

vero

FY26 Climate Statement



Vero, backed by Suncorp Group's 100+ years of insurance expertise

Contents

Introduction	3
Why we have produced this report	3
Strategy	5
Business strategy	5
Climate-related risks and opportunities	6
Climate scenario analysis	12
Scenario descriptions	13
Climate strategy – planning for the transition	14
Climate Transition Plan	15
Metrics and Targets	16
Progress against our climate-related targets	16
Greenhouse gas emissions	17
Metrics related to climate-related risks and opportunities	19
Risk Management	20
Governance	21
Board oversight	21
Senior Leadership Team responsibilities	22
Governance structure	23
Supplementary Notes	24
GHG emissions reporting boundary and methodology	24
Emissions	25
Sensitive Sector Standard – Fossil Fuels	29
Climate scenario analysis methods, assumptions, limitations and estimation uncertainty	31
Glossary	33
Assurance Report	34

Introduction

Why we have produced this report

As a large, licensed insurer, Vero Insurance New Zealand Limited (Vero) is a 'climate reporting entity' under the Financial Markets Conduct Act 2013. This means we must prepare an annual climate statement (Climate-related Disclosures Report). This report covers the period 1 July 2025 to 30 June 2026 (FY26).

Who we are

Vero Insurance New Zealand Limited (Vero, we, us, or our) is a general insurer working with a large network of insurance brokers and advisers, and we partner with some of New Zealand's leading financial institutions. Vero owns 100% of Vero Liability Insurance Limited (Vero Liability), a licensed insurer that specialises in liability insurance. We also have a 68% share in AA Insurance Limited (a joint venture between Vero and the New Zealand Automobile Association) (AA Insurance). AA Insurance is also a climate reporting entity and is publishing its own climate statement. Suncorp New Zealand (SNZ) refers to a group of related or associated companies in New Zealand comprising Vero Insurance New Zealand Limited, Vero Liability Insurance Limited, AA Insurance Limited, Suncorp NZ Employees Limited, and Suncorp New Zealand Services Limited, all of which are connected to Suncorp Group Limited (Suncorp Group), an Australian company listed on the ASX. Suncorp Group prepares and publishes a Sustainability Report within its [Annual Report \(pages 24-56\)](#) in accordance with Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures, with relevant climate-related information incorporated from its New Zealand subsidiary entities.

1. Vero Liability Insurance Limited is not a Climate Reporting Entity under the Financial Markets Conduct Act and does not produce its own climate-related disclosure. Vero Liability is included within the scope of the Vero climate-related disclosure report.

Message from our CEO

Vero is part of Suncorp Group and shares a common purpose: building futures and protecting what matters. This purpose supports our need to understand and respond to the climate-related risks and opportunities facing our business and customers.

The impacts of climate change are increasingly being felt by New Zealand families and businesses, including Vero and the communities we serve. As an insurer, we play a critical role in our customers' financial resilience to climate-related risks.

This report outlines the physical and transition risks and opportunities that climate change presents to our business, and the actions we are taking to respond. Our focus is on ensuring Vero remains a resilient and sustainable business, one that can continue to support our customers when it matters most.

While insurers are exposed to the impacts of climate change, our collective success also depends on the ability of communities across New Zealand to adapt. Strengthening natural hazard resilience is therefore a shared responsibility, and one that underpins long-term sustainable outcomes for our customers, our industry, and communities we serve.

In October 2025, the Government published New Zealand's first National Adaptation Framework, a long-term plan for managing the impacts of climate change on people, property and communities. I was proud to contribute to its development as a member of the Ministry for the Environment's Independent Reference Group on Climate Adaptation. Following its release, I joined a National Adaptation Framework panel hosted by Suncorp New Zealand and the Insurance Council of New Zealand, featuring a keynote address from Hon. Simon Watts, Minister of Climate Change. The event brought together leaders from central government, local government and business to build a shared understanding of the Framework and its implications, helping advance discussion on the investments, policy settings and collaborative action needed to reduce climate risk and strengthen New Zealand's long-term resilience.

This report is an important step in how we understand, manage and communicate climate-related impacts. Thank you for taking the time to read it and for your continued interest in our work in this important area.



Jimmy Higgins, CEO
Suncorp New Zealand

Important information

Climate-related metrics, estimates, projections and targets used in this document, especially if they are forward looking, deserve special caution as they are based on uncertainties and may be affected by a range of variables, including those that are not within Vero's control. Forward-looking statements made in this document are based on multiple assumptions, estimates, forecasts and judgements that have inherent uncertainties. While these forward-looking statements reflect Vero's best estimate at the date of this report (including with respect to its strategies and plans regarding climate change), actual results, performance, and outcomes may differ materially from those expected or targeted in the forward-looking statements. Uncertainties include factors such as the extent, pace, and impact of climate change; future climate-related policy; the effectiveness of climate action of governments, businesses, investors, customers, and other stakeholders; changes in customer behaviour and demand; changes in the availability, scaling, and commercialisation of lower-carbon technology; the availability of accurate, verifiable, and comparable climate-related metrics and data; development progress including approvals; industry competition; changes in climate-related measurement and forward-looking methodologies; and reliance on assumptions and future uncertainty.

Accordingly, undue reliance should not be placed on forward-looking statements throughout this report as the content does not guarantee or predict future events will or are likely to occur. Vero makes no representation, assurance or guarantee as to the accuracy, completeness or likelihood of fulfilment of any forward-looking statement, any outcomes expressed or implied in any forward-looking statement or any assumptions on which a forward-looking statement is based. Except as required by law, we do not take on any obligation to publicly update or revise any forward-looking statements in this document, whether to reflect any change in events or circumstances on which any such statement is based, or otherwise. This report has not been prepared as financial or investment advice or to provide any guidance in relation to the future performance of Vero. Greater detail on external assumptions and limitations can be found in the Supplementary Notes pages 24-32.

Statement of compliance

Vero is a climate-reporting entity under the Financial Markets Conduct Act 2013. The Directors are pleased to present this report for the period 1 July 2025 to 30 June 2026. The climate-related disclosures in this report are made in accordance with the Aotearoa New Zealand Climate Standards (NZ CS 1, 2 and 3) issued by the External Reporting Board (XRB). In preparing this report, Vero has elected to use the following adoption provisions in NZ CS 2:

- Adoption provision 2, which exempts Vero from disclosing anticipated climate-related financial impacts.
- Adoption provisions 4 and 5, which exempt Vero from disclosing Scope 3 Greenhouse gas (GHG) emissions (emissions) and comparatives for Scope 3 emissions. We have disclosed selected Scope 3 emissions only for the FY24 – FY26 financial years. Details are provided in the Supplementary Notes pages 24-28.
- Adoption provision 7, which exempts Vero from disclosing an analysis of the main trends evident from a comparison of each metric from previous reporting periods to the current reporting period. This provision has been applied to selected Scope 3 emissions categories and to Scope 3 metrics newly disclosed in FY25 or FY26 financial years, for which insufficient historical data exists to support meaningful trend analysis.

For and on behalf of the Board,



Rob McDonald
Board Chair,
15 October 2026



Kate Armstrong
Director,
15 October 2026

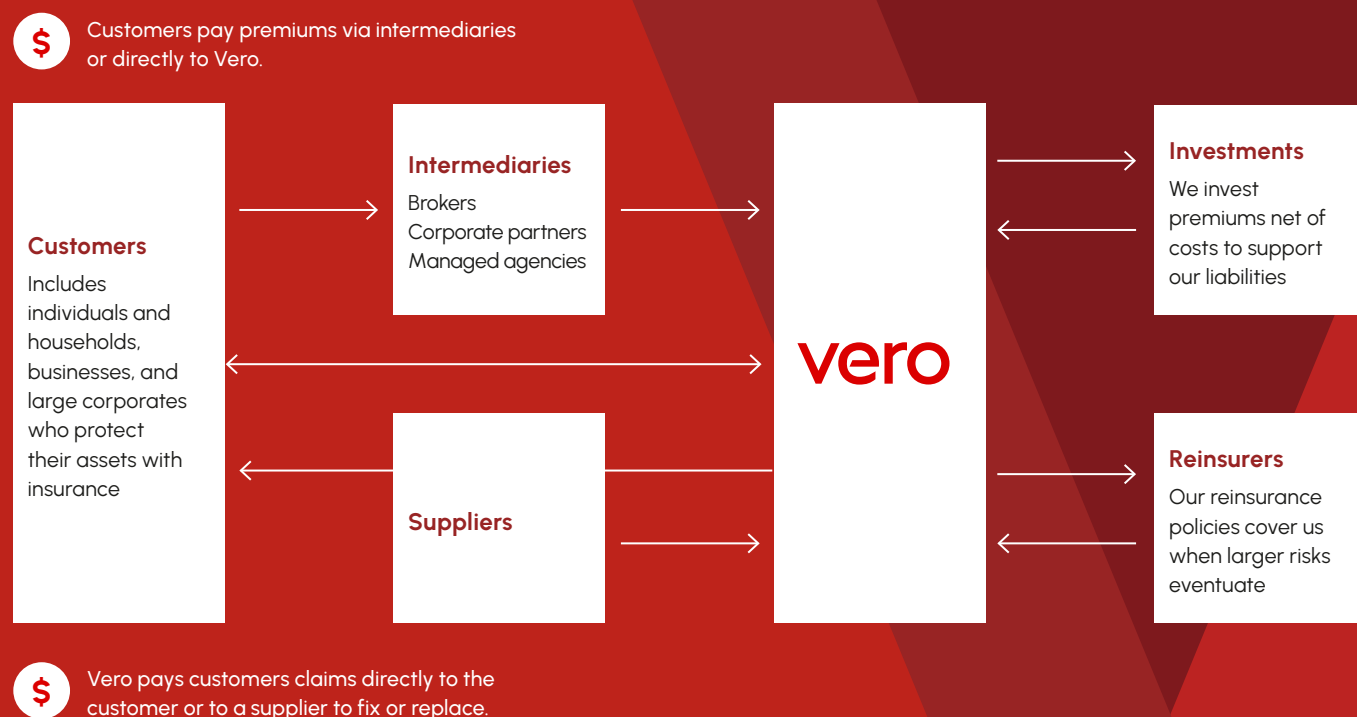
Strategy

Business strategy

As a general insurer, climate change presents both risks and opportunities for Vero. Increasing climate-related natural hazard events are expected to impact the size and number of insurance claims, while the transition to a low-carbon economy is likely to reshape the regulatory and economic environment in New Zealand and globally. Our strategy is to create a modern, digital and AI (artificial intelligence)-enabled insurer with outstanding service in New Zealand.

Vero is an intermediated insurer providing general and specialty insurance products (including personal, rural and business insurance) to customers through a range of intermediaries (brokers, corporate partners and managed agencies) and arrangements governed by distribution agreements. For risk and capital management purposes we reinsure portions of our insurance risks.

Vero business model



Key definitions

Vero categorises climate-related risks and opportunities (CRROs) into climate-related physical risks, transition risks and climate-related opportunities:

Climate-related physical risks (physical risks)

Physical risks arising from longer-term changes in climate (chronic risk) and changes to the frequency and magnitude of extreme weather events (acute risks) that can cause asset damage, affect income and costs, and alter the cost and availability of insurance, including through insurance market intervention.

Climate-related transition risks (transition risks)

Transition risks arising from the shift to a lower-carbon economy, including changes in domestic and international

policy and regulatory settings, technological innovation, social adaptation and market changes, and legal and reputational risks.

Climate-related opportunities

Climate-related opportunities are the potential business benefits (distinct from risk mitigants) arising from the climate transition or in response to increasing severity and frequency of climate-related natural hazard events that may:

- enhance Vero's strategic position, and/or
- improve its financial results, and/or
- support the emissions reduction (climate mitigation) or resilience to extreme weather events (climate adaptation) of Vero, its suppliers or customers.

Time horizons

Vero considers the following time horizons when assessing climate-related risks:

S Short: < 3 years

Aligned with the 3-year business planning window used for business planning and funding considerations.

M Medium: 3-20 years

An interim timeframe between the short-term and long-term horizons, includes Vero's Scope 1 and 2 net-zero 2030 target, and is aligned with the medium-term time horizon at Suncorp Group.

L Long: > 20 years

Aligned with the New Zealand government's legislated target to be net-zero of all greenhouse gas emissions except biogenic methane by 2050.

In addition to these time horizons, climate scenario analysis may reference specific years (e.g. 2030, 2040 and 2050) to illustrate qualitative or quantitative effects across plausible futures.

Climate-related risks and opportunities

The key CRROs impacting Vero are:

- **Risk 1** Increasing natural peril costs
- **Risk 2** Claims capability and capacity
- **Risk 3** Insurance market intervention
- **Opportunity 1** Disaster management response and recovery
- **Opportunity 2** Transition-related products and market opportunities

Climate-related risks and opportunities impacting the business

Climate change can impact us through climate-related physical and transition risks as well as opportunities. The process undertaken to identify CRROs and determine their disclosure relevance is detailed in the Risk Management section on page 20.

Climate-related risks

Risk 1: Increasing natural peril costs (physical risk)

Time horizons



Impact on Vero's business model and value chain

Changes in the frequency and severity of weather events across New Zealand may increase the number and cost of property claims, especially in coastal and flood-prone areas. This leads to increased insurance risk, and in combination with climate change impacts being felt globally, may impact the pricing and availability of reinsurance and capital. These factors have flow-on impacts to insurance pricing and affordability of insurance for some of our customers.

Current impacts²

FY26 reporting period

The total incurred cost of claims related to weather-related natural hazard events in FY26 was \$184.6m, of which \$1.8m was recoverable from reinsurers. Net incurred costs were \$97.3m above the FY26 natural hazard allowance³ for weather-related events.

FY25 reporting period⁴

The total incurred cost of claims from weather-related natural hazard events in FY25 was \$70.6m, none of which was recoverable from reinsurers. Net incurred costs were \$8.4m below the FY25 natural hazard allowance for weather-related events.

Anticipated impacts

In the short term, natural peril costs are expected to remain subject to year-to-year variability, driven by the frequency and severity of weather-related events – both of which are influenced by the effects of climate change. These impacts are reflected in Vero's business plans through the natural hazard allowance and other business settings, including insurance pricing and reinsurance arrangements. In the medium and long term, Vero uses scenario analysis to understand the potential impacts of climate change on weather-related claims cost. The results of our FY26 analysis indicates that:

- In the medium-term, by 2040⁵, climate change is expected to increase the cost of natural hazard claims⁶ for weather-related perils by 12% (low warming scenario) to 15% (high warming scenario).
- In the long-term, by 2050⁷, climate change is expected to increase the cost of natural hazard claims for weather-related perils by 21% (low warming scenario) to 27% (high warming scenario).

If left unaddressed, these rising physical risks will lead to higher costs for insurers, including an increase in the cost of claims and reinsurance, which in turn may affect the cost and availability of insurance cover. Factors such as population growth in high-risk areas, without effective land-use planning may further increase the risk, whereas improved hazard mitigation or more robust adaptation measures would help reduce the risk. Broader impacts on home insurance affordability and the potential for market or regulatory intervention are considered separately under the Insurance market intervention climate-related risk.

How we respond

Natural hazard allowance adjustment

Vero applies an incremental annual adjustment to our natural hazard allowance to reflect the long-term impact of climate-related physical risks on claims costs.

Reinsurance and capital management

In the near term, Vero mitigates natural hazard claims volatility through a comprehensive reinsurance programme. As part of Suncorp Group, we leverage scale and long-standing relationships with global reinsurers to secure competitive reinsurance arrangements. Combined with disciplined capital management, portfolio optimisation, and the strategic design of Suncorp's reinsurance programme, this strengthens our business resilience to natural hazard events and volatility in global reinsurance markets.

Risk selection, pricing and modelling capability

Vero manages weather-related risks through careful risk selection, underwriting discipline and portfolio management. We continue to invest in pricing, hazard modelling, and underwriting practices to improve our understanding and assessment of risk, particularly flood risk. These investments support more accurate pricing, better portfolio management, ongoing monitoring of emerging risks, and help maintain reinsurer confidence in Vero.

Resilience advocacy

Vero continues to advocate for investment in climate adaptation and policy settings that strengthen New Zealand's long-term resilience to the impacts of climate change.

2. Amounts presented exclude earthquake claims and are inclusive of claims handling expenses.

3. The natural hazard allowance represents an estimate of expected long-term average natural peril costs. As year-to-year outcomes are inherently volatile and influenced by factors such as weather conditions, actual natural hazard experience can vary materially from the natural hazard allowance each year.

4. FY25 comparatives have been restated to reflect the revised risk definition and quantification methodology adopted in FY26. The previous FY25 climate statement disclosed separate risks for increasing claims costs and increasing reinsurance and capital costs. These risks have now been consolidated into a single physical climate risk, "Increasing natural peril costs", to better reflect the combined impacts of climate change on Vero's operations. Comparative information has been recalculated to support trend analysis and comparability across reporting periods.

5. Estimates are based on the average annual level of costs over a 14 year period centred on 2040 and do not represent a forecast for a single year.

6. Natural hazard claims costs may also be referred to as Average Annual Loss (AAL) for weather-related perils.

7. Estimates are based on the average annual level of costs over a 24 year period centred on 2050 and do not represent a forecast for a single year.

Risk 2: Claims capability and capacity (physical and transition risk)

Time horizons

**Impact on Vero's business model and value chain**

Vero's claims capacity is potentially strained as more frequent severe weather drives sudden demand spikes.

Coupled with increasing construction costs, growing uptake of low emissions technologies (including electric vehicles) and competition for resources, such as skilled labour, repair contractors, replacement materials, specialist parts and equipment, this may slow repairs and reduce responsiveness. These pressures may impact the claims service we are able to provide customers, weakening the overall insurance value proposition.

Current impacts**FY26 reporting period**

Vero has not identified any material current financial impacts for FY26 related to claims capability or capacity risk.

FY25 reporting period

Vero has not identified any material current financial impacts for FY25 related to claims capability or capacity risk.

Anticipated impacts

Over the medium to long-term, constraints across the claims supply chain may intensify, potentially slowing home and vehicle repairs, increasing repair costs, reducing responsiveness and increasing Vero's reputational risk.

Vero has not identified a reliable method to calculate the anticipated financial impacts of this risk. Vero is utilising adoption provision 2, which exempts us from disclosing anticipated climate-related financial impacts.

How we respond**Trans-Tasman claims response at scale**

As part of Suncorp Group, Vero can leverage the benefits of a trans-Tasman operating model. This is built on shared capability across Australia and New Zealand, spanning claims lodgement, assessing, vulnerability support, telephony, and logistics, the model enables workforce capacity to flex across borders, with pre-agreed surge triggers, escalation pathways and decision rights that allow the enterprise to activate quickly and consistently.

Established repair supplier model

Vero's property and motor repair model is built on long-term partnerships with builders, repairers and assessors, with shared accountability for quality, pricing and timeliness. Supplier performance is actively managed to maintain standards as claims volumes and complexity grow. We are also strengthening readiness for rising EV repair demand by expanding our EV-capable repair network, improving access to parts and repair information, and building EV capability among our assessors.

Operational resilience and business continuity planning

Our approach to operational resilience is frequently tested through business continuity planning.

Claims automation

Vero continues to invest in digital connectivity and automation to improve speed and efficiency throughout the claim lifecycle.

Risk 3: Insurance market intervention (physical and transition risk)

Time horizons

**Impact on Vero's business model and value chain**

In future, the New Zealand insurance market may be impacted by further government interventions in response to ongoing concerns about household insurance affordability and availability. This risk is systemic in nature and considered to be industry-wide. Regulatory intervention and legal changes have the potential to reshape the operating environment and cost structure of insurers including Vero. Further, interventions may significantly impact underwriting practices, pricing models, and capital requirements, leading to adverse outcomes for customers.

Current impacts**FY26 reporting period**

Vero has not identified any material current climate-related financial impacts for FY26 related to insurance market intervention risk.

FY25 reporting period

Vero has not identified any material current climate-related financial impacts for FY25 related to insurance market intervention risk.

Anticipated impacts**Government intervention**

Interventions could affect Vero's addressable market size, pricing and underwriting practices, or capacity for innovation and investment, and could also impact claims expenses, taxes and levies applied to insurance and insurance affordability.

The anticipated financial impacts of potential regulatory changes have not been quantified over the short, medium or long term due to the high degree of measurement uncertainty.

Vero is utilising adoption provision 2, which exempts Vero from disclosing anticipated climate-related financial impacts.

How we respond**Pricing and underwriting capability**

As insurance affordability becomes more challenging, strong pricing and underwriting capabilities are increasingly important. We continue to invest in core insurance capabilities, including pricing, hazard models and updated underwriting practices, to strengthen risk assessment and support our market position.

Government and industry engagement

Vero engages with central and local government to advocate for effective investment in climate adaptation and resilience, and for planning processes that prevent or reduce the risk of physical and economic damage in new development and infrastructure. We also provide input to government, industry bodies, and other organisations on initiatives that aim to improve customer outcomes and strengthen community resilience to natural hazard risks. This engagement is supported by Vero's resilience advocacy agenda, as outlined in the section on increasing natural hazard costs.

Climate-related opportunities

Opportunity 1: Disaster management response and recovery (physical opportunity)

Time horizons



Impact on Vero's business model and value chain

Vero's scalable pre- and post-event response capability enhances customer trust and long-term loyalty and acts as a strategic differentiator in disaster recovery. These capabilities also enable more effective management of claims costs and post-event demand, through proactive supply chain planning and improved claims responsiveness and resolution. As part of Suncorp Group, Vero is also able to draw on the resources of a significantly larger organisation during large events, helping customers to recover at scale.

Current impacts

FY26 reporting period

Vero's investment in disaster management, response and recovery has not had a material financial impact in FY26. Costs associated with disaster management, response and recovery are part of business-as-usual operating expenses.

FY25 reporting period

Vero's investment in disaster management, response and recovery has not had a material financial impact in FY25. Costs associated with disaster management, response and recovery are part of business-as-usual operating expenses.

Anticipated impacts

The anticipated medium- to long-term financial benefits are expected to arise through improved customer experience, reflected in measures such as net promoter scores, which are associated with stronger retention and higher new business growth.

Vero has not yet determined a method to calculate the anticipated financial impact of disaster management, response and recovery opportunities. Vero is utilising adoption provision 2, which exempts Vero from disclosing anticipated climate-related financial impacts.

How we respond

Claims management

Morgan Project Services supports Vero's residential building claims process, helping coordinate customer repairs and rebuilds after natural hazard events. This enhances Vero's ability to manage increased claims volumes and support timely customer recovery.

Trans-Tasman claims response at scale

As part of Suncorp Group, Vero can leverage the benefits of a trans-Tasman operating model. This is built on shared capability across Australia and New Zealand, spanning claims lodgement, assessing, vulnerability support, telephony, and logistics, the model enables workforce capacity to flex across borders, with pre-agreed surge triggers, escalation pathways and decision rights that allow the enterprise to activate quickly and consistently.

Opportunity 2: Transition-related products and market opportunities (transition opportunities)

Time horizons

S M L

Impact on Vero's business model and value chain

New Zealand's shift toward electrification and renewable energy creates market opportunities. Vero can adapt its underwriting and product strategies to respond to these opportunities. This could include climate-resilient product development and underwriting in industries aligned with climate transition. For example, construction and engineering, renewable electricity generation and storage, household solar, smart home appliances and newer consumer technologies.

Current impacts

FY26 reporting period

Vero's growth in transition industries is currently demonstrated through exposure to electric and hybrid vehicles in its consumer motor portfolio. In FY26 the consumer motor portfolio included approximately 14.2% electric and hybrid vehicles.

FY25 reporting period

In FY25 the consumer motor portfolio included approximately 11.3% electric and hybrid vehicles.

Anticipated impacts

The proportion of hybrid and electric vehicles within our consumer and commercial motor portfolios is expected to increase over time consistent with market adoption. Transition-related insurance products and enhancements may influence insurance revenue and claims costs over time, while related investment opportunities may affect investment income and asset valuations.

Vero has not yet determined a method to calculate the anticipated financial impact of transition-related products and market opportunities over the short, medium and long term. Vero is utilising adoption provision 2, which exempts Vero from disclosing anticipated climate-related financial impacts.

How we respond

Adapting insurance portfolio

Vero is adapting its consumer and commercial insurance portfolios to support customers transitioning to lower-carbon technologies. This includes continuing to develop motor insurance products and services for electric and hybrid vehicles and targeting cover for renewable electricity generation and green transition opportunities.

We are also responding to changing mobility trends by monitoring vehicle ownership patterns, supporting the adoption of electric vehicles, and building partnerships to better meet evolving customer needs.

Changes from previously disclosed CRROs

A range of CRROs were assessed as part of the FY26 CRRO assessment, including those previously disclosed in FY24 and FY25. In FY26 we reviewed and further refined the CRROs as our understanding of CRROs matures. Disaster management, response and recovery was identified as a climate-related opportunity for the first time. Insurance affordability was incorporated into the assessment of identified material CRROs and was not considered to be a standalone risk. The risks outlined below were also determined not to be material in FY26, or have been incorporated into the FY26 CRRO descriptions.

- **Exposure of Suncorp Group's investments to climate risk** | Our previous assessments in FY24 and FY25 indicated low exposure to fossil-fuel-related stranded asset risk in our investment portfolio, supported through application of our Sensitive Sector Standard (see Supplementary Notes pages 29-30). Exposure to transition risks is also mitigated through our ability to adapt our investment strategy.
- **Shifting mobility trends** | In FY24 and FY25 Vero disclosed shifting mobility trends (more electric vehicles and more people using public transport) as a risk. In FY26, this risk was aligned with the updated transition risk relating to claims capability and capacity. This reflects the potential for rapid EV uptake to increase competition for specialised resources, which may affect repair timeliness and service responsiveness.

Climate scenario analysis

Vero undertakes climate scenario analysis (CSA) to assess the potential impacts of climate change on its business and to evaluate the resilience of its strategy and business model under a range of plausible future climate conditions. The analysis considers a 1.5°C scenario, a 3°C or greater scenario, and a third alternative climate scenario, and assesses both physical and transition-related risks and opportunities across multiple time horizons.

Vero's FY26 CSA focused on Vero and Vero Liability. The assessment built on work undertaken in FY24 and FY25, incorporating updated climate scenario narratives and refreshed modelling of weather-related physical risks using an FY26 baseline, including updates to flood risk models.

The results informed our assessment of material climate-related risks and opportunities and our understanding of the resilience of Vero's business model and strategy. Further details of the scenarios, assumptions, methodologies, time horizons and modelling are provided in the tables below and in the Supplementary Notes pages 31-32.

Approach to assessing physical and transition risk

The key parameters and assumptions underpinning Vero's insurance value chain physical and transition risk analysis are outlined below. Refer to page 7 in this section for the results of this analysis.

	Weather-related claims analysis (physical risk)	Insurance value chain (transition risk)
Approach	Assess the potential impact of changes in the frequency and severity of weather related perils ⁸ on insurance portfolios most exposed to physical risk over time horizons.	Qualitative analysis to understand Vero's exposure and resilience to transition risks.
Portfolios⁹	Home and commercial property, Consumer and commercial motor, Construction and Engineering and Rural. Transition risk analysis also includes our investment portfolio.	
Scenarios	- Orderly scenario, 1.5°C (IPCC SSP1-2.6) - Disorderly scenario, 2°C (IPCC SSP2-4.5) - Hot House world scenario, 3+°C (IPCC SSP3-7.0)	
Time horizons	- Short term – 2030 - Medium term – 2040 - Long term – 2050 (see page 6 for detail on selected time horizons)	
Key assumptions	The analysis is based on the present-day portfolio and does not factor in any strategic responses or portfolio changes, or changes in the built environment. See Supplementary Notes pages 31-32 for full assumptions.	
Reporting period	The FY25 climate impact projections were adjusted to reflect today's conditions, using the FY26 natural hazard claims analysis as the starting point, as outlined in the anticipated financial effects of increasing natural perils costs.	The climate-related scenario analysis was carried out in FY24 and FY25. In FY26, we reviewed the work and concluded the findings remain valid in FY26, with further refinement to the CRROs.
Associated CRROs	Increasing natural peril costs; Insurance market intervention, Disaster management response and recovery.	Claims capability and capacity; Transition-related products and market opportunities.

8. The analysis considered storm, riverine flood, surface water flood and coastal inundation.

9. Commercial liability, livestock and marine portfolios are excluded. Includes Vero Insurance New Zealand Limited, excludes AA Insurance.

Scenario descriptions

Scenario Narratives

Orderly Scenario: 1.5°C Key Sources: ICNZ Sector Scenario: Orderly NGFS: Net-zero 2050 IPCC: SSP1-2.6 CCC: Tailwinds Physical impacts: Lowest Transition impacts: Moderate (greatest in the short term)	Strong global and domestic government policy action to reduce emissions creates significant structural change to the economy. These changes are introduced in a coordinated and predictable way. A rising carbon price accelerates the shift to low-emissions technologies. Clean energy options become widely accessible, although higher energy prices contribute to short-term inflation. Mitigation is the priority, but governments continue to invest in climate adaptation, particularly for coastal protection and resilience to rising climate risks. General insurers such as Vero are expected to play an active role in supporting the transition, enabling resilience and guiding capital toward sustainable outcomes. Firms that fail to adapt rapidly risk losing their social licence and market relevance. As systemic risks grow, businesses and the government may rely less on self-insurance and more on shared risk-management solutions.
Disorderly Scenario: >2°C Key Sources: ICNZ Sector Scenario: Disorderly NGFS: Delayed transition IPCC: SSP2-4.5 CCC: Headwinds Physical impacts: Moderate Transition impacts: Highest (greatest in the medium term)	Climate policy strengthens after years of delay, leading to abrupt, less coordinated and more costly policy intervention. Emissions decrease, but the reduction is insufficient to meet a mid-century net-zero trajectory, leading to greater cumulative emissions. After 2030, carbon pricing and regulations rise sharply and unevenly, increasing transition risks and energy costs. Investment in renewable energy accelerates after a delay, and the sharp phase-out of fossil fuels increases the risk of stranded assets. Increasing physical climate risks require central and local government to scale up adaptation, though responses are incremental and reactive. Global coordination is poor. Heightened risk of government intervention and rising reinsurance costs and capacity constraints may increase pressure on pricing and availability of cover.
Hothouse Scenario: >3°C Key Sources: ICNZ Sector Scenario: Hothouse NGFS: Current policy IPCC: SSP3-7.0 CCC: Current policy reference Physical impacts: Highest Transition impacts: Lowest	Climate policy in New Zealand and globally does not strengthen, and global emissions continue to rise, even as New Zealand's emissions gradually decline. Increasingly frequent and severe weather events drive up food prices and strain water and power systems. Insurers such as Vero face escalating losses and risk exposure. By 2040, reinsurers withdraw from some regions and perils, making insurance unaffordable or unavailable in parts of the country. Large corporate customers increasingly turn to global providers or self-insure. Disagreement between central government, local government and the private sector over adaptation funding is likely to increase as the physical impacts of climate change worsen. Agriculture suffers heavy weather-related losses, but global shortages elevate demand for New Zealand products, allowing some farmers to command higher prices. Intensifying global food and water stress fuels conflict and migration. New Zealand remains comparatively stable, yet rising migration creates new social and economic pressures.

Climate strategy – planning for the transition

This section outlines how Vero plans for and manages the transition to a low-emissions, climate-resilient economy, including how CRROs are embedded within strategy, the actions being taken, and how resources are allocated.

1. Integration into strategy and business planning

CRROs are integrated into core strategic and business planning processes:

- Climate risk is considered alongside broader macroeconomic and strategic risks, including as a key input into Board-level strategy discussions (e.g. Board Strategy Day, December 2025).
- CRROs are embedded within the FY27–FY29 three-year business plan, with natural hazards and climate-related risk specifically mentioned as part of the environmental context.

This ensures climate considerations are incorporated into both short-term planning and longer-term strategic direction.

2. Strategic actions and initiatives

Vero's transition planning response is implemented through a range of actions that support resilience, capability and market positioning. The specific actions associated with each material CRRO are disclosed in the relevant CRROs tables above under "How we respond".

3. Resource allocation and financial planning

Climate-related considerations are incorporated into investment allocation and capital planning processes.

a) Funding prioritisation

- The Enterprise Prioritisation Framework guides allocation of resources, incorporating climate-related risks (including natural hazard impacts) alongside other strategic factors.
- The Board approves annual budgets and business priorities, ensuring alignment with strategic objectives.

b) Climate-related funding deployed

In FY26, funding was allocated to:

- Enhancements to pricing and underwriting capabilities
- Access to advanced hazard (e.g. flood) models
- Greenhouse gas data uplift initiatives
- Climate-related disclosure and assurance processes

c) Capital and portfolio management

Climate considerations influence:

- Capital allocation across portfolios
- Reinsurance strategy and structure
- Natural hazard allowance settings

While many of these funding allocations are intended to deliver broader business benefits, they are also expected to enhance the management of climate-related risks over time.

4. How Vero's business model and strategy may change

Current resilience and financial strength

Vero's resilience is supported by its comprehensive reinsurance programme, robust balance sheet, prudent capital management and conservative investment portfolio settings, together with the support and scale of Suncorp Group. Vero's financial strength is rated AA- by Standard and Poor's Financial Services LLC (S&P Global).

Expected business model stability

Vero's core business model as an intermediated general insurer is expected to remain stable. However, CRROs may influence how that model is applied over time, particularly in relation to pricing, underwriting, portfolio management, reinsurance, customer support and resource allocation.

These changes are expected to be incremental and responsive to the development of physical risks, transition risks, customer needs, technology and public policy. They may include further refinement of risk-based pricing and underwriting, adjustments to portfolio settings and product propositions, continued adaptation of reinsurance and capital management approaches, and investment in the capabilities needed to support customers through climate-related change.

Potential changes to the business model and strategy

- **Pricing and underwriting:** Vero may continue to refine risk-based pricing, underwriting settings and address-level risk assessment as physical climate risk changes. This may include greater use of hazard data, flood modelling and portfolio-level exposure insights.
- **Portfolio management:** Vero may adjust portfolio settings, risk appetite and product mix over time to manage concentrations in higher-risk areas or sectors, while continuing to support customers where insurance can be sustainably provided.

- **Products and customer propositions:** Vero may adapt existing products and develop customer propositions that respond to changing technology, customer preferences and transition-related opportunities, including electric and hybrid vehicles and other lower-emissions technologies.
- **Claims and supplier capability:** Vero may further strengthen claims, repair and supplier networks to respond to more frequent severe weather events and changing repair requirements, including specialist capability for emerging technologies.
- **Reinsurance and capital resilience:** Vero may continue to adapt reinsurance arrangements, capital management and natural hazard allowance settings to respond to changes in claims volatility, reinsurance market conditions and the cost of risk transfer.
- **Advocacy and collaboration:** Vero may increase engagement with government, industry and communities to support adaptation, resilient infrastructure, land-use planning and policy settings that help maintain insurance availability and affordability over time.

Climate Transition Plan

As part of Suncorp Group, Vero contributes to the setting and achievement of the targets and commitments in the Suncorp Group Climate Transition Plan, detailed in [Suncorp Group's FY26 Sustainability Report pages 37-39](#). Vero monitors and reports locally measured progress against targets and commitments relevant to its operations, underwriting and investment activities. Consistent with the approach taken in FY25, these commitments are summarised in the tables below.

Climate-related targets¹⁰

Value chain	Scope	Page
 Operations	Reduce our Scope 1 and 2 absolute GHG emissions to net-zero by end FY30, from an FY20 baseline. ¹¹	Page 16
	RE100 commitment to purchase or self-generate 100% renewable electricity across our operations.	Page 16

Performance metrics, reporting boundaries, methodologies (including use of carbon credits) and year-on-year trends for all targets and actions are detailed in the Metrics and Targets section on pages 16-19.

Sensitive Sector Standard performance

Value chain	Scope	Progress
 Investments	Apply fossil fuel thresholds and exclusions across aspects of Vero's investment portfolio through the Sensitive Sector Standard.	Vero continues to maintain fossil fuel thresholds and exclusions under Suncorp Group's Sensitive Sector Standard that apply to aspects of our investment and commercial insurance portfolios. For investments the exclusions are structured as mandates ¹² and implemented by our external investment managers.
 Insurance portfolios	Apply fossil fuel thresholds and exclusions across aspects of Vero's commercial underwriting portfolio through the Sensitive Sector Standard.	For insurance, the exclusions are applied to insurance cover underwritten through our brokers. The Sensitive Sector Standard fossil fuel exclusions that apply to aspects of our investment and commercial insurance portfolios have been met ¹³ in FY26. Refer to the Sensitive Sector Standard on pages 29-30.

10. This table includes only the Suncorp Group Climate Transition Plan targets and commitments that are monitored at a Vero entity level. Vero contributes to the achievement of these Group-wide targets and commitments and reports locally measured progress where relevant. Further information on the Suncorp Group Climate Transition Plan can be found in the [Suncorp Group's FY26 Annual Sustainability Report pages 37-38](#).

11. Aims to reduce our Scope 1 and 2 absolute GHG emissions by at least 90% compared to our FY20 baseline year, with the residual emissions abated through carbon credits, in contribution of Suncorp Group's Scope 1 and 2 emissions target.

12. Mandates are specific investment structures where Suncorp Group sets the portfolio rules, parameters and limitations in an Investment Management Agreement and the external investment manager, manages the investments in line with those rules.

13. KPMG Australia has performed a review over specified mandatory sustainability disclosures for the Suncorp Group FY26 reporting period and provided limited assurance over selected voluntary climate-related metrics. This review included narrative claims on actions for excluding thermal coal in insurance for Vero. Vero did not seek separate assurance. See their [Independent Practitioners' Limited Assurance Report](#) page 1.

Metrics and Targets

Progress against our climate-related targets

This section outlines the key targets and commitments in Suncorp Group's Climate Transition Plan that are monitored at a Vero entity level, and the metrics used to monitor and measure progress against them. Vero does not use a carbon price to inform emission reduction decisions.

Operational Scope 1 and 2 emissions

Target: Reduce our Scope 1 and 2 absolute GHG emissions to net-zero by end FY30 from an FY20 baseline^{14,15,16}

Progress	Unit	FY26	FY25	FY24
Vero's absolute Scope 1 and 2 (market-based) emissions reductions relative to FY20 baseline (410 tCO ₂ -e)	tCO ₂ -e	260.2	245.8	239.1
Vero's % of Scope 1 and 2 (market-based) emissions reduced from an FY20 baseline	%	63.5%	59.9%	58.3%

At a local entity level, Vero monitors its progress against Suncorp Group's Scope 1 and 2 net-zero target, which aims to reduce Suncorp Group's Scope 1 and 2 absolute GHG emissions (emissions) by at least 90% compared to an FY20 baseline year, with the residual emissions abated through carbon credits. To support this target, we intend to maintain our renewable electricity supply agreements and progressively reduce the size of our corporate fleet while continuing the transition to hybrid and electric vehicles. We assume the availability of competitive renewable electricity products, and the ongoing supply of hybrid and electric vehicles in New Zealand, will continue through to FY30.

In FY26, we achieved a further 3.6% year-on-year percentage reduction in Scope 1 and 2 market-based emissions, bringing our total reduction to 63.5% against the FY20 baseline. This progress was driven by the implementation of updated renewable electricity agreements in support of Suncorp Group's RE100 commitment, and ongoing review of energy efficiency opportunities. To support achievement of Suncorp Group's Scope 1 and 2 target, a further reduction of 108.9 tCO₂-e is required. We expect the majority of this reduction to be delivered through the continued electrification of our vehicle fleet as existing internal combustion engine vehicles reach their replacement cycle.

Vero does not currently use carbon credits and is focused on absolute emissions reduction. If carbon credits are used in the future to support achievement of Suncorp Group's Scope 1 and 2 net-zero target, Vero will apply current global best practice and limit use to no more than 10% of FY20 baseline emissions.

Renewable electricity – RE100

Target: RE100 commitment to purchase or self-generate 100% renewable electricity across our operations

Progress	Unit	FY26	FY25	FY24
Renewable electricity purchased or self-generated	%MWh	100%	99.3%	98.4%

From 1 July 2025, 100% of our electricity consumption has been sourced from renewable electricity that we have assessed as in line with RE100 technical criteria¹⁷. This has been achieved through a combination of purchased renewable energy attribution certificates and on-site solar generation. We remain committed to ensuring that all purchased electricity, in addition to any self-generated renewable electricity, is from renewable sources. Refer to the Supplementary Notes on page 25.

14. The Scope 1 and 2 net-zero target is a net GHG emissions target, to reduce our Scope 1 and 2 absolute GHG emissions by at least 90% compared to our FY20 baseline year, with residual emissions abated through carbon credits. We do not have an equivalent Board approved gross GHG emissions target.

15. Reduction against an FY20 baseline of 410 tCO₂-e using Scope 1 and 2 market-based emissions. The baseline has been restated in FY26 from 406.5tCO₂-e (0.9% increase) after a refresh to the latest available source data. It excludes Asteron Life Limited (Asteron Life). Comparative figures have been restated to maintain consistency.

16. The target is informed by the Science Based Target initiative (SBTi) and aligned with limiting global warming to 1.5°C above pre-industrial levels. The target is not derived using a sectoral decarbonisation approach and has not been independently validated.

17. Our performance against RE100 technical criteria is based on internally-verified data. Scope 2 (market-based) emissions have been subject to limited independent assurance by KPMG.

Greenhouse gas emissions

Since FY18, GHG emissions have been measured across all Suncorp New Zealand operations. Vero has included its share of these emissions in this Climate-related Disclosure.

In accordance with the Greenhouse Gas Protocol, Vero has applied the operational control approach to reporting emissions. Under this approach, Vero reports emissions from sources over which it has operational control (refer to Supplementary Notes page 24 for the definition).

The legal entities over which Vero exerts operational control are Vero Insurance New Zealand Limited and Vero Liability Insurance Limited¹⁸. Emissions from entities or activities over which Vero does not have operational control, including joint ventures such as AA Insurance, are excluded from Scope 1 and Scope 2 emissions and are not currently included within Scope 3. This is consistent with Vero's application of the transitional adoption provisions under the New Zealand Climate Standards (NZ CS).

AA Insurance operates independently, developing and approving its own operating policies, managing its own emissions and reporting, and setting its own decarbonisation strategy and goals. Accordingly, it is excluded from Vero's emissions inventory and provides separate climate-related disclosures.

Vero's approach to emissions reporting differs from its financial consolidation approach. However, it is considered to provide a more representative view of Vero's emissions profile and is consistent with the operational control approach applied by AA Insurance and Suncorp Group. This approach provides a consistent and appropriate basis for measuring emissions that Vero directly manages.

Vero has voluntarily reported selected Scope 3 emissions categories and has deferred others until future Climate-related Disclosures, when Scope 3 value chain emissions reporting becomes mandatory. This will include emissions associated with AA Insurance, in accordance with the GHG Protocol requirements for Scope 3 Category 15 (Investments).

For details of Vero's emissions measurement approach, including inputs, assumptions and exclusions, refer to the Supplementary Notes pages 24-28.

Absolute gross Scope 1 and 2 GHG emissions (tCO₂-e)

Absolute GHG emissions (tCO ₂ -e) ¹⁹	FY26	FY25	FY24
Scope 1	149.9	163.8	169.8
Scope 2 – location-based	63.6	64.6	60.6
Scope 2 – market-based	0.0	0.6	1.1

Absolute gross Scope 3 GHG emissions (tCO₂-e)

Absolute GHG emissions (tCO ₂ -e)	FY26	FY25 ²⁰	FY24
Scope 3 – upstream categories: Category 3 – fuel and energy related activities; Category 5 – waste generated in operations (Vero Centre only); Category 6 – business travel; Category 7 – employee commuting (including working from home)	996.9	1,148.9	499.0
GHG emissions intensity (tCO ₂ -e/FTE) ²¹	1.1	1.4	0.6
Scope 3 – downstream categories: Category 15 – financed emissions (investments sub-portfolio corporate bonds, Scope 1 and 2 only)	646.4	Not reported	Not reported
Total Gross Scope 3 (location) (tCO₂e)	1,643.3	1,148.9	499.0

Category 7 (Employee Commuting, including Working from Home) was added to Scope 3 reporting in FY25, and Category 5 (Waste Generated in Operations, currently limited to the Vero Centre) was added in FY26.

On a like-for-like basis upstream Scope 3 emissions decreased by 28% since FY24. This was largely due to lower emission factors for air travel published by the United Kingdom Department for Environment, Food and Rural Affairs (DEFRA, 2025), rather than a significant reduction in travel activity. See Supplementary Notes page 24 for details on changes from prior year reporting.

18. We have assessed that Vero has operational control over Vero Liability Insurance Limited on the basis that Vero and VLIL share some operating policies. Vero also has sole operational control over Suncorp New Zealand Services Limited and Suncorp NZ Employees Limited, it exerts control over the resources and assets within these entities that support Vero operations and activities. The emissions that support Vero's operations and activities from these entities are reflected in Vero's reported emissions.

19. Previously reported FY25 Scope 2 (location-based) emissions have been restated. For details on restatement see Supplementary Notes page 24.

20. Previously reported FY25 and FY24 Scope 3 emissions have been restated. For details on the restatement see Supplementary Notes page 24.

21. GHG emissions intensity (tCO₂-e/FTE) is calculated using market-based Scope 1, Scope 2 (market-based) emissions and reported upstream Scope 3 emissions only, expressed on a per full-time equivalent (FTE) employee basis.

Financed emissions

Vero invests across several asset classes, including corporate bonds and sovereign debt. As FY26 is our inaugural year of financed emissions reporting, disclosures are currently limited to corporate bond holdings, (representing 54% of the investment portfolio) where established methodologies and sufficient data are available.

Financed emissions have been calculated using the Partnership for Carbon Accounting Financials (PCAF) Global GHG Accounting and Reporting Standard, Part A V3. This methodology is applicable to Vero's corporate bond investments. Further information on the methodology, assumptions and limitations is provided in the Supplementary Notes pages 27-28.

Financed emissions	Unit	FY26
Scope 1 and 2 emissions intensity of corporate bonds only	tCO ₂ -e/NZ\$m	1.05
In-scope Investment Assets for sub-portfolio (corporate bonds only)	NZ\$bn	0.61
Sub-portfolio as a % of total Investment Assets (corporate bonds only)	% NZ\$bn	54.0%
Weighted Average PCAF data quality score 1 to 5		1.52

Assurance

FY26 GHG emissions data relating to Scope 1, 2 and 3 (excluding intensities) have been the subject of a limited assurance engagement with KPMG New Zealand. More information on the scope can be found in the limited assurance report provided by KPMG New Zealand, which is included in the Supplementary Notes pages 34-37.

Metrics related to climate-related risks and opportunities

These metrics represent the proportion of business activities that are either vulnerable or aligned to CRROs, along with investment deployed.

Type	Metric	FY26	FY25	FY24
Transition risks and opportunities – current ²²	Proportion of electric and hybrid vehicles in the Consumer Motor Portfolio ²³ .	14.2%	11.3%	Not reported
Physical risks	Proportion of our residential and commercial property portfolio value currently vulnerable to high flood risk	1.8%	1.5%	Not reported
Capital deployment ²⁴	Capital or operating expenditure deployed towards: • Project spend on improving our pricing and underwriting capabilities • Access to flood models • Greenhouse gas data uplift programme • Climate-related Disclosure reporting process	\$2.2m	\$2.6m	\$637k

The increase in capital deployment from FY24 to FY26 is driven by additional investment in FY25 and FY26, including initiatives to strengthen pricing and underwriting capabilities and access to flood models. The increase also reflects adjustments to investment levels across all reported initiatives.

Other climate-related metrics

We do not currently use any additional industry-based metrics or key performance indicators beyond those disclosed to measure and manage our CRROs. We will continue to monitor evolving reporting practices and regulatory expectations; however, there are currently no plans to adopt additional industry-based metrics or key performance indicators.

22. In FY26, we have adopted a single metric to capture the proportion of business activities exposed to transition risks and aligned to climate-related opportunities. The transition risk metric has been updated to reflect impacts on claims capability, capacity and supply chains (refer Strategy, page 8), including increased competition for specialised repair resources associated with rapid EV uptake. For climate-related opportunities, the metric builds on the FY25 disclosure of the proportion of pure electric vehicles in our Consumer Motor portfolio, expanded in FY26 to include hybrid vehicles and refined to more comprehensively capture all electric vehicles. This metric is disclosed as a transition risk and a climate-related opportunity, reflecting our view that increasing EV uptake presents both risk and opportunity. FY25 has been restated to reflect the revised methodology and improve comparability between reporting periods.

23. Reported vehicles are only those we've been able to identify and exclude motorcycles, vintage cars, campervans, and other non-standard specialist vehicles.

24. The reported figure for capital deployment reflects only costs that can be directly attributed to activities addressing CRROs. It excludes expenditure incurred for broader business purposes that may indirectly support climate outcomes. As a result, the figure does not represent the full extent of funding or capital deployed to manage our CRROs.

Risk Management

Integration of climate-related risk within the risk management framework

Vero's Risk Appetite Statement (RAS) and Risk Management Programme (RMP) operate in conjunction with the Suncorp Group Enterprise Risk Management Framework (ERMF). Together these documents recognise that physical, liability, and transition climate-related risks may affect Vero's business model, operating environment and business plan. Climate-related risks are treated as standalone risks or as causes of other risks and are managed through Vero's existing enterprise risk management processes, including the Risk, Obligation and Control Self-Assessment (ROCSA) process and the risk management system (IRIIS). Climate-related risks are rated and prioritised using similar tools and processes to other risks which may impact our business.

Relevant processes and programmes:

The below sets out our primary tools, standards and documents to manage our risks.

Risk Management Programme (RMP)

The RMP sets out a summary of the risk management direction, risk and governance frameworks, policies, processes and key accountabilities that govern risk. Key risks are categorised into strategic, financial, operational and insurance risks. The RMP operates within the broader context of the Suncorp Group ERMF. This is supported by more specific standards and policies including ROCSA, which helps us identify and assess risks in a structured way and summarises how these risks are managed and controlled. Vero also has processes to identify and report on emerging risks so that management can take action as needed.

Risk Appetite Statement (RAS)

The Board sets and approves risk appetite, defined as the level and nature of risk it is willing to accept in the pursuit of our strategic objectives, including in relation to climate-related risk.

Identify, assess and manage climate-related risks

Our approach to managing climate-related risks under our risk management framework has continued to develop, with risks considered in different business contexts over different time horizons. Physical and transition climate-

related risks are considered during annual business strategy setting for the next three-year period in the context of up to a 20-year time horizon. Transition risks, liability risks, or risks with physical climate risk causes, are also considered over the short-term (1 to 3 years depending on type) within business unit risk profiles. Climate scenario analysis outputs help to support these risk management processes.

In identifying, assessing and managing our CRROs, we focused primarily on our insurance value chain, particularly our underwriting portfolios, which are expected to be most impacted by climate-related physical risks. While our primary focus was on these areas, we did not exclude any part of our value chain. Refer to the Strategy section pages 7-11 for more detail on our reported CRROs.

Our processes for identifying, assessing, prioritising and monitoring climate-related risks are integrated into Vero's overall risk management framework. Activities to mitigate these risks include risk selection, natural peril pricing, natural hazard allowance, access to reinsurance, strong capital levels, advocacy and the application of our RAS.

For business-unit profile risks:

Identification

Risks that may have a material impact on achieving business objectives are identified using a set of library risks and risk causes to ensure consistency.

Assessment

Risks are assessed using a methodology considering likelihood and impacts across the relevant time horizons. Controls to manage the risk are considered as part of the process. Risks are to be reviewed on at least an annual basis or earlier if required based on internal or external triggers. Risk ratings and controls are incorporated into the relevant risk profile.

Management

Risk management requirements are defined by framework documents and may differ according to severity. Operation within Board approved risk appetite (including physical and transition risks) is monitored and reported to management and the Board Audit and Risk Committee (BARC).

Refining how we manage climate-related risks:

In FY26, relevant risk descriptions and physical climate risk cause linkages in our risk system were reviewed and updated to support alignment with Climate Change Scenario Analysis outcomes.

Governance

Board oversight

Vero Board of Directors

The Vero Board (Board) is the governance body responsible for oversight of CRROs, approval of climate-related commitments and targets, and approval of climate-related disclosures. It is ultimately responsible for the sound and prudent management of Vero. It sets and approves the strategic direction of Vero and approves its purpose, as well as approving and overseeing its risk management framework and risk appetite.

The Board delegates oversight of climate-related risks, and monitoring of climate-related metrics, commitments and targets to the Vero Board Audit and Risk Committee (BARC), a permanent standing committee of the Board.

Responsibilities

- Oversees CRROs.
- Approves policies, risk appetite (including statements on climate-related risk), strategy, climate-related standards and targets, and external climate disclosures.

Meeting Frequency

At least quarterly but typically meets six times a year.

Board Audit and Risk Committee (BARC)

The BARC oversees the integrity of Vero's climate-related disclosures and performance as a Climate Reporting Entity.

- It comprises all non-executive Directors of the Board and reports to the Board.
- The BARC is also attended by the SNZ Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, Head of Legal and Corporate Services, Suncorp Group Chief Executive Officer, Suncorp Group Chief Risk Officer, Suncorp Group EGM Internal Audit, the external auditor, and any other person who may be invited to attend or participate.

Responsibilities

- Oversight of the assessment and management of climate-related risks.
- Oversees processes for climate disclosures and remains informed about climate-related matters during meetings via management presentations.
- Reviewing and approving our climate-related disclosures.
- Reviews reports about climate-related risks, including the CSA outcomes, to oversee how these risks are assessed and managed.

Meeting Frequency

- At least four times per year but typically meets six times.

People and Remuneration Committee (PRC)

The PRC assists the Board in overseeing performance and remuneration outcomes of the SNZ Chief Executive Officer and the Senior Leadership Team (SLT).

It comprises of not less than two independent directors of the Board.

The PRC is also attended by the SNZ Chief Executive Officer, Head of People and Culture, Head of Legal and Corporate Services, the Suncorp Group Chief Executive People, Legal and Corporate Services and any other person who may be invited to attend or participate.

Responsibilities

- Reviews and recommends for approval by the Board the annual performance and remuneration outcomes of the SLT. This includes consideration of climate-related responsibilities embedded within SLT accountabilities and the financial and risk measures in the Vero Scorecard.
- Reviews and monitors the succession plans of independent directors, noting the composition of the Board and requisite skills.

Meeting Frequency

- Expected to meet at least twice a year but typically meets three to four times. The first meeting was held in June 2026.

Board skills

Our Board Directors have diverse and complementary skills. The Board has completed a skills matrix that rates each Director's skills and experience across a broad set of areas, including oversight of climate-related risks and opportunities, sustainability and risk management. The matrix incorporates both a self-assessment component and peer ratings. During FY26 our Board has been briefed on how we are developing our climate-related disclosures. The Board and Senior Leadership Team (SLT) have access to climate and risk expertise within the broader Vero and Suncorp New Zealand businesses. This includes an inhouse sustainability team, risk specialists, and specialists in modelling extreme weather.

Strategic integration of climate-related risk and opportunities

When setting the business strategy, our Board considers CRROs and approves and monitors our metrics and targets. During FY26 our BARC and Board were involved in the following:

- Considering climate risk alongside other macro trends and strategic risks as part of the Board Strategy Day in December 2025.

- Considering the FY26 Vero Climate Statement Board Engagement Plan, outlining the items management planned to submit to the BARC during the calendar year 2026 to support this report.
- Reviewing the outcomes of our Climate Scenario Analysis, including the identified CRROs.
- Monitoring climate-related metrics, including how we are progressing against our climate targets and commitments.
- Reviewing and approving our FY27-29 three-year business plan, which includes priorities that help Vero respond to climate-related risks and opportunities. Climate-related risks and opportunities are monitored and managed through SLT accountabilities, management committees, and business-level responsibilities. A range of internal policies, controls and procedures exist to support the management and governance of CRROs. These are summarised in our internal Climate Governance and Reporting Framework. During FY26, the CRROs identified as part of our CSA process were reviewed by the Insurance Risk Committee (IRC) and the Asset and Liability Committee (ALCO). CSA risks are also incorporated into emerging insurance risk reviews which are oversighted by the IRC.

Senior Leadership Team responsibilities

Management – CEO and SLT

Our SLT serves as our most senior management team. Their position descriptions include climate-related responsibilities as applicable to each role.

Responsibilities

- Manages the organisation's climate strategy, including identifying and addressing CRROs.
- Monitors performance against climate-related commitments and targets.
- Integrates climate and sustainability considerations into business planning and strategic decision-making.
- Oversees governance through climate risk frameworks and provides oversight across relevant areas.
- Responsibilities also include operational functions such as reinsurance, procurement, underwriting, pricing and claims management.
- In FY26, the development of climate-related disclosures was sponsored by the Executive Officer and Head of Strategy, Corporate Affairs and Marketing.

Reporting Frequency

Climate-related responsibilities of the SLT are addressed during relevant committee meetings and, when necessary, at monthly SLT meetings.

Management Level Committee responsibilities

Climate-related Disclosure Steering Committee (CRD SteerCo)

- Oversees how we develop our climate-related disclosures and processes.

Typically meets every month.

Asset and Liability Committee (ALCO)

- Has oversight of climate-related financial risks.
- Oversees our CSA.

Typically meets every two months with at least six meetings a year.

Non-Financial Risk Committee (NFRC)

- Has oversight of non-financial climate-related risks.

Typically meets every two months with at least six meetings a year.

Insurance Risk Committee (IRC)

- Has oversight of CRROs in the insurance value chain

Typically meets every two months with at least six meetings a year.

Business Level responsibilities

CRD Working Group

- Manages and develops climate-related disclosures.

Typically meets every fortnight.

Sustainability and Business Teams

- Manages first-line climate-related risks.

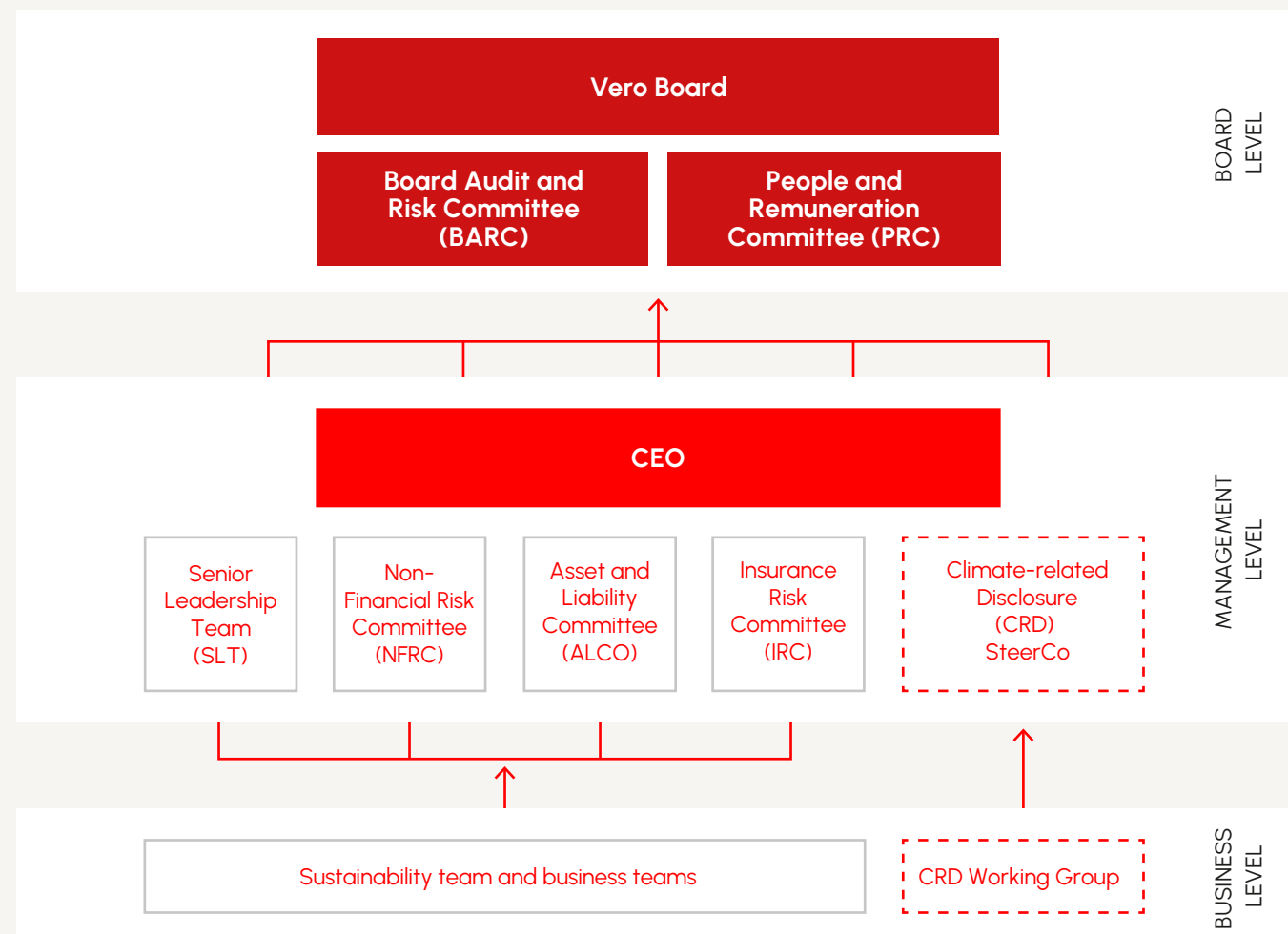
Meet on an ongoing basis.

Remuneration

Management remuneration is not currently linked to climate-related risks and opportunities, and climate-related performance is not specifically incorporated into remuneration policies. Accordingly, specific climate-related metrics represented 0% of overall management remuneration during the reporting period.

However, the variable pay component of remuneration (short-term incentive) is assessed against a balanced scorecard comprising financial and non-financial measures. While climate-related performance is not included as a discrete remuneration measure, climate-related responsibilities are embedded in the position descriptions of our SLT, where relevant to each role.

Governance structure



↑ Indicative reporting line

⋮ CRD programme team

Supplementary Notes

GHG emissions reporting boundary and methodology

Organisational boundary

Vero's GHG emissions inventory is prepared in accordance with

- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2015 revised edition) (the GHG Protocol).
- The Greenhouse Gas Protocol: GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard.
- The Greenhouse Gas Protocol: Corporate Value chain Scope 3 Accounting and Reporting Standard.
- PCAF (2025) The Global GHG Accounting and Reporting Standard Part A: Financed Emissions, Third Edition. (PCAF)

For GHG accounting purposes, Vero defines its organisational boundary using the operational control approach, under which emissions are accounted for from operations over which Vero has the authority to introduce and implement operating policies; this boundary is applied consistently across Scope 1, Scope 2 and Scope 3 emissions.

Changes from prior year

Our approach to measuring emissions remains predominantly unchanged from FY25 except:

- The methodology for Scope 3 Category 7 (Employee Commuting, including Working from Home) has been updated to incorporate annual leave, office attendance swipe card data and working from home emissions.
- Scope 3 Category 6 (Business Travel) business travel now includes hotel stays.
- Scope 3 Category 6 (Business Travel) domestic short-haul flights now use the New Zealand Ministry for the Environment (MfE) emission factors to calculate emissions instead of the United Kingdom Department for Environment, Food and Rural Affairs.
- Inclusion of Investment Emissions – Scope 1 and 2 emissions of Corporate bonds only.
- We introduced reporting of waste emissions for our site at Shortland Street (Auckland, Vero Centre) only.
- All our sites are now reported as 100% renewable electricity, we rely on BraveTrace Statement of Position documentation (NZ-ECs) purchased from Meridian and Genesis Energy (discussed further below).

Reporting periods

Scope 1 and 2 emissions together with upstream Scope 3 emissions are measured for the financial reporting period from 1 July 2025 to 30 June 2026 for operations in New Zealand.

Scope 3 Category 15 financed emissions associated with Investments are measured at a point in time, based on investment holdings and verifiable investee emissions data as at 30 June 2026.

Restatement approach

In preparing our climate disclosures, we consider material changes in our organisational structure, changes in calculation methodologies, identification of errors, or other factors in determining our restatement approach. As a result, there may be instances where we choose to recalculate and restate our baseline or restate metrics from prior reporting periods.

Scope 2 Restatements

FY25 Scope 2 (location-based) emissions have been restated using the latest 2026 emission factors published by MfE.

Scope 3 Restatements

FY25 and FY24 Scope 3 emissions have been restated to reflect:

- Methodology improvements in Category 6 (Business Travel) and Category 7 (Employee Commuting, including Working from Home).
- The removal of Category 1 (Office and Printed Paper) and Category 3 (Transmission and Distribution Line Losses, market-based).

Emissions

Emissions disclosures involve inherent uncertainty due to evolving methodologies, assumptions and the use of emission factors; Vero does not consider this uncertainty to have a material impact on its reported emissions and related disclosures.

Approach to data quality

We prioritise primary activity data and obtain secondary data, where relevant, from third-party service providers. For financed emissions, we use emissions data sourced from Sustainalytics or company disclosures, giving preference to independently assured or verified information. Where company-specific data is unavailable, we may use parent or group-level emissions, Sustainalytics modelled estimates, or sector-based estimates derived from Exiobase emission factors applied in accordance with the PCAF Standard. Where investee reporting periods differ from Vero's reporting year end, the latest available data disclosed on or before year end is used. Consistent with the PCAF Standard, we assign a data quality score from 1 to 5 (highest to lowest) based on the underlying emissions data source, estimation method and level of assurance, reflecting varying levels of uncertainty in investee emissions. See Category 15 - financed emissions – Investments for details on how PCAF data quality score, Scores 1 – 5 (highest to lowest).

Availability and reliance on data

Our disclosures rely on the availability and quality of emissions and financial data, including information sourced from third-party providers, which may be incomplete, inconsistent, outdated or unavailable. As a result, assumptions, estimates and proxies may be required, and material changes in data sources or methodologies may lead to restatements. We source investment emissions through the Sustainalytics platform, which includes both reported company data and modelled estimates where company disclosures are unavailable. Where company-specific emissions data cannot be obtained, we may also rely on parent or group-level emissions or sector-based emission factors. As a result, reported emissions may not fully reflect the actual emissions profile of the underlying investee. We also supplement third-party datasets with information from company annual and sustainability reports, which requires manual mapping and review to align emissions data with investment holdings and introduces a degree of judgement and potential for human error. PCAF data quality assessments are performed by Vero using an internal methodology aligned to the PCAF Standard.

Scope 1 and 2 emissions

Scope 1 and 2 emissions are calculated by applying relevant emissions factors to energy consumption data sourced from usage records or supplier invoices. Where actual data is unavailable, emissions are estimated using historical consumption data.

Scope 1 emissions

Scope 1 emissions are direct emissions measured from direct fuel use, including the fuel consumed by our corporate fleet, stationary energy sources like natural gas and diesel generators in our offices.

For fleet fuel consumed, data is obtained directly from suppliers, with activity data provided in litres.

Some estimations invariably include personal travel in fleet vehicle usage as data is not available to separate the personal usage from the associated business usage.

Emission factors used to calculate Scope 1 are sourced from New Zealand Ministry for the Environment (MfE)²⁵ (2026).

Scope 2 emissions

Scope 2 emissions are indirect emissions associated with electricity consumption across Vero's property portfolio. There are two methods to calculate these emissions.

Emissions from the Scope 2 location-based method are calculated using MfE (2026) yearly emission factors applied to the total electricity consumption. These emissions reflect the average emissions intensity of grids on which energy consumption occurs. Where data is unavailable, consumption is accrued for based on historical records.

Emissions from the Scope 2 market-based method reflect emissions from electricity that Vero purchases, which includes any contractual instruments such as renewable energy certificates (RECs).

All electricity consumed in FY26 was matched by and redeemed against New Zealand Energy Certificates (NZECS) administered through the BraveTrace²⁶ registry, with one certificate retired for each megawatt-hour (MWh) of renewable electricity generated.

25. MfE emission factors are based on the 100-year Global Warming Potential (GWP values) for the IPCC's Fifth Assessment Report (AR5) and are subject to change year-on-year.

26. BraveTrace operates the New Zealand Energy Certificate System (NZECS). NZECS is a registry platform that enables energy users to claim ownership of energy production attributes from specific generation facilities. The system does not change the electrons that are supplied to users via the national grid.

Scope 3 upstream emissions

Vero reports on select upstream Scope 3 GHG Protocol categories associated with Group operational business activities. Emissions are calculated consistent with the GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011) prioritising activity data multiplied by the relevant emission factors from the relevant verifiable sources. Where actual data cannot be sourced, estimations are added based on historical records at the data type level.

Category 3 – fuel and energy related activities

This category covers emissions related to the production of fuels and energy purchased and consumed by Vero in the reporting year that are not included in Scope 1 or Scope 2.

This is calculated by applying indirect emission factors to the data types covered under this category. Vero does not currently include the calculation of upstream emissions associated with purchased energy and reports only on transmission and distribution (T and D) losses for this category.

Data quality from fuel and grid-purchased electricity is high, based on availability of activity data.

We apply emission factors sourced from New Zealand Ministry for the Environment (2026).

Category 5 – waste generated in operations

This category covers emissions from third-party disposal and treatment of landfill waste generated in Vero's owned or controlled operations.

For FY26, only data from the Auckland Shortland Street office has been included. Data has not been extrapolated due to insufficient actual data to develop a reliable waste coefficient.

It is assumed that the vendor for this site has provided complete and accurate data, and that this is an appropriate representation of activity. No assumptions are used to calculate data within this category.

We apply emission factors sourced from New Zealand Ministry for the Environment (2026).

Category 6 – business travel

This category covers emissions from the transportation of employees for business-related activities in vehicles owned or operated by third parties, such as flights, accommodation and taxis.

It excludes emissions associated with employee commuting between the office and home (reported under Category 7) and travel booked outside the approved corporate booking platform.

Emissions from flights and other transport modes are calculated using a distance-based method, while accommodation emissions are calculated based off length of stay.

New Zealand Ministry for the Environment (2026) factors applied for domestic New Zealand short-haul flights, taxis and hotel stays.

All other emissions factors are sourced from United Kingdom Department for Environment, Food and Rural Affairs (2025). The GWPs used in the calculation are based on the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5) over a 100-year period.

Data limitations across some activity types (including classification errors, flight data inconsistencies and distance-based taxi estimates) result in higher use of estimations, which are expected to reduce as data quality improves.

Category 7 – employee commuting and working from home

This category covers emissions from transportation of employees between their homes and their worksites including emissions from energy use in employee homes associated with remote working.

Employee commuting emissions are based on method of commute, derived from a point-in-time commuter survey conducted in Q3 with a 47% response rate.

Key inputs to calculate work-from-home emissions include Vero FTE data, swipe card data and commuter survey results.

Employee commuting and working-from-home emissions estimates are based on extrapolated average data and incorporate several assumptions.

Emission factors are sourced from New Zealand Ministry for the Environment (2026)

Scope 3 downstream emissions

Category 15 – financed emissions – Investments

The table below summarises the key methodological parameters applied:

Area	Methodology
Asset class inclusion	Corporate Bonds
Asset class exclusions	Joint ventures, Cash, residential mortgage-backed securities, sovereign debt.
Geographical coverage	Global
Emissions methodology alignment	Partnership for Carbon Accounting Financials (PCAF) standard V3
Emissions factor source	Investee emissions data are obtained directly from publicly disclosed company reports where available. Where reported emissions data are not available, industry-average emission factors from PCAF are applied. These emission factors are derived from the EXIOBASE v3.9 database (2019) and utilise the 100-year Global Warming Potential (GWP) values from the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5).
Sector classification source	Global Industry Classification Standard and Bloomberg Industry Classification Standard
Absolute emissions	tCO ₂ -e
Intensity metric	tCO ₂ -e/NZ\$m invested
Intensity metric methodology	Weighted economic intensity metric
Scope inclusion	Scope 1 and 2 of investees
Scope exclusions	Scope 3 emissions of investees
PCAF data quality inclusion	Scores 1 – 5 (highest to lowest) In FY26, only data quality scores of 1, 3 and 5 were applied
PCAF data quality Score 1	Investee-specific Scope 1 and 2 emissions data that is independently assured or verified, sourced from the investee's published climate disclosures.
PCAF data quality Score 3	Reported Scope 1 and 2 emissions data that is not specific to the investee entity, such as parent or group-level emissions allocated to the local entity.
PCAF data quality Score 5	Estimated Scope 1 and 2 emissions based on EXIOBASE v3.9 asset-based emission factors where no company-specific emissions data is available.
Attribution factor numerator	Vero's outstanding investment holdings (Current value of investment)
Attribution factor denominator	Enterprise value including cash (EVIC) or debt and equity
Currency	NZD
Reporting date	June 30 (current reporting period)
GHG gases	reported in tCO ₂ -e, but underlying constituent gas completeness is limited by investee disclosures, sectoral models, and emissions factors.
Methodological changes to prior year	N/A

Absolute financed emissions formula

$$\sum_i^n \left(\frac{\text{current value of investment}_i}{\text{Investee company EVIC}_i} \times \text{Investee company's reported or estimated emissions} \right)$$

Exclusions from our reported emissions

No facilities or operations were excluded from our FY26 GHG inventory. Excluded emissions sources and their justification for exclusion can be found in the table below.

Scope 1 exclusions	Reason for exclusion
Fugitive emissions – Refrigerants from HVAC	Emissions are considered de minimis to our total reported emissions (5% materiality threshold).
Scope 3 subcategory exclusions	Reason for exclusion
Category 1: Water use, paper	Emissions are excluded under Adoption Provision 4 (NZ CS 2).
Category 1: Suppliers	Vero's methodology for measurement is still in development.
Category 2: Capital goods	Emissions are excluded under Adoption Provision 4 (NZ CS 2).
Category 4: Upstream transportation and distribution	
Category 5: Waste to landfill for our remaining offices, Recycling, Organics, Wastewater	Inadequate source data and no reasonable method for estimation.
Category 15: Investments- Scope 3 emissions of our corporate bonds	Vero's methodology for measurement is still in development.
Category 15: Investments-Sovereign debt and remaining asset classes	Emissions are excluded under Adoption Provision 4 (NZ CS 2).
Category 15: Underwriting Activities	
Category 15: Investments - AA Insurance	
All other categories, (scope 3 subcategories 8 – 14)	Not applicable to Vero.

Sensitive Sector Standard – Fossil Fuels

The Sensitive Sector Standard applies across the Suncorp Group, including Vero. References to “Suncorp” throughout this Standard are used for simplicity and include Vero where the requirements of the Standard apply.

Investments

The following exclusions apply to our investment portfolios that are structured as mandates²⁷ and implemented by our external investment managers.

Thermal Coal

Suncorp will not directly invest in:

- companies globally with more than 10% of revenue from direct involvement in thermal coal extraction.
- companies globally with more than 10% revenue from direct involvement in thermal coal power generation unless the company has a climate transition plan that meets the requirements of our Climate Assessment Framework (CAF).
- special purpose corporate bonds issued globally to provide ring-fenced financing to new or additional thermal coal mining extraction projects, or thermal coal electricity generation projects.

Oil and gas exploration and production

Suncorp will not directly invest in companies generating:

- more than 5% of revenue from direct involvement in unconventional oil and gas exploration or production in tar sands, or inside the Arctic Circle.
- revenue from direct involvement in oil and gas exploration or production in the Great Australian Bight.
- special purpose corporate bonds that provide ringfenced financing for new or additional oil and gas exploration and production projects.

Unless a company has a climate transition plan that meets Suncorp’s CAF requirements, Suncorp will not directly invest in:

- The top 25% of oil and gas exploration or production companies.
- From 2030, the top 50% of oil and gas exploration or production companies.
- By 2040, all oil and gas exploration or production companies.

The top percentage of companies to be excluded will be determined by measuring:

- Metric tonnes of CO₂ equivalent per million of USD revenue for Scope 1 and 2 emissions and/or
- Metric tonnes of CO₂ equivalent for Scope 1 and 2 emissions.

This level will be determined by Suncorp’s chosen external data provider.

Exemptions

The Sensitive Sector Standard does not apply to:

- entities that provide capital or financing. This exemption does not extend to any special purpose vehicle or similar structure that is established for the primary purpose of providing ring fenced financing to new or additional thermal coal mining extraction projects or thermal coal electricity generation projects, or new or additional oil and gas exploration or production projects.
- entities that provide ancillary services to thermal coal extraction or generation, or oil and gas operators, such as the provision of labour hire, catering, engineering, consultancy, transport or construction companies
- exposures via pooled investment vehicles.

Limitations

The exclusion boundary is limited to the data available through our third-party data provider including the reliance on the classification of companies by the provider and the availability of relevant emissions and revenue information for deriving absolute emissions, *emissions intensity* and the use of revenue base.

Fossil Fuel exposure is managed through an active investment exclusion list (for the period 1 July to 30 June) that Suncorp supplies to our external investment managers, with oversight from the custodian. The data is reviewed annually based on the most recent revenue and emissions data as sourced from our third-party provider.

27. Mandates are specific investment structures where Suncorp Group sets the portfolio rules, parameters and limitations in an Investment Management Agreement and the External Investment Manager, manages the investments in line with those rules.

Climate Assessment Framework (CAF) for our investment portfolio

From 1 July 2025, Suncorp implemented a CAF, to assess a company's climate transition plan against the CAF criteria. Our CAF leverages and adapts aspects of the Climate Action 100+²⁸ disclosure framework annual indicators such as climate ambition, targets, strategy, governance, and disclosure. Climate Action 100+ is widely recognised and referenced by the Glasgow Financial Alliance for Net Zero²⁹ and the NZAOA³⁰. As climate transition plan frameworks and standards mature, we will consider updates to these criteria.

The CAF will apply to the investment portfolio only and is limited to thermal coal power generation and upstream oil and gas exploration and production investee companies globally otherwise excluded. The CAF seeks to remove Suncorp investment barriers into companies that meet the assessment criteria towards commitment to the climate transition.

While there is no current intention to use the CAF for underwriting, as the market evolves to a lower-carbon economy and as our maturity increases, we will assess the future applications of a CAF as appropriate at the time.

Commercial underwriting

The following exclusions apply to insurance cover underwritten through our brokers in Australia and New Zealand.

Suncorp will not directly underwrite (new or existing) companies with:

- more than 10% revenue from thermal coal extraction or thermal coal power generation
- more than 10% revenue from *oil and gas exploration and production*
- more than 5% revenue from unconventional oil and gas exploration and production in tar sands, or inside the Arctic Circle.
- revenue from oil and gas exploration and production in the Great Australian Bight.

Exemptions

The Standard does not apply to the following:

- business package insurance (total asset sum insured value less than A\$10m per asset in Australia, NZ\$30m per asset in New Zealand indexed to 2024) and non-fleet motor up to 25 vehicles
- consumer personal insurance lines and statutory or compulsory insurance such as workers' compensation and compulsory third-party insurance
- the provision of insurance to entities that provide capital or financing
- the provision of insurance to entities that provide ancillary services to thermal coal extraction or generation, or oil and gas exploration and production operators, such as the provision of labour hire, catering, engineering, consultancy, transport or construction companies
- joint venture partners including AA Insurance, New Zealand
- related companies, customers, or suppliers of the entity being underwritten by Suncorp, and its wholly owned subsidiaries.

Limitations

Suncorp applies sector classifications to allocate policies to a specific sector using Australia and New Zealand Standard Industrial Classification (ANZSIC) and/or occupation codes in New Zealand. The allocation is intended to reflect the primary activity of the customer in terms of the primary risk insured. Where a customer operates in more than one industry, Suncorp will select the most relevant ANZSIC or occupation code. Industry codes are allocated by underwriters, internal support staff, directly by clients or through integrated systems with our broking partners or through broking slips. Due to the manual nature of code application, there is a possibility of error in assigning industry codes at the time of onboarding or due to changes in customer activity over time. For use in our Sensitive Sector Standard (fossil fuel), we apply screening procedures to coal, oil and gas, energy and mining codes, as well as detective controls through comparisons with public coal and oil and gas registers. For diversified clients that primarily operate in other industries it may be difficult to screen for these policies.

We are continuing to refine our screening processes and educate our broking partners on our risk appetite.

28. Climate Action 100+, <https://www.climateaction100.org/>

29. Glasgow Financial Alliance for Net Zero (2022), Financial Institution Net-zero Transition Plans, <https://www.gfanzero.com/our-work/financial-institution-net-zero-transition-plans/>

30. UN-convened Net-Zero Asset Owner Alliance (2024), Target-Setting Protocol, Fourth edition, https://www.unepfi.org/wordpress/wp-content/uploads/2024/04/NZAOA-TSP4_FINAL.pdf

Climate scenario analysis methods, assumptions, limitations and estimation uncertainty

Climate Scenario Analysis

The climate scenario analysis projects climate impacts for exposures as at a point in time, before any strategic responses, and while holding all other assumptions constant (i.e. without anticipating changes in business mix, future population or the built environment over time) to isolate the impact of the climate on expected claims. Considerable variation around the long-term expected claims is expected year-to-year due to inter-annual climate variability.

We have assumed no further regulatory intervention into the insurance market beyond what exists currently. Projections from global climate models relate to specific climate variables rather than losses from insured perils. Translation into insurance claims impacts relies on assumptions which have been selected based on expert judgement.

Limitations

The representation of severe weather within climate projections is associated with high levels of uncertainty. The global climate models that underpin future projections simulate future climate (i.e. average weather) and not localised severe weather that drives events that lead to large insurance losses. Severe weather is strongly determined from the background state of the climate, such that projections are useful for inferring the nature of weather events that might emerge over large regional areas. Differences in how different global climate models simulate the earth system also add to this uncertainty.

While we can draw broad conclusions about the direction of future change, we should not interpret the figures and outcomes as an exact prediction of financial impact. We have incorporated our understanding of the physical science and present-day vulnerability of the built environment using available resources. While projections are for long term trends, variations in year-to-year observations will be impacted by weather cycles and inherent randomness in weather patterns.

Scenario development

Scenarios were designed by starting with the Shared Sector Scenarios developed by the Insurance Council of New Zealand, and from this, derived entity-specific scenarios. There were three Shared Sector Scenarios:

- Orderly transition
- Disorderly transition
- Hot House world

For the Hot House world scenario, we elected to use SSP 3-7.0 because we did not have physical climate layers for the SSP5-8.5 scenario. RCP7.0 is also becoming more widely used in scenario analysis compared to RCP 8.5 because RCP 8.5 produces temperature outcomes that are arguably too extreme.

Physical risk modelling

- We used Finity Consulting Pty to provide external expertise in the risk modelling in FY25. FY24 analysis by AON New Zealand was also rolled forward to additionally inform surface and riverine flooding.
- We determined present day expected claims cost and counts of buildings exposed to a range of natural perils by running Vero's inforce exposures through Finity's Finperils modelling suite.
- We then overlaid a series of climate layers for the required SSPs and time horizons. From these model outputs, we can determine the increase in expected claims cost and count of affected addresses under each scenario.
- Results are summarised at postcode level for reporting purposes, but modelling is conducted at building level.

Physical model source

Model	Hazard & climate layer source	General Circulation Model (GCM)
Flood (riverine, surface water)	JBA	SingleGCM MRI-ESM2
Coastal inundation	NIWA	6 GCM ensemble ACCESS-CM2, EC-Earth3, NorESM2-MM, GFDL-ESM4,AWI-CM1-I-MR, CNRM-CM6-I
Storm	NIWA, ERA	6 GCM ensemble ACCESS-CM2, EC-Earth3, NorESM2-MM, GFDL-ESM4,AWI-CM1-I-MR, CNRM-CM6-I

The models we have used are imperfect representations of reality. Different models will produce different outcomes. In addition to model uncertainty, there is a lot of variability in year-on-year outcomes that is lost in an annual claims estimate.

Key limitations and sources of uncertainty in our physical modelling process include:

- Not all perils have been modelled. Models of coastal erosion, drought and rain induced landslip are in development, and this will increase the expected losses from climate impacts. Hail and bushfire were also not included in the analysis.
- Flood climate layers use a single General Circulation Model (GCM), which means the results are subject to sometimes significant bias due to the coarse model resolution (compared to complex local terrain).
- In other cases, we use a 6-GCM model average (e.g. storm, coastal inundation) to understand risk. This means that our approach does not capture the full range of modelled outcomes. It is a 'best estimate' rather than a plausible range. In some cases, differences between plausible models may be larger than differences between emission scenarios. But, over longer timescales, emission scenarios are the dominant source of uncertainty.
- Although JBA supplies climate change layers for each return period, these are derived by applying the average change factors for each SSP/time horizon across all return periods. This means we cannot glean any information from the JBA model on how extreme events might change as the climate warms.
- We have made assumptions about the contribution from typical rainfall events vs extreme rainfall, and for some loss types (e.g. storm), this contribution is not well understood.
- The NIWA coastal inundation model is a static / 'bathtub' model and does not have allowance for physical features such as water permeability of soils. Vertical land movement is not included in the standard NIWA results. We have adjusted for this by not including more frequent return periods (e.g. 1 in 2, 5 and 10 years) in the derivation of our loss estimates, however, it is a source of possible overstatement of baseline risk. We do not believe that this materially affects the climate relativities.
- Vertical land movement also contributes to coastal inundation and is significant over long time-frames. Vertical land movement is not included in the standard NIWA results.
- JBA's flood model has significant areas of rural elevation data sourced via Shuttle Radar Topography Mission (SRTM) data, and this is inferior to LiDAR because of its lower resolution and susceptibility to vegetation and built-form bias.
- JBA's flood model does not have good data on defences, particularly in rural areas.
- Vero may have higher average sums insured than those used to calibrate the storm model, leading to potential overstatement when the ADRs are applied to Vero's sums insured.

Glossary

Term	Definition
Climate Assessment Framework (CAF)	Suncorp's framework to assess an investee company's climate transition plan, which leverages and adapts aspects of the Climate Action 100+ disclosure framework indicators such as climate ambition, targets, strategy, governance, and disclosure.
Directly invest	Investing in or holding investments in a company's equity or general bond issuance.
Directly underwrite	Insurance cover for the entity being underwritten, not any other related companies, customers, or suppliers.
Emissions intensity	Greenhouse gas emissions per unit of activity, such as GDP, investment value or number of employees.
Enterprise Value Including Cash	Calculated as the sum, at year-end, of the market capitalisation of ordinary shares, the market capitalisation of preferred shares, and the book value of total debt and non-controlling interests, without the deduction of cash or cash equivalents.
High flood risk	High flood risk refers to properties in Vero's residential and commercial portfolios that are located in areas subject to flooding, that are expected on average to flood at least once in every 100 years, resulting in insurable loss. This means there is at least a 1% chance of flooding in an average year, resulting in insurable loss.
Investees' climate transition plan	Publicly disclosed climate targets and supporting governance structures outlining a company's plans to reduce their GHG emissions and align their business model to a lower-carbon economy by 2050.
Oil and gas exploration or production	The upstream activities of the oil and gas sector. Upstream oil extraction refers to entities whose principal operations include the exploration and development of oil fields for the purposes of extracting and producing crude oil. Upstream gas extraction refers to entities whose principal operations include exploration, development and management of gas fields used for the purpose of natural gas production or liquefied natural gas production. Principal operations are irrespective of the owner of the fossil fuel asset. Upstream activities do not include processing, transportation, storage, power generation, refining, distribution or other activities further downstream.
Renewable electricity	Renewable electricity is defined by RE100 as electricity generated from recognised renewable sources, such as solar, wind, hydro, geothermal and sustainably sourced biomass, and procured through verified methods like energy attribute certificates, power purchase agreements, retail backed agreements or self-generation.
Revenue from direct involvement	Revenue from the investee company itself that is directly involved in a product or service (such as production or distribution) and revenue from an involved subsidiary that the company holds more than 50% ownership.
Top percentage of oil and gas exploration and production companies globally	The exclusion boundary includes companies globally, however, is limited to the data available through Suncorp Group's chosen third-party data providers. The top percentage of companies globally is defined using measure of the metric tonnes of CO ₂ equivalent per million of USD revenue for Scope 1 and 2 emissions and/or metric tonne of CO ₂ equivalent for Scope 1 and 2 emissions.

Assurance Report



Independent Limited Assurance Report to Vero Insurance New Zealand Limited

Conclusion

Our limited assurance conclusion has been formed on the basis of the matters outlined in this report.

Based on our limited assurance engagement, which is not a reasonable assurance engagement or an audit, nothing has come to our attention that would lead us to believe that, in all material respects, the scope 1, 2 and 3 gross greenhouse gas emissions, additional required disclosures of scope 1, 2 and 3 gross greenhouse gas emissions and scope 1, 2 and 3 gross greenhouse gas emissions methods, assumptions and estimation uncertainty disclosures included in the Climate Statement on page 17 (excluding Emissions Intensity) and on pages 24 to 28 (**GHG disclosures**) are not fairly presented and prepared in accordance with the Aotearoa New Zealand Climate Standards (**NZ CSs**) issued by the External Reporting Board (the **Criteria**) for the period 1 July 2025 to 30 June 2026.

Information subject to assurance

We have performed an engagement to provide limited assurance in relation to Vero Insurance New Zealand Limited's GHG disclosures for the period 1 July 2025 to 30 June 2026.

Our conclusion on the GHG disclosures does not extend to any other information included, or referred to, in the Climate Statement on pages 1 to 16, 18 to 23, 29 to 33 as well as Emissions Intensity on page 17, or other information that accompanies or contains the Climate Statement and our assurance report (**other information**). We have not performed any procedures with respect to the other information.

Criteria

The criteria used as the basis of reporting include the NZ CSs. As disclosed on page 24 of the Climate Statement, the greenhouse gas emissions have been measured in accordance with PCAF (2025) The Global GHG Accounting and Reporting Standard A: Financed Emissions, Third Edition and the Greenhouse Gas Protocol standards and guidance (collectively, the GHG Protocol):

- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2015 revised edition);
- The Greenhouse Gas Protocol: GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard; and
- The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

As a result, this report may not be suitable for another purpose.

© 2026 KPMG, a New Zealand Partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Document classification: KPMG Public



Standards we followed

We conducted our limited assurance engagement in accordance with New Zealand Standard on Assurance Engagements 1 (**NZ SAE 1**) Assurance Engagements over Greenhouse Gas Emissions Disclosures and International Standard on Assurance Engagements (New Zealand) 3410 Assurance Engagements on Greenhouse Gas Statements (**ISAE (NZ) 3410**) issued by the New Zealand Auditing and Assurance Standards Board (**Standard**). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Our responsibilities under the Standard are further described in the 'Our responsibility' section of our report.

Emphasis of Matter – Organisational boundaries

We draw attention to the "Greenhouse gas emissions" disclosure on page 17 of the Climate Statement, which describes the emissions reporting does not include AA Insurance Limited. This is currently deferred to be included in future Climate Disclosures when scope 3 value chain emissions reporting is required, as disclosed on page 17. This approach for reporting emissions differs to Vero Insurance New Zealand Limited's approach to financial consolidation in their financial statements. Our conclusion is not modified in respect of this matter.

Other Matter – Revision of the prior year comparative information

We previously expressed unmodified conclusions over the GHG disclosures for the periods 1 July 2023 to 30 June 2024 and 1 July 2024 to 30 June 2025. Our reports, dated 24 October 2024 and 20 October 2025 respectively, each included an unmodified conclusion.

We were not engaged to express a conclusion, or apply any procedures, on the revisions to the comparative information, and accordingly, we do not express a conclusion or any form of assurance on whether such revisions are appropriate or have been properly applied. Our conclusion is not modified in respect of this matter.

How to interpret limited assurance and material misstatement

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.

Misstatements, including omissions, within the GHG disclosures are considered material if, individually or in the aggregate, they could reasonably be expected to influence the relevant decisions of the intended users taken on the basis of the GHG disclosures.

Inherent limitations

GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emission factors and the values needed to combine emissions of different gases.

Use of this assurance report

Our report is made solely for Vero Insurance New Zealand Limited. Our assurance work has been undertaken so that we might state to Vero Insurance New Zealand Limited those matters we are required to state to them in the assurance report and for no other purpose.

Our report should not be regarded as suitable to be used or relied on by anyone other than the Vero Insurance New Zealand Limited for any purpose or in any context. Any other person who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk.

To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees accept or assume any responsibility and deny all liability to



anyone other than Vero Insurance New Zealand Limited for our work, for this independent assurance report, and/or for the opinions or conclusions we have reached.

Our conclusion is not modified in respect of this matter.

Vero Insurance New Zealand Limited's responsibility for the GHG disclosures

The Directors of Vero Insurance New Zealand Limited are responsible for the preparation and fair presentation of the GHG disclosures in accordance with the Criteria. This responsibility includes the design, implementation and maintenance of such internal controls as Directors determine is relevant to enable the preparation of the GHG disclosures that are free from material misstatement whether due to fraud or error.

The Directors of Vero Insurance New Zealand Limited are also responsible for selecting or developing suitable criteria for preparing the GHG disclosures and appropriately referring to or describing the criteria used.

Our responsibility

We have responsibility for:

- planning and performing the engagement to obtain limited assurance about whether the GHG disclosures are free from material misstatement, whether due to fraud or error;
- forming an independent conclusion based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to Vero Insurance New Zealand Limited.

Summary of the work we performed as the basis for our conclusion

A limited assurance engagement performed in accordance with the Standard involves assessing the suitability in the circumstances of Vero Insurance New Zealand Limited's use of the Criteria 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.

We exercised professional judgement and maintained professional scepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the GHG disclosures that is sufficient and appropriate to provide a basis for our conclusion.

Our procedures selected depended on an understanding of the GHG disclosures that is sufficient and appropriate to provide a basis for our conclusion. The procedures we performed were based on our professional judgement and included inquiries, 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 limited assurance on the GHG disclosures the procedures we primarily performed were:

- obtained, through inquiries, an understanding of Vero Insurance New Zealand Limited's control environment, processes and information systems relevant to the preparation of the GHG disclosures. We did not evaluate the design of particular control activities, or obtain evidence about their implementation;
- evaluated organisational and operational boundaries to test completeness of GHG emission sources;
- evaluated whether Vero Insurance New Zealand Limited'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 on separately developing our own estimates against which to evaluate Vero Insurance New Zealand Limited's estimates;

- performed analytical procedures on particular emission categories by comparing the expected GHGs emitted to actual GHGs emitted and made inquiries of management to obtain explanations for any significant differences we identified;
- performed recalculations of the financed emissions, including reconciling the underlying inputs to external data sources and evaluated the appropriateness of emission factors applied; and
- considered the presentation and disclosure of the GHG disclosures.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our independence and quality management

This assurance engagement was undertaken in accordance with 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 complied with the independence and other ethical requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) (**PES 1**) issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* (**PES 3**), which requires the firm to design, implement and operate a system of quality control including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have also complied with Professional and Ethical Standard 4 *Engagement Quality Reviews* (**PES 4**) which deals with the appointment and eligibility of the engagement quality reviewer and the engagement quality reviewer's responsibilities relating to the performance and documentation of an engagement quality review.

Our firm has also provided other services to Vero Insurance New Zealand Limited in relation to the audit of the annual statutory financial statements, a limited assurance engagement over the insurer solvency return as at 31 December 2025, and a reasonable assurance engagement over the annual solvency return as at 30 June 2026. Subject to certain restrictions, partners and employees of our firm may also deal with Vero Insurance New Zealand Limited on normal terms within the ordinary course of trading activities of the business of Vero Insurance New Zealand Limited. These matters have not impaired our independence as assurance providers of Vero Insurance New Zealand Limited for this engagement. The firm has no other relationship with, or interest in, Vero Insurance New Zealand Limited.

As we are engaged to form an independent conclusion on the GHG disclosures prepared by Vero Insurance New Zealand Limited, we are not permitted to be involved in the preparation of the GHG information as doing so may compromise our independence.

The engagement partner on the assurance engagement resulting in this independent assurance report is Kay Baldock.

KPMG
Auckland
15 October 2026

