approaches in the upcoming reporting year.

The restatement of comparatives other than the base year is optional under the GHG Protocol. We have not chosen to restate FY24 emissions to include emissions from the amalgamated business.

Scope 1 and 2 emissions

As a result of our change in emissions consultants as detailed above, we have made several enhancements to our scope 1 and 2 emissions methodology:

- inclusion of fugitive emissions in scope 1, with fugitive emissions calculated as an estimate of the refrigerants emitted through our Auckland office air-conditioning;
- removal of scope 2 emissions associated with the sub-leased premises in Auckland;
- inclusion of scope 2 emissions associated with the car parking spaces leased in our Auckland office.

We have restated FY24 scope 1 and 2 emissions in the table, below, to reflect these changes in our methodology for assessing our emissions.

Market-based emissions

Our scope 2 emissions were 0.0 tCO₂-e for FY25 when calculated using the market-based method (aligned with our broader nib Group reporting). This is largely because the market-based method takes into account emissions from electricity that nib nz has purposefully chosen and therefore takes into account the New Zealand Energy Certificates (NZECs) we have redeemed in the BraveTrace New Zealand Energy Certificates System. As required, we have also published our scope 2 emissions using the location-based method, resulting in 7.4 tCO₂-e for FY25 (reflecting that the electricity supplied through transmission and distribution systems is from renewable and non-renewable sources), and we use this method to calculate our total scope 2 emissions as well as our total GHG emissions. The market-based calculation simply serves as an alternative data point for readers.

Emissions for nib nz

	FY25 tCO ₂ -e	FY24 tCO ₂ -e
Scope 1	2.9	3.0
Scope 2	7.4	7.9
Location-based	7.4	7.9
Market-based	0.0	0.0
Scope 3 (location-based emissions)	2,316.2	1,877.3
Category 1 - Purchased goods and services (including category 4: Upstream transportation and distribution)	1,557.6	1,338.8
Category 2 - Capital goods	387.6	-
Category 3 - Fuel and Energy-related emissions (location-based)	0.4	-
Category 5 - Waste generated in operations	1.0	2.0
Category 6 - Business travel	181.2	384.7
Category 7 - Employee commuting	57.1	-
Category 7 - Working from home	98.9	135.0
Category 8 - Upstream leased assets (location-based)	18.3	16.8
Category 8 - Upstream leased assets (market-based)	17.6	-
Category 13 - Downstream leased assets (location-based)	14.2	-
Category 13 - Downstream leased assets (market-based)	2.5	-
Total emissions (location-based emissions)	2,326.5	1,888.2
Emissions intensity (total emissions per employee/customer/revenue)		
Employee (FTE)	10.8	8.1
Customer ('000)	12.5	11.1
Revenue (\$m)	5.1	4.7

Notes to emissions table

The figures highlighted yellow are the only figures subject to an assurance engagement by PwC.

Where the table above indicates "-", this is a category that we did not include in our FY24 reporting.

Restated figures

The total emissions for FY24 have been restated to 1,888.2 tCO₂-e (reported as 1,886.43 tCO₂-e in FY24 Disclosure). The rationale behind each change is set out here:

Scope 1

The FY24 scope 1 emissions have been restated to 3.0 tCO₂-e (reported as 0 tCO₂-e in FY24 Disclosure) to reflect the inclusion of fugitive emissions from air conditioning systems, aligning with the methodology used in FY25.

Metrics and targets continued

Scope 2

The FY24 scope 2 emissions have been restated to 7.9 tCO₂-e on a location-basis (reported as 16.0 tCO₂-e on a location-basis in FY24 Disclosure). This has been driven by three changes, the first being a voluntary restatement to reflect updated emissions factors and the second and third being corrections to FY24 figures:

- an increase in the scope 2 emissions factors for the period FY24 to reflect the Ministry for the Environment Emissions Factors 2025 which apply to calendar year 2024 and contain a 38.7% increase in the relevant emissions factors for electricity generation resulting in an increase of 6.19 tCO₂-e
- a decrease in the consumption of electricity, to correctly reflect that sub-leased premises are not within nib nz's control aligning with methodology used for FY25 and resulting in a decrease of 15.23 tCO₂-e)
- an increase in the consumption of electricity due to identification from leased car parking spaces considered within nib nz operational control, aligning with methodology used for FY25 and resulting in an increase of 0.98 tCO₂-e)

FY24 scope 2 market-based emissions has remained at 0 tCO₂-e due to REC's procured from Genesis Energy amounting to more than the reportable consumption for FY24.

Due to the restatement of scope 2 emissions to reflect the sub-leased premises, there has been an increase in the cat 8 FY24 figure to reflect the electricity associated with the sub-lease (an additional 6.9 tCO₂e from the figure disclosed in FY24).

Certain restatements were also relevant to the base year. See footnote 14 which describes recalculation of base year emissions.

Other notes

Category 1 includes goods and services such as advertising and marketing, paper, printing and stationery, telecommunications, ICT services, education and training. Category 4 including upstream transportation and distribution, was unable to be disaggregated from Category 1, therefore is included in the total of category 1.

Measurement

nib nz measures its emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) (GHG Protocol) (subject to assurance).

We use the operational control approach to determine our organisational boundary to determine the emissions boundary for our organisation. This boundary covers the offices we operate (Scopes 1 and 2) and the costs we incur from third parties to provide services to our members (scope 3). No facilities or operations have been excluded from nib nz's boundary (subject to assurance)..

Relying on the adoption provisions in the NZ CS, we have excluded the following categories of scope 3 emissions from our CRD. We note that some of these categories are also excluded on the basis that the emissions are outside of our emissions boundary or immaterial in the following areas:

- Category 1, emissions from businesses including consultants, internal audit fees, and company contributions to superannuation, adoption provision has been relied on here
- Category 9 downstream transportation and distribution as not applicable to nib nz operations
- Category 10 processing of sold products, as not applicable to nib nz's operations
- Category 11 use of sold products, as not applicable to nib nz's operations

- Category 12 end of life treatment of sold products, as not applicable to nib nz's operations
- Category 14 franchises, as not applicable to nib nz's operations
- Category 15 investments, noting this will be reviewed for the FY26 disclosure, adoption provision has been relied on here
- Emissions sources that we have yet to assess include emissions associated with hospitals or medical providers who receive claims payments and advisors who sell our product to their clients. Adoption provision has been relied on here.

Emissions factors

The emissions factors used were selected by reference to the nature of emissions based on actual emissions data, where available, and emissions derived from spend data aligned with the GHG Protocol. Greenhouse gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

The sources of emissions factors and associated Global Warming Potential (GWP) rates for our most material emissions were:

- New Zealand Ministry for the Environment's 2025 guidance for voluntary emissions reporting, including for purchased energy emissions (subject to assurance)⁸
- Residual Supply Factor (RSF) for New Zealand market-based residual emissions sourced from Bravetrace⁹
- IPCC/TEAP Special Report: Safeguarding the Ozone Layer and the Global Climate System and DCCEEW: Cold Hard Facts 4, for refrigerant fugitive emissions (subject to assurance)¹⁰
- Spend-based emission factors sourced from Exiobase 3 (Economic input output model, 2011) providing factors for kgCO₂e/\$ spend and inflation adjusted to 2024 CPI. 2024 was used as there is no CPI average for the FY25 year currently available
- UK Greenhouse gas reporting: conversion factors 2023 for flights¹¹
- Amazon Web Services (AWS) services are calculated by the AWS in-house customer carbon footprint emissions tool¹²

Methods, assumptions, limitations and uncertainties

To calculate our emissions, we work with external partner, Edge, and utilise their emissions software and expertise. The following assumptions have been made as part of our emissions calculations..

- Where actual emissions data was not available from suppliers, we relied on spend data to estimate various scope 3 emissions categories. This applies to categories 1 and 2. As nib are in the preliminary stages of calculating our footprint, we are using the proxy data due to lack of available supplier data at this stage. As this is a material category of emissions for nib nz, we will endeavour to improve this going forward.
- nib nz's 80:20 (home:work) work from home policy was assumed for determining employee commuting emissions. Estimates include the typical commuting habits by region including the split of transport type, distance and applying nib's work from home habits

8. Measuring emissions: A guide for organisations: 2024 detailed guide. <https://environment.govt.nz/publications/measuring-emissions-a-guide-for-organisations-2024-detailed-guide/> and 2025 workbook <https://environment.govt.nz/publications/measuring-emissions-guide-2025/> The global warming potentials used in the 2025 workbook are 100-year values from the IPCC, 2014, Fifth Assessment Report (AR5).

9. <https://bravetrace.co.nz/residual-supply-mix/>

10. <https://archive.ipcc.ch/pdf/special-reports/sroc/sroc05.pdf> and <https://www.dcceew.gov.au/sites/default/files/documents/cold-hard-facts-4-appendix-a.pdf>. All global warming potential (GWP) factors used in cold hard facts 4 are 100-year values, based on the IPCC's Fourth Assessment Report (AR4)

11. Conversion factors 2023: condensed set (for most users). <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023>

12. The methodology is third party assured and can be found here <https://docs.aws.amazon.com/awsaccountbilling/latest/aboutv2/ccft-estimation.html>.

Metrics and targets continued

- nib has control over car park facilities within the building in Auckland. Therefore electricity consumption related to car park leased space is included in FY25 and the restated FY24 figures and FY21 baseline and calculated using the following assumptions: using an allocation based on floor space. We have assumed no refrigerants in the car park, just electricity usage (subject to assurance).
- It is assumed that the subleased area of nib nz's Auckland lease is a consistent emissions intensity, so emissions from electricity consumption have been allocated by floor area between scope 2 for the portion under nib nz direct control and scope 3 category 13 for the sub-leased area (subject to assurance).
- Fugitive emissions were estimated using the percentage of the refrigerated space, assumed to be 100%, and an area based refrigerant emissions factor created using typical refrigerant usage and assumptions from an Australian governmental resource called Cold Hard Facts Estimation was used for base building data due to lack of specific data availability (subject to assurance).

Assurance

nib nz's 2025 GHG emissions inventory disclosure for scope 1 and scope 2 (location-based) has been subject to an independent limited assurance engagement in accordance with *NZ SAE 1 Assurance Engagements over Greenhouse Gas Emissions Disclosures*.

We have relied on adoption provision 8 in not providing assurance over the disclosed scope 3 emissions.

See pages 31-33 for the assurance report from our assurance provider, PwC.

GHG emissions targets

nib nz has a target to become net zero by 2040¹³. We provide further detail on our net zero target in the section *Progress against GHG emissions targets*. We are part of the nib Group that has set absolute emissions reduction targets that were formulated using the Science-Based Targets initiative's (SBTi) methodology and workbooks to support our path to net zero. nib nz adopted the nib Group's targets as its own emissions reduction targets in FY24.

The current nib nz 2030 targets are:

- Reduce absolute scope 1 and scope 2 (market-based) emissions by 50% by 2030¹⁴
- Reduce absolute scope 3 emissions by 25% by 2030¹⁵

In FY26, nib Group (on behalf of nib nz as nib nz's parent company) will review the recently released Financial Institutions Net Zero Standard from the SBTi and consider our current emissions reduction targets in line with the guidance to assess whether they meet verification requirements.

nib nz considers the emissions reduction targets outlined below can contribute proportionately to limiting global warming to 1.5°C above pre-industrial levels, as the SBTi methodology on which they have been developed is explicitly designed to promote compatibility with that temperature outcome. Specifically, the SBTi methodology translates climate science into reduction pathways that reflect the global carbon budget required to meet the Paris Agreement's temperature goals, ensuring that targets contribute fairly and proportionately to limiting warming to 1.5°C.

By applying this approach, nib nz has set absolute emissions reduction targets for scopes 1, 2, and 3 that align with the Paris Agreement objective to hold the increase in global average temperature well below 2°C and pursue efforts to limit warming to 1.5°C.

13. This refers to a reduction only in scope 3 emissions that we include in our inventory. Please see the information about Scope 3 emission categories excluded from our inventory above, noting that the categories of scope 3 emissions in our inventory during FY20 were less than our current scope 3 categories as we have enhanced our emissions reporting during the intervening period.

14. From a FY21 baseline. This year, recognising the changes to the scope 1 and 2 emissions calculated for nib nz, we have recalculated the FY21 baseline figure. We recalculated the base year from 5.6 tCO₂-e to 23.1 tCO₂-e, an increase of 17.5 tCO₂-e to reflect restatement of electricity consumption and inclusion of fugitives as described in the restatements at pages 25-26. Other restatements described on page 26 are not relevant to the FY21 baseline (subject to assurance).

15. From a FY20 baseline figure of 803.6 tCO₂-e. FY20 chosen as the baseline to remove the impact of COVID-19 restrictions on scope 3 emissions in FY21.

Progress against GHG emissions targets

Our total scope 1 and 2 (market-based) emissions (FY25: 2.9 tCO₂e) are at a level that mean we have already achieved our 2030 target for a 50% reduction from the FY21 recalculated baseline (23.1 tCO₂e).

As previously reported, we do not have fleet vehicles. We continued our renewable electricity arrangements through purchasing New Zealand Renewable Electricity Certificates through our electricity provider for our leased, Auckland office premises.

Our scope 3 emissions increased in FY25, compared to FY24. When considering the increase from FY24 to FY25:

- The increase represents the inclusion of the life and living insurance business in CRD for the first time. We attribute 12% of the increase to scope 3 emissions in FY25 to the inclusion of the life and living insurance business.
- The inclusion of additional sources or categories of emissions as nib nz expands our boundary through data improvement and increased alignment to the Greenhouse Gas Protocol. This is primarily an increase in Category 1, purchased goods and services and Category 2 – capital goods, largely driven by the emissions inventory uplift work which has identified a broader range of emissions sources from purchased and capital goods to include and the identification of capital goods relating to our software purchases.
- We have included Category 3 – fuel and energy related emissions which we did not calculate previously. We additionally calculated both commuting and working from home emissions.
- There has additionally been a re-allocation of scope 3 emissions within our existing categories. For example, downstream leased assets were re-allocated in FY25 to account for the leasing arrangements nib have had previously accounted for in Upstream Leased Assets.

Scope 3 is where our ability to effect wider change lies which is why we have adopted an interim target of 25% emissions reduction in absolute scope 3 emissions by 2030. We are not currently on track to meet our 2030 scope 3 emissions target (or, by implication, our 2040 target).

Our net zero target is an absolute target, and does not rely on offsets, except as permitted under the SBTi Corporate Net-Zero Standard. This Standard allows companies to offset the final 10% of residual emissions that cannot be eliminated once they have achieved their long-term target (i.e. our 2040 target) and cut actual emissions by more than 90%. To date, we have not relied on offsets as part of measuring our progress against our net zero targets.

During FY25, we worked with external consultants to develop a Group Decarbonisation Plan that builds on previous emissions reduction work. Covering a number of emissions areas, the plan includes opportunities for the business that can facilitate emissions reductions. It will be reviewed annually to ensure it remains fit for purpose.

To monitor progress, we report to the Taskforce and Board annually on our emissions inventory performance, and in FY25 we conducted a half year estimate of emissions to provide insights into progress throughout the year. We recognise that emissions reduction, particularly in scope 3 emissions, is not linear and may accelerate or decelerate in future depending on how new policies and technologies advance and consequently, how they impact our ability to reduce our emissions.

In FY25 we achieved carbon neutrality of our FY24 emissions through the purchase of certified Australian carbon credit units (ACCUs) to offset our scope 1, 2 (market based) and 3 emissions (measured in the manner described above, and subject to the exclusions, assumptions, limitations and uncertainties described). These credits are verified by the Australian National Registry of Emissions Units (ANREU) which is administered by the Australian Clean Energy Regulator. We do not participate in or purchase any New Zealand Emissions Trading Scheme (ETS) units. We do not count this towards achievement of our net zero target.

Metrics and targets continued

Vulnerability to climate-related physical and transition risks and alignment to opportunities

nib nz is an insurance company and financial services business. Given the nature of our business there is no particular business line or aspect of operations that are immune from the physical or transition impacts of climate change. As such, for this CRD, we have adopted 100% as the proportion of the business vulnerable to transition and/or physical risks and aligned with our climate-related opportunities (FY24, also 100%).

Capital deployment

The amount of capital expenditure incurred, financing or investment deployed in the reporting period towards climate-related risks and opportunities is non-material (FY24, also non-material). Again, this is related to the nature of nib nz's business and impact of climate-related risks and opportunities at this time. There has been some operational expenditure to support the CRD activities and accuracy of emissions reporting, but nib does not consider this to be a material amount of expenditure when considered in context of overall operational expenditure.

Internal emissions price

We do not currently use an internal emissions price. However, we incorporate an average offset price annually for internal education and awareness purposes. This serves as an implicit carbon pricing reference for our budget purposes, internal educational endeavours, and strategic decision-making processes. For FY25, our average weighted cost (AWC) per ACCU was NZ\$61.10¹⁶ (FY24: NZ\$56.67).

Link to remuneration

As outlined in the governance section (page 6), we include some measures for the achievement of sustainability goals within our nib Group scorecard as well as the nib nz CEO's individual scorecard. However, there are no specific management remuneration links to climate-related risks and opportunities in either FY24 or FY25.

¹⁶. Carbon credits purchased in AUD. Conversion from AUD to NZD based on exchange rate on 30 September 2024.

Appendix 1:

GHG Emissions Assurance Report



Independent Assurance Report

To the Directors of nib nz limited

Limited Assurance Report on nib nz limited's Greenhouse Gas (GHG) Disclosures

Our conclusion

We have undertaken a limited assurance engagement on the gross GHG emissions, additional required disclosures of gross GHG emissions, and gross GHG emissions methods, assumptions and estimation uncertainty (the GHG Disclosures), as outlined within the *Scope of our limited assurance engagement* section below, included in the New Zealand Climate Disclosure Statement (the Climate Disclosure Statement) of nib nz limited (the Company) for the year ended 30 June 2025.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the GHG Disclosures are not fairly presented and are not prepared, in all material respects, in accordance with the Aotearoa New Zealand Climate Standards (NZ CSs) issued by the External Reporting Board (XRB), as explained in the *About this report* section of the Climate Disclosure Statement.

Scope of our limited assurance engagement

We have undertaken a limited assurance engagement over the following GHG Disclosures on pages 25 to 28 of the Climate Disclosure Statement for the year ended 30 June 2025:

- gross GHG emissions:
 - Total Scope 1 emissions of 2.9 tCO₂-e on page 25;
 - Total Scope 2 Location-based emissions of 7.4 tCO₂-e on page 25; and
- additional required disclosures of gross GHG emissions on pages 26 to 27; and
- gross GHG emissions methods, assumptions and estimation uncertainty on page 28.

Our assurance engagement does not extend to any other information included, or referred to, on pages 1 to 30, 34 to 37 and the *About this report* section of the Climate Disclosure Statement. We have not performed any procedures with respect to the excluded information and, therefore, no conclusion is expressed on it. The comparative information for the years ended 30 June 2024 and base year 30 June 2021 disclosed in the Company's Climate Disclosure Statement is not covered by the assurance conclusion expressed in this report.

Other matter - comparative information

The comparative Scope 1 and Scope 2 GHG disclosures for the period ended 30 June 2021 have not been subject to assurance. As such, these disclosures are not covered by our assurance conclusion.

The comparative GHG disclosures for the year ended 30 June 2024 have been subject to reasonable assurance by GPP Audit Pty Limited, with their assurance report dated on 9 August 2024. The predecessor assurance practitioner expressed an unmodified assurance conclusion.

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Appendix 1: continued

Directors' responsibilities

The Directors of the Company are responsible on behalf of the Company for the preparation and fair presentation of the GHG Disclosures in accordance with NZ CSs. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of GHG Disclosures that are free from material misstatement whether due to fraud or error.

Inherent Uncertainty in preparing GHG Disclosures

As discussed on page 27 of the Climate Disclosure Statement, the GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our independence and quality management

This assurance engagement was undertaken in accordance with New Zealand Standard on Assurance Engagements 1 *Assurance Engagements over Greenhouse Gas Emissions Disclosures*, issued by the External Reporting Board (XRB) (NZ SAE 1). NZ SAE 1 is founded on the fundamental principles of independence, integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We have also complied with the following professional and ethical standards and accreditation body requirements:

- Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand);
- Professional and Ethical Standard 3: Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements; and
- Professional and Ethical Standard 4: Engagement Quality Reviews.

In our capacity as auditor and assurance practitioner, our firm also provides financial statement audit and other assurance services. Our firm also carries out other services relating to granting access to generic training materials through an online platform to the Company. In addition, certain partners and employees of our firm may deal with the Company on normal terms within the ordinary course of trading activities of the business. The firm has no other relationship with, or interests in, the Company.

Assurance practitioner's responsibilities

Our responsibility is to express a conclusion on the GHG Disclosures based on the procedures we have performed and the evidence we have obtained. NZ SAE 1 requires us to plan and perform the engagement to obtain the intended level of assurance about whether anything has come to our attention that causes us to believe that the GHG Disclosures are not fairly presented and are not prepared, in all material respects, in accordance NZ CSs, whether due to fraud or error, and to report our conclusion to the Directors of the Company.

As we are engaged to form an independent conclusion on the GHG Disclosures prepared by management, we are not permitted to be involved in the preparation of the GHG information as doing so may compromise our independence.

Summary of work performed

Our limited assurance engagement was performed in accordance with NZ SAE 1, and ISAE (NZ) 3410 *Assurance Engagements on Greenhouse Gas Emissions*. This involves assessing the suitability in the circumstances of the Company's use of NZ CSs as the basis for the preparation of the GHG Disclosures, assessing the risks of material misstatement of the GHG Disclosures whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the GHG Disclosures.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included enquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. In undertaking our limited assurance engagement on the GHG Disclosures, we:

- Evaluated management's assessment of the impact of the amalgamation of nib nz insurance limited on the Company's organisational and operational boundaries.
- Obtained, through enquiries, an understanding of the Company's control environment, processes and information systems relevant to the preparation of the GHG Disclosures. We did not evaluate the design of particular control activities, or obtain evidence about their implementation;
- Evaluated whether the Company's methods for developing estimates are appropriate and recalculated a limited number of estimates from data provided. Our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Company's estimates;
- Tested a limited number of items to, or from, supporting records, as appropriate;
- Assessed the appropriateness of all in-scope emission factor sources and reperformed emissions calculations for mathematical accuracy;
- Compared the leased assets register to the assets included in the emissions inventory report;
- Performed analytical procedures on particular emission categories by performing trend analysis of the actual GHGs emitted on a monthly and quarterly basis and made enquiries of management to obtain explanations for any significant differences identified; and
- Considered the presentation and disclosure of the GHG Disclosures.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement and does not enable us to obtain assurance that we would become aware of all significant matters that we otherwise might identify. Accordingly, we do not express a reasonable assurance opinion on these GHG Disclosures.

Inherent limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure, it is possible that fraud, error or non-compliance may occur and not be detected.

Who we report to

This report is made solely to the Company's Directors, as a body. Our work has been undertaken so that we might state those matters which we are required to state to them in our assurance report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Directors, as a body, for our procedures, for this report, or for the conclusions we have formed.

The engagement partner on the engagement resulting in this independent assurance report is Victoria Ashplant.

For and on behalf of



PricewaterhouseCoopers
25 August 2025

Auckland

Appendix 2:

NZ Climate Standards Index

NZCS Thematic Area	Disclosure Requirement	Page Reference
Governance Enable primary users to understand both the role an entity's governance body plays in overseeing climate-related risks and climate-related opportunities, and the role management plays in assessing and managing those climate-related risks and opportunities.	a. the identity of the governance body responsible for oversight of climate-related risks and opportunities; b. a description of the governance body's oversight of climate-related risks and opportunities; and c. a description of management's role in assessing and managing climate-related risks and opportunities.	4-7
Strategy Enable primary users to understand how climate change is currently impacting an entity and how it may do so in the future. This includes the scenario analysis an entity has undertaken, the climate-related risks and opportunities an entity has identified, the anticipated impacts and financial impacts of these, and how an entity will position itself as the global and domestic economy transitions towards a low-emissions, climate-resilient future.	a. a description of its current climate-related impacts; b. a description of the scenario analysis it has undertaken; c. a description of the climate-related risks and opportunities it has identified over the short, medium, and long term; d. a description of the anticipated impacts of climate-related risks and opportunities; and e. a description of how it will position itself as the global and domestic economy transitions towards a low-emissions, climate-resilient future state, including the transition plan aspects of its strategy.	8-18
Risk management Enable primary users to understand how an entity's climate-related risks are identified, assessed, and managed and how those processes are integrated into existing risk management processes.	a. a description of its processes for identifying, assessing and managing climate-related risks; b. a description of how its processes for identifying, assessing, and managing climate-related risks are integrated into its overall risk management processes; c. the tools and methods used to identify, and to assess the scope, size, and impact of, its identified climate-related risks; d. the short-term, medium-term, and long-term time horizons considered, including specifying the duration of each of these time horizons; e. whether any parts of the value chain are excluded; f. the frequency of assessment; and g. its processes for prioritising climate-related risks relative to other types of risks.	19-22
Metrics and targets Enable primary users to understand how an entity measures and manages its climate-related risks and opportunities. Metrics and targets also provide a basis upon which primary users can compare entities within a sector or industry.	a. the metrics that are relevant to all entities regardless of industry and business model; b. industry-based metrics relevant to its industry or business model used to measure and manage climate-related risks and opportunities; c. any other key performance indicators used to measure and manage climate-related risks and opportunities; and d. the targets used to manage climate-related risks and opportunities, and performance against those targets.	23-30

Appendix 3:

Climate Change Scenario Key Assumptions¹

Scenario parameter	Hothouse Scenario	Ambitious	Too little too late
Brief description of each scenario narrative	This scenario is marked by a reduction in decarbonisation efforts and standards, leading to a global rise in emissions and an increase in physical risks. It examines the resilience of nib's business model in the face of frequent and severe climate hazards, including both acute and chronic physical risks. Full scenario is available in <i>Strategy</i>.	This scenario is defined by a substantial increase in decarbonisation efforts and regulations, which lower emissions and related physical risks but cause short-term economic and societal disruptions. It assesses the resilience of nib's business model in the face of an enforced, comprehensive transition to net zero. Full scenario is available in <i>Strategy</i>.	This scenario is characterised by a continuation of current climate inaction in the short-term that triggers a 'shock point' of physical and social impacts at the end of the decade. From here, a sudden and intense transition is undertaken with severe and uneven policy intervention from governments. It tests nib's business model against the combination of early physical risk and severe, rapid transition risk. Full scenario is available in <i>Strategy</i>.
Time horizons considered, including endpoints and whether the endpoints are determined by a year or a temperature target	Scenario time horizons of 2030 and 2050, with endpoint by year 2050 Data points throughout this scenario are consistent with a >3°C global increase by 2100	Scenario time horizons of 2030 and 2050, with endpoint by year 2050 Data points throughout this scenario are consistent with a 1.5°C global increase by 2100	Scenario time horizons of 2030 and 2050, with endpoint determined by year 2050 Data points throughout this scenario are consistent with a ~2°C global increase by 2100
Temperature outcomes within scenario time horizons ^{2,3}	Average temperature increase - Global: ~2.3°C by 2050 (CMIP5) - Australia: ~1.8°C by 2050 (CMIP5) - New Zealand: ~1.47°C by 2050 (CMIP5)	Average temperature increase - Global: ~1.6°C by 2050 (CMIP5) - Australia: ~1.1°C by 2050 (CMIP5) - New Zealand: ~0.85°C by 2050 (CMIP5)	Average temperature increase - Global: ~1.9°C by 2050 (CMIP5) - Australia: ~1.4°C by 2050 (CMIP5) - New Zealand: ~1.2°C by 2050 (CMIP5)
Emissions Pathways ⁴	RCP 8.5: global CO ₂ e concentration 683.1ppm by 2050	RCP 2.6: global CO ₂ e concentration 503.3ppm by 2050	RCP 4.5: global CO ₂ e concentration 569.7ppm by 2050
Macro-economic Outcomes ⁵	Emissions intensive sectors prosper but surmounting costs from increasingly pervasive chronic physical climate change impacts negatively on GDP at national and global scales. Acute physical risk events will result in widespread displacement, reduced productivity and income losses. GDP - Global: US\$171.4 trillion in 2030, US\$261.7 trillion in 2050 - Australian: US\$1.6 trillion in 2030, US\$2.3 trillion in 2050 - New Zealand: US\$0.3 trillion in 2030, US\$0.4 trillion in 2050 (GCAM 6.0 NGFS⁶)	Throughout this period, the global and domestic economy benefits from the stable transition to a low carbon economy. The pace of transformational change brings economic challenges, including job losses and skill shortages, but these are managed effectively with the help of a stable climate, economy, and international relations. GDP - Global: US\$170.0 trillion in 2030, US\$270.1 trillion in 2050 - Australian: US\$1.6 trillion in 2030, US\$2.4 trillion in 2050 - New Zealand: US\$0.3 trillion in 2030, US\$0.4 trillion in 2050 (GCAM 6.0 NGFS⁶)	The high transition risks combined with medium physical risks under a Too Little Too Late scenario will lead to significant financial impacts including job losses and a decline in global economic growth in the medium term, with a lower standard of living for many. GDP - Global: US\$171.4 trillion in 2030, US\$264.0 trillion in 2050 - Australian: US\$1.6 trillion in 2030, US\$2.3 trillion in 2050 - New Zealand: US\$0.3 trillion in 2030, US\$0.4 trillion in 2050 (GCAM 6.0 NGFS)

Appendix 3: continued

Scenario parameter	Hothouse Scenario	Ambitious	Too little too late
Socio-economic Outcomes	Limited behaviour change and a focus on global growth drives higher rates of economic inequality and increases political instability and geopolitical tensions, including due to an increase in displaced persons. Population • Global: 8.5 billion by 2030, 9.6 billion by 2050 • Australia and New Zealand: 0.3 billion by 2030, 0.4 billion by 2050 (GCAM 6.0 NGFS)	Society at large pressures entities to decarbonise, with negative attention to entities with a lack of action, including through litigation and negative media. Human quality of life continues to increase. Population • Global: 8.5 billion by 2030, 9.6 billion by 2050 • Australia and New Zealand: 0.3 billion by 2030, 0.4 billion by 2050 (GCAM 6.0 NGFS)	Some countries drive decarbonisation in the short term but others do not begin to change until the medium term. Inequities and geopolitical tensions increase, including due to an increase in displaced persons. Population • Global: 8.5 billion by 2030, 9.6 billion by 2050 • Australia and New Zealand: 0.3 billion by 2030, 0.4 billion by 2050 (GCAM 6.0 NGFS)
Policy Outcomes	Global decarbonisation efforts are reversed, revoked or paused. The carbon price is minimal and the Paris Agreement fails. There is no carbon price in nib jurisdictions under this scenario	There is progressive policy activity across the globe to incentivise decarbonisation, such as the implementation of national and international emissions reduction requirements, mandatory climate-related reporting, emissions trading schemes, carbon taxes including border adjustments and an increase in legislation that bans emissions-intensive activities. Australia and New Zealand carbon price: US\$60/tCO₂e by 2030, US\$110/tCO₂e by 2040, US\$175/tCO₂e by 2050. (UN PRI RPS)	Some countries make early climate policy implementations while others take very little action. From mid-century climate policy and carbon price begin to align globally. Australia and New Zealand carbon price: US\$60/tCO₂e by 2030, US\$110/tCO₂e by 2040, US\$175/tCO₂e by 2050. (UN PRI FPS)

Scenario parameter	Hothouse Scenario	Ambitious	Too little too late
Energy pathways and technology assumptions	There is a lack of technological change to support decarbonisation and fossil fuels continue to be the dominant source of energy. Although fossil fuels continue to dominate in the world's energy mix, the level of transport electrification in New Zealand continues to rise out to 2050, with 69% of the national road transport fleet electrified. Low-emissions electricity fraction was not modelled for this scenario. In this scenario, there is little to no adoption of carbon sequestration and negative emissions technologies.	There is increased research and development into low emissions and emissions abatement technology and a rapid uptake of existing low-emissions and emission abatement technologies across all sectors. This includes medium/high adoption of carbon sequestration and negative emissions technology. Australia and New Zealand low-emissions electricity fraction (excluding CCS): 85% by 2030, 90% by 2050 (UN PRI RPS)	Low emissions and abatement technology development is delayed, restricting global progress on decarbonisation until closer to the medium term. New Zealand continues to increase renewable electricity rates but a lack of viable storage prevents full adoption. The uptake of renewable energy in New Zealand for process heat and other primary energy is initially delayed but increases in the medium term, at rates well ahead of global rates. Transport emissions reductions in New Zealand are slow, with the rate of fleet reduction reaching 76% by the medium term. Aviation emissions see little to no reduction. There is low/medium adoption of carbon sequestration and negative emissions technologies. Australia and New Zealand low-emissions electricity fraction (excluding CCS): 52% by 2030, 90% by 2050 (UN PRI FPS)

1. Financial Services Council NZ, Climate scenario narratives for the financial services sector via <https://www.fsc.org.nz/report/climate-scenario-narratives-for-the-financial-services-sector>
2. Global climate models are typically referred to in shorthand based on their temperature outcomes in 2100 (ie. '1.5°C', '~2°C', and '>3°C'). Temperature outcomes for these same models will present differently over nib nz's chosen scenario time horizons of 2030 and 2050.
3. In this row of the table, 'CMIP' refers to the Coupled Model Intercomparison Project, which is a data-based project allowing for better assessment, comparison and integration of differences across climate models. CMIP5 and CMIP6 refer, respectively, to phases 5 and 6 of this project. See <https://wcrp-cmip.org/cmip-overview/> for further explanation.
4. In this row of the table, 'RCP' refers to Representative Concentration Pathways, which is how climate models approach the challenge of exploring different future concentrations of greenhouse gases. See https://en.wikipedia.org/wiki/Representative_Concentration_Pathway for further explanation.
5. In this row of the table, all projected US\$ figures are given based on global purchasing power parity in 2017 ('2017 PPP') to allow for immediate comparison across time periods.
6. 'GCAM 6.0 NGFS' refers to version 6 of the Global Change Analysis Model, a model available for public use and drawn on by the Network for Greening the Financial System in constructing its climate scenarios. See <https://jgcri.github.io/gcam-doc/v6.0/overview.html> for more information on GCAM 6.0 and <https://kpmg.com/us/en/articles/2022/ngfs-primer-climate-scenarios.html> for more information on the NGFS' use of scenarios.

