FY24 Climate Report

Our climate-related disclosures

1 July 2023 to 30 June 2024

Asteron Life

SUNCORP

PART OF SUNCORP NEW ZEALAND

Welcome to our climate-related disclosures

We know that adapting to our changing climate is one of the most important issues currently facing Aotearoa New Zealand and the rest of the world. We want to play our part to support New Zealand's climate transition. We also want our growth and success to be sustainable and benefit our customers, partners and communities.

Asteron Life is a responsible insurer, and we are working hard to deliver on our climate change commitments. We are part of Suncorp Group and share a common purpose: building futures and protecting what matters.

This purpose means we need to understand and respond to the risks and opportunities climate change presents to our business and customers. To move to a low-carbon and climate-resilient future we also need to take steps to lessen our own impact on the climate by reducing our carbon footprint.

Our business builds on the sustainability work and programmes underway across Suncorp Group. These include managing climate-related risk, measuring and reducing greenhouse gas (GHG) emissions, and initiatives to support resilient communities.

These disclosures are an important step in considering the impacts of climate change on our business and communicating them to our stakeholders. Thank you for taking the time to read them and for following our work in this important area.

Jimmy Higgins

CEO, Suncorp New Zealand

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Why we have produced this report

As a large, licensed insurer, Asteron Life Limited (Asteron Life) is a 'climate reporting entity' under the Financial Markets Conduct Act 2013. This means we must prepare annual climate statements from the 2024 financial year (FY24).

Developing this report provides an opportunity to communicate what we are doing to understand and act on the risks and opportunities associated with climate change, the progress we are making and what we still need to do.

This report covers the period 1 July 2023 to 30 June 2024.

Important information

This report contains forward-looking statements about Asteron Life's strategy, business operations and targets.

Forward-looking statements may be identified with words such as 'anticipate', 'commit', 'continue', 'expect', 'may', 'plan', 'potential', 'project', 'should', 'target', 'will' and other similar terms and phrases.

Asteron Life has sought to provide accurate information in respect of the year ended 30 June 2024 as at the date of publication but would caution against reliance being placed on representations that are necessarily subject to significant risks, uncertainties or assumptions. Climate change is an evolving challenge, with high levels of uncertainty and significant data challenges, particularly over long-term horizons. Descriptions of the current and anticipated impacts of climate change on Asteron Life necessarily involve estimates and uncertain projections. Risks and opportunities described in this report, and Asteron Life's strategies to achieve its targets, may not eventuate or may be more or less significant than anticipated.

The standards and methodologies around estimating and calculating greenhouse gas (GHG) emissions remain under development with different stages of adoption across the financial services industry. There are also several complexities, limitations and assumptions involved in the future modelling and projections of climate states and pathways. National and international standards and frameworks, practices and requirements are subject to different interpretations at a given point in time, including Asteron Life's own understanding and circumstances when setting its climate-related ambitions and targets.

Any forward-looking statements should not be considered a guarantee of future climate-related outcomes but rather reflect our understanding, as of the date of this report's publication, within the limitations, uncertainties and assumptions of current climate models and scenarios. Actual results, performance and outcomes may differ materially from those expected or targeted in any forward-looking statements and rely on factors which are, in many cases, beyond Asteron Life's control. Asteron Life expects that some forward-looking statements made in this document may be amended and updated in future documents as the quality and completeness of its data and methodologies continue to evolve and improve.

Asteron Life maintains that reliance should not be placed on any forward-looking statements. The forward-looking information and opinions in this report do not offer an invitation or solicitation or recommendation to buy, sell or issue securities or other financial products in relation to Suncorp Group or its subsidiaries. Asteron Life gives no representation, guarantee, warranty or assurance about the future business performance of Asteron Life, or that the outcomes expressed or implied in any forward-looking statement made in this document will occur. Asteron Life does not accept any liability whatsoever for any loss arising directly or indirectly from any use of the information contained in this climate statement.

Statement of compliance

Asteron Life is a climate-reporting entity under the Financial Markets Conduct Act 2013. The Directors are pleased to present this climate statement for the period 1 July 2023 to 30 June 2024. The climate-related disclosures in this climate statement are made in accordance with the Aotearoa New Zealand Climate Standards (NZCS 1, 2 and 3) issued by the External Reporting Board (XRB).

In preparing this report, Asteron Life has elected to use these adoption provisions in NZ CS 2:

- Adoption of provisions 1 and 2, which exempt Asteron Life from disclosing current and anticipated climate-related financial impacts.
- Adoption of provision 3, which exempts Asteron Life from disclosing the transition plan aspects to its strategy, and the extent to which transition planning is linked to capital deployment and funding decision making processes.
- Adoption of provision 4 and 5, which exempts Asteron Life from disclosing Scope 3 emissions and comparatives for Scope 3 emissions. We have disclosed limited selected Scope 3 Emissions only for the 2024 financial year. Details are provided in Table 9: Our FY24 emissions inventory.
- Adoption of provisions 6 and 7, which exempt Asteron Life from disclosing two years of comparative information for metrics and an analysis of trends evident from this comparison.

We are working towards developing our internal processes and improving the quality of our data. In the future, this will make it easier for us to measure and track our performance across the climate metrics above.

For and on behalf of the Board,

D.M Flacks	
David Flacks Board Chair 22 October 2024	Kate Armstrong Director 22 October 2024

Who we are

Asteron Life is a New Zealand-based insurance company that is part of Suncorp New Zealand.

As a leading life and disability insurer, we work with a network of advisers to provide our customers with the insurance they need to help them live life to the fullest.

Suncorp New Zealand refers to a group of related or associated companies in NZ consisting of Vero Insurance New Zealand Limited, Vero Liability Insurance Limited, Asteron Life Limited and AA Insurance Limited, all of which are connected to Suncorp Group Limited, an Australian company listed on the ASX.

As part of Suncorp Group, we are fortunate to benefit from the sustainability skills, knowledge and tools of a much larger organisation.

At the same time, we are taking a local, tailored approach to identifying, assessing and managing our climate-related risks and opportunities, an approach that is relevant for life insurance business.

At the time of writing, Resolution Life Australasia is seeking regulatory approval to buy 100% of the shares in Asteron Life Limited. If this purchase is approved, Asteron Life will become part of Resolution Life during the 2025 financial year (FY25).

Our business model

Asteron Life designs and manages the provision of life insurance products (such as term life, trauma, income protection, total and permanent disability) to consumers. Asteron Life is an intermediated life insurance company and distributes its products through advisers, brokers, with a direct to market offering under the AA Life brand via a distribution agreement with NZAA. Asteron Life's business strategy is to grow the number of customers accessing its products through the delivery of best in market relationship support and service propositions across all channels.

For risk management purposes Asteron Life reinsures a portion of its insurance risk. All of Asteron Life's reinsurance is with Australian or New Zealand subsidiaries of global specialist reinsurers. Each of our reinsurers is licensed under the Insurance (Prudential Supervision) Act 2010 (IPSA) and subject to regulation by the Reserve Bank of New Zealand (RBNZ). Asteron Life operates within underwriting and claims handling authority limits agreed with our reinsurers.

Our governance

The Asteron Life Board is the governance body responsible for oversight of climate-related risks and opportunities. It is ultimately responsible for the sound and prudent management of Asteron Life. It sets and approves the strategic direction of Asteron Life and approves its purpose, as well as approving and overseeing its risk management framework and risk appetite.

The Asteron Life Board Audit and Risk Committee (BARC) is a permanent standing committee of the Board and is attended by the full Board. Its duties include the oversight of the assessment and management of climate-related risks.

We continued to evolve and improve our governance, management structure and processes for managing climate-related risks and opportunities. Table 1 shows how we have built climate into our governance structure in FY24.

Climate-related risks and opportunities are monitored and reviewed by management through the management committees, and business-level responsibilities described in Table 1. During FY24, the climate-related risks and opportunities identified as part of our Climate Change Scenario Analysis process, were submitted by the sustainability team to the Life Insurance Risk Committee, who reviewed and endorsed the findings, before it was later submitted to the Asset and Liability Committee (ALCO) where it was approved.

During FY24, climate and sustainability were standing agenda items at our Board Audit and Risk Committee meetings, whereby management provided the Board with reports and updates on our climate change work. This included reviewing the outcomes of our Climate Change Scenario Analysis process, and the climate-related risks and opportunities we have identified as part of that process, and also monitoring progress against our 2030 net-zero emissions target for Scope 1 and 2 emissions.

The governance of our parent company, Suncorp Group Limited, also addresses climate-related risks and opportunities. Learn more in Suncorp Group's FY24 Climate-related Disclosure Report.

Board skills, experience and climate knowledge

Our Board Directors have varied and complementary skills. All members are experienced in operating in a rapidly changing regulatory environment and managing risks and opportunities during uncertainty.

Our Board has completed a skills matrix that rates Directors' skills and knowledge in environmental, social and governance (ESG) and sustainability, and risk management.

During FY23 and FY24 our Board has been briefed on how we are developing our climate-related disclosures. Directors have taken part in education sessions on climate transition planning and received legal updates on climate-related disclosure obligations. The Board and SLT have access to climate and risk expertise from within the broader Suncorp New Zealand business. This includes an in-house sustainability team and risk specialists. We have also drawn on external expertise in the preparations of our climate-related disclosures. The additional expertise provided and how this was used is explained in the relevant sections of this report.

Remunerating our management teams

The variable pay component of management remuneration (short term incentive) is based on performance against a balanced scorecard with both financial and non-financial measures. We have updated our senior leadership team position descriptions to include climate-related responsibilities as applicable to each role.

Governance – our progress

We are continuing to develop how we manage climate-related risks and opportunities, including more regular monitoring and reporting. During 2024 we:

- developed a Climate Governance and Reporting Framework that describes the ways we oversee and manage our climate-related risks and opportunities
- built responsibilities for overseeing and managing climate-related risk into the charters of our BARC and management committees
- launched the Suncorp Climate School. This integrated online learning platform enables our people to build their climate literacy and understand the impacts of a changing climate on the business and the role we can play in managing climate-related risk.

Table 1: Our Board, leadership teams, and other relevant roles and responsibilities

Asteron Life Board

The Asteron Life Board is the governance body responsible for oversight of climate-related risks and opportunities. It approves policies, strategy and risk appetite statement, which includes statements on climate-related risk.

- Approves external climate disclosures.
- Delegates oversight of specific climate-related risks and monitoring of climate-related metrics and targets to the Board Audit and Risk Committee (BARC).
- Typically meets every two months with at least four meetings a year.

Board Audit and Risk Committee (BARC)

- Oversees processes for climate disclosures
- Reviews reports from management about climate-related risks to oversee how these risks are assessed and managed
- Reports to the Board.
- Meets at least four times a year. Is attended by the full Board (which includes the CEO), CFO, CRO, Head of Legal and other management representatives as required.

CEO and Senior Leadership Team (SLT)

Our CEO, Executive General Manager (EGM) Life and SLT manage climate-related strategy, business planning, risks and opportunities, and performance against climate-related targets.

During FY24 members of the SLT formed a Steering Committee to oversee how we develop climate-related disclosures and processes.

- Meets monthly or as required.
- Specific climate-related accountabilities are shown below.

Climate-related areas the SLT oversee:

Chief Financial Officer
- Investments
- Capital
- Reinsurance
- Procurement
- First-line risk advisory
- Executive Sponsor for climate disclosures

Chief Risk Officer
- Risk frameworks, governance and oversight

EGM People and Culture
- Property and facilities
- Performance and remuneration

Chief Customer Officer
- Communication
- Managing sustainability

EGM Life
- Product and portfolio
- Pricing and underwriting
- Managing suppliers

Management committees

Sustainability and Diversity Committee (SDC)
- Provides management and employee representatives with updates on our sustainability and climate work.
- Received updates from the Suncorp Group SDC.
- Typically meets quarterly.

Asset and Liability Committee (ALCO)
- Oversight of climate-related financial risks.
- Oversees climate change scenario analysis.
- Typically meets every two months with at least four meetings a year.

Non-Financial Risk Committee (NFRC)
- Oversight of non-financial climate-related risks.
- Typically meets every two months with at least four meetings a year.

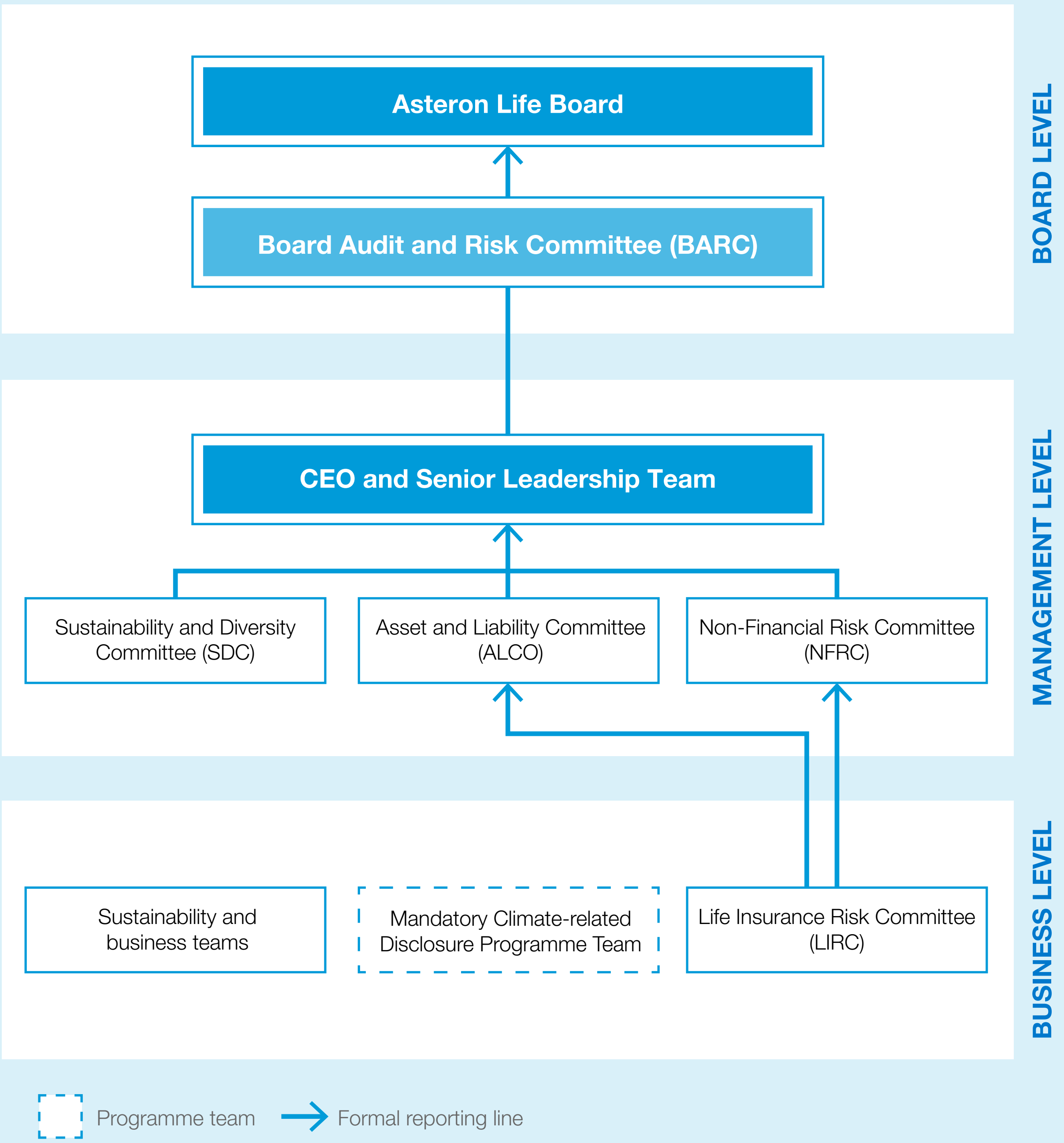
Business-level responsibilities

Sustainability and business teams
- Manages first-line climate-related risks.
- Reports to management committees and SLT.

Mandatory Climate-related Disclosure Programme Team
- Manages and develops climate-related disclosures.

Life Insurance Risk Committee (LIRC)
- Oversight of insurance risks from our activities.
- Typically meets monthly with at least eight meetings a year.

Climate Governance Structure



Our climate strategy

How climate change affected our business in FY24

We are a life and disability insurer. Climate change could impact our business in many ways in the coming decades, creating risks and opportunities. As climate change intensifies, weather-related events and high temperatures will continue to affect our customers. Climate change may also indirectly affect customers' health, such as through the effects of extreme heat, more tropical diseases or the impacts of the changing climate on mental health. There are also likely to be changes in our economic and regulatory environment as New Zealand moves to a low-carbon economy. Understanding the risks, opportunities and potential impacts of climate change is essential to remaining a resilient, long-term business.

When setting the strategy, our Board considers climate-related risks and opportunities, and also approves and monitors our metrics and targets. During FY24 our BARC and Board were involved in reviewing the following:

- Reviewing the outcomes of our climate change scenario analysis, including the identified climate-related risks and opportunities.
- Reviewing and approving our FY25-27 three-year plan, which includes climate change priorities (climate advocacy, transition, and disclosures).
- Reviewing and approving the climate-related metrics for inclusion in our FY24 climate-related disclosures and reviewed our emissions inventory.
- Reviewing our Scope 1 and 2 Emissions targets.

Current impacts of climate change

Climate change can impact our business in both physical and transitional ways.

Physical impacts

Physical impacts are the impacts of climate change which can be event-driven (acute) or longer-term shifts (chronic) in climate patterns. Physical risks may have financial implications for companies, such as direct damage to assets and indirect impacts from supply chain disruption.

Transitional impacts

These are risks and opportunities of transitioning to a low-carbon, climate-resilient economy. These include changes in policy and technology, or market changes that affect our business. Transitional impacts arise from the risk that Asteron Life fails to adapt to changes arising from the economic transition to a lower carbon economy, including missing business opportunities from the economic shift, stranded assets and reputation damage.

The current transitional impacts on Asteron Life and how we are addressing them are described in table 2.

How we are responding to transitional impacts

Table 2: The main transitional impacts we are currently experiencing

Transitional impacts

Impact	What's happening	What are we doing
Changing data requirements	Understanding climate-related risks and opportunities requires high-quality data. To measure and report on our climate-related risks and opportunities, as well as our Scope 3 emissions, we need to adapt and improve our data management.	At a Suncorp Group level, we are developing a platform to measure greenhouse gases, including Scope 3 emissions.
Decarbonising the economy	We need to find ways to reduce our emissions footprint as we support the global decarbonisation effort.	In 2023 we shifted to Ecotricity[1], a certified climate-positive electricity provider. We have a standard to reduce our investment in the fossil fuel sector over time. Refer to the Metrics and Targets section for more detail.
Increasing climate regulation	More regulation, including climate disclosures, requires specialist resources.	We have invested in resource to develop our first climate-related disclosures and we are working more closely with the climate and environment team at Suncorp Group to pool our resources and knowledge.

We have not identified any current physical impacts from climate change affecting our portfolios or business model in FY24.

1 Ecotricity can not guarantee that customers only receive the renewable energy it purchases (because all electricity is supplied through the National Grid). However, it measures how much energy its customers are using and how much energy it needs to purchase from renewable sources on an annualised basis, so the net effect is that purchases by Ecotricity's customers are equivalent to Ecotricity's purchased renewable electricity.

Using scenario analysis

Our climate change scenario analysis (CCSA)

As a member of the Financial Services Council (FSC), we were part of a working group in FY23 that developed climate scenarios for the life insurance sector.

In FY24 we undertook scenario analysis to explore the potential impacts affecting Asteron Life from a range of plausible futures. This work helps us to identify our climate-related risks and opportunities, and also the areas we need to focus on to be a resilient business. Our CCSA is a standalone process, however the outputs of the CCSA, including the risks and opportunities identified serve as an input to our annual business planning processes.

When identifying our climate-related risks and opportunities we focused primarily on three aspects of our insurance value chain which we anticipate will be most affected by climate change. These value chain areas are underwriting, products and services, and investments.

While we focused on these three areas, we did not exclude any parts of our value chain specifically from our analysis.

Table 3: Our CCSA process

Process step	What we did
1. Ensure governance is in place	We have internal management committees with specific responsibilities for oversight of insurance risk[1] and climate change scenario analysis. Our BARC also reviewed the CCSA outcomes on behalf of the Board.
2. Assess the materiality of climate-related risks	Because this was our first CCSA exercise, we adopted an explorative approach and used CCSA to determine the potential risks and opportunities under a range of scenarios.
3. Identify and define the range of scenarios	The climate scenarios and narratives we referred to in our analysis were based on the Climate Scenario Narratives for the Financial Services Sector (June 2023). Our scenarios are described in Table 4 below.
4. Evaluate business impacts	We used internal and external expertise[2] to evaluate the potential effects on our business, both from a physical risk perspective and in relation to transitional risks and opportunities. These risks and opportunities are described in the risk management section of this report.
5. Identify potential responses	We used the CCSA exercise to develop our understanding of how we respond to current climate impacts and identified a range of responses to the anticipated risks and opportunities. These are described in the risk management section of this report.
6. Document and disclose	As part of our CCSA process, we have ensured that we have documented our process, including reports provided by our external supplier, Aon. The key findings of our CCSA process have been documented and shared with internal stakeholders via our committee structure, and to external stakeholders through this climate-related disclosure report.

1 All our risks are recorded in our risk management system.

2 Aon was engaged to assist with the CCSA process, including analysis of physical and transition risks.

Table 4: What our FY24 scenario analysis covers

	Analysis	
Risk	**Physical risk**	**Transitional risk**
Portfolios included	• Life and trauma and disability	• Life, trauma, disability • Investments
Scenario	• Orderly scenario, 1.5°C (RCP 2.6)[1] • Disorderly scenario, 2°C (RCP 4.5) • Hot house world scenario, 3+°C (RCP 6.0 and 8.5)	• Orderly scenario, 1.5°C (RCP 2.6) • Disorderly scenario, 2°C (RCP 4.5) • Hot house world scenario, 3+°C (RCP 6.0)
Timeframes	• **2025 – short** (aligned with business planning, funding and operational risk timeframes) • **2030s (2020-2040) – medium** (aligned with timeframes for net-zero targets and strategic risks) • **2050s (2040-2060) – long** (aligned with NZ Government stated ambition to be net-zero by 2050) • **2090s (2080-2100) – very long** (provides longer term perspective of physical risk changes)	• **2025 – short** (aligned with business planning, funding and operational risk timeframes) • **2030 (2026-2035) – medium** (aligned with timeframes for net-zero targets and strategic risks) • **2050 (2036-2050) – long** (aligned with NZ Government stated ambition to be net-zero by 2050)
Scope of assessment	• Extreme heat	• Product and underwriting portfolio transition risks and opportunities • Investment portfolio
Metrics considered	• Expected average annual mortalities due to extreme heat	• Our approach in FY24 has been qualitative

1 RCP = Representative Concentration Pathway – which represents different concentrations of greenhouse gases in the atmosphere.

Scenario descriptions

Orderly scenario 1.5°C	Disorderly scenario / too little too late >2°C	Hothouse >3°C
RCP 2.6	**RCP 4.5**	**RCP 8.5**
The Orderly scenario represents collective action towards a low carbon global economy. In this scenario, there are steady and constant societal changes related to technology, policy, and behaviour to support the transition to a lower emissions economy. This is matched by an increasing carbon price that reinforces low carbon behaviour change. The coordinated and timely action around the world to curb greenhouse gases prevents the worst predicted impacts of climate change, however, the long-term chronic impacts from historic greenhouse gas ("GHG") emissions still occur, although not severely. Overall, based on the literature review and stakeholder engagement, this scenario represents a medium level of transition risk and a low level of physical risk relative to the other scenarios.	The Too Little Too Late scenario represents a misaligned and delayed transition to a low carbon economy between different parts of the world. In this scenario, some countries are early movers on the transition to a low emissions economy, introducing policy that brings about net-zero emissions by 2050. In other parts of the world, however, there is very little action towards a low emissions future with fossil fuelled development continuing throughout much of the remaining first half of the century. • From mid-century, global efforts to address climate change begin to align and exceed those by the early movers. • Large increases in carbon price will drive a rapid improvement in low emissions technology efficacy and uptake. • This shift is partly driven by the increasing evidence and awareness of the social, economic, and environmental degradation caused by a continued increase in fossil fuelled development. Despite making a concerted effort to reduce emissions and move to a low emissions economy at mid-century, the changes come too late to prevent wide ranging acute and chronic physical climate impacts. Overall, based on the literature review and stakeholder engagement, this scenario represents a high level of transition risk compared to the other scenarios and a medium level of physical risk.	The Hothouse scenario represents minimal action towards a low carbon global transition. Despite increasing levels of social, economic, and environmental degradation, there is little shift in social and political traction towards a low emissions future. As a result, there is little behaviour change and a lack of low carbon emissions technology development. This leads to: • a continued and increasing level of fossil fuel use • strong globalisation • increasing consumption • materialism. The impact of these activities continues to drive emissions higher throughout the remaining 21st century leading to significant materialisation of acute and chronic physical risks. In the first half of the 21st century this physical risk sees increasing severity of extreme weather which is accompanied by rising sea levels in the latter half of the 21st century. This threatens coastal developments worldwide, placing pressure on global relations. Overall, this scenario represents a low transition risk and a high level of physical risk when compared to the other scenarios.

Source: Climate Scenario Narratives for the Financial Services Sector (June 2023).

Future impact of climate change on our business

The CCSA helps us to improve our understanding of the climate-related risks and opportunities we may face in the future.

The links between climate change and human health and mortality are complex. Research in this area is still developing. While there is potential for climate change to impact human health and mortality trends over the long term, our current understanding is that the impact on claims in the short to medium term is likely to be negligible. For example, research to date has shown that increases in heat-related mortalities in many countries may be offset by a fall in cold-related deaths.[1]

Our analysis suggests that heat-related impacts on the Asteron Life portfolio would be limited through the short term (2030s) to medium term (2050s). Over the long term (2090s), financial outcomes for life insurers may depend greatly on the strength of the global climate policies governments adopt and how much the climate warms.

1 (Gasparrini et al, 2017)

Our anticipated risks

Table 5: Anticipated climate-related risks

Risk	Description	How are we responding	Timeframe
Health – longer term mortality risks Physical	**Risk:** Mortality risk becomes relevant over longer time horizons for life insurers (given the potential impact on health outcomes and claim patterns of prolonged exposure to more severe weather, heat stress, climate-related illnesses and risks plus lifestyle changes). This risk may manifest over the medium and long terms (but not before 2050). **Impact:** Increased claims costs. Potential failure to meet customers' and other stakeholders' expectations for accessible, affordable, suitable products and services.	Through CCSA, we are building our understanding of potential physical risk impacts arising from future climate change. This includes continuing conversations with our on-sale reinsurer who has run a dedicated climate change working group for the last four years. We will continue to monitor mortality risk and customer expectations.	Long
Affordability and reduced demand for insurance Transition – market	**Risk:** Demand for insurance products falls due to a widening gap between what can be insured and affordability. As a result, insurance becomes more expensive, complex and less comprehensive. Customers lose trust in insurance and opt to self-insure. **Impact:** Reduced premium revenue	Affordability of insurance premiums remains a top focus with the current cost of living concerns for customers. We will monitor our claims and product performance, and feedback from advisers. Through CCSA, we are building our understanding of potential physical risk impacts arising from future climate change that may also affect premiums.	Medium-long
Increasing reinsurance costs Transition – market	**Risk:** Changing reinsurer preferences make reinsurance less available or reduce access to capital. **Impact:** Increased reinsurance costs, and/or less cover, and therefore increased costs to our customers.	Our reinsurer is also working to understand the impacts of climate change on life insurance. We will continue to have a close relationship with them to stay up to date with changes.	Medium-long
Investment risk Transition – market	**Risk:** Increased investment risk in categories inconsistent with a low-carbon economy. **Impact:** Reduced investment returns and risk of investing in stranded assets.	Asteron Life also operates within the scope of the Suncorp Group Responsible Investment Policy and Sensitive Sector Standard. These detail our approach to specific ESG risks, including reducing our exposure to investments in the fossil fuel sector.[1]	Medium

Note: timeframes referred to in above table are the same as those used in the CCSA process described in table 4.

1 Suncorp Corporate Services manages Asteron Life's investments and has appointed Nikko Asset Management New Zealand Limited (Nikko AM NZ) as a sub-manager to manage 99% of the assets. Some of those investments (approximately 36%) are subject to mandates which allow Asteron Life to direct how those funds are invested by Nikko AM NZ. The mandates under which those assets are held are established in line with the Suncorp Group Responsible Investment Policy, which can be accessed here. The other investments are part of pooled investments managed by Nikko AM NZ in accordance with its own investment criteria.

Our anticipated opportunities

Table 6: What our FY24 scenario analysis covers

Opportunity	Description	How are we responding	Timeframe
Working with our partners and communities Transition – market	**Opportunity:** There is an opportunity to partner with communities and providers of products and services that promote good health and prevent disease. This will make customers more aware of climate change and the potential impacts on their health. **Impacts:** Improved reputation, decreased claims costs and volumes, helping our customers.	Asteron Life partners with Teladoc to provide 'Asteron Life ConnectedCare'. This service provides Asteron Life customers with access to health services from a second medical opinion to mental health support. There may be opportunities to build on Teladoc's offerings if they provide services relevant to climate change impacts.	Medium
Systems and data improvement Technology	**Opportunity:** Improved systems and data management mean we can better price risk and measure, monitor, understand and report on other transition metrics (including reductions in emissions). **Impacts:** Improved reputation, decreased claims costs, improving our ability to track and meet transition targets.	As part of Suncorp Group, we are developing our internal GHG emissions reporting capability and systems to improve measuring and reporting emissions.	Short-medium

Note: timeframes referred to in above table are the same as those used in the CCSA process described in table 4.

Climate strategy – our progress

Planning for the transition

As part of our business strategy and planning, we consider climate-related risks and opportunities. Climate change initiatives are prioritised and funded as part of our Annual Business Review process, whereby the risks and opportunities identified in our CCSA process served as an input into setting business priorities for the next 1-3 years.

- During FY24 funding was allocated to the following climate-related activities:
  - A work programme to develop our climate-related disclosures
  - Engaging external consultants (Aon) to assist with our CCSA work
  - Engaging an assurance provider to undertake limited assurance over our emissions inventory and methods
  - Funding for external advisory (PwC) and legal (Bell Gully) reviews of our draft climate-related disclosures
  - Engaging an external consultant (Oxygen Consulting) to assist with the preparation of our FY24 Emissions inventory.

Supporting the transition

We are taking a number of steps to prepare for the transition to a low carbon economy, some examples of progress on our transition planning are:

- In FY24 our Board reaffirmed our 2030 net-zero target for Scope 1 and 2 emissions. We also have an interim target of purchasing 100% renewable energy by 2025 in line with its Suncorp's RE100 commitment, guided by the RE100 Technical Guidance.
- With the rest of Suncorp Group, we have set targets to reduce the exposure of our investments in the fossil fuel sectors.
- We contributed to industry submissions on proposed rules, standards and guidelines for climate change. We do this through the FSC.
- Participating in the FSC's ESG and Climate Committee.
- Participating in the Climate Leaders Coalition.

How we manage our risks

Asteron Life has an established risk management model that is core to how we operate as an insurer. All employees, at every level of our company, share responsibility for managing risk effectively. Through the year we have continued to improve our processes to identify, assess and manage climate-related risks and opportunities, and build them into our existing ways of managing risk.

Climate-related risk is an emerging specialist area. As a risk area, it has wide-ranging causes and effects. We are using existing tools and techniques, as well as testing and developing new approaches to governance and risk management.

Relevant processes and programmes include:

1. Risk Appetite Statement (RAS)

The RAS describes the risk appetite our company is willing to accept to pursue its strategic objectives. This includes climate-related risk. Our Board approves the RAS and monitors it regularly.

In the FY24 RAS, our Board recognised the risks of climate change. The RAS sets the Board's expectation that we consider physical and transition risks in our strategic and operational activities, supported by robust scenario analysis. During FY24, our Board approved an update to the RAS to differentiate between the different types of climate risk (physical, transitional and liability).

2. Our Risk Management Programme (RMP)

Our RMP defines how we identify and manage our risks and how we record, report and escalate these risks within our organisation. The RMP aligns with the Suncorp Enterprise Risk Management Framework (ERMF). It is supported by more specific Standards and Policies including our Risk, Obligations, Controls Self-Assessment (ROCSA) Standard, which helps us identify and assess risks in a structured way and summarise how these risks are managed or controlled. Risk owners use 'IRIIS', our enterprise risk management system, to record the outcomes of these assessments. Data from IRIIS informs risk reporting across the business and to the Asteron Life BARC.

3. Our Climate Governance and Reporting Framework

During FY24 we developed a new framework to summarise our collective approach to managing climate-related risks and opportunities. The framework sets out the main decision-making paths and business practices we use to make thinking about climate-related issues part of 'how we do business'.

4. Our three lines of defence

Everyone in our business helps manage risk, and leaders have specific responsibilities for understanding and applying the ERMF as it relates to their area of responsibility. This is brought to life through a 'Three Lines of Defence Operating Model'.

1. All our people are responsible for identifying, assessing and managing the risk and control environment and work to comply with company frameworks, policies and risk appetite.
2. Our second line risk team reports to the Chief Risk Officer, and is accountable for oversight, advice, and reporting on risk and compliance matters.
3. Internal Audit provides assurance, in accordance with the Internal Audit Plan, to the Board Audit and Risk Committee on the quality and effectiveness of the Asteron Life risk management framework.

5. Our categories of risk

Our RMP and supporting governance documents for risk and compliance contain frameworks and define how we understand the risks our business faces. This helps us understand the factors that cause risks and work to mitigate them.

During FY24, we introduced three new categories of climate-related risk into our risk library and IRIIS, our risk management tool. These changes enabled risk owners to complete high level summary climate-related risk assessments using similar processes and tools to those they would use when assessing their other risks, supplemented by the insight gained via the CCSA process. This enabled these summary views to be integrated into Chief Risk Office reporting to management and Board risk committees. This work will continue into FY25 including updates to the controls we have in place to support the ongoing mitigation of these risks. These new, climate-related risks are below.

Physical risk

Risk of physical climate changes including continued increase in frequency and/or severity of extreme weather events impacting Asteron Life's insurance underwriting and reinsurance risks.

Transition risk

Risk that Asteron Life fails to adapt to changes arising from the economic transition to a net-zero carbon economy, including missing business opportunities from economic shifts, stranded assets and reputational damage.

Liability risk

Risk of litigation or regulator action where Asteron Life does not adequately respond to climate change, including overstating our progress on climate change commitments or 'greenwashing'.

Asteron Life's physical and transition risks from climate change are discussed further on page 15.

We have built these risk definitions into our existing framework set out in table 7. We monitor and formally review these risks at least annually, and more frequently if internal changes or external events require.

Table 7: How we classify our climate risks

Type of risk	Operational	Insurance	Strategic execution
Description	Risks of loss resulting from inadequate or failed internal processes and systems, errors by people or external events.	Risk that inadequate or inappropriate underwriting, claims management, product design and pricing will expose an insurer to financial loss and the consequent inability to meet its liabilities.	Risk of not achieving our strategic business objectives or executing our business strategy.
Expected timeframe	Twelve months	Twelve months	Three years
Climate related risks	Climate change liability risk	Climate change physical risk	Climate change transition risk
How we identify, assess and manage risks	Asteron Life identifies, assesses, and manages climate-related risks in a similar way to its other risks. There are governance, reporting, and strategic pathways that enable existing and emerging risks to be captured, considered and prioritised. There are also risk assessment tools and processes that are used to bring structure to the discussion. For example: CCSA outcomes are used as a key input, and Asteron Life captures and reports summary information on Transition, Physical, and Liability Risks in IRIIS, its Risk Management tool.		

Our steps to manage climate-related risk

We are adapting our existing processes, tools and policies to manage climate-related risk, and evolving how we govern climate-related risks and opportunities. Examples of work we have carried out recently to better manage climate-related risks include:

- identified climate-related risks and opportunities in a workshop using external consultants (PwC) skilled in identifying climate change risk (FY22)
- participated in a Financial Services Council working group to develop climate change scenarios for our industry (FY22)
- developed new climate-related risk definitions within our risk framework (FY24)
- undertook our first process of climate change scenario analysis (FY24).

Our focus for FY25

Maintaining our focus on developing our climate change response. This will include working with the team at Resolution Life to transition the ownership of Asteron Life (subject to regulatory approvals).

Reducing our carbon footprint

Measuring our progress

We must measure and reduce our impact on the climate. Important, too, is understanding how climate change could impact our business.

Since FY18 emissions have been measured for all of Suncorp New Zealand combined, which includes Asteron Life and Vero businesses. FY24 is the first year we have developed an emissions inventory specific to Asteron Life.

We follow an operational control approach, which means that we report on emissions from operations over which we have operational control. Our approach for reporting our emissions differs to our approach to financial consolidation in our financial statements. We follow an operational control approach, because we believe it provides the users of this report with a more complete view of our emissions profile, compared to the financial control or equity share consolidation approaches. The operational control approach is also consistent with that used by our parent company Suncorp Group. Whilst Asteron Life does not have sole operational control over Suncorp New Zealand Services Limited and Suncorp New Zealand Employees Limited, it does exert control over the resources and assets within these entities that support Asteron Life operations and activities. The specific activities or operations which generate the emissions are under the control of Asteron Life, and the costs associated with these activities are ultimately attributed back to Asteron Life.

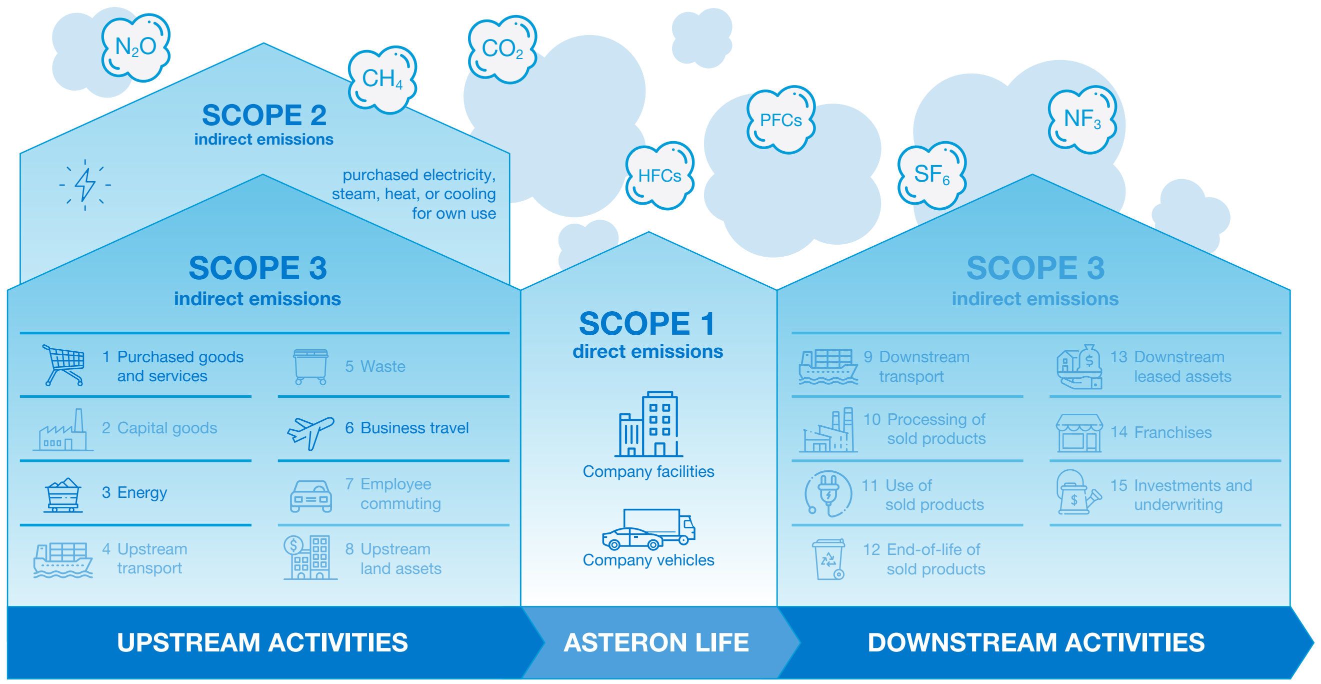
Emissions we measure

We measure our Scope 1 and 2 greenhouse gas (GHG) emissions as part of our net-zero target.

Scope 1 direct emissions	Company vehicles
Scope 2 indirect emissions	Purchased electricity

We also currently measure three Scope 3 categories:

Scope 3 indirect emissions	
Category 1	Purchased goods and services (paper)
Category 3	Energy (losses from fuel well to tank and electricity lost during transmission)
Category 6	Business travel (flights, taxis)



Our targets to reduce emissions

Scope 1 and 2 targets

In FY22 we communicated our commitment to Suncorp Group's 2030 net-zero target for Scope 1 and 2 emissions compared to a FY20 base year[1]. Asteron Life will contribute to Suncorp Group achieving this target by reducing our Scope 1 emissions by continuing to add hybrid and electric vehicles into our corporate vehicle fleet; and, by reducing our Scope 2 emissions, by sourcing 100% of our electricity from renewable sources by 2025.

This can be achieved by reducing absolute Scope 1 and 2 (market based) emissions by at least 90%. The residual emissions will be offset using high-quality carbon removal credits. This target aligns to the methodology set out in the Science-Based Target initiative (SBTi) Corporate Net-Zero Standard, which supports the goals of Australia and New Zealand's Paris Agreement to limit global warming to 1.5°C above pre-industrial levels. Asteron Life is also aiming to purchase 100% renewable energy by 2025 in line with its Suncorp Group's RE100 commitment, guided by the RE100 Technical Guidance.

The target is an absolute emissions target: The amount of decrease in emissions, is measured in tonnes of CO_2 equivalent (CO_2-e).

1 The base year from which progress is measured is FY20 (1 Jul 2019 – 30 Jun 2020). This aligns with the base year established by Suncorp Group. Base year data may need to be revised when material changes occur and have an impact on calculated emissions. When the changes are estimated to represent more than 5% of Scope 1, 2 or 3 emissions, or when there are significant changes to the organisational or reporting boundaries or calculation methodology, Asteron Life's approach is to recalculate base year data with explanation. No recalculations were required in FY24.

Reducing our investment exposure to fossil fuels[2]

Asteron Life continues to apply its Sensitive Sector Standard – Fossil Fuels (the Standard[3]) exclusions to limit exposure to thermal coal extraction and generation, and oil and gas exploration and production. To support the transition to a decarbonised economy, the Standard includes an exemption enabling investing in companies whose business is consistent with the transition to a net-zero carbon emissions economy by 2050. A framework to govern our selective support of some companies participating in the transition to net-zero will accompany the Suncorp Group's Climate Transition Plan due to be released in FY25.

See the table below for our progress in reducing our exposure to thermal coal extraction and generation, and oil and gas exploration and production.

2 Further information on our methodology to reducing our investments exposure to fossil fuels can be found in the Reporting Supplement within the Suncorp Group Sustainability Data Pack here.

3 This Standard does not apply to mining services companies, such as companies who supply catering services to oil and gas operators, or engineering, consultancy and construction companies who are not directly involved in exploration, extraction, or production. The Standard does not apply to personal and small-to-medium businesses (including non-fleet motor insurance and business packages products) and statutory or compulsory insurance and Group Life products in New Zealand.

Target	FY24 progress
• Phase out any direct investment in thermal coal extraction and electricity generation by 2025.[4]	On track
• Phase out investment exposure to oil and gas exploration and production (phase out top 25% of emitters) by 2025.[5]	On track

4 This includes mining companies principally involved in (defined as revenue of more than 10%) thermal coal extraction and/or thermal coal electricity generation.

5 Top per cent is limited to the data available through third party data providers and determined by measuring the intensity metric of tonne of CO_2 equivalent per million of USD revenue for Scope 1 and 2 emissions, and absolute metric of tonnes of CO_2 equivalent for Scope 1 and 2 emissions.

Our emissions footprint

Table 8: Our FY24 emissions inventory

CO_2e emissions – All	FY24[1] (T CO_2e)
Scope 1	
Fleet fuel – petrol	20.7
Scope 2	
Electricity (location based)	13.6
Electricity (market based)	0.3
Subtotal Scope 1 and 2 (location) (t CO_2e)	**34.3**
Subtotal Scope 1 and 2 (market) (t CO_2e)	**20.9**
Scope 3	
Category 1: Office and printed paper	29.5
Category 3: Well to tank – petrol	5.1
Category 3: Transmission and distribution line losses (location based)	1.0
Category 3: Transmission and distribution line losses (market based)	0.39
Category 6: Air travel – domestic	85.1
Category 6: Air travel – international	73.6
Category 6: Taxis	1.4
Subtotal Scope 3 (t CO_2e)	**195.6**
Total Gross Scope 1,2 and 3 (location) (t CO_2e)	**229.9**
Total Gross Scope 1,2 and 3 (market) (t CO_2e)	**216.0**
Emissions intensity (market) (t CO_2e/FTE)[2]	**0.9**

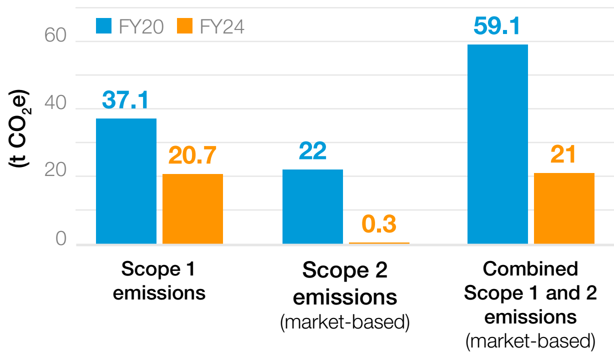
Vendor cancelled emissions	t CO_2e
Certified renewable energy	13.4
Carbon neutral paper	8.0

1 A proportion of our FY24 emissions inventory is estimated. The rationale and a description of how this is calculated is described in Appendix 3.

2 Table 8 Emissions Inventory has been subject KPMG limited Assurance with the exception of the Emissions Intensity metric.

Progress against our Scope 1 and 2 target

We have made good progress reducing our Scope 1 and 2 emissions and are on track to meet our contribution to the Suncorp Group 2030 target. Compared to base year (FY20), Asteron Life has achieved a 65% reduction in Scope 1 and Scope 2 (market-based) emissions.



The standards we follow

Asteron Life prepares its emission data using Suncorp Group's master emission database, which Cushman & Wakefield (C&W) Australia manages. C&W prepared this data in accordance with The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2015 revised edition) (the GHG Protocol), the GHG Protocol: Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard, and the GHG Protocol Corporate Value Chain Scope 3 Accounting and Reporting Standard.

Our emission factors

The following emissions sources used emissions factors sourced from *Te ine tukunga: He tohutohu pakihi – Measuring emissions: A guide for organisations: 2024* detailed guide, published by the Ministry for the Environment (MFE). These are based on the 100-year Global Warming Potential (GWP values) (GWP100) for the IPCC's Fifth Assessment Report (AR5):

Scope 1: Fleet fuel petrol, Fleet fuel diesel, Natural Gas

Scope 2: Purchased electricity (location based)

Scope 3: Electricity transmission line losses (location based)

The following emissions sources used alternative emissions factors:

- **Scope 2:** Electricity (market based), which uses Bravetrace residual supply factor (2023/24), as no market-based electricity emissions factor is provided in the MFE guidance, only a grid/location-based factor which is used to calculate location-based electricity emissions. The GWP values are not available for this emissions factor.
- **Scope 3:** Electricity (market based), which uses the supplier's (Ecotricity) own certified electricity transmissions line loss factor for Ecotricity data and MFE's Electricity transmission line losses factor for non-Ecotricity data, as no residual line loss supply factor exists under Bravetrace.
- **Scope 3:** Air Travel, which uses UK Government conversion factors for company reporting of greenhouse gas emissions 2023 (full set for advanced users), including radiative forcing. The MFE guidance draws directly on these emissions factors, but present the 2022 UK air travel factors, whereas the UK 2023 factors are more applicable to Vero's FY24 reporting period. The GWPs used in the calculation of the UK Government 2023 CO_2e factors are based on the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5) over a 100-year period.
- **Scope 3:** Well to Tank fuel, which uses the National Greenhouse and Energy Reporting (Measurement) Determination 2008 (registered 7 October 2023) as no NZ factor exists. The GWP for this factor aligns with the Fourth Assessment Report (AR4) of the Intergovernmental Panel on Climate Change (IPCC) over a 100 year period.
- **Scope 3:** Office and printed paper, which uses the Environmental Protection Authority (EPA) Greenhouse Gas Emission Factors for Office Copy Paper (reviewed in 2023), as no NZ factor exists. This emissions factor uses Global Warming Potential (GWP) values consistent with the 100-year time horizon used in the Kyoto Protocol.

Our assurance

FY24 GHG emissions data relating to Scope 1, 2 and 3 has 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 in Appendix Four.

Exclusions

No facilities or operations were excluded from our GHG inventory, however excluded emissions sources and their justification for exclusion can be found in Table 9.

Table 9: Our FY24 emissions inventory

Source	Justification for exclusion
Scope 1	
Fugitive emissions – Refrigerants from HVAC	Emissions are considered de minimus (5% materiality threshold) and this will be reviewed again in FY25.
Scope 3	
Category 1: Water use	Inadequate source data and emissions are considered de minimus (5% materiality threshold).
Category 1, 4: Suppliers	Methodology for measurement in development. To be included in FY25 Climate Disclosure, when S3 value chain emissions reporting is required.
Category 5: Waste to landfill	Inadequate source data and no reasonable method for estimation.
Category 5: Recycling	Inadequate source data and no reasonable method for estimation.
Category 5: Organics / biodegradable waste	Inadequate source data and no reasonable method for estimation.
Category 5: Wastewater	Inadequate source data and emissions are considered de minimus (5% materiality threshold).
Category 7: Employee commuting	Not measured and no reasonable method for estimation. To be reviewed in future.
Category 15: Investments and underwriting	Methodology for measurement in development. To be included in FY25 Climate Disclosure, when S3 value chain emissions reporting is required.

Improving how we report our emissions

The methodologies and assumptions used to calculate or estimate emissions, and the limitations of those methods, is described in more detail in a table in Appendix Three.

We have taken early steps in our net-zero journey and in setting targets across Scope 1, 2 emission categories. Challenges remain for all industry participants, such as the limited availability of data and methodologies to account for emissions and set broader Scope 3 targets.

Measuring and disclosing insurance-associated emissions is less developed than other sources such as investments and business operations. One of the major challenges in calculating emissions associated with insurance is the collecting and managing emissions data, and the lack of a recognised standard for calculating emissions arising from life and disability insurance.

Availability, completeness, reliability, and timeliness are challenges when collecting Scope 3 data. We will continue to work on improving our data quality and to develop our capability to report on a broader range of Scope 3 emissions categories in FY25.

Other Climate-related Metrics

Table 10: Our other climate-related metrics

Metric category	FY24 approach
Emissions intensity	We measure emission intensity as tCO_2e (tonnes of carbon dioxide equivalent) per full time equivalent (FTE) employee.
Transition risks; amount or percentage of assets or business activities vulnerable to transition risks	We do not currently have processes in place to measure the percentage of assets or business activities vulnerable to transition risk. This will be reviewed again in FY25. However, as part of our CCSA work, we engaged an external consultant (Aon) to undertake an assessment of transition risk in our investment portfolio. Due to the relatively limited equity exposure in that portfolio, Aon considered the exposure to transition risk to be low and estimated that less than 5% of the portfolio was invested in sectors vulnerable to climate risk. From an investment and underwriting perspective, we also have commitments to limit our exposure to thermal coal extraction and generation and oil and gas exploration and production. These are described in this report under the heading 'Reducing our investment exposure to fossil fuels'.
Physical risks; amount or percentage of assets or business activities vulnerable to physical risks	We do not currently have processes in place to measure the amount or percentage of assets or business activities vulnerable to physical risk. This will be reviewed again in FY25.
Climate-related opportunities; amount or percentage of assets, or business activities aligned with climate-related opportunities	We do not currently have processes in place to measure the percentage of assets or business activities aligned to climate-related opportunities. This will be reviewed again in FY25. However, during FY24 12 of our 14 office locations sourced their electricity from Ecotricity, a certified climate-positive electricity provider. Using renewable energy for our electricity helps us meet our net-zero 2030 commitment for Scope 2 emissions.
Capital deployment: amount of capital expenditure, financing, or investment deployed toward climate-related risks and opportunities	Across Suncorp New Zealand funding of $637,233 was allocated to climate change initiatives in FY24. This amount was shared equally between Asteron Life and Vero.
Internal emissions price	Asteron Life does not use an internal emissions price.
Remuneration: management remuneration linked to climate-related risks and opportunities	Management remuneration is not currently linked to climate-related risks and opportunities. The variable pay component of management remuneration (short term incentive) is based on performance against a balanced scorecard with both financial and non-financial measures.
Industry-based metrics	We have not used any industry-based metrics to measure and manage climate-related risks and opportunities.
Other key performance indicators used to measure and manage climate-related risks and opportunities	We do not currently use other key performance indicators to measure and manage climate-related risks and opportunities. This will be reviewed again in FY25.

APPENDIX ONE Disclosure cross-referencing index

Aotearoa New Zealand Climate Standards One (NZ CS 1)

Our disclosure aligns with the Aotearoa New Zealand Climate Standards to ensure our statements and goals are transparent, reliable and meaningful to primary users.

Disclosure Pillar	NZ CS 1 Disclosure requirement	Navigation
Governance		
To enable primary users to understand both the role an entity's governance body plays in overseeing climate-related risks and climate-related opportunities, and the role management plays in assessing and managing those climate-related risks and opportunities.	• The identity of the governance body responsible for oversight of climate-related risks and opportunities.	• Page 7
	• A description of the governance body's oversight of climate-related risks and opportunities.	• Pages 7, 8
	• A description of management's role in assessing and managing climate-related risks and opportunities	• Pages 7, 8
Strategy		
To enable primary users to understand how climate change is currently impacting an entity and how it may do so in the future. This includes the scenario analysis an entity has undertaken, the climate-related risks and opportunities an entity has identified, the anticipated impacts and financial impacts of these, and how an entity will position itself as the global and domestic economy transitions towards a low-emissions, climate-resilient future.	• A description of its current climate-related impacts	• Page 11
	• A description of how it will position itself as the global and domestic economy transitions towards a low-emissions, climate-resilient future state	• Pages 12, 17
	• A description of the anticipated impacts of climate-related risks and opportunities	• Pages 15, 16
	• A description of the climate-related risks and opportunities it has identified over the short, medium, and long term	• Pages 15, 16
	• A description of the scenario analysis it has undertaken	• Pages 12-14
Risk Management		
To enable primary users to understand how an entity's climate-related risks are identified, assessed, and managed and how those processes are integrated into existing risk management processes.	• A description of its processes for identifying, assessing and managing climate-related risks	• Pages 18-21
	• A description of how its processes for identifying, assessing, and managing climate-related risks are integrated into its overall risk management processes.	• Pages 18-21
Metric and Targets		
To enable primary users to understand how an entity measures and manages its climate-related risks and opportunities. Metrics and targets also provide a basis upon which primary users can compare entities within a sector or industry.	• The metrics that are relevant to all entities regardless of industry and business model	• Pages 22, 24-27
	• Industry-based metrics relevant to its industry or business model used to measure and manage climate-related risks and opportunities	• Page 27
	• Any other key performance indicators used to measure and manage climate-related risks and opportunities	• Page 27
	• The targets used to manage climate-related risks and opportunities, and performance against those targets	• Pages 23, 25

APPENDIX TWO Glossary of terms

Terminology	Description
Baseline	The set point or starting year we use to measure our emissions reduction performance over time. The baseline year forms the starting point from which we need to reduce our emissions by at least 90% over a specific period to reach a state of net-zero.
Carbon neutral	Carbon neutral means the equivalent amount of GHG emissions released within a specified period is offset by a combination of emissions reduction activities, avoided emissions ie, renewable energy and carbon offset purchases.
Carbon offsets	An offset generally represents 1 tonne of CO_2 (carbon dioxide) equivalent, which can be purchased by a company to compensate for their emissions.
Climate change	A change in the state of the climate that can be identified (e.g. by statistical tests) by changes in the mean and/or variability of its properties, and that persists for an extended period, typically decades or longer.
CO_2-e	Carbon dioxide equivalent (CO_2-e) is a measurement used to compare emissions from various greenhouse gases based on their global warming potential. Other gas amounts are converted into the equivalent amount of carbon dioxide to provide a single emissions metric. Conversion factors vary based on the underlying assumptions.
Decarbonise/ decarbonisation/ decarbonising	The process of significantly reducing or eliminating the emission of carbon dioxide and other greenhouse gas emissions into the atmosphere.
Emissions intensity	The amount of GHG emissions emitted per unit of measure (e.g. GDP, amount of investment, or number of employees).
Emissions factor	A figure provided by a credible third party that provides an estimated amount of CO_2 emitted for a specific activity, e.g. emissions per barrel of oil combusted. These can be multiplied with production figures to estimate emissions.
ESG	ESG, which stands for Environmental, Social, and Governance, is a set of standards that helps stakeholders understand how we are managing risk and opportunities related environmental, social, and governance criteria.
Greenhouse gas (GHG)	Greenhouse gases are both natural and man-made. They act to trap heat within the earth's atmosphere ('greenhouse effect'), maintaining conditions for life on earth. An increase in the concentration of GHGs leads to an enhancement of the greenhouse effect changing the nature of the climate and life on earth. GHGs include water vapour (H_2O), carbon dioxide (CO_2), nitrous oxide (N_2O), methane (CH_4) and ozone (O_3).
Greenhouse Gas Protocol	Greenhouse Gas Protocol provides standards, guidance, tools and training for business and government to measure and manage climate-warming emissions.
Indirect emissions	Emissions that are a consequence of the activities of the reporting entity but occur at sources owned or controlled by another entity.

Terminology	Description
Insurance-associated emissions	GHG emissions associated with specific insurance and reinsurance policies.
IPCC	Intergovernmental Panel on Climate Change
Net-zero	Net-zero means direct and indirect GHG emissions are reduced by at least 90% over a specified period from a set baseline year through emission reduction activities and avoided emissions with only the remaining 10% of residual emissions offset by high quality carbon removal offsets.
Paris Agreement	The Paris Agreement is a legally binding international treaty on climate change, which sets long-term goals to limit global warming to well below 2° Celsius, preferably to 1.5° compared to pre-industrial levels.
RE100	RE100 is a global initiative led by the Climate Group and in partnership with the CDP bringing together companies to commit to purchase 100% renewable energy.
Resilient / resilience	The ability of systems (i.e. Asteron Life, customers and communities) to anticipate, absorb, accommodate, or recover from the effects of climate change or natural hazards in a timely and efficient manner.
Scope 1 emissions	Scope 1 emissions are measured from direct fuel combustion represented by fuel used in our owned and operated corporate vehicles and stationary fuels such as diesel generators used in our buildings.
Scope 2 location-based emissions	Scope 2 location-based measures emissions associated with our total electricity consumption using grid average emission factors. This approach does not account for our own renewable energy purchased.
Scope 2 market-based emissions	Scope 2 market-based accounts for emissions associated with electricity purchased from the grid plus emission avoidance through voluntary action such as renewable electricity generation and purchases.
Scope 3 emissions	Scope 3 are indirect emissions caused by the operations of an organisation not owned or controlled by Asteron Life – these include upstream emissions generated by other organisations in the course of Asteron Life's business and sale of products and services (e.g. business travel, waste, vehicle parts, employee commuting); as well as downstream emissions that occur in the life cycle of a product/service after the sale (e.g. investments, emissions from sold products, end-of-life treatment). Scope 3 emissions also include financed emissions.
Underwriting activities	Activities related to the evaluation and analysis of risks involved in insuring people and assets.
Value chain	Value chain includes supply chain, as well as other business operations and downstream impacts which enhances customer, shareholder, or community value, including Asteron Life's underwriting, lending and investment portfolios. In climate change terms, value chain links to the measurement and improvement of Scope 1 (direct), and Scopes 2 and 3 (indirect) emissions.

APPENDIX THREE Emissions methods, assumptions and estimation uncertainty

In developing our emissions inventory, it is assumed the suppliers have provided complete and accurate data, and that this is an appropriate representation of activity. Low level of uncertainty. No assumptions used to calculate data. Any limitations are described in the table below.

Asteron Life has adopted a 10+2 approach to calculating its emission inventory, with the exception of Scope 1 fleet fuel which is calculated on a 11+1 basis. This means that the emissions inventory contains 10 months of actual data (11 months for Scope 1 fleet fuel) FY24 (July 2023 to April 2024) and 2 months (1 month for Scope 1 fleet fuel) of accrued data which is based on an average of the available data. Scope 1 fleet fuel is calculated using 11 months of actual data (July 2023 to May 2024) and 1 month of accrued data which is based on an average of the available data. The reason for adopting this approach is due to full year emissions data not being available when the Suncorp Group emission inventory was developed. Adopting this approach means the Asteron Life emissions inventory is consistent with the FY24 Suncorp Group Climate-related Disclosure Report, which also uses this approach.

Emissions source	Data Unit	Methodology
Scope 1: Fleet fuel - petrol	L	The monthly telematics data supplied data is categorised into petrol and diesel litres consumed and uploaded to the platform envizi where the relevant emission factor is applied to calculate emissions. Asteron Life's fleet fuel (petrol) emissions are attributed to the number of petrol vehicle assets controlled by Asteron Life. Asteron Life does not control any diesel vehicle assets.
Scope 2: Purchased electricity	kWh	Asteron Life had 14 office locations during FY24. All locations except Whangarei are sourced from an online power management portal. Tax invoices are sourced for electricity usage in Whangarei. All data is loaded to envizi where the emissions factor is applied to calculate emission. Asteron Life's proportionate electricity emissions are based the FY24 financial allocation of shared building expenses spend with Vero Insurance New Zealand, which is on an FTE basis, allocated 21% to Asteron Life.
Scope 3: Well-to-tank petrol	L	The monthly telematics data supplied data is categorised into petrol and diesel litres consumed and uploaded to the platform envizi where the relevant emission factor is applied to calculate emissions. Asteron Life's well to tank (petrol) emissions are attributed to the number of petrol vehicle assets controlled by Asteron Life. 100% emissions calculated using supplier data.
Scope 3: Staff air travel	Km	Supplier activity data is categorised into domestic/ international, class and long/short depending on departure/ destination location and assigned ticket class. Km for each class is summarised to monthly values and uploaded to envizi where the appropriate emission factor is applied. Asteron Life's air travel emissions are based on actual FY24 financial allocations for travel (air travel, taxis and accommodation) which includes travel directly attributable to Asteron Life personnel) and travel for enabling functions supporting Asteron Life activities, and thus coded to/paid for by Asteron Life. 100% emissions calculated using supplier data.
Scope 3: Taxis	Km	The km are extracted from Corporate Cab invoices (dollars spent) and an Excel extract from Uber (provides km directly). Corporate Cab spend data is extracted for each month, CC charges and GST are removed, and each dollar spend is multiplied by an average flag fall rate per trip and average rate/km to find the kilometres driven. Corporate Cab does not provide kilometres driven so the data has to be estimated by using average costs/km. 100% emissions calculated using supplier data.
Scope 3: Electricity T&D line losses	kWh	All locations except Whangarei are sourced from an online power management portal. Tax invoices are sourced for electricity usage in Whangarei. All data is loaded to envizi where the emissions factor is applied to calculate emission. 100% emissions calculated using supplier data.
Scope 3: Office and printed paper	Kg	Supplier invoices/monthly paper usage reports are collected, and data is categorised into A4/A4 and virgin/recycled. Kg amount is uploaded to envizi where the emissions factors is applied. Asteron Life's proportionate electricity T&D line loss emissions are based the FY24 financial allocation of shared building expenses spend, which is on an FTE basis, allocated 21% to Asteron Life. Asteron Life's office and printed paper emissions are based on actual FY24 printing and postage directly attributable to Asteron Life as per financial reporting. 100% emissions calculated using supplier data.

APPENDIX FOUR Assurance report

KPMG

Independent Limited Assurance Report to Asteron Life 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 the Greenhouse Gas (GHG) Emissions Inventory, comprising the 'Our emissions footprint' Table on p.24 (excluding Emissions intensity) and the explanatory notes included on pages 22, 25, 26, 32 and 33 (**GHG Inventory**) has not, in all material respects, been prepared in accordance with The Greenhouse Gas Protocol's Corporate Standards and guidance (collectively, the GHG Protocol) (**the criteria**) for the period 1 July 2023 to 30 June 2024.

Information subject to assurance

We have performed an engagement to provide limited assurance in relation to Asteron Life Limited's GHG Emissions Inventory for the period 1 July 2023 to 30 June 2024.

Information in the FY24 Climate report we have assured (GHG Inventory)	Page
• Measuring our progress	22
• Table 8. Our FY24 emissions Inventory (excluding Emissions intensity (market) (t CO_2e/FTE))	24
• The Standards we follow • Our emission factors	25
• Exclusions • Table 9: Our FY24 emissions Inventory	26
• Appendix 3: Emissions methods, assumptions and estimation uncertainty	32 & 33

Our assurance engagement does not extend to any other information included, or referred to, in the Climate-Related Disclosures, that is not in relation to the GHG Emissions Inventory identified above.

We have not performed any procedures with respect to the information excluded from our engagement and, therefore, no conclusion is expressed on it.

Criteria

The criteria used as the basis of reporting include the World Resources Institute and World Business Council for Sustainable Development's Greenhouse Gas Protocol standards and guidance (collectively, the GHG Protocol):

- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition)
- The Greenhouse Gas 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, 2011.

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

Standards we followed

We conducted our limited assurance engagement in accordance with 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. In accordance with the Standards, we have:

- assessed the suitability of the circumstances of Asteron Life Limited's use of the criteria as the basis for preparation of the GHG Emissions Inventory;
- used our professional judgement to assess the risk of material misstatement and plan and perform the engagement to obtain limited assurance that the GHG Emissions Inventory is free from material misstatement, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on the effectiveness of these controls; and
- evaluated the appropriateness of reporting policies, quantification methods and models used in the preparation of the GHG Emissions Inventory and the reasonableness of estimates made by Asteron Life Limited;
- evaluated the overall presentation of the GHG Emissions Inventory; and
- ensured that the engagement team possesses the appropriate knowledge, skills and professional competencies.

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.

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

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.

Misstatements, including omissions, within the GHG Emissions Inventory 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 Emissions Inventory reported within the Climate-related Disclosure.

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 Asteron Life Limited. Our assurance work has been undertaken so that we might state to Asteron Life Limited those matters we are required to state to them in the assurance report and for no other purpose.

Our report is released to Asteron Life Limited on the basis that it shall not be copied, referred to or disclosed, in whole or in part, without our prior written consent. No other third party is intended to receive our report.

Our report should not be regarded as suitable to be used or relied on by anyone other than Asteron Life 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 Asteron Life 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.

Asteron Life Limited's responsibility for the GHG Emissions Inventory

The Management of Asteron Life Limited are responsible for the preparation of the GHG Emissions Inventory in accordance with the criteria. This responsibility includes the design, implementation and maintenance of such internal control as Management determine is relevant to enable the preparation of the GHG Emissions Inventory that is free from material misstatement whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion to Asteron Life Limited on whether anything has come to our attention that, in all material respects, the GHG Emissions Inventory has not been prepared in accordance with the Criteria for the period 1 July 2023 to 30 June 2024.

Our independence and quality management

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.

Our firm has also provided financial statement audit services and other services in relation to regulatory assurance to Asteron Life Limited. Subject to certain restrictions, partners and employees of our firm may also deal with Asteron Life Limited on normal terms within the ordinary course of trading activities of the business of Asteron Life Limited. These matters have not impaired our independence as assurance providers of Asteron Life Limited for this engagement. The firm has no other relationship with, or interest in, Asteron Life Limited.

KPMG

KPMG
Auckland

24 October 2024

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