

2025



AIG Insurance New Zealand Limited

# Climate Statement

Te Whakapuakanga mō te Āhuarangi



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# Timatanga

## Introduction



## About this Report

This Report covers AIG Insurance New Zealand Limited (referred to as "AIG New Zealand," "we," "us," "our") unless otherwise noted in the Report.

AIG New Zealand is a wholly owned subsidiary of AIG Asia Pacific Insurance Pte Ltd, which is domiciled in Singapore. American International Group, Inc. (referred to as "AIG Inc.") is our ultimate parent company, headquartered in New York. AIG New Zealand does not have any subsidiaries.

AIG New Zealand is a climate reporting entity under the Financial Markets Conduct Act 2013.

This Report presents information for fiscal year 2025 (1 January – 31 December, 2025) unless otherwise noted.

In some cases, we also present select data from prior years. As appropriate, preliminary information, including information from developments occurring in early 2026, may also be referenced in this Report and may be subject to change in future reports based on more complete data. All dollar figures mentioned throughout this Report are expressed in New Zealand Dollars (NZD).

Information about AIG New Zealand's operations and financial statements is available in our 2025 Annual Report. For a high-level overview of AIG Inc.'s sustainability efforts, refer to AIG Inc.'s [Sustainability Report](#).

This Report includes references to AIG's own and thirdparty websites for information purposes only; such content is not intended to be incorporated by reference into this Report.

## Cautionary Statement Regarding Forward-Looking Information

Climate-related risk management is an emerging area and often uses data and methodologies that are developing and uncertain. Climate change is an evolving challenge, with high levels of uncertainty, particularly over long-term horizons. This Report contains forward looking statements, including climate-related scenarios, transition planning, assumptions, climate projections, forecasts, statements of AIG New Zealand's future intentions, estimates and judgements. These statements are based on current expectations, assumptions, forecasts and projections about AIG New Zealand's present and future strategies and the environment in which AIG New Zealand will operate in the future, which are inherently uncertain and subject to limitations, particularly as to inputs, available data and information which is likely to change. Descriptions of the current and anticipated impacts of climate change on AIG New Zealand draw on and/or represent estimates only. The risks and opportunities described here and our plans for the future may not eventuate or may be more or less significant than anticipated. There are many factors that could cause AIG New Zealand's actual results, performance or achievement of our objectives to differ materially from that described, including economic and technological viability, as well as climatic, government, consumer, and market factors outside of AIG New Zealand's control.

This Report reflects AIG New Zealand's best estimate and current understanding of future climate-related events, risks, opportunities, impacts and strategies as at 29 April 2026. AIG New Zealand has sought to provide a reasonable basis for forward-looking statements and is committed to progressing our response to climate-related risks and opportunities over time but is constrained by the novel and developing nature of this subject matter. Accordingly, we caution reliance on aspects of this Report, which is necessarily subject to the caveats above.

AIG New Zealand gives no representation, warranty or assurance that actual outcomes or performance will not materially differ from forward-looking statements in this Report. To the fullest extent permitted by law, we do not accept any liability for any loss arising directly or indirectly from any use of the information contained in this Report. Nothing in this Report should be interpreted as capital growth, earnings or any other legal, financial tax or other advice or guidance.

## Statement of Compliance

In the directors' opinions, all reasonable steps have been taken to ensure that the substantive provisions of this Report is compliant with the Aotearoa New Zealand Climate Standards (being NZ CS 1, NZ CS 2, and NZ CS 3).

AIG New Zealand has elected to apply the following NZ CS 2 adoption provisions for this reporting period, which is its second reporting period under the Financial Markets Conduct Act 2013:

**Table 1: NZ CS 2 Adoption Provisions**

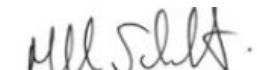
NZ CS 2 Adoption Provision	Description
Adoption provision 2	Anticipated financial impacts
Adoption provision 4	Scope 3 Greenhouse Gas (GHG) emissions (certain Scope 3 emissions are disclosed)
Adoption provision 6	Comparatives for metrics (reliance on this provision allows AIG New Zealand to disclose comparative information from 2024 only)
Adoption provision 7	Analysis of trends
Adoption provision 8	Scope 3 GHG emissions assurance (in relation to those Scope 3 emissions disclosed)

Signed 29 April 2026 on behalf of AIG Insurance New Zealand Limited.



**Mary Jane Daly**

Independent Non-Executive Director  
and Chair of the Board of Directors



**Michael Schubert**

Independent Non-Executive Director  
and Chair of the Board Audit Committee.

# Kāwanatanga

## Governance

We are committed to effective corporate governance practices that are designed to maintain high standards of oversight, accountability, integrity and ethics while promoting the long-term interests of our shareholders and other stakeholders.

We believe in robust leadership reflecting a mix of capabilities and experience, in forming constructive relationships and in operating with shared ethics as articulated in AIG Inc.'s Code of Conduct. Our governance practices underpin our ongoing progress toward a more sustainable and climate-resilient future.



## Board Governance

AIG New Zealand's Board of Directors (referred to as the "Board") are ultimately responsible for overseeing our strategy and its delivery including the management of climate-related risks and opportunities.

The role and responsibilities of the Board<sup>1</sup> and its committees are summarised in [Figure 1](#) and formally documented in Board and committee charters. These charters are reviewed biennially (or more frequently if required) to help maintain and improve the effectiveness of our Board.

Members of the Board have a range of skills, knowledge and experience to support the Board's understanding of our business, risks and opportunities, including those which are climate-related. The Board aims to have an appropriate level of relevant skills and competencies, as well as access to specialist advice.

The Board's performance is evaluated annually, and this process includes feedback on skills to be uplifted, helping to ensure that the objectives and effectiveness of the Board are maximised including with respect to climate-related risks and opportunities.

### In 2025, relevant members of the Board conducted the following activities<sup>2</sup>:

- Received reports from management, including reports on climate-related matters.
- Discussed potential climate-related risks and opportunities for AIG New Zealand.
- Maintained visibility and tracked progress of our climate-related activities, through associated discussions with management, and as part of their review and approval of this Climate Statement.
- Attended an educational webinar on navigating climate litigation and regulation.



<sup>1</sup> All references to the 'Board' are limited to the AIG Insurance New Zealand Limited entity only.

<sup>2</sup> To further develop competencies and respond to climate-related risks and opportunities.

## New Zealand Leadership and Management

AIG New Zealand's leadership team is comprised of those who hold senior management roles within our business, led by the CEO and General Manager. This team leads the implementation of our strategy and business plan in New Zealand and considers and addresses climate-related risks and opportunities both collectively as a group, as well as individually as risk and/or control owners, where relevant to their functional accountabilities.

In addition, other management-level bodies, comprising extended management teams and subject-matter experts, support the sound and prudent management of AIG New Zealand.

The management forums or committees with specific roles and responsibilities in respect of climate-related risks and opportunities are outlined in [Figure 1](#), as well as documented in the relevant terms of reference, where applicable.

The designated executives within our leadership team, and the co-sponsors of AIG New Zealand's climate-related disclosures are the Chief Financial Officer and Chief Risk Officer. These executives and their teams work in close collaboration with colleagues from across AIG Inc., including the Global Sustainability Office.

**In 2025, management conducted the following activities:**

- Discussed climate-related risk information.
- Reviewed climate-related metrics associated with AIG New Zealand's investment portfolio.
- Hosted an educational webinar on navigating climate litigation and regulation.
- Participated in scenario analysis workshops, identifying climate-related risks and opportunities.

### Management Remuneration

AIG New Zealand's remuneration structure includes variable pay components in the form of short and long-term incentives, where applicable. These variable components are awarded based on annual company and individual performance against a balanced scorecard comprising both financial and non-financial measures. Certain weighting factors which may in turn, impact executive remuneration, include:

- Risk-adjusted considerations which promote appropriate risk-taking by executives, and
- Certain financial metrics that may be impacted by natural catastrophe losses that affect our results as a general insurer, including Calendar Year Combined Ratio.

Beyond this, climate-related considerations are not currently formally linked to AIG New Zealand's remuneration program.

## AIG Inc.

The governance structures of our ultimate parent entity, AIG Inc., also have oversight of climate-related risks and opportunities across the global organisation, including AIG New Zealand. Locally, we are working with colleagues from across AIG Inc. to develop an understanding of how local climate-related activities can be aligned with AIG Inc.'s global strategy and framework, including exploring any trade-offs related to financial feasibility, implementation timing, and any potential impacts on AIG New Zealand's financial performance.

AIG Inc.'s Executive Vice President, General Counsel and Chief Sustainability Officer are responsible for leading the development and implementation of AIG Inc.'s global sustainability strategy.

## Climate-Related Skills and Competencies

Teams across AIG New Zealand and AIG Inc. have existing skills and capabilities that are relevant to managing climate-related risks and opportunities, including but not limited to underwriting, risk management, actuarial, natural catastrophe, legal, and finance. Additionally, AIG Inc. has a dedicated Global Sustainability Office which supports and partners with AIG New Zealand. AIG New Zealand is committed to ongoing up-skilling of its workforce as relevant. In 2025, training was provided to our colleagues and its Board on climate litigation and climate-related risks and opportunities.



# New Zealand Climate-Related Governance Structures

Figure 1.



<sup>3</sup> Relevant Meetings refers to meetings at which the climate-related matters were discussed or noted, as applicable.

# Rautaki

## Strategy

AIG New Zealand recognises the effects of climate change and how it could influence the way we operate, how we serve and collaborate with our clients and distribution partners, how we support the communities where we live and work, how we develop and support our colleagues, how we engage with policymakers and regulators and how we fulfil our responsibility to create value for our shareholders.

## About Us

Operating in Aotearoa for over 50 years, AIG New Zealand has been serving the marketplace primarily as an intermediated general insurance business. It is predominantly a commercial insurer, covering clients from small-to-medium businesses right up to large multinational enterprises.

Globally, AIG Inc. provides insurance solutions that help businesses and individuals in more than 200 countries and jurisdictions protect their assets and manage risks through AIG operations, licenses and authorisations as well as network partners.

## Our Business Model

As a general insurer, our business model is underpinned by our global capital management and reinsurance arrangements.

### Operations

AIG New Zealand does not own buildings of its own but leases its office in Auckland. We do not own or lease company fleet vehicles for our daily operations. AIG New Zealand's supply chain comprises of third- and fourth-party service providers (such as claims vendors, administrators, agents, outsourced partners, general goods suppliers, and others).

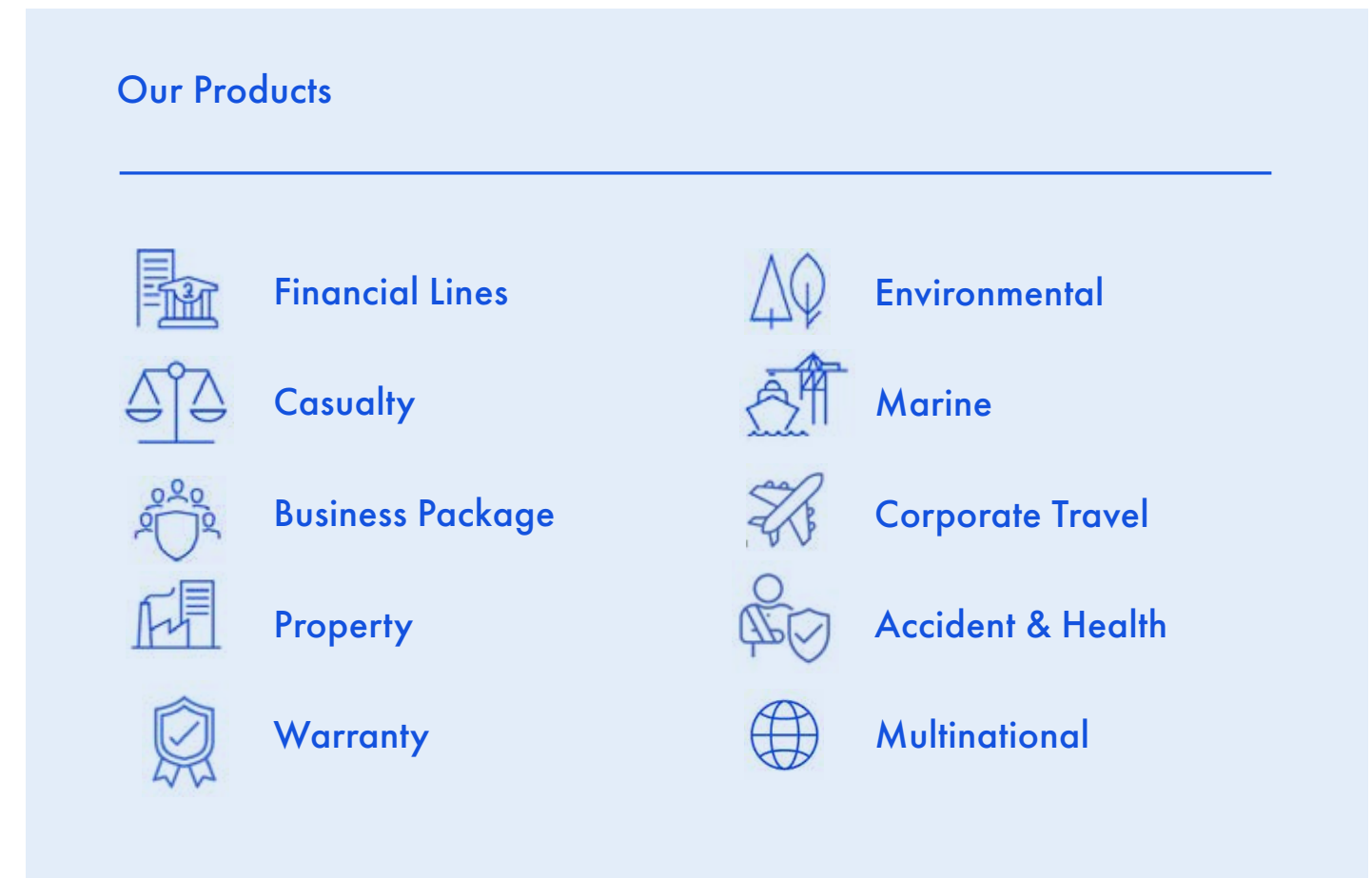
### Underwriting

Our comprehensive suite of products provide a range of general insurance solutions, offering the benefits of our global experience with local expertise. Our clients pay an insurance premium in order to obtain these insurance coverages. In return, we pay covered claims or benefits to our clients. The majority of our business is intermediated, which means our products are distributed through intermediaries and insurance brokers.

### Investments

We receive premiums in advance of paying covered claims or benefits. In the intervening periods, we generally invest these premiums and deposits to generate net investment income that, along with other invested funds, is available to pay claims and operating expenses.

Figure 2: AIG New Zealand's Products



## Our Value Chain

Our position as a market-leading insurer means that we have a diverse value chain across our business model. This value chain creates a complex operating environment which attracts risks and opportunities for AIG New Zealand and those who may interact with us. Our stakeholders include:



## Our Business Strategy

In Aotearoa, our business strategy is to drive long-term profitable growth and value creation. As part of our company-wide Purpose and Values, we empower AIG colleagues to make a positive impact – delivering exceptional client service, enhanced shareholder value and a better experience for all stakeholders.

### Purpose

Our promise protects against uncertainty and challenges and provides the confidence for tomorrow's opportunities.

Local insights,  
global expertise



## Values

- Take Ownership**  
 We set clear expectations  
 We are proactive  
 We are accountable
- Set the Standard**  
 We deliver quality – always  
 We are client-centric  
 We lead in the industry
- Win Together**  
 We are stronger together  
 We are aligned  
 We are one team
- Be an Ally**  
 We strive for inclusion  
 We listen and learn  
 We speak with our actions
- Do What's Right**  
 We act with integrity  
 We lead by example  
 We lift up our communities



## AIG New Zealand's Climate Approach

We remain committed to preparing for the impacts of climate change by strengthening resiliency and through adequate management of climate-related risks.

As a general insurer, AIG New Zealand generally operates with shorter duration underwriting policies and investment portfolios compared to other financial institutions. Whilst shorter durations provide greater flexibility in adjusting our portfolios and managing evolving risk profiles dynamically, they can also limit our direct long-term influence over client or investee strategies.

AIG New Zealand continues to work with AIG Inc. as to the manner and level of contribution to be undertaken to contribute to AIG Inc.'s Net Zero Commitments and AIG Inc.'s Climate Transition Plan (where relevant to its portfolios). Locally, we have taken certain steps to support AIG Inc.'s Global Climate Strategy, as set out in [Figure 4](#). AIG New Zealand has not set its own Net Zero Commitments and does not have any interim targets of its own.

The regulations, standards, methodologies, assumptions and estimates underlying our climate related and other sustainability related strategies, analyses and data continue to develop. Additionally, regulatory, political and stakeholder dynamics further shape our ability to engage in the transition.

Because transition planning is a multi-phase, iterative process based on ongoing internal activities, we expect that AIG New Zealand's contribution to AIG Inc.'s Transition Plan will be refined as part of our sustainability journey.

## AIG Inc.'s Net Zero Commitments

Globally, AIG Inc. has committed to reach Net Zero GHG emissions across its operations, underwriting and investments portfolios by 2050 or sooner. Underlying this commitment, AIG Inc. has committed to:

1. Source 100% renewable energy for AIG's operations<sup>4</sup> by 2030 or sooner.
2. Work towards setting science-based emissions reduction targets.
3. Limit underwriting and investing in certain fossil fuel activities related to coal, oil sands and Arctic exploration.

AIG Inc.'s path to net zero is a holistic approach focused on four key levers: integration, engagement, innovation and stewardship, as shown in [Figure 3](#). These levers guide the Group's approach to embedding climate considerations and advancing decarbonisation strategies across Operations, Underwriting and Investments to drive meaningful progress toward a sustainable future.

Figure 3: AIG Inc.'s Path to Net Zero levers



## AIG Inc's Climate Transition Plan

AIG Inc.'s Transition Plan takes a business-centric approach to addressing climate risks and opportunities, enhancing transparency and adapting to evolving regulatory and market expectations.

AIG Inc.'s Transition Plan was developed with the goal of providing a pragmatic and structured approach for implementing AIG Inc.'s climate strategy with actionable steps.

These steps focus on three key areas:

- **Operations:** Endeavour to reduce AIG Inc.'s environmental impact through responsible resource management and sustainable practices.
- **Underwriting:** Aim to integrate climate data into AIG Inc.'s underwriting practices in order to guide decision-making and customer engagement.
- **Investments:** Continue to evaluate strategies that support sustainable growth while preserving financial stability.

For more information on AIG Inc.'s Net Zero Commitments and Transition Plan, refer to AIG Inc.'s [2024 Sustainability Report](#).

<sup>4</sup> The 100% renewable energy commitment applies to scope 2 emissions from electricity usage for facilities controlled or owned by AIG Inc. or subsidiaries.

Figure 4. AIG Inc.'s Climate Transition Plan and AIG New Zealand Activities

## Operations

AIG Inc. is committed to achieving net zero GHG emissions across its global operations by 2050 or sooner. AIG built upon this commitment by including the goal to be purchasing 100% renewable energy for its global operations by 2030 or sooner.<sup>5</sup>

Globally, AIG has sought to reduce its operational asset portfolios including through the reduction of its real estate portfolio. These activities are expected to decrease AIG Inc.'s operational (Scope 1 and Scope 2) emissions footprint. In addition, AIG measures and monitors aspects of our supply chain emissions (Scope 3). See the [Metrics & Targets](#) section of this Report for more information, and AIG Inc.'s [2024 Sustainability Report](#).

### AIG New Zealand Operations Activities

- AIG New Zealand measures our carbon footprint, as set out on [page 30](#) of this Report.
- AIG New Zealand does not own buildings of its own but leases its office. Our Auckland office space situated in Jarden House, has a 5-star rating for environmental sustainability under the New Zealand Green Star system.<sup>6</sup>
- We have engaged an electricity provider that generates 100% of the electricity it feeds into the National Grid from renewable sources.<sup>7</sup>
- We encourage the continued use of virtual meeting technology to avoid unnecessary travel-related emissions.



## Underwriting

AIG Inc. is committed to achieving net zero GHG emissions across its global underwriting portfolio by 2050 or sooner. AIG's ability to adapt to ever-changing market conditions helps drive innovative insurance solutions that unlock value for our clients and business partners.

Becoming climate resilient and implementing sustainable business practices can entail technological, financial and regulatory risks and complexities. Conventional insurance products do not always address these new and developing sustainability-related issues.

Globally, AIG's underwriters work closely with the Claims and Risk Engineering teams to assess data insights and AIG's portfolio of offerings on an ongoing basis, identifying potentially unmet client needs. The result is a continually updated range of insurance products and services that support clients in their sustainability journeys.

### AIG New Zealand Underwriting Activities

AIG New Zealand limits underwriting in certain fossil fuel activities as well as for clients that derive a substantial portion of their revenue from these industries.



## Investments

AIG Inc. has committed to achieving net zero GHG emissions across its global investment portfolio by 2050 or sooner.

### AIG New Zealand Investments Portfolio

When managing premiums and deposits received in advance of paying covered claims or benefits, AIG New Zealand generally invest these premiums and deposits to generate net investment income that, along with the invested funds, is available to pay claims and operating expenses.

Our investments portfolio activities are designed to promote the balance sheet strength and stability necessary to carry out our primary mission to policyholders. Therefore, AIG New Zealand uses climate and sustainability-related insights to inform our investment approach which is focused on maintaining liquidity, as well as preserving capital and generating income. Our portfolio's weighted average duration is around two years. Given this short average duration, we expect the securities in our portfolio to turn over multiple times between now and 2050.

We consider organic portfolio turnover to be favourable from a climate risk management standpoint, as shorter-duration assets carry lower embedded transition risk.

<sup>5</sup> This commitment applies to Scope 2 emissions from electricity usage for facilities owned or controlled by AIG. <sup>6</sup> New Zealand Green Star ratings applies to the Base Building. <sup>7</sup> This arrangement does not affect our calculation of Scope 2 Emissions disclosures.

## Scenario Analysis

In 2025, AIG New Zealand engaged a third-party to help facilitate the scenario development and analysis process with a cross functional working group of AIG New Zealand's management and business representatives, and through a series of workshops, this group:

- Developed three integrated scenarios tailored to the particularities of AIG New Zealand's business.
- Identified climate-driven risks and opportunities.
- Explored the impacts and implications for AIG New Zealand's business model and strategy.

Our scenario analysis was conducted as a standalone process used to help determine and validate our climate-related risks and opportunities, as well as better understand the resilience of our business model and strategy. The process undertaken supplemented other stress testing, and strategic planning practices that occur locally and regionally. We aim to incorporate this analysis further into our business planning process as our approach matures and evolves.

Our Board was also engaged to discuss and review our scenario analysis and the associated impacts and implications for AIG New Zealand.

## AIG New Zealand's Climate Scenarios

We developed three climate scenarios based on the framework set out by the Insurance Council of New Zealand, which draws heavily on the scenario framework of the Network for Greening the Financial System (NGFS).

We supplemented this framework with information derived from other external sources, such as the shared socioeconomic pathways (SSPs and representative concentration pathways (RCPs summarised by the Intergovernmental Panel on Climate Change, the New Zealand Climate Change Commission's Advice on the Fourth Emissions Budget, and information from Statistics New Zealand. Through a collaborative process, we developed bespoke narratives that explore drivers of change for AIG New Zealand and integrated them with these external sources

**Table 2: Time Horizons**

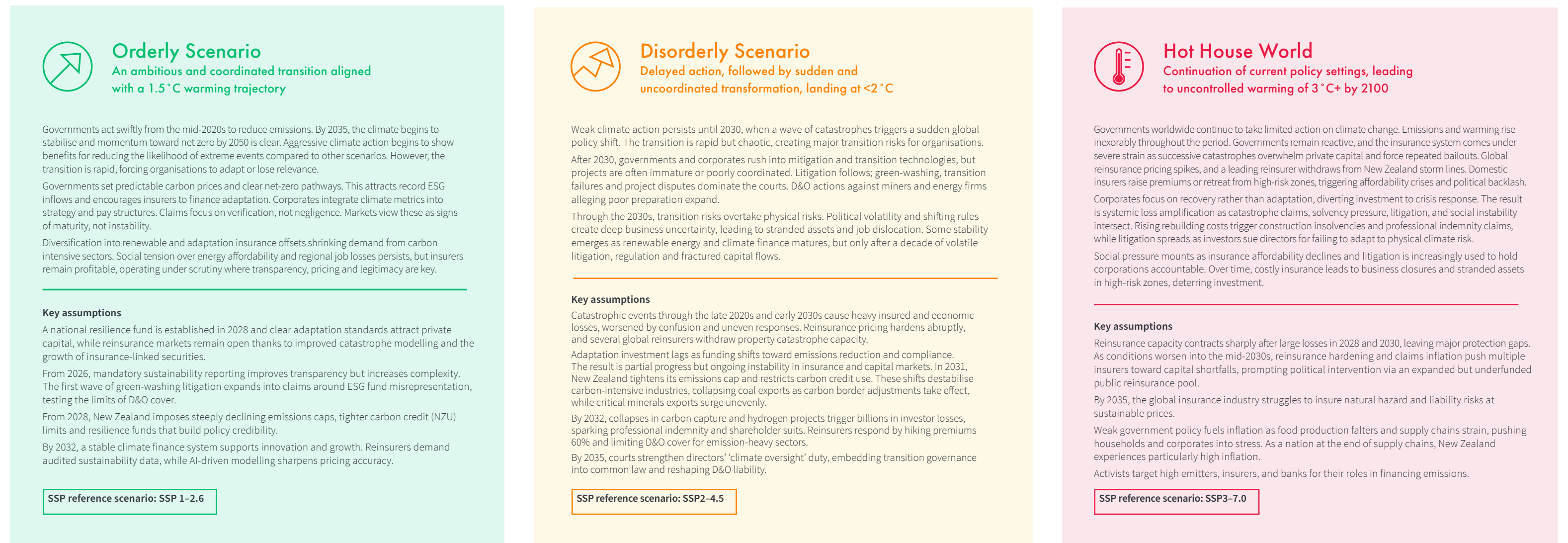
The time horizons in AIG Australia's scenario analysis and risk assessment are:

Horizon	Period	Description
Short term	1-3 years	Consistent with AIG New Zealand's 3 year strategic and business planning.
Medium term	3-7 years	This time horizon broadly aligns with the time taken for AIG New Zealand's assets and liabilities to reach maturity.
Long term	7+ years	This time horizon aligns with AIG Inc.'s global climate scenario approach.



## AIG New Zealand's Climate Scenarios

Figure 5. Climate Scenario Architecture and Narratives<sup>8</sup>



<sup>8</sup> AIG New Zealand's climate scenarios expressly focus on energy pathways, carbon sequestration or technology such as negative emissions technology.

## Climate-Related Risks & Opportunities

Climate change has two distinct areas that currently impact and create risk for AIG New Zealand:

- Physical Risks** Both direct and indirect impacts from event driven (acute) or longer-term (chronic) shifts in climate patterns. Climate change contributes to an increase in the frequency and severity of natural disasters and the creation of uncertainty as to future trends and exposures. This has potential impacts for AIG New Zealand’s underwriting and operations.
- Transition Risks** Transitioning to a lower carbon economy may entail extensive policy, legal, regulatory, technology and market changes to address mitigation and adaptation requirements related to climate change.
- Liability Risks<sup>9</sup>** These risks may arise from people or businesses seeking compensation for losses they may have suffered from physical or transition risks. These actions are due to policy and technological changes, as well as from third parties who seek to influence policy or recover losses from others whom they believe are responsible by means of alleged failure to mitigate, adapt or disclose.

AIG New Zealand has reassessed our climate-related risks and opportunities for 2025, resulting in a reduction in material risks disclosed when compared to 2024.

As climate-related risks and opportunities evolve, we intend for our strategic response to these to further develop. We aim to actively monitor and mature our

approach to the identification, documentation and management of climate-related risks, including our current and proposed mitigation efforts.

The presentation of our climate-related risks and opportunities has been uplifted to allow for a greater level of detail and specificity to be disclosed, supporting primary users to understand the material risks and opportunities that could affect AIG New Zealand’s business, and our strategy to respond.

### Materiality

AIG New Zealand evaluated climate-related risks and opportunities across our entire value chain under the three defined climate scenarios. Climate-related risks were rated utilising our risk assessment matrix and were considered material if they received an 'Elevated' or 'High' rating under any scenario – time horizon combination, and were reasonably expected to affect AIG New Zealand's prospects including cash flows, access to finance or cost of capital.

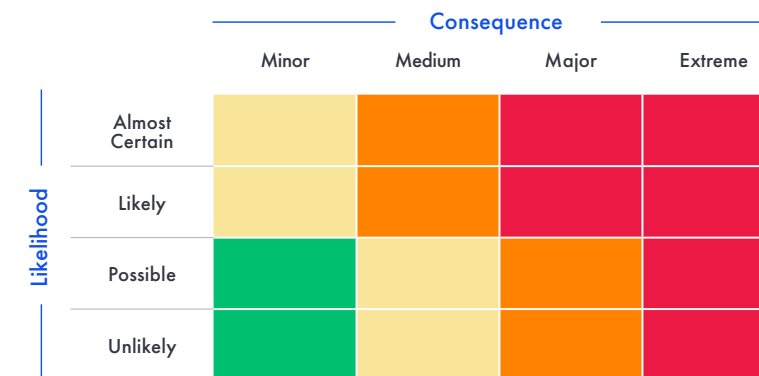
We utilised a cost-benefit framework to identify climate-related opportunities that were both strategically feasible and likely to deliver meaningful business and customer benefits. Potential costs were evaluated by considering the degree of alignment with AIG New Zealand's current strategy and the level of investment and resources required to pursue each opportunity. Potential benefits were evaluated based on the opportunity’s ability to affect AIG New Zealand's prospects by driving business growth or mitigating material climate-related risks.

Table 3: AIG New Zealand's Climate-Related Risks and Opportunities

Physical Risks	Increased Natural Catastrophe Losses	Rising claims costs from climate-related weather events and natural catastrophes
	Reputational Risk & Insurance Affordability	Reputational impacts associated with rising insurance affordability challenges
Transition Risks	Climate Litigation	Increase in climate-related litigation leading to liability and financial lines claims (such as D&O)
	Stranded Assets	Shifting climate policy leads to stranded assets for AIG New Zealand's D&O clients
	Loss of Market Share	Loss of market share arising from an inability to capitalise on emerging decarbonisation opportunities
Opportunities	Product Innovation & Market Expansion	Develop new products and enter new markets
	Client & Broker Engagement	Customer and broker engagement to support the climate transition and reduce regulator intervention risk

Our climate-related risks and opportunities are disclosed in detail on [pages 18–24](#).

Figure 6. Risk Assessment Matrix



<sup>9</sup> As a general insurer, we recognise that liability risk cuts across both transition and physical risk dimensions. Presenting it as a standalone category is a deliberate design choice intended to ensure that these exposures receive appropriate prominence in our climate risk frameworks and processes. This is in line with our 2024 disclosure.

## Spotlight: AIG New Zealand's Investment Portfolio

AIG New Zealand's investment portfolio consists mainly of high-grade fixed income securities, in particular corporate bonds, with smaller holdings of exchange traded equity funds and asset-backed and securitised products. Our investment approach focuses on preserving capital and maintaining liquidity as the primary objective and are designed to promote the balance sheet strength and stability necessary to carry out our policyholder commitments.

Our investment strategy seeks to broadly duration-match assets and liabilities and follows a diversified approach to portfolio construction to avoid concentrated risks. While these investment assets represent a significant balance sheet item, given the ongoing close duration matching of investment assets with insurance liabilities, its impacts are not currently anticipated to be material for AIG New Zealand.

The portfolio's weighted average duration is around two years. The short duration of our investment portfolios offers protection against the financial impacts of climate-related transition risks that typically unfold over longer timeframes. Portfolio turnover allows for regular repositioning based on market information. The short duration of the portfolios ensures bond prices remain close to par and limits the credit risk impacts of longer-term climate trends.



### Current Business and Financial Impacts

Our business and industry are impacted by the changing climate as shown by the industry-wide increases in natural catastrophe losses driven by the continued increase in frequency and severity of climate-related hazards and perils. In this reporting period, claims incurred attributable to severe climate-related weather events<sup>10</sup> accounted for approximately \$3.9 million, compared to 9 claims in 2024 for an immaterial amount.

Apart from losses arising from severe climate-related weather events, AIG New Zealand did not experience identifiable financial impacts related to any other climate-related physical risk, transition risk, or opportunity disclosed in this Report.



### Anticipated Financial Impacts

AIG New Zealand is anticipating both negative and positive financial impacts from climate-related risks and opportunities. Increased frequency and severity of climate-related weather events are expected to drive higher claims costs, reinsurance costs, and earnings volatility, while rising premiums to offset these costs may lead to reputational pressures and potential customer attrition. Transition risks include increased D&O litigation and claims activity associated with the climate transition, as well as potential underwriting losses arising from stranded assets within client portfolios due to shifting climate policies. There is also a risk of reduced revenue and market share if AIG New Zealand is unable to keep pace with competitors in responding to climate-related developments.

Conversely, opportunities exist to offset these impacts through the development of new products and entry into emerging markets, which may support premium growth and diversification, as well as through enhanced customer and broker engagement to facilitate the climate transition.

Overall, these anticipated impacts will affect AIG New Zealand's financial performance through changes in revenue growth, claims costs, underwriting performance, and customer retention. Refer to [Table 5](#) in the [Metrics and Targets](#) section of this Report to view the percentage of business activities and assets vulnerable to climate-related risks or aligned to climate-related opportunities.

### Modelling Assumptions and Limitations

Since this is AIG New Zealand's first year of estimating and disclosing financial impacts of climate-related risks and opportunities, a simplified quantification approach involving desktop research to determine assumptions and a static-portfolio assumption was adopted. To reflect the high levels of uncertainty involved with this modelling, we ran a 'high' and 'low' scenario for each relevant risk and opportunity to capture a range of possible financial impacts. Not all disclosed risks and opportunities were modelled, with three risks and one opportunity quantified based on the level of measurement uncertainty involved in estimating the anticipated financial effects.

Estimates of anticipated financial impacts are intended to shed light on the plausible range of future impacts on the business, rather than make predictions about future outcomes. They are estimations only and should not be interpreted as guaranteed outcomes.

There are a wide range of factors that could influence AIG New Zealand's business in the future, many of which are qualitatively described in the scenarios. The capital model does not aim to capture all possible factors. As a result, changes in the external environment could significantly impact the results. Estimates of annual average losses are subject to a range of uncertainties. Models are subject to uncertainty from a range of sources; including but not limited to; error in estimates of property types and characteristics, imperfect historical data and uncertainties in building vulnerability.

<sup>10</sup> Severe climate-related weather events are defined as climate-related weather events classified by the Insurance Council of New Zealand ("ICNZ") to be a major event.

Rising claims costs from climate related weather events and natural catastrophes

PHYSICAL RISK

Risk Summary	Anticipated Business Impact	Mitigation Efforts & Plans to Respond	Risk Rating																				
<p>Increased size and volatility of claims due to an increase in severity and frequency of weather events</p>	<p>Climate driven increases in claims frequency and severity, particularly across Commercial Property, Industrial Special Risks (ISR), and Business Package portfolios may materially increase costs and affect portfolio profitability.</p> <p>Sustained adverse loss experience could constrain underwriting capacity and coverage availability in certain geographies or sectors, impacting AIG New Zealand’s value chain including underwriting, claims, reinsurance purchasing, customers and distribution partners. These impacts may result in reputational risk and reduced market share.</p>	<ul style="list-style-type: none"> <li>We use a combination of internally developed and externally licensed flood maps for pricing flood risk, significantly increasing our understanding of flood-related perils.</li> <li>We regularly monitor exposures and market trends, in combination with pricing and underwriting reviews, and have the ability to reprice risks annually.</li> <li>We have an existing combination of internal and external reinsurance arrangements that effectively manage large-loss exposures.</li> <li>Our Risk Engineering team provides technical guidance and risk assessments on property and environmental risks.</li> </ul>	<table border="1"> <thead> <tr> <th colspan="4">Time Horizons</th> </tr> <tr> <th>Scenarios</th> <th>S</th> <th>M</th> <th>L</th> </tr> </thead> <tbody> <tr> <td>Hot House</td> <td>Low</td> <td>High</td> <td>High</td> </tr> <tr> <td>Disorderly</td> <td>Low</td> <td>High</td> <td>High</td> </tr> <tr> <td>Orderly</td> <td>Low</td> <td>Elevated</td> <td>Elevated</td> </tr> </tbody> </table>	Time Horizons				Scenarios	S	M	L	Hot House	Low	High	High	Disorderly	Low	High	High	Orderly	Low	Elevated	Elevated
Time Horizons																							
Scenarios	S	M	L																				
Hot House	Low	High	High																				
Disorderly	Low	High	High																				
Orderly	Low	Elevated	Elevated																				
<p>Claims incurred attributable to severe climate-related weather events accounted for approximately \$3.9 million, compared to 9 claims in 2024 for an immaterial amount.</p>	<p>AIG New Zealand’s Commercial Property, ISR, and Business Package portfolios account for roughly 55% of gross written premium. Increasing frequency and severity of natural catastrophe events may result in higher claims costs and volatility, elevated loss ratios, increased reinsurance premiums and more costly repairs.</p> <p>AIG New Zealand considers this risk to be largely mitigated in the short-term due to a relatively low exposure to severe natural catastrophe risk. Over the medium and long-term, sustained natural catastrophe risk could put significant upwards pressure on reinsurance costs and repair costs.</p>	<p><b>AIG New Zealand's Approach</b></p> <p>AIG New Zealand maintains an established risk management framework that systematically monitors evolving risk profiles and emerging trends across its underwriting portfolios. Portfolio exposures are regularly assessed, with underwriting guidelines, risk selection criteria, and pricing adjusted accordingly.</p> <p>Where necessary, AIG New Zealand has the flexibility to reduce exposure concentrations, reprice risks annually or exit market segments to preserve resilience. While exposure to climate-related natural catastrophe risk within the Commercial Property, Industrial Special Risks (ISR), and Business Package portfolios remain, the net financial impact is currently assessed as limited due to the strong treaty reinsurance protection that the company has in place.</p> <p>Collectively, these measures support the resilience of AIG New Zealand against this risk under a range of climate-scenarios.</p>	<p>Due to the high degree of uncertainty and exploratory nature of forming a basis of quantification for this risk, AIG New Zealand does not believe a meaningful estimate of financial impact could currently be derived from an attempt at quantification</p>																				

Reputational impacts associated with rising insurance affordability challenges

PHYSICAL RISK

Risk Summary	Anticipated Business Impact	Mitigation Efforts & Plans to Respond	Risk Rating			
<p>As climate-related weather events cause more harm, reputational and financial impacts may occur due to a decrease in availability and affordability of insurance for AIG New Zealand's customers.</p>	<p>Actions taken to manage climate-related risk, including pricing adjustments, changes in coverage terms, or withdrawal of capacity in high-risk segments, may affect perceived availability and affordability for our customers. This could lead to adverse stakeholder perceptions, including amongst customers, brokers and distribution partners, regulators and community groups, particularly in regions or sectors exposed to severe weather events.</p> <p>This could result in reputational impacts, reduced stakeholder trust and increased regulatory and public scrutiny, potentially affecting distribution relationships, customer retention and AIG New Zealand's market position over the medium to long-term.</p>	<ul style="list-style-type: none"> <li>We use risk-based pricing and regular reviews by Actuary to manage affordability while maintaining underwriting discipline.</li> <li>We maintain active engagement with industry bodies, such as the Insurance Council of New Zealand, to support future community resilience initiatives.</li> <li>AIG's Risk Engineering team currently partners with commercial clients, providing advisory services that reduce exposure and improve resilience against physical climate risks.</li> </ul>	Time Horizons			
			Scenarios	S	M	L
			Hot House			
			Disorderly			
			Orderly			
Current Financial Impact	Anticipated Financial Impact	AIG New Zealand's Approach				
<p>Not material.</p>	<p>In the <b>short-term</b>, climate-driven increases in premiums may affect customer retention and new business volumes, particularly in climate-exposed segments. Reputational impacts may influence broker placement decisions and customer behaviour, potentially leading to modest reductions in gross written premium.</p> <p>Over the <b>medium-term</b>, sustained affordability and availability pressures may result in more pronounced shifts in portfolio mix, reduced underwriting volumes in high-risk geographies, and an increased reliance on reinsurance. Reputational impacts could affect brand perception and distribution relationships, leading to reduced market share, and pressure on underwriting profitability.</p> <p>Over the <b>long-term</b>, if climate-related risk trends continue and affordability constraints persist, reputational impacts may materially affect AIG New Zealand's competitive position and growth opportunities. This would likely lead to significant portfolio rebalancing and withdrawal from certain markets. Long-term impacts may include lower sustainable premium growth, increased distribution costs, and increased reinsurance costs.</p>	<p>AIG New Zealand recognises that increasing physical climate risks may drive premium increases and reduced insurance availability across the industry, with affordability issues generally affecting Home and SME Business insurance more than larger commercial clients. AIG's Risk Engineering team partners with larger commercial clients to improve asset resilience against flood, bushfire and windstorm risks, supporting risk reduction and more sustainable pricing over time.</p> <p>AIG New Zealand maintains active engagement with industry bodies, including the Insurance Council of New Zealand (ICNZ), and recognises the importance of coordinated industry responses to climate-related physical risks. As affordability pressures increase across the insurance sector, AIG New Zealand is positioned to collaborate with government and industry stakeholders to support initiatives that enhance community resilience and risk mitigation to climate-related physical risks. We consider such partnerships integral to addressing systemic climate risks and intend to contribute constructively to industry-wide solutions.</p>				
<p>Due to the high degree of uncertainty and exploratory nature of forming a basis of quantification for this risk, AIG New Zealand does not believe a meaningful estimate of financial impact could currently be derived from an attempt at quantification.</p>						










Increase in D&O litigation and claims from the climate transition

TRANSITION RISK

Risk Summary	Anticipated Business Impact	Mitigation Efforts & Plans to Respond	Risk Rating									
			Time Horizons									
			Scenarios	S	M	L						
As the economy transitions to a decarbonised economy, climate related litigation against AIG New Zealand's corporate clients may increase.	Rapidly changing climate policy, regulatory and market expectations could open corporates up to litigation relating to failures to prepare for the climate transition, or allegations of green-washing. This could come as litigation or shareholder class actions on AIG New Zealand's clients, primarily affecting our D&O portfolio and potentially our Public Liability portfolio. This would affect customers, claims, underwriting, shareholders and our ability to access reinsurance. Sustained adverse trends could result in capacity constraints, repricing, or changes to coverage terms, potentially resulting in reputational damage and straining distribution relationships.	<ul style="list-style-type: none"> <li>Our underwriting strategy limits exposure to certain fossil fuel, helping to reduce our exposure to climate-related litigation.</li> <li>We currently monitor emerging case law, regulatory enforcement activity and green-washing precedents to inform underwriting and reserving practices.</li> <li>Option to uplift underwriting due diligence to incorporate climate-transition risk assessments, evaluation of climate-related governance frameworks, transition plans and climate-related disclosures of insureds.</li> <li>Option to introduce exclusionary or sub-limit changes to policies.</li> </ul>	Hot House	Low	Continuing to assess change	Low						
			Disorderly	Low	Elevated Risk	Elevated Risk						
			Orderly	Low	Elevated Risk	Elevated Risk						
Current Financial Impact	Anticipated Financial Impact	AIG New Zealand's Approach										
Nil claims received in this reporting period.	D&O and Public Liability make up over 30% of AIG New Zealand's portfolio. Large, one-off claims are likely to be contained by reinsurance; however, a sustained increase in climate litigation-related claims could lead to increased loss ratios, higher claims handling and legal expenses, greater reserving uncertainty, and more volatile reinsurance costs over the medium and long-term. This would affect AIG New Zealand's Insurance Service Result, Reinsurance Contract Assets, Insurance Contract Liabilities, and Provisions. Over the short-term, we do not consider this risk to have a material financial impact on AIG New Zealand due to the long-tail nature of D&O claims.	<p>AIG Inc.'s Net Zero strategy commits to reaching net zero GHG emissions across its underwriting portfolio by 2050 or sooner. Currently, AIG New Zealand limits underwriting in certain fossil fuel activities related to coal, oil sands and Arctic exploration, or for clients who derive a substantial portion of revenue from these industries. Our assessment is that the gradual decarbonisation of AIG New Zealand's underwriting portfolio will help to reduce our exposure to climate-related litigation over the long-term.</p> <p>AIG New Zealand's ability to adjust underwriting appetite, pricing, policy terms and sector exposure limits provides flexibility to respond to changing litigation trends in the short to medium-term. Access to global expertise further supports monitoring of emerging case law and green-washing precedents. However, there is industry-wide uncertainty around the potential trajectory, scale and nature of climate litigation related claims, especially under severe or disorderly transition scenarios. Although AIG New Zealand has the ability to quickly add exclusionary or sub-limit changes to policies, this may not effectively reduce exposure for cases related to historic emissions or actions.</p>										
	<table border="1"> <thead> <tr> <th>Short Term</th> <th>Medium Term</th> <th>Long Term</th> </tr> </thead> <tbody> <tr> <td>Not considered material</td> <td>\$2m-\$7m increase in cost</td> <td>\$7m-\$32m increase in cost</td> </tr> </tbody> </table>	Short Term	Medium Term	Long Term	Not considered material	\$2m-\$7m increase in cost	\$7m-\$32m increase in cost					
Short Term	Medium Term	Long Term										
Not considered material	\$2m-\$7m increase in cost	\$7m-\$32m increase in cost										
	<p><b>Key Assumptions to model this risk</b></p> <ul style="list-style-type: none"> <li>Exposure to economic sectors – AIG New Zealand's D&amp;O and Public Liability exposure was categorised into low, medium and high-risk sectors.</li> <li>Frequency of claims – A review of available data suggests litigation cases are currently increasing about 15% per year. Increases of 5–10% per year for medium-risk sectors, and 10–25% for high-risk sectors were modelled.</li> <li>Severity of claims – Based on qualitative information available, research has found that complexity and creativity of litigation claims is increasing, which could potentially lead to larger claims. Annual increases to claims cost of 0–10% were modelled.</li> <li>Reinsurance costs – Lack of available data source for potential increases in D&amp;O and Public Liability reinsurance costs. Reinsurance premiums across general insurance have risen by 50–150% over the past 10 years, assumed annual increases of 0–10% in reinsurance pricing were modelled.</li> </ul>											

### Shifting climate policy leads to stranded assets for AIG New Zealand's D&O Clients

TRANSITION RISK

Risk Summary	Business Model & Value Chain Impact	Mitigation Efforts & Plans to Respond	Risk Rating			
<p>A shift in climate policy leads to assets owned by companies insured by AIG New Zealand becoming stranded, leading to an increase in D&amp;O claims.</p>	<p>Rapid or disorderly changes in climate policy, regulation or market expectations may result in asset impairments or write-downs for customers with exposure to carbon-intensive industries. Such developments could increase the likelihood of shareholder, creditor or regulatory actions against directors and officers, resulting in heightened claims activity within AIG New Zealand's D&amp;O portfolio.</p> <p>Elevated stranded asset risk may influence underwriting appetite, pricing adequacy and sector exposure limits, particularly in industries subject to accelerated decarbonisation pathways, affecting AIG's New Zealand's claims, underwriting, access to reinsurance, customers and shareholders.</p>	<ul style="list-style-type: none"> <li>Our underwriting strategy limits exposure to certain fossil fuel activities.</li> <li>We monitor evolving climate policy, carbon pricing mechanisms, and litigation trends linked to asset impairment.</li> <li>Option to uplift underwriting process to screen for exposure to carbon intensive assets and embed transition risk assessments into the due diligence process.</li> <li>Option to implement revised policy terms, sub-limits or exclusions where appropriate to manage aggregation exposure.</li> </ul>	<p><b>Time Horizons</b></p>			
			<p><b>Scenarios</b></p>	<p><b>S</b></p>	<p><b>M</b></p>	<p><b>L</b></p>
			<p>Hot House</p>			
			<p>Disorderly</p>			
			<p>Orderly</p>			
Current Financial Impact	Anticipated Financial Impact	AIG New Zealand's Approach				
<p>Not material.</p>	<p>In the <b>short-term</b>, rapid or unexpected climate policy developments may increase market uncertainty within the D&amp;O portfolio in carbon intensive sectors, with likely immaterial financial impact to AIG New Zealand.</p> <p>Over the <b>medium-term</b>, asset impairments and write-downs among clients in transition-risk-sensitive industries may contribute to higher loss ratios, increased reinsurance costs and a modest reduction in gross written premium.</p> <p>Over the <b>long-term</b>, as New Zealand's climate transition matures, stranded asset exposure and associated D&amp;O litigation risk is expected to reduce, resulting in modest financial impacts.</p>	<p>Our underwriting strategy places limitations on underwriting in carbon-intensive industries and is a key component of AIG New Zealand's long-term resilience. Progressive portfolio decarbonisation is intended to reduce exposure to sectors most vulnerable to stranded asset risk and associated D&amp;O litigation volatility.</p> <p>Over the medium-term, financial and operational impacts may arise from policy shifts, asset writedowns and associated claims volatility. Additionally, there is a high degree of uncertainty regarding the pace, coordination and legal consequences of a possible climate transition, which may result in mitigation efforts being less effective.</p>				
<p>Due to the high degree of uncertainty and exploratory nature of forming a basis of quantification for this risk, AIG New Zealand does not believe a meaningful estimate of financial impact could currently be derived from an attempt at quantification.</p>						

TRANSITION RISK

Loss of market share arising from an inability to capitalise on emerging decarbonisation opportunities

Risk Summary	Anticipated Business Impact			Mitigation Efforts & Plans to Respond	Risk Rating																							
<p>AIG New Zealand does not keep up with competitors as they harness opportunities arising from the climate transition, resulting in a loss of market share.</p>	<p>Rapid decarbonisation and evolving market expectations may require insurers to innovate, adapt underwriting approaches and develop new products aligned to low-carbon technologies and transition activities. If AIG New Zealand fails to respond effectively to these changes, we may lose market share to competitors that more quickly harness emerging opportunities, including smaller or more agile entrants offering innovative coverage solutions. This risk may influence broker relationships, customer retention and new business opportunities across a variety of portfolios, impacting key components of AIG New Zealand’s value chain including underwriting, distribution partners, and customers.</p>			<ul style="list-style-type: none"> <li>We engage with brokers and clients to understand evolving demand for insurance solutions aligned with transition activities.</li> <li>We leverage global expertise and data insights to inform risk selection and pricing adequacy in new markets.</li> <li>Option to further invest in underwriting capability by providing targeted training on transition-related technologies, emerging markets, and regulatory developments..</li> </ul>	<table border="1"> <thead> <tr> <th colspan="4" data-bbox="2712 476 3185 559">Time Horizons</th> </tr> <tr> <th data-bbox="2712 559 2912 641">Scenarios</th> <th data-bbox="2912 559 3005 641">S</th> <th data-bbox="3005 559 3098 641">M</th> <th data-bbox="3098 559 3185 641">L</th> </tr> </thead> <tbody> <tr> <td data-bbox="2712 641 2912 724">Hot House</td> <td data-bbox="2912 641 3005 724"></td> <td data-bbox="3005 641 3098 724"></td> <td data-bbox="3098 641 3185 724"></td> </tr> <tr> <td data-bbox="2712 724 2912 806">Disorderly</td> <td data-bbox="2912 724 3005 806"></td> <td data-bbox="3005 724 3098 806"></td> <td data-bbox="3098 724 3185 806"></td> </tr> <tr> <td data-bbox="2712 806 2912 902">Orderly</td> <td data-bbox="2912 806 3005 902"></td> <td data-bbox="3005 806 3098 902"></td> <td data-bbox="3098 806 3185 902"></td> </tr> </tbody> </table>				Time Horizons				Scenarios	S	M	L	Hot House				Disorderly				Orderly			
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Current Financial Impact	Anticipated Financial Impact			AIG New Zealand's Approach																								
<p>Not material.</p>	<p>Over the short-term, increased competition in transition-aligned sectors and evolving customer expectations may require investment in product development and underwriting capability. Potential for modest reductions in new business volumes if competitors move more quickly to capture emerging risks.</p> <p>Over the medium-term, failure to effectively harness opportunities would likely result in reduced premium growth and gradual loss of market share in transition-aligned industries. Over the long-term, as decarbonisation pathways mature and insurance solutions evolve across the market, product offerings and underwriting approaches are expected to progressively align across the industry.</p>			<p>Becoming climate resilient and implementing sustainable business practices can entail technological, financial and regulatory risks and complexities. AIG New Zealand recognises that conventional insurance products do not always address new and developing sustainability-related issues.</p> <p>Globally, AIG Inc. works closely with Claims and Risk Engineering teams to assess data insights to support entry into new markets, including emerging markets such as renewable energy. This positions AIG New Zealand well to support our client’s sustainability journeys by leveraging AIG Inc.'s product innovation initiatives.</p> <p>While short to medium-term competitive pressures may arise as markets evolve, AIG New Zealand is positioned well to harness opportunities arising from a decarbonising economy and sufficiently mitigate the risk of losing market share</p>																								
Short Term		Medium Term		Long Term																								
\$2m–\$6m decrease in profit		\$3m–\$11m decrease in profit		Not material																								
<p><b>Key Assumptions to model this risk</b></p> <ul style="list-style-type: none"> <li>Increased costs due to innovation uplift – based on available industry data, firms may spend 16–45% of operational expenditure on innovation and digital transformation, and 1–3% of total revenue on digital technologies. This type of innovation may be analogous to climate-related innovation. Increases of operational costs by 1–3% of revenue were modelled.</li> <li>Lost market share – premium decreases of 1–5% per year were modelled.</li> </ul>																												

Product innovation and market expansion opportunities arising from the climate transition

OPPORTUNITY

Opportunity Summary	Business Model & Value Chain Impact	Potential Actions to Realise Opportunity	Time Horizon						
<p>Emerging climate-related risks and transition activities may create opportunities for new products and market expansion, supporting premium growth, portfolio diversification and enhanced competitive positioning.</p> <p><b>Opportunity Type:</b></p> <ul style="list-style-type: none"> <li>• Physical</li> <li>• Transition</li> </ul>	<p>As the climate transition progresses and the physical impacts of climate change intensify, new insurance needs are expected to emerge across both mitigation and adaptation activities.</p> <p>This may create opportunities for AIG New Zealand to develop innovative products and enter new or expanding markets, including renewable energy, climate adaptation infrastructure and transition-enabling industries. Product innovation, such as parametric insurance solutions, incentives for resilient construction, and liability products tailored to transition-related activities, may support diversification of revenue streams and growth in transition-aligned sectors. These developments could enhance AIG New Zealand’s business model through expanded underwriting capabilities, differentiated product offerings and stronger broker and client relationships. Realisation of this opportunity will likely require investment in underwriting expertise, data and modelling capabilities, product development and distribution channels across the insurance value chain.</p>	<ul style="list-style-type: none"> <li>• Invest in product development that support clients in their climate-transition journeys.</li> <li>• Strengthen broker and client engagement to identify emerging insurance needs and collaborate to develop tailored solutions.</li> <li>• Invest in underwriting capability by providing targeted training on transition-related technologies, emerging markets, and regulatory developments.</li> <li>• Utilise clients' climate sustainability reports as part of the underwriting process, to help inform risk selection and pricing adequacy.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Short-term</b></li> <li>• <b>Medium-term</b></li> </ul>						
<p><b>Current Financial Impact</b></p>	<p><b>Anticipated Financial Impact</b></p>	<p><b>AIG New Zealand's Approach</b></p>							
<p>No identifiable impact for the reporting period.</p>	<p>In the short-term, realisation of this opportunity may require upfront investment in product development, underwriting capability, and distribution engagement. This may result in a modest increase in operating costs. Revenue contribution from new products may initially be limited as offerings are developed and market demand matures.</p> <p>Over the medium-term, as transition-aligned and climate adaption markets expand, new product offerings such as parametric insurance, resilience-linked incentives and transition-related liability cover may contribute to gross written premium growth. Successful market entry could offset potential reductions in carbon-intensive sectors and support improved revenue diversification.</p> <p>Over the long-term, as decarbonisation pathways mature and insurance solutions evolve across the market, product offerings and underwriting approaches are expected to progressively align across the industry, negating the material financial benefit.</p> <table border="1" data-bbox="643 1437 1962 1596"> <thead> <tr> <th data-bbox="643 1437 1142 1508">Short Term</th> <th data-bbox="1159 1437 1659 1508">Medium Term</th> <th data-bbox="1675 1437 1962 1508">Long Term</th> </tr> </thead> <tbody> <tr> <td data-bbox="643 1517 1142 1596">\$2m–14m increase in profit</td> <td data-bbox="1159 1517 1659 1596">\$3m–25m increase in profit</td> <td data-bbox="1675 1517 1962 1596">Not material</td> </tr> </tbody> </table>	Short Term	Medium Term	Long Term	\$2m–14m increase in profit	\$3m–25m increase in profit	Not material	<p>Through targeted investment in product development, specialist underwriting capability and leveraging AIG Inc.'s product innovation initiatives, AIG New Zealand is well positioned to participate in expanding markets such as renewable energy, and transition-enabling industries.</p> <p>AIG New Zealand is already putting into practice sustainable solutions that supports the climate transition, by providing coverage for the construction of renewable energy sites, climate-related technology development, and other transition-aligned clients who play a role in expanding the renewable energy sector.</p> <p>While short-term investments may be required to scale new offerings, AIG New Zealand is considered to be well positioned to achieve sustainable growth and enhanced competitive positioning under a range of climate transition scenarios.</p>	
Short Term	Medium Term	Long Term							
\$2m–14m increase in profit	\$3m–25m increase in profit	Not material							
<p><b>Key Assumptions to model this risk</b></p> <ul style="list-style-type: none"> <li>• <b>Increased costs due to innovation uplift</b> – Based on desktop research, firms may spend 16–45% of operational expenditure on innovation and digital transformation, and 1–3% of total revenue on digital technologies. We consider this type of innovation to be analogous to climate-related innovation. Increases in operational costs of 1–3% of total revenue were modelled.</li> <li>• <b>Gained market share</b> – Based on desktop research of the insurance sector, increases of 1–5% per year of gross written premium were modelled.</li> </ul>									

## Customer and broker engagement to support the climate transition and reduce regulator intervention risk

### OPPORTUNITY

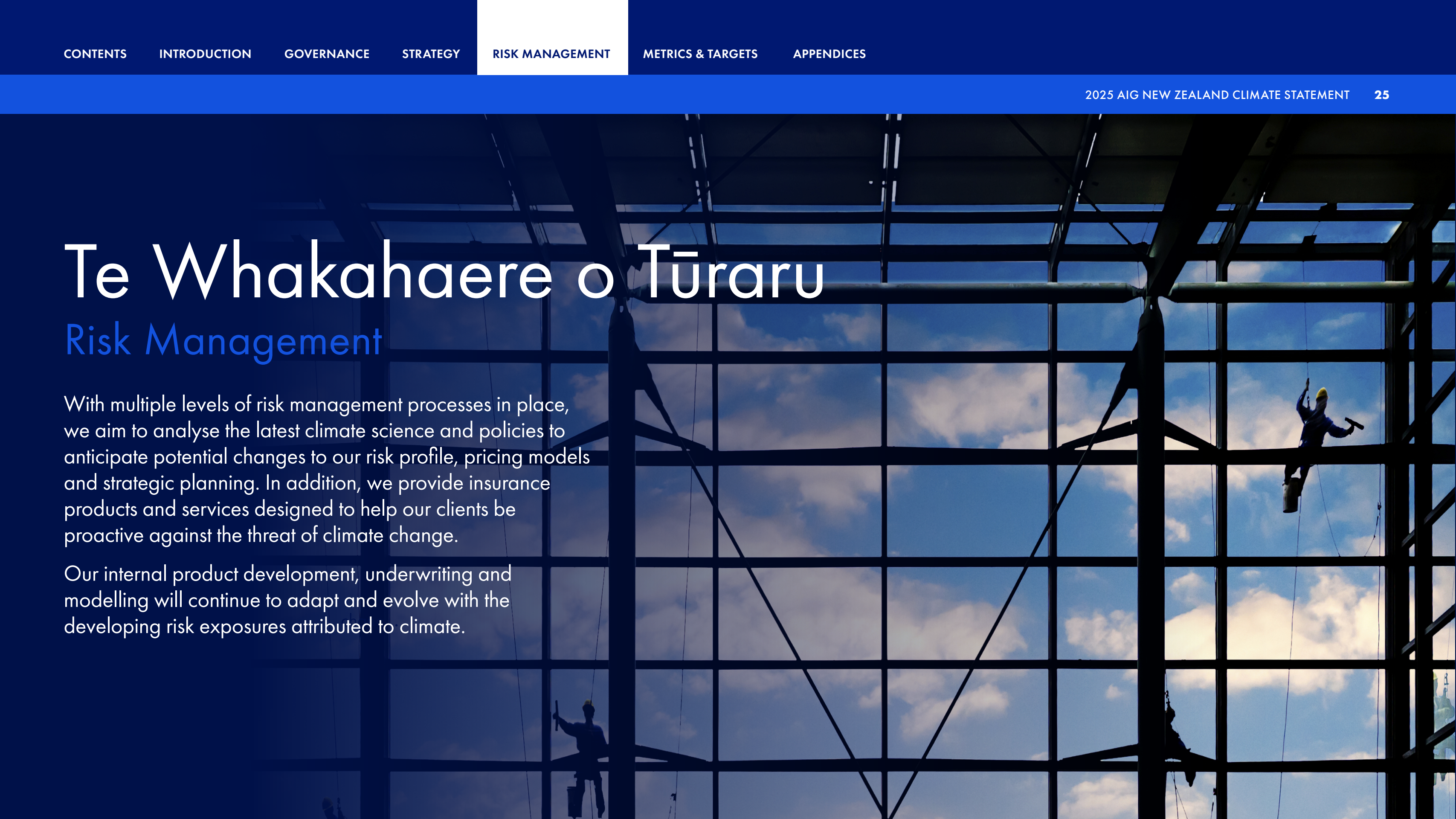
Opportunity Summary	Anticipated Business Impact	Potential Actions to Realise Opportunity	Time Horizon
<p>Enhanced engagement with customers and brokers in transition-critical sectors may provide support for affordability and reduce regulatory intervention risk.</p> <p><b>Opportunity Type:</b></p> <ul style="list-style-type: none"> <li>• Physical</li> <li>• Transition</li> </ul>	<p>As affordability pressures increase and the climate transition accelerates, enhanced engagement with customers and brokers presents an opportunity for AIG New Zealand to better anticipate evolving insurance needs and support an orderly climate transition. By working closely with clients across transition-critical sectors, AIG New Zealand can strengthen risk understanding, promote mitigation measures and tailor insurance solutions aligned to transition pathways. Proactive engagement and collaboration may improve underwriting insight, pricing adequacy and product design across the insurance value chain, including underwriting, distribution and claims functions. Deepened broker and client relationships may also enhance customer retention. Through engagement with regulators and industry bodies, AIG New Zealand may reduce the likelihood or severity of regulatory intervention arising from insurability concerns. This may contribute to greater market stability, sustainable premium growth and an enhanced reputation as a responsible insurer supporting the transition to a low-carbon and climate resilient economy.</p>	<ul style="list-style-type: none"> <li>• Continue to engage with regulators and industry bodies to demonstrate constructive engagement on insurability and transition challenges and contribute towards climate-transition solutions.</li> <li>• Deepen sector engagement with customers and brokers in transition critical sectors to better understand evolving risk profiles.</li> <li>• Continue to leverage our Risk Engineering team, supporting clients by providing guidance to help mitigate climate-related risks and improve insurability and climate-resiliency.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Short-term</b></li> <li>• <b>Medium-term</b></li> <li>• <b>Long-term</b></li> </ul>
Current Financial Impact	Anticipated Financial Impact	AIG New Zealand's Approach	
<p>No identifiable impact for the reporting period.</p>	<p>In the short-term, enhanced customer and broker engagement initiatives may result in increased operating expenses, including investment in client and broker engagement, risk engineering services, and analytics to monitor insurability trends. While these initiatives may not immediately translate into material revenue growth, they would likely support customer retention and mitigate sudden portfolio reductions in climate-expose segments.</p> <p>Over the medium to long-term, sustained collaboration with customers, brokers, and regulatory and industry bodies may contribute to greater market stability and a more orderly transition across key sectors. By anticipating customer needs and supporting resilience-building measures, AIG New Zealand may reduce the risk of adverse regulatory intervention and preserve portfolio sustainability, enhance our reputation, and support sustainable, long-term profitability.</p>	<p>AIG New Zealand's strategy encompasses proactive engagement with clients, brokers, and industry bodies. Through strengthened collaboration, risk advisory capability and effective communication, AIG New Zealand is positioned to promote an orderly adjustment within transition-critical sectors.</p> <p>Leveraging our strong relationships with industry bodies such as the Insurance Council of New Zealand (ICNZ), AIG New Zealand could support the implementation of market-based insurance solutions and is well positioned to reduce the likelihood and severity of disruptive regulatory intervention.</p>	
<p>Due to the high degree of uncertainty and exploratory nature of forming a basis of quantification for this risk, AIG New Zealand does not believe a meaningful estimate of financial impact could currently be derived from an attempt at quantification.</p>			

# Te Whakahaere o Tūraru

## Risk Management

With multiple levels of risk management processes in place, we aim to analyse the latest climate science and policies to anticipate potential changes to our risk profile, pricing models and strategic planning. In addition, we provide insurance products and services designed to help our clients be proactive against the threat of climate change.

Our internal product development, underwriting and modelling will continue to adapt and evolve with the developing risk exposures attributed to climate.



## Enterprise Risk Management Framework

AIG New Zealand’s Enterprise Risk Management Framework is the totality of systems, structures, policies, processes and people that enable the identification, measurement, evaluation, monitoring, reporting and management of material risks.

This framework is outlined in AIG New Zealand's Risk Management Strategy and has evolved in recent years. It encompasses an established risk governance structure with clear oversight and responsibilities for the monitoring and management of financial, insurance, operational and strategic risks, including those related to climate change. The Board Risk Committee supports the Board of Directors in oversight over the Risk Management Strategy and its execution.

### Enterprise Risk Management Team

Our Enterprise Risk Management (ERM) team is responsible for overseeing and monitoring the effectiveness of AIG New Zealand’s risk management activities and provides senior management and our Board with a consolidated view of our risk profile.

Our ERM function provides support in climate-related risk management and wider sustainability-related activities which includes identification of current and emerging risks, monitoring external business and regulatory developments, design of stress scenarios, and monitoring the potential for risk aggregation and risk accumulation across underwriting, investments and our own operations. The ERM team is operationally independent and is led by the Chief Risk Officer.

### Risk Management Process

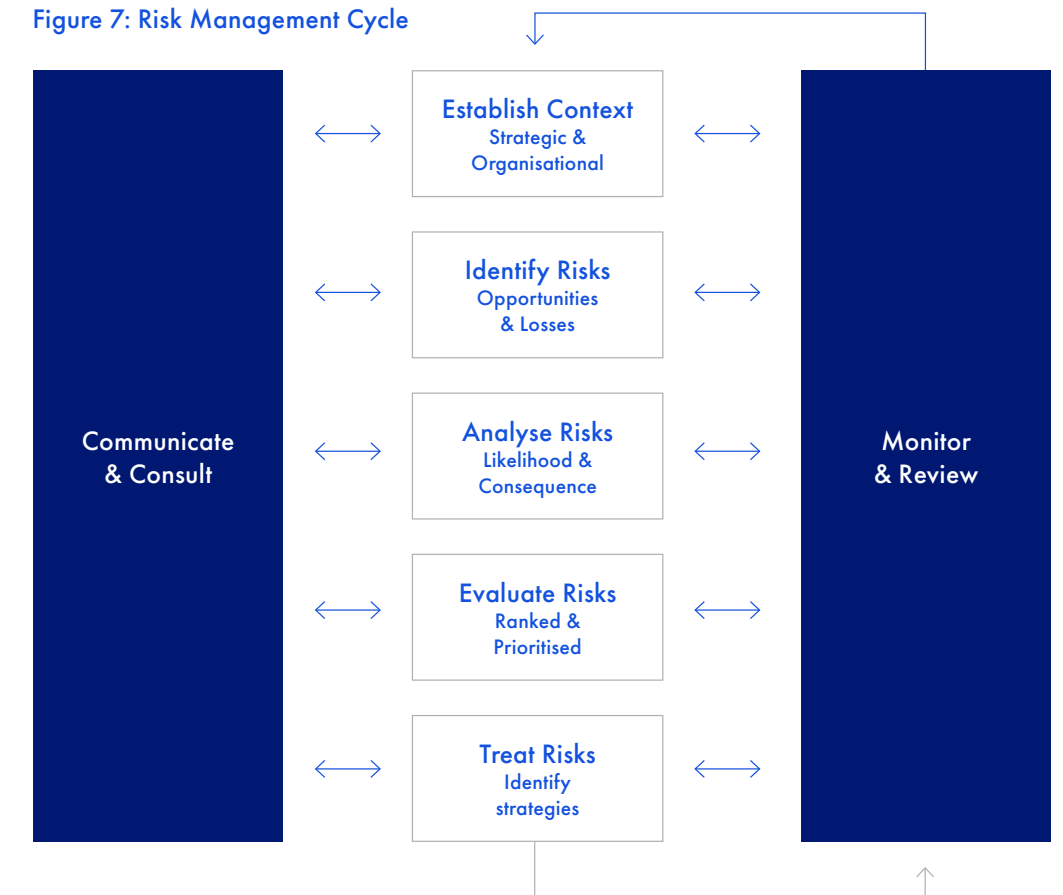
Our Risk Management Cycle (shown in [Figure 7](#)) describes our end-to-end risk management process. It can be used to manage a range of risk types including climate-related risks. In line with our risk management framework the key steps undertaken include:

- **Establishing Context** Ensures that risk reviews undertaken within AIG New Zealand are effective, targeted and serve to facilitate informed business decisions. It involves understanding the objectives, the internal and external context that define the operating environment, and the risk appetite which sets criteria to guide risk management decisions and actions. AIG New Zealand defines its overall value chain and associated business model when considering the parameters of its climate-related risk considerations.
- **Identification** AIG New Zealand identifies risks facing our business through a combination of top-down and bottom-up approaches. Key risks, or those that may pose material impacts for the organisation, are recorded consistently within a risk register.
- **Analysis** Identified risks go through an analysis process, including analysing root cause, likelihood and consequence. This is conducted using AIG New Zealand’s 4x4 Risk Rating Matrix.
- **Evaluation** Risks are further evaluated and assigned a risk rating – both from an inherent perspective (pre-controls) and residual perspective (post-controls). They are then prioritised and ranked within the overall risk profile of the business area or enterprise.
- **Treatment** Treatment plans are discussed including the ability to tolerate, treat, transfer or terminate the risk. Key controls and/ or actions plans are put in place to treat the risk and bring the exposure within acceptable levels.

## Statement of Risk Appetite

Our Statement of Risk Appetite reflects AIG New Zealand’s current risk and business profile and refers to the amounts and types of risk that we are prepared, and able, to take in the pursuit of our strategic objectives and business plan. This statement is organised by key risk categories, which includes climate risk. AIG New Zealand views an effectively established and communicated appetite as an important tool that will assist in providing guidelines to management and staff to support climate-related strategic plans and goal setting. This will also facilitate the embedding of risk management principles into governance, decision making and day to day activities that are carried out in relation to climate risk.

Figure 7: Risk Management Cycle



## Climate-Related Risk Profiling

Throughout 2025, climate change continued to be identified as an enterprise-wide risk for AIG New Zealand and is managed as a sub-category of Business & Strategic Risk within our Risk Management Strategy. In addition to the Risk Management Process, climate-related risk profiling is conducted using the methodologies outlined in Figure 8. Our Climate-Related Risk Profiling and integration with our other enterprise risk management practices, enables AIG New Zealand to consider climate change as part of its overall risk profile as an enterprise. In 2025, climate-related risks were assessed to identify the risks that could reasonably be expected to affect AIG New Zealand’s prospects.

Additionally, AIG New Zealand regularly evaluates climate-related opportunities as part of its business and strategic planning practices. In 2024, we started to identify and assess climate-related opportunities using the scenario analysis approach detailed in the Strategy section of this Report.

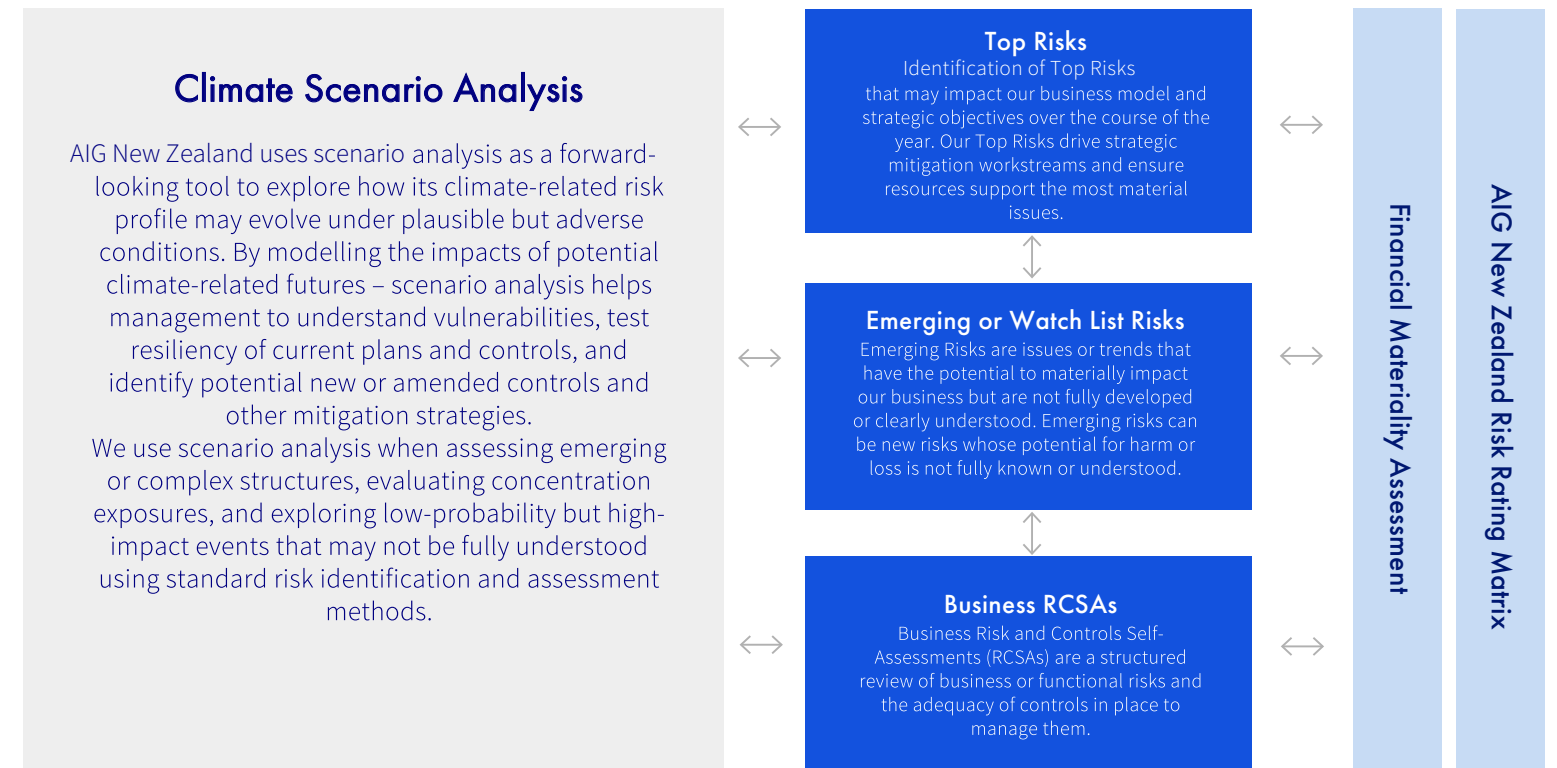
### Monitoring and Review of Climate-Related Risks

An ongoing monitoring and review process is in place to ensure adequate oversight and governance over climate-related risk management within AIG New Zealand. This includes but not limited to quarterly reporting to management and the Board Risk Committee of our risk profile, including monitoring of incidents, risk trends and metrics. We also conduct an annual review of the top risks with key stakeholders and risk owners. Our climate-related management and Board governance structures outlined in Figure 1 support the monitoring and oversight of climate-related risks.

This helps to ensure that risk exposures, control effectiveness and broader risk environment remain aligned with our risk appetite and objectives. At an enterprise risk level, quantitative measures such as key risk indicators provide objective insight. Qualitative assessments, such as management judgement and governance reviews, consider contextual factors that may not be fully captured through metrics alone. Together, they provide a balanced view of our risk profile over time.

As our understanding of climate-related risks evolves, so too will our monitoring and reporting mechanisms.

Figure 8. Climate-Related Risk Profiling



## Capital Deployment and Funding

AIG New Zealand considers climate-related risks as part of our decision-making processes for the business:

- Natural catastrophe risk is a direct input into AIG New Zealand's capital management and funding strategy, including within the annual budget preparation and underwriting of our insurance products. As part of our risk assessment process, AIG New Zealand has identified that climate change is directly affecting our natural catastrophe risk profile.
- Additional processes that consider risks include but are not limited to:
  - our reinsurance placement strategy (capacity, allocation split, etc.);
  - assessment of reinsurance premiums;
  - internal capital provisions for natural catastrophe(s).

Opportunities may be recognised during AIG New Zealand's risk identification process, with failure(s) to exploit opportunities identified as a risk in and of itself.

## Underwriting and Risk Engineering

AIG New Zealand's underwriting philosophy is designed to ensure underwriters address all identified aspects of a risk before offering terms. These factors include the relevant risk rating, the deductible level, the extent of coverage, and the insured's risk management and loss control practices, financial condition and prior loss experience. Key aspects of the processes are embedded within the business to mitigate risk arising from insurance contracts. AIG New Zealand utilises a combination of internal and external reinsurance in managing its large-loss exposures. Our internal reinsurance is arranged via a standardised inter-company reinsurance framework across AIG Inc. providing significant protection to AIG New Zealand's statutory capital and being intrinsic to the determination of local capital targets and thresholds.

Our Risk Engineering team partners with the underwriting teams and clients to assess risk and advise on how to create safer, more resilient environments by providing technical guidance for risk-based decisions.

The team's risk assessments can encompass several areas of our clients' operations, including property and product safety, environmental and transportation risks and cyber infrastructure and incident response readiness. The Risk Engineering team also advises clients on how to make their properties more resilient against preventable losses from natural catastrophes, such as recommending defensive barriers against floodwater or wildfires and strengthening structures against windstorms.



# Ngahuru me Whāinga

## Metrics and Targets



## Our Greenhouse Gas (GHG) Emissions

We measure our Scope 1, Scope 2 and eight categories of Scope 3 GHG emissions based on operational control by considering the internationally recognized methodologies from the Greenhouse Gas Protocol standards in partnership with the World Resources Institute and World Business Council for Sustainable Development.

We use operational control to define reporting boundaries for owned and leased assets across Scope 1, Scope 2 and Scope 3 emissions, which include the following sources:

- **Scope 1 emissions:** Direct emissions from stationary combustion (natural gas, diesel and other fuels), and mobile combustion (motor gasoline, diesel fuel, jet fuel).
- **Scope 2 emissions:** Indirect emissions from the generation of purchased electricity, heating, and cooling using the location-based method.
- **Scope 3 emissions:** Also referred to as value chain emissions, are the result of activities from assets not directly owned or controlled by AIG New Zealand, but that AIG New Zealand indirectly affects in its value chain activities.<sup>11</sup>

AIG New Zealand is utilising adoption provision 4: Scope 3 Greenhouse Gas (GHG) emissions – in respect of a subpart of our GHG Scope 3 emissions sources, including in relation to our investment and insurance-associated emissions. The Corporate Value Chain (Scope 3) Accounting and Reporting Standard defines 15 categories of Scope 3 emissions; we are currently measuring 7 of the 15 categories as outlined in [Table 4](#).

Where reasonably available, GHG emissions are calculated based on actual (e.g. metered) data received. In certain instances where actual data is not reasonably available, we rely on estimates by considering internationally accepted and recognised methodologies and standards.

GHG emissions information is subject to measurement and estimation uncertainties resulting from limitations inherent to the data and methods used for compiling and determining such information. The methodologies and assumptions used to determine such data are still in the early stages of development and are likely to change.

As our measurement and estimation techniques evolve, the use of different methodologies and changes in data availability could result in materially different measurements. The precision of different measurement techniques may also vary. GHG emission calculations incorporate certain third-party information.

### Assurance

AIG New Zealand has obtained independent limited assurance over its disclosed Scope 1 and Scope 2 GHG emissions metrics for the year ended 31 December, 2025. Refer to the third-party limited assurance report for further information located at [Appendix B](#). Our management assertion is located at [Appendix A](#).

Table 4: AIG New Zealand’s GHG Emissions

	Metric Tonnes of CO <sub>2</sub> E	
	2024	2025
<b>Scope 1 Emissions</b>	2 <sup>12</sup>	2
<b>Scope 2 Emissions (location-based)</b>	20 <sup>12</sup>	28
<b>Total Scope 1 + 2 Emissions<sup>13</sup></b>	<b>22</b>	<b>30</b>
<b>Emissions Intensity (Scope 1 and 2)<sup>14</sup> 14 mtCO<sub>2</sub>e/NZ\$M</b>	<b>0.068</b>	<b>0.089</b>
<b>Scope 3 Emissions<sup>15</sup></b>		
Category 1 – Purchased goods and services <sup>16</sup>	463	687
Category 2 – Purchased capital goods <sup>16</sup>	52	6.5
Category 3 – Fuel and energy-related activities	6.9	8
Category 4 – Upstream transportation and distribution	0.51	0.36
Category 5 – Waste generated in operations	7.6	6
Category 6 – Business travel	113	107
Category 7 – Employee commuting	120	98
Category 8 – Upstream leased assets	4 <sup>12</sup>	6.4
<b>Total Scope 3 Emissions</b>	<b>767.01</b>	<b>919.26</b>

11 The Corporate Value Chain (Scope 3) Accounting and Reporting Standard defines 15 categories of Scope 3 emissions. We are currently measuring 8 of the 15 categories as outlined in Table 4.

12 In 2024, electricity consumed through landlord-controlled HVAC systems to generate heating and cooling for assets within AIG’s operational control was previously included within Scope 1 emissions. In 2025, AIG determined that it should be included in Scope 2 emissions as on site heat generation equipment falls under the operational control of the landlord, not AIG, hence are indirect, not direct, emissions. This resulted in an adjustment of +8 tCO<sub>2</sub>e in 2024 Scope 2 and –8 tCO<sub>2</sub>e in 2024 Scope 1 emissions. The refrigerant emissions associated with the same purchased heating and cooling was previously included in Scope 1. These emissions are also indirect, and as Scope 1 includes only direct emissions, this resulted in an adjustment of +4 tCO<sub>2</sub>e in 2024 Scope 3 Category 8 and –4 tCO<sub>2</sub>e in 2024 Scope 1 emissions. The total impact decreased 2024 Scope 1 emissions from 14 tCO<sub>2</sub>e to 2 tCO<sub>2</sub>e, increased Scope 2 emissions from 12 tCO<sub>2</sub>e to 20 tCO<sub>2</sub>e and increased Scope 3 Category 8 emissions from 0 tCO<sub>2</sub>e to 4 tCO<sub>2</sub>e. 2024 Emissions intensity changed from 0.078 to 0.068.

13 Our 2024 and 2025 Scope 1 and Scope 2 location-based GHG emissions were subject to independent limited assurance.

14 For the avoidance of doubt, AIG New Zealand’s disclosed emissions intensity is not subject to independent limited assurance. This calculation was not adjusted for inflation. This calculation is based on AIG New Zealand’s scope 1 and 2 emissions and revenue.

15 AIG New Zealand has voluntarily disclosed certain Scope 3 emissions. For the avoidance of doubt, this Scope 3 emissions data is not subject to independent limited assurance.

16 In 2024, AIG New Zealand reported Scope 3.2 (purchased capital goods) and 3.1 (purchased goods and services) as a combined figure because Category 2 was minimal and could not be disaggregated from Category 1. In 2025, we were able to separate the emissions and retroactively apply the methodology to 2024. As part of this update, emission factors have also been updated which has resulted in a reduction of 90 tCO<sub>2</sub>e to the reported combined total of Scope 3.1 and 3.2 for 2024.

## Climate-Related Metrics

Table 5: Additional Climate-Related Metrics

Description	Underwriting Metrics	Investments Metrics
<p><b>Amount or percentage of assets or business activities vulnerable to climate-related transition risks<sup>17</sup></b></p>	<p><b>Increase in D&amp;O litigation and claims from the climate transition:</b> AIG New Zealand's D&amp;O and Public Liability portfolios are considered vulnerable to this risk, representing 15% of AIG New Zealand's total gross written premium in 2025.</p> <p><b>Shifting climate policy leads to stranded assets for AIG New Zealand's D&amp;O Clients:</b> AIG New Zealand's D&amp;O portfolio is considered vulnerable to this risk, representing 8% of AIG New Zealand's total gross written premium in 2025.</p> <p><b>Loss of market share arising from an inability to capitalise on emerging decarbonisation opportunities:</b> AIG New Zealand's Commercial Property, Industrial Special Risks (ISR), and Business Package portfolios are considered vulnerable to this risk, representing 55% of AIG New Zealand's gross written premium in 2025.</p>	<p>AIG's global investment team utilises a number of classification methods and codes to analyse exposure of the portfolio to climate-relevant sectors, including the Bloomberg Classification System (BCLASS). The relatively short duration of our holdings provides substantial risk mitigation, in addition to our investment portfolio as a whole having a strong weighted-average credit rating. In 2024, we disclosed that the portion of AIG New Zealand's portfolio in emissions-intensive sectors was relatively limited and therefore immaterial.</p>
<p><b>Amount or percentage of assets or business activities vulnerable to climate-related physical risks<sup>18</sup></b></p>	<p><b>Rising claims costs from climate-related weather events and natural catastrophes:</b> AIG New Zealand's Commercial Property, Industrial Special Risks (ISR), and Business Package portfolios are considered vulnerable to this risk, representing 55% of AIG New Zealand's gross written premium in 2025.</p> <p><b>Reputational impacts associated with rising insurance affordability challenges:</b> AIG New Zealand's Commercial Property, Industrial Special Risks (ISR), and Business Package portfolios are considered vulnerable to this risk, representing 55% of AIG New Zealand's gross written premium in 2025.</p>	<p>AIG Inc. has purchased physical risk scenario modelling data from MSCI for estimating physical risks for each corporate issuer in our investment portfolio. MSCI's physical risk modelling was chosen by AIG Inc. as it uses a combination of climate model projections, statistical extrapolation of historical trends from the last 40 years, and scenario analysis. Our analysis of the portfolio using this scenario data suggests that the relatively short duration of our holdings contributes to risk mitigation. Physical risks, if they do manifest, will likely impact the issuers in our portfolio over horizons well beyond the maturities of our holdings. Based on analysis provided to AIG, our investments are generally not considered to be vulnerable to enterprise value changes from physical risks over the duration of our investments. This is consistent with our 2024 disclosure.</p>

<sup>17</sup> In 2024, we did not disclose the proportion of our underwriting activities that were considered vulnerable to identified climate-related transition risks. Our 2025 disclosure reflects our updated understanding of the impacts of climate-related transition risks.

<sup>18</sup> In 2024, we did not disclose the proportion of our underwriting activities that were considered vulnerable to identified climate-related physical risks. Our 2025 disclosure reflects our updated understanding of the impacts of climate-related physical risks.

Table 5: Additional Climate-Related Metrics cont.

Description	Underwriting Metrics	Investments Metrics
<b>Amount or percentage of assets or business activities aligned to climate-related opportunities<sup>19</sup></b>	<p><b>Product innovation and market expansion opportunities arising from the climate transition:</b> AIG New Zealand expects this opportunity to provide benefits across our Commercial Property, Industrial Special Risks (ISR), and Business Package portfolios, representing 55% of AIG New Zealand's gross written premium in 2025.</p> <p><b>Customer and broker engagement to support the climate transition and reduce regulator intervention risk:</b> AIG New Zealand expects this opportunity to provide benefits across our Commercial Property, Industrial Special Risks (ISR), and Business Package portfolios, representing 55% of AIG New Zealand's gross written premium in 2025.</p>	AIG's global investment team utilises BCLASS codes in analyzing exposure of the portfolio to climate-relevant sectors. This analysis indicates that the portion of the AIG New Zealand portfolio in climate-relevant sectors is relatively limited and therefore immaterial. In the case of issuers from these climate-relevant sectors, AIG uses both publicly available and privately-purchased information to assess whether a given firm may benefit from new or improved revenue streams as a result of energy transition-related policy changes. That said, the relatively short duration of the AIG New Zealand portfolio renders immaterial any portfolio benefit that might be achieved by investing in issuers with business models well positioned for medium- and long-term climate trends. This is consistent with our 2024 disclosure.
<b>Amount of capital expenditure, financing, or investment deployed toward climate-related risks and opportunities</b>	AIG New Zealand considers climate-related risks and opportunities, and delivery of our transition plan, as part of our decision-making processes for capital deployment and funding, within the annual budget preparation, our investment-management and the underwriting of our insurance products. It is difficult to determine the exact proportion of deployment due to overlap between AIG New Zealand and AIG Inc.'s expenditure. AIG Inc.'s expenditure on initiatives such as dedicated sustainability working groups affects AIG New Zealand but is shared amongst the various entities within AIG. Additionally, some capital expenditure may relate to climate-related risks and opportunities but has other or ulterior motivations. Due to this lack of differentiation, we are not able to disclose a specific amount relating to our capital expenditure, financing or investment that was explicitly deployed towards climate-related risks and opportunities..	
<b>Carbon pricing</b>	Consistent with 2024, AIG New Zealand does not use an internal carbon price as its practices are aligned with AIG Inc. AIG Inc. does not use an internal carbon price given current market maturity and potential unintended risks. AIG will continue to research and evaluate this position.	
<b>Remuneration</b>	Refer to <b>Management Remuneration</b> within the <b>Governance</b> section of this document. This is consistent with our 2024 disclosure.	
<b>Performance Monitoring</b>	The extent to which AIG Inc. intends to rely on offsets for its Net Zero Commitments is uncertain at this stage, as AIG has not yet set science-based emissions reduction targets, AIG New Zealand has not formed a view on the extent to which the AIG Group Net Zero Commitments contribute to limiting global warming to 1.5 degrees Celsius.	

<sup>19</sup> In 2024, we did not disclose the proportion of our underwriting activities that were considered aligned to identified climate-related opportunities. Our 2025 disclosure reflects our updated understanding of our alignment to climate-related opportunities.

# Appendices

## Appendix A: AIG New Zealand Limited Management Assertion (subject to assurance)

For the year ended 31 December, 2025

With respect to the greenhouse gas (GHG) emissions metrics presented in the table below for the year ended December 31, 2025 (reporting period), management of AIG Insurance New Zealand Limited (“AIG New Zealand”, “we” or “our”) asserts that the GHG emissions metrics are presented in accordance with the assessment criteria set forth below.

Management is responsible for the completeness, accuracy and validity of the GHG emissions metrics and for the selection of the criteria in accordance with the Aotearoa New Zealand Climate Standards (NZCS) issued by the External Reporting Board (XRB), which management believes provide an objective basis for measuring and reporting on the GHG emissions metrics.

### Reporting Boundary

The reported GHG emissions metrics cover AIG New Zealand. AIG New Zealand uses the operational control approach to define its reporting boundaries for owned and leased assets, which includes offices and vehicles. AIG’s leased assets are operating leases as defined by the Corporate Value Chain (Scope 3) Accounting and Reporting Standard: Supplement to the GHG Protocol Corporate Accounting and Reporting Standard- Appendix A. Accounting for Emissions from Leased Assets; therefore, emissions from these leased assets are accounted for within the reported Scope 1 and Scope 2 emissions.

Metric	Definition of Metric <sup>1,2,3,4,5</sup>	Metric Quantity (MTCO <sub>2</sub> e)
Scope 1 Emissions <sup>6</sup>	Direct emissions from stationary combustion (natural gas), mobile combustion (motor gasoline).	2
Scope 2 Emissions (location-based) <sup>7</sup>	Indirect emissions from the generation of purchased electricity, heating, and cooling using the location-based method.	28

### GHG Emissions Assessment Criteria

- AIG New Zealand considers the principles and guidance of the World Business Council for Sustainable Development’s (WBCSD) The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition and GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard to guide the criteria to assess, measure, and report the GHG emissions metrics.
- GHG emissions quantification is subject to significant inherent measurement uncertainty because of such things as GHG emissions factors that are used in mathematical models to calculate GHG emissions, and the inability of these models, due to incomplete scientific knowledge and other factors, to accurately measure under all circumstances the relationship between various inputs and the resultant GHG emissions. Environmental and energy use data used in GHG emissions calculations are subject to inherent limitations, given the nature and the methods used for measuring such data. The selection by management of different but acceptable measurement techniques could have resulted in materially different amounts or metrics being reported.
- Carbon dioxide equivalent (CO<sub>2</sub>e) emissions are inclusive of carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and nitrous oxide (N<sub>2</sub>O) and industrial gases, which include hydrofluorocarbons (HFC<sub>s</sub>), sulfur hexafluoride (SF<sub>6</sub>), perfluorocarbons (PFC<sub>s</sub>), and nitrogen trifluoride (NF<sub>3</sub>). Emissions by individual gas is not disclosed as a majority of CO<sub>2</sub>e relates to CO<sub>2</sub>. These CO<sub>2</sub>e emissions utilize Global Warming Potentials (GWPs) as follows: (i) where the GWP is not embedded in the emission factor, GWPs defined by the Intergovernmental Panel on Climate Changes (IPCC) Sixth Assessment Report (AR6 – 100 year horizon), (ii) where the GWP is embedded in the emission factor but the emission factor by individual gas is not disclosed, the embedded GWP is applied, or (iii) where the GWP is embedded in the emission factor and the emission factor by individual gas is disclosed, the embedded GWP is converted to AR 6. We prioritize using the latest AR values possible, AR6 as of now, specifically in cases where a per-gas breakdown is available or are provided having used AR6 values. However, some emission factors (EFs) are only provided as CO<sub>2</sub>-equivalent using AR4 or AR5 values, which we use as published and cite accordingly.
- CO<sub>2</sub>e emissions are calculated by multiplying actual or estimated activity data (e.g., energy or fuel usage) by relevant emissions factors and/or GWPs. All emissions factors are updated annually, where applicable.

### GHG Emissions Assessment Criteria cont.

5. MTCO<sub>2</sub>e = metric tonnes of carbon dioxide equivalent.
6. Scope 2 emissions (location-based) include the sources listed below. 100% of reported Scope 2 emissions were estimated.
  - a) Mobile combustion
 

Emissions were estimated by converting distance travelled collected from internal company vehicle records (i.e., odometer readings) into fuel consumption. For internal combustion and hybrid electric vehicles, we used the average fuel economy by vehicle type from the 2024 US Department of Energy Alternative Fuels Data Center (AFDC) and multiplied it by fuel-specific emissions factors.

For the fuel portion of plug-in hybrid electric vehicles (PHEV), we used the average PHEV fuel economy (miles/gallon) from the 2024 Argonne National Laboratory Alternative Fuel Life-Cycle Environmental and Economic Transportation (AFLEET) tool and multiplied by fuel-specific emission factors.

Emissions factors used: New Zealand MfE 2025 flat file (June 2025) converted to IPCC Sixth Assessment Report (AR6) GWP100.
7. Scope 2 emissions (location-based) include the sources listed below. Approximately 16% of reported Scope 2 emissions were estimated.
  - a) Purchased electricity, heating or cooling used in sites were calculate based on actual monthly consumption and estimated quarterly consumption collected from third-party invoices. Electricity, heating, or cooling purchased from the landlord was apportioned according to tenancy (i.e., floor area) as provided by landlord.
    - Emission Factors used: NZ: New Zealand MfE 2025 flat file (June 2025) converted to IPCC Sixth Assessment Report (AR6) GWP100. Purchased electricity for electric and hybrid vehicles
    - Where electricity consumption is unavailable, the quantity of vehicles, vehicle class, distance travelled, and location are used to estimate electricity consumption.
    - For PHEV, electricity consumption is estimated using the average PHEV electricity efficiency from the AFLEET tool (2024). Electricity efficiency is combined with the distance data to calculate electricity use.
    - Emission factors used: New Zealand MfE 2025 flat file (June 2025) converted to IPCC Sixth Assessment Report (AR6) GWP100.

8. The GHG Protocol Scope 2 Guidance sets forth reporting under both location-based and market-based methodologies. This management assertion only includes AIG's location-based Scope 2 emissions as AIG is only reporting location-based at this time.

## Appendix B: Independent Assurance Report



### Independent Assurance Report

To the Directors of AIG Insurance New Zealand Limited

### Limited Assurance Report on AIG Insurance New Zealand 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 Statement (the Climate Statement) of AIG Insurance New Zealand Limited (the Company) for the year ended 31 December 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 on page 34 of the Climate Statement.

#### Scope of our limited assurance engagement

We have undertaken a limited assurance engagement over the following GHG Disclosures on pages 30, 34 and 35 of the Climate Statement for the year ended 31 December 2025:

- gross GHG emissions:
  - Scope 1 GHG emissions of 2 tCO<sub>2</sub>e on page 30; and
  - Scope 2 GHG emissions (location-based method) of 28 tCO<sub>2</sub>e on page 30.
- additional required disclosures of gross GHG emissions on pages 34 and 35; and
- gross GHG emissions methods, assumptions and estimation uncertainty on pages 34 to 35.

Our assurance engagement does not extend to any other information included, or referred to, in the Climate Statement on pages 2 to 33. 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 year ending 31 December 2024 disclosed in Company's Climate Statement is not covered by the assurance conclusion expressed in this report.

#### 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 34 of the Climate 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.

## Appendix B: Independent Assurance Report cont.

### 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 other assurance services. Our firm also has insurance contracts with the Company. All contract terms were negotiated on normal commercial terms and conditions and within the ordinary course of trading activities of the Company. In addition, certain partners and employees of our firm may deal with the Company on normal terms within 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 with 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 Statements*. 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:

- 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 control activities, or obtain evidence about their implementation;
- Evaluated whether the Company's methods for developing estimates are appropriate and had been consistently applied. 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 Scope 1 and Scope 2 emission factor sources;
- Enquired with management on the nature of the restatements to the comparative GHG Disclosures and inspected the supporting documentation that we were provided with;
- Recalculated total gross Scope 1 and total gross Scope 2 GHG emissions; and
- Assessed the presentation and disclosure of the GHG Disclosures.

## Appendix B: Independent Assurance Report cont.

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  
30 April 2026

Auckland



Contact:

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