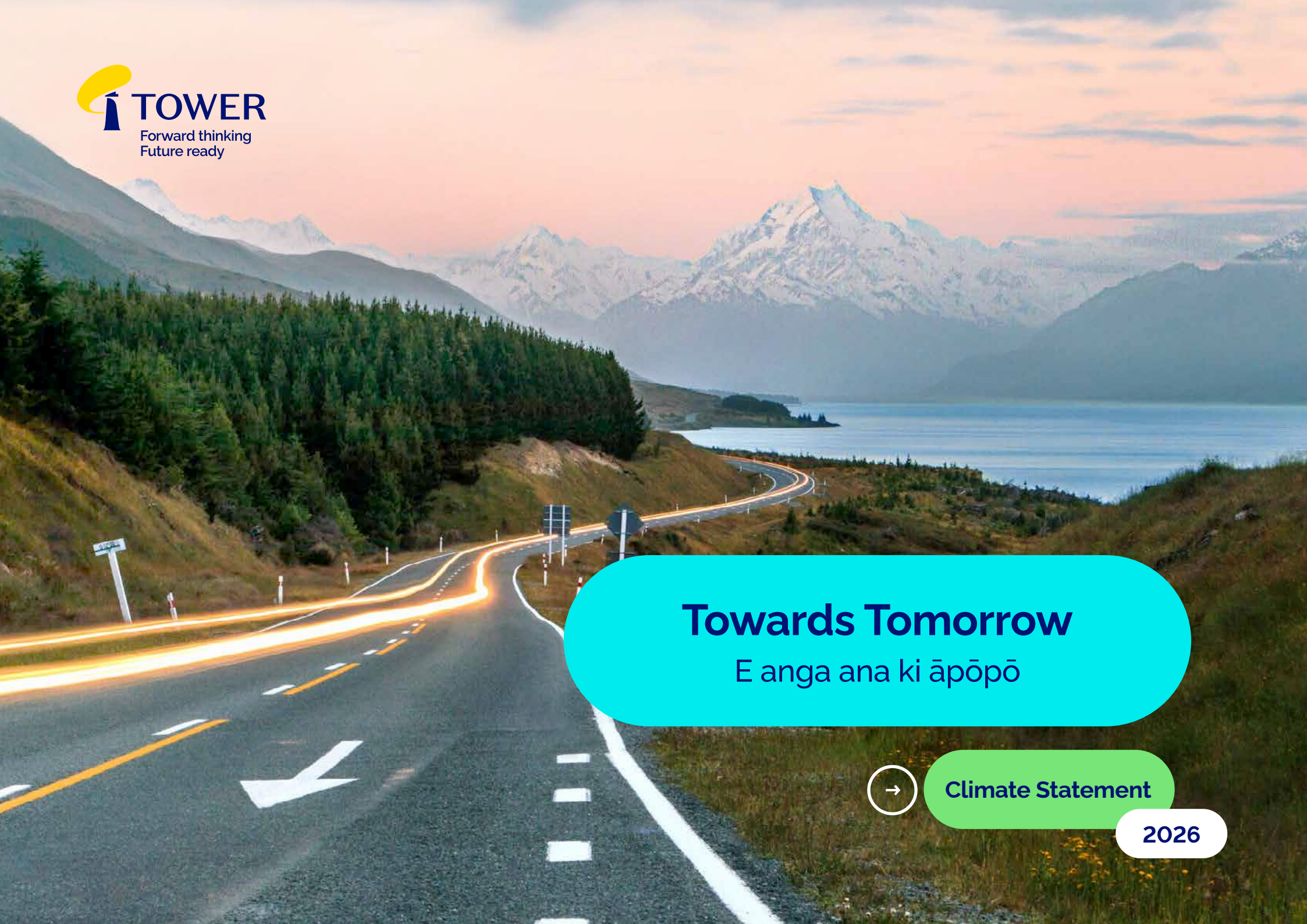

TOWER
Forward thinking
Future ready
Towards Tomorrow
E anga ana ki āpōpō
Climate Statement
2026

Contents

Executive summary 03

Tower's business model and strategy 06

- Tower's value chain 08
- Tower's FY26 operational footprint 09
- Tower's approach to climate 10
- Current climate-related impacts 11

Understanding our possible futures 13

- Tower's climate-related scenarios 16

Material climate-related risks and opportunities 19

- Climate-related risks 20
- Material climate-related opportunities 24
- Anticipated impacts 25
- The transition planning aspects of our strategy 26

Our greenhouse gas (GHG) emissions 30

- GHG emissions 32
- GHG emissions target 34
- Our emissions reductions initiatives 35

Measuring our performance 36

Risk management 37

Governance 40

- Climate, sustainability Governance Framework 41
- Climate-related skills and capabilities 46

Appendices 47







Executive summary

Tower's Board and Management remain committed to navigating the changing climate in support of our customers and communities in New Zealand and the Pacific, and in the long-term interests of our shareholders.

This executive summary highlights the key activities Tower has undertaken in FY26 to support a low-emissions, climate-resilient future for our business, customers, and the wider insurance sector.

Further detail is available in the full report, which covers the period from 1 October 2025 to 30 September 2026.

Expanded risk-based pricing to new perils

During FY26, Tower continued embedding its expanded risk-based pricing model for flood, earthquake, sea surge and landslide hazards, supported by individual property risk ratings that help customers understand how natural hazard risk is reflected in pricing. Over the first year of implementation, the expansion resulted in an approximate 43% reduction in average annual loss for sea surge, and approximately 90% of Tower customers received a reduction in the natural hazards portion of their premium, with average savings of $70 per property. Fewer than 10% of properties, those with higher exposure to sea surge or landslide risks, experienced a proportionate increase, which Tower is smoothing over a period of up to four years dependent on policy renewal cycles. Tower also continued engaging with government, industry and other stakeholders on climate adaptation, affordability and the continued availability of insurance.

Climate-conditioned flood and sea surge data informed the FY26 scenario refresh, risk and opportunity review and transition planning. Revised estimates indicate fewer properties at high future flood and sea surge risk than initially projected, supporting Tower's assessment that risk-based pricing is reducing portfolio exposure to physical climate risks.

Large event response

During FY26, weather events caused property and asset damage for customers across New Zealand and the Pacific, reinforcing the need for disciplined financial planning and operational readiness. Tower continued to strengthen, monitor and test the tools and processes underpinning its Large Event Response Plan, including claims, technology, supplier and business-continuity capabilities. Tower did not identify or experience any material transition impacts during the year.

Parametric in the Pacific

Tower continued to expand its parametric insurance offering in the Pacific during FY26, providing customers with cover that makes automatic payments when defined weather thresholds are met, without requiring customers to lodge a claim or demonstrate damage. Tower's Cyclone Response Cover is available in Fiji, Tonga and Samoa, while its Rainfall Response Cover was launched in Fiji to broaden protection against extreme weather. In FY26, the Rainfall Response Cover made Tower's first-ever parametric payout, providing FJ$27,050 to 278 customers in Kadavu within three weeks of heavy rainfall in late June 2026. This milestone demonstrates how parametric insurance can provide more rapid financial support following severe weather and forms part of Tower's approach to improving insurance accessibility and supporting climate resilience in Pacific communities.



Strengthened GHG emissions management

Tower delivered strong performance against Scope 1 and 2 gross emissions reduction target, achieving a 40% total reduction from FY20 base year to end of FY26 against a 63% goal to 2035. Tower established foundations to achieve further reductions through the increased metering at the Suva Hub and the introduction of Extraordinary Pay to support employees to access public transport savings for their commute to work.

During FY26, Tower continued to develop its greenhouse gas inventory, restated prior-period data where required, and implemented the GHG Management Framework to strengthen emissions-data quality.

Tower obtained limited assurance over the Scope 1 and 2 emissions disclosed in this Climate Statement.

Climate scenario refresh

Tower refreshed its climate scenarios in FY26 through a structured, internal review process, supported by Tonkin + Taylor, environmental and engineering consultants. This included a desktop review of the scenarios originally developed in 2021, consideration of current climate-related disclosure expectations, and assessment of the existing scenario drivers, narratives, time horizons, and assumptions. The refresh focused on producing shorter, more strategically useful scenarios that are aligned with Tower's internal modelling, transition planning and key commercial drivers, including underwriting considerations, claims volatility, reinsurance cost and capacity, capital requirements, insurance affordability and opportunities for product innovation. The scenarios were also designed to test the resilience of Tower's strategy under plausible climate futures and to support ongoing monitoring of emerging signals.

Reviewed and refined climate-related risks and opportunities

Tower completed a comprehensive review of its climate-related risks following the FY26 scenario refresh, consolidating the 22 risks disclosed in FY25 into 12 more focused risks. The revised profile comprises four inherently high, five inherently medium and three inherently low risks: four physical risks, six transition risks and two risks with both physical and transition characteristics. The four inherently high risks relate to operational stress from climate impacts, large climate-related events in Fiji affecting the Suva Hub, financial stress from climate impacts, and diminishing affordability of reinsurance as the cost of risk accelerates. These risks continue to be managed under Tower's Risk Management Framework.

Tower's material climate-related opportunities are transition-focused and relevant across the short, medium and long term. They comprise building a more resilient insurance industry by improving risk transparency and accessible, risk-based pricing; developing products and propositions that support resilience and affordability; and partnering across industry to deliver better outcomes for customers, communities and other stakeholders. Together, these opportunities support resilience, affordability, customer trust and continued access to insurance as climate risks evolve.

Developed the transition planning aspects of our strategy

Following the FY26 refresh of Tower's climate scenarios and review of its climate-related risks and opportunities, Tower reviewed the transition-planning aspects of its strategy. This work tested the resilience of Tower's strategy and operating model under our three plausible climate futures and confirmed that the transition plan remains relevant. Minor updates were made to reflect progress since FY25, the revised short-, medium- and long-term horizons, and priorities arising from the refreshed scenarios and risk and opportunity assessment.

The plan continues to inform Tower's actions across risk-based pricing and customer transparency, product and proposition development, operational and supply-chain resilience, climate data and capability, stakeholder engagement and emissions reduction. Detailed actions beyond FY30 will continue to evolve as climate, policy and socio-economic conditions become clearer, with the transition plan scheduled for further review in FY27 and through Tower's ongoing strategic planning process.

Maintained strong governance and risk management

In FY26, Tower updated its Climate and Sustainability Governance Framework and consolidated its previous steering committee, Climate Risk Forum and workstream leads into a Sustainability and Climate Forum. Board oversight remained unchanged, covering climate strategy, transition planning, risks and opportunities, metrics, targets and disclosures, supported by Board committees and regular management reporting. The Executive Leadership Team remained responsible for implementation and embedding climate considerations across the business, with the Forum coordinating delivery. A Board climate-related skills assessment was deferred following changes in Board composition and is expected in FY27.

Scope of the climate statement and statement of compliance

This report is Tower's third group climate statement and is prepared in accordance with section 461A of the Financial Markets Conduct Act 2013 and the Aotearoa New Zealand Climate Standards (NZ CS 1, NZ CS 2 and NZ CS 3). It covers our New Zealand and Pacific operations[1] and outlines the steps we are taking in support of a low emissions and climate-resilient business for the future. This climate statement has been prepared for our primary users, who we have identified as primarily being potential and existing shareholders (including asset managers). All financial information is provided in NZD. Our corporate structure is further explained under the Governance Section on page 40.

1 The subsidiaries of Tower Limited are: Tower Services Limited, National Pacific Insurance Limited (Samoa), National Pacific Insurance (Tonga) Limited, National Pacific Insurance (American Samoa) Limited, Tower Group Services (Fiji) Pte Limited, Tower Insurance (Fiji) Limited, Southern Pacific Insurance Company (Fiji) Limited, Tower Insurance (Cook Islands) Limited, The National Insurance Company of NZ Limited.

Tower has chosen to use the following adoption provisions in our third Climate Statement

Adoption provision	Rationale
Adoption provision 2: Anticipated financial impacts	Adoption provision 2 has been extended to include the second, third and fourth reporting periods. Tower has adopted this provision for the FY26 Climate Statement as it develops its methodologies to assess potential climate-related anticipated financial impacts.
Adoption provision 4. Scope 3 greenhouse gas (GHG) emissions	Selected operational Scope 3 emissions have been included to maintain consistency with previous Annual Report and Climate Statement inclusions.
Adoption provision 5. Comparatives for Scope 3 GHG emissions	Our material Scope 3 inclusions are in development.
Adoption provision 7. Analysis for trends	Trend analysis will be conducted as part of the ongoing development of metrics.
Adoption provision 8: Scope 3 GHG emissions assurance	In FY26 Tower has sought assurance of Scope 1 & 2 GHG emissions only. Scope 3 emissions disclosed in this Climate Statement have not been included in FY26 assurance, as permitted under this adoption provision.



Statement of Compliance

These climate-related disclosures comply with the Aotearoa New Zealand Climate Standards issued by the XRB.

This Climate Statement is dated 26 November 2026 and is signed on behalf of Tower by:



Naomi Ballantyne
Chair



Marcus Nagel
Audit Committee Chair

Tower's business model and strategy

Tower's business model is customer-focused. We deliver general insurance products and services directly to customers via digital platforms and phone, using data to enhance customer service and streamline processes. Our aim is to provide fair and transparent services, with customer care at the heart of everything we do.

Operationally Tower is structured around the ways our customers interact with our business: via claims, service (renewal, payments and queries) and new business (new and existing customers), both via our digital channels and our phone lines.

Tower provides general insurance products to customers in New Zealand, Fiji, Cook Islands, Samoa, American Samoa and Tonga.

Tower's products cover:



House



Contents



Motor



Motorbike



Pet



Motorhome



Travel



Business



Caravan



Landlord



Boat



Parametric cover
(for cyclone and rainfall - only in the Pacific)

We have bold ambitions for tomorrow

Our corporate strategy is to be the best direct personal lines and SME insurer in our selected markets differentiated through digital and data, fair and transparent, and with customer care in everything we do.

We are united by our purpose to inspire, shape and protect the future for the good of our customers and communities. Our values shape the way we work: doing what's right, keeping the customer at the heart of everything we do, caring for our people, and progressing boldly. Together, our vision is to deliver beautifully simple and rewarding experiences that our people and our customers rave about.

How we're driving growth

OUR STRATEGIC PILLARS



Leading customer experience

Customer centricity with a focus on fairness and transparency



Sustainable growth

Growing a more resilient Tower through targeted pricing, risk selection and improved customer retention, underpinned by risk management



Innovative and operationally excellent

Empowering innovation and decision-making through use of technology, data, and digital capability

Effective & distinctive culture

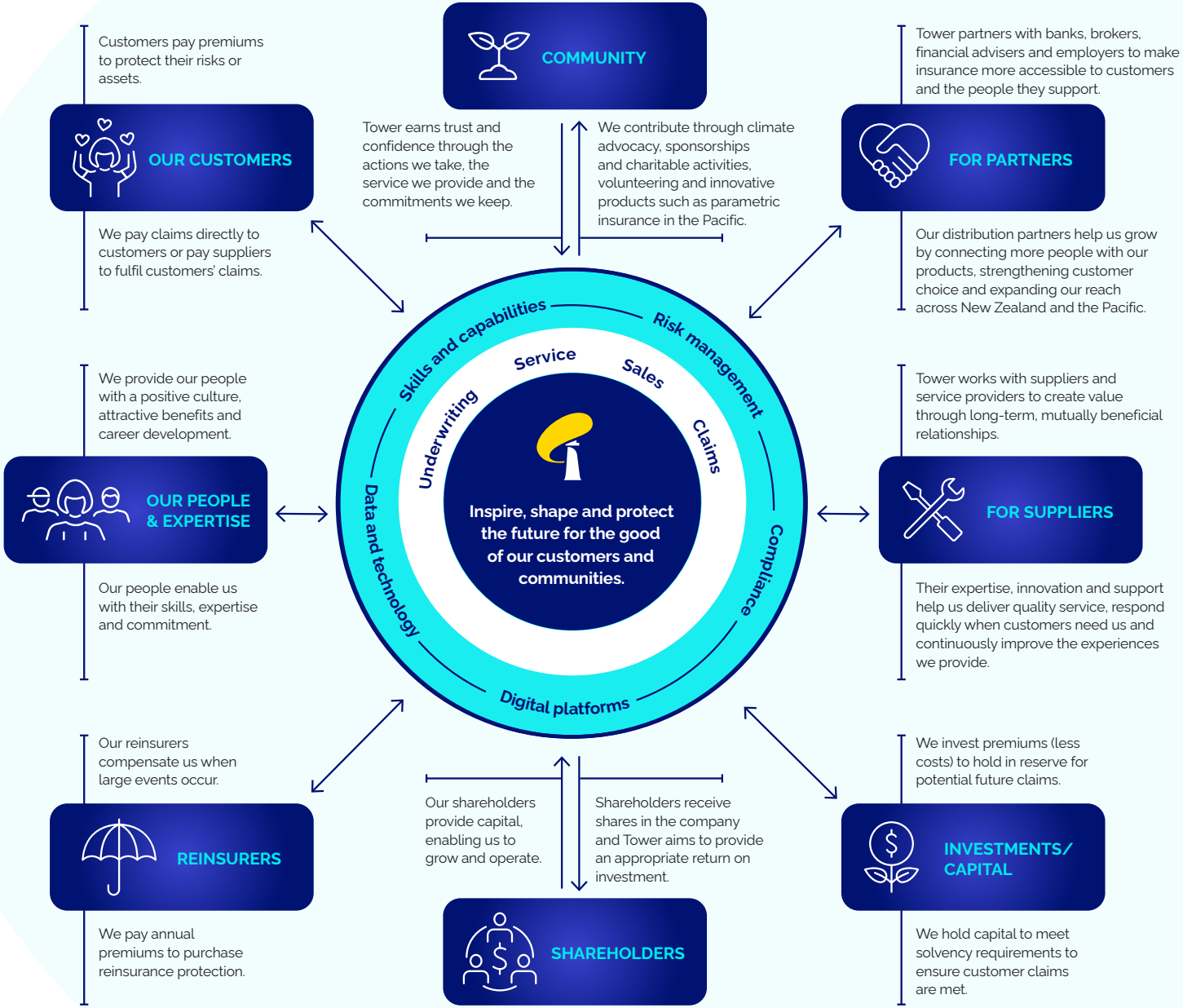
OUR STRATEGIC HORIZONS

HORIZON 1 | 2024-2025	**HORIZON 2 | 2026-2027**	HORIZON 3 | 2028-2030
Resilience and efficiencies	**Transform and innovate**	**Expanded growth and leadership**

• Building foundational strength
• Well-managed risk exposure
• Operational efficiencies
• Technology investments
• Improving customer experience
• Effective and distinctive culture
	• Expanding growth pipeline:
	  • Innovative direct propositions
	  • SME product
	  • Partnerships
	• Investment in customer data, digitisation, and AI
	• Leading customer experience
		• Scale growth through new channels and innovative products
		• Broadening financial services
		• Market challenger to market leader
		  • Leading brand
		  • Highly automated/digital
		  • Personalised customer experiences

Tower's value chain

Tower's full value chain is depicted in the diagram opposite. Content within our Climate Statement related to our scenario analysis, assessment of climate-related risks and opportunities, and governance encompasses all aspects of our value chain, across our New Zealand and Pacific operations. Content relating to GHG emissions excludes partners, reinsurers, investments or capital and shareholders.



Tower's FY26 operational footprint[1]

Pacific

$41m GWP[2]	19,000 customers
357 employees[4]	113 tCO_2e[3]

New Zealand

$579m GWP[2]	326,000 customers
586 employees[4]	82 tCO_2e[3]



Map not to scale

[1] All figures are as at 30 September 2026.
[2] Gross Written Premium (GWP) includes all operations during the year.
[3] Scope 1 and 2 greenhouse gas emissions tonnes of carbon dioxide equivalent (tCO_2e).
[4] Excludes the Board of Directors, and includes permanent and fixed term employees of Tower and Tower's Pacific Island subsidiaries.

Tower's approach to climate

As climate change increasingly influences the insurance sector, Tower is focused on building a more resilient business that continues to support customers and communities across New Zealand and the Pacific for the long term. This means using our data, products, partnerships and voice to help customers better understand, reduce and adapt to climate-related risk.

Tower's approach to climate change is aligned with our broader FY26 strategy and transition planning. It is designed to test and strengthen the resilience of our business model under plausible climate futures, while supporting sustainable growth, disciplined pricing, operational resilience and customer trust.

Our approach centres on four connected elements:

1. **Risk-based pricing** – continuing to manage risk at an increasingly granular level, while aiming to maintain transparency and trust with customers. Tower's expanded risk-based pricing model, adding sea surge and landslide risks to flood and earthquake, is supported by individual property risk ratings that help customers understand how natural hazard risk is reflected in pricing.

2. **Product innovation** – exploring products and propositions that support affordability, resilience and continued access to cover as climate risks evolve. This includes considering flexible or targeted solutions that help customers manage risk and retain insurance protection in higher-risk areas. Tower's Pacific Parametric insurance offerings are a clear example of how innovative products can improve the accessibility and affordability of insurance for climate impacted communities.

3. **Data and technology** – investing in hazard data, digital capability and operational tools to strengthen underwriting, pricing, claims response and customer support, particularly during large or clustered weather events.

4. **Building trusted relationships** – upholding strong relationships with our shareholders, reinsurers, government representatives, partners and industry stakeholders, and keeping pace with the changing expectations of customers and communities.

Tower's approach remains broadly consistent with FY25, with no material changes. FY26 updates reflect ongoing progress. The FY25 element "Maintaining our social licence to operate" has been renamed "Building trusted relationships" to better reflect the range of stakeholders Tower considers and responds to.

A core part of Tower's business model and value chain is the ability to respond effectively to large events. This includes maintaining appropriate levels of capital and reinsurance, reinforced by the development and implementation of our Large Event Response Plan (see Material transition impacts, page 12).

Reducing our emissions is an important aspect of our sustainability strategy, and our Scope 1 and 2 greenhouse gas (GHG) emissions have reduced by 40% from our FY20 base year. Our current target is to reduce absolute Scope 1 and 2 emissions by 63% by FY35 from our FY20 baseline. Further details on our emissions inventory and progress against our target are provided in the Our greenhouse gas (GHG) emissions section on page 30.



Current climate-related impacts

Material physical impacts

In FY26 New Zealand experienced a series of weather events that caused property and asset damage, directly impacting our customers. Five of these events met Tower's large event criteria[1] and resulted in overall claims costs to Tower of $24m, well within the allocated large event allowance of $45m for FY26. For this reason it is not considered a material financial impact.

Of these large weather events, only three generated sufficient claim volumes to cause a temporary increase in demand on Tower's claims operations. Tower contained the operational impact through its established Large Event Response Plan, dedicated Event Response Claims team, and this was supported by the timely utilisation of its outsourcing partner and external assessing partner. These arrangements provided additional capacity, supported continuity of customer service and enabled claims operations to return to normal service levels.

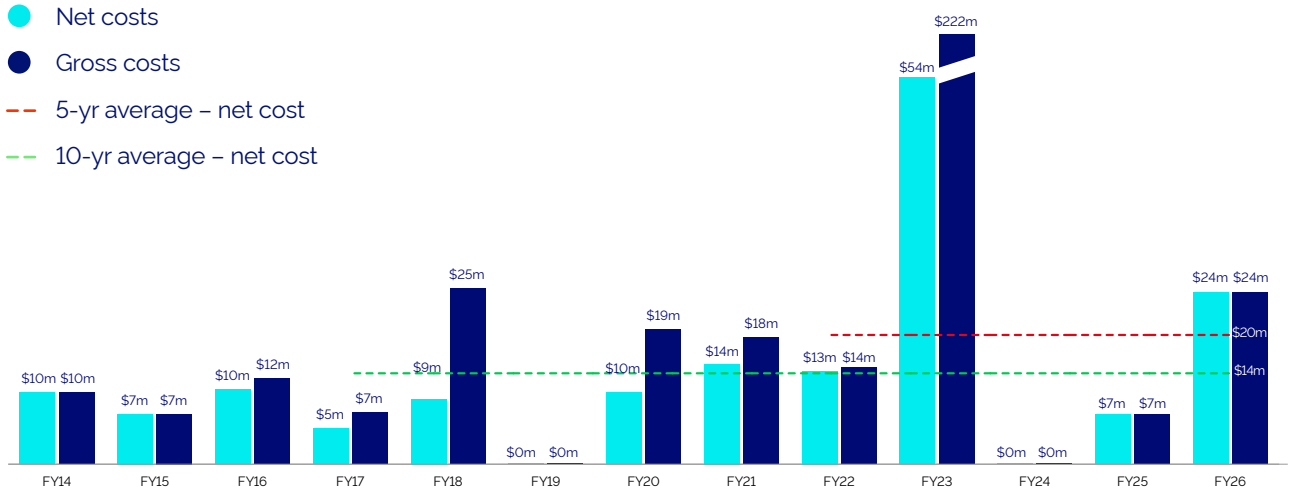
Over the past ten years Tower has experienced an increasing frequency and severity of large weather events that may be linked to a changing climate.

This volatility presents challenges for Tower in our modelling and financial planning. We continue to take a conservative approach to these to support our financial resilience.

As indicated in the graph the five-year average of large events costs for Tower in the financial year ending 30 September 2026 was $19.6m.

In the Pacific, Tower has made its first parametric payout under its Rainfall Response Cover in Fiji, sending a total of FJ$27,050 to 278 customers in Kadavu within three weeks of heavy rainfall in late June 2026. Whilst not a material impact this first payout helps to demonstrate Tower's strategic approach.

Catastrophic and large weather events



1 Tower measures large events as those which have a net cost to Tower of more than $2m. Division of net and gross values are approximate, based on internal records.

Tower's net large event claims costs are subject to reinsurance structures during the reporting periods and the overall growth of our business. The historical large event claim costs are current estimates as at 30 September 2026, any development in prior year event costs are reflected in their respective incurred periods.

Material transition impacts

During FY26, Tower did not identify or experience any material transition risks, and accordingly there have been no material financial impacts from transition risks. However, consistent with our strategic focus, we continued to embed, monitor and strengthen our response to large and/or frequent weather events, risk-based pricing and transparency.

In FY25 we disclosed the development and adoption of a Large Event Response Plan, overseen by the Head of Tower Natural Disaster Response. In FY26 we continued to strengthen, monitor and test the tools and processes underpinning the plan to enhance our operational readiness and align with our broader climate resilience strategy. There was no financial impact of this work which was completed using internal resources in FY26.

In FY25, Tower also advanced its risk-based pricing framework by incorporating new hazard data and modelling capabilities in New Zealand. This enabled the extension of our public risk ratings tool to include landslide and sea surge risks. The inclusion of these hazards aims to improve transparency around how climate and natural hazard risks are reflected in customer premiums.

This expansion builds on our introduction of risk-based pricing for earthquakes (2018) and floods (2022), alongside the launch of a tool that provides customers with individual risk ratings for their properties.

The portfolio impact of this expansion over the first year of implementation resulted in an approximate 43% reduction in average annual loss (AAL) for sea surge and an approximate 4% reduction for landslide risks. Additionally, approximately 90% of Tower customers received a reduction in the natural hazards portion of their premium, with average savings of $70 per property. Fewer than 10% of properties – those with higher exposure to sea surge or landslide risks – experienced a proportionate increase in this portion of their premium.

To support affected customers, Tower is smoothing premium increases over a period of up to four years dependent on policy renewal cycles.

Tower has previously identified a potential transition risk related to customer perceptions of insurance affordability and accessibility. In FY25, Tower conducted consumer research alongside the expansion of risk-based pricing to monitor this potential risk. The findings indicate that, at present, this risk remains low.

The research, *Weathering Change: Attitudes to Climate Risk and Resilience in New Zealand*, provided a snapshot of public awareness of climate-related risks and natural hazards. It found that nearly one-third of New Zealanders are concerned about the impact of climate-related weather events on their homes, despite 79% not having experienced a major event at their property in the past decade.

This research remains relevant in FY26 and supports Tower's understanding of customer and community concerns and informs our ongoing assessment of potential material transition impacts. While the cost was not material, the research is included here to demonstrate how Tower identifies and responds to issues that matter most to our customers.



Understanding our possible futures

The NZ CS 1 requires disclosure of the scenario analysis process Tower has undertaken to identify climate-related risks and opportunities. Scenario-based analysis explores how uncertain, forward-looking variables might logically interact to create plausible future states. The purpose of Tower's scenarios is not to predict the future, but to identify and interrogate the assumptions underlying critical decisions.

In 2022, Tower participated in a New Zealand insurance industry initiative to co-design the Insurance Council of New Zealand's (ICNZ) shared climate scenarios for the insurance sector. These then formed the basis for Tower's first climate scenario development in 2023 with the support of KPMG.

In FY26 Tower undertook a full review and refresh of the 2023 scenarios supported by sustainability and climate specialists at the multidisciplinary consultancy, Tonkin + Taylor. The review was undertaken as the initial short term time horizon, 2020 – 2025 had expired and Tower considered that the drivers and architecture of the scenarios were no longer up to date.

Scenario refresh

The refresh aimed to produce more succinct, strategically useful scenarios, better aligned with Tower's internal modelling, transition planning and key commercial decisions: underwriting profitability, claims volatility, reinsurance cost and capacity, capital requirements, insurance affordability and product innovation. The scenarios were also designed to test the resilience of Tower's strategy under plausible climate futures and to support ongoing monitoring of emerging signals and signposts. The refresh had three elements: a desktop review of the existing scenarios against current disclosure expectations; scenario design to refine the drivers, archetypes and narratives most relevant to Tower; and a scenario testing workshop to explore risks, opportunities and strategic resilience.

Analysis undertaken

As part of the desktop review, Tonkin + Taylor assessed the existing scenario archetypes, narratives, reference scenarios (IPCC, NGFS and SPANZ) and time horizons alongside Tower's business model and strategy. Drivers were reviewed for materiality and alignment with Tower's internal modelling approach, ranging from macro factors such as population, GDP and government adaptation policy to sector-level considerations including physical hazards and exposure of insured assets, reinsurance market conditions, insurance affordability and Tower's Pacific operations. The most material drivers and selected Shared Socioeconomic Pathways (SSPs)[1] informed three draft scenarios. Managed Transition, Fragmented Response and Fragmented with Intervention. An Executive and Senior Management workshop then tested scenario logic, strategic alignment, implications and priorities, and the resilience of Tower's strategy and operating model under combined transition, physical risk, affordability, reinsurance and regulatory pressures. Tower will continue to operate under its existing business model and strategy, with climate transition planning integrated into our strategic planning. The refreshed scenarios, the review and development process were discussed by Tower's Board during the FY26 July Board Strategy days and approved for inclusion in this Climate Statement in the November 2026 Board meeting.

Summary of scenario development process

2022

1. ICNZ collaboration to develop Insurance Sector scenarios for NZ

2023

2. Tower senior leader workshops to develop Tower-specific scenarios

3. Workshops with Senior leaders to test scenarios

4. Scenario analysis to identify climate-related risks and opportunities

2024

5. Management level and Board approvals of scenarios and climate-related risks and opportunities

2025

6. Procured climate conditioned hazard data to assess potential future climate-related business risk and effectiveness of strategy

2026

7. Climate scenario and time horizons review and refresh, supported by Tonkin + Taylor and analysed through an Executive and Senior Management workshop

1 Shared Socioeconomic pathways (SSPs) - Intergovernmental Panel on Climate Change (IPCC), *Climate Change 2021: The Physical Science Basis*, Working Group I contribution to the Sixth Assessment Report, Chapter 4: Future Global Climate: Scenario-based Projections and Near-term Information (2021).

The climate scenarios will continue to be reviewed annually by the Sustainability and Climate Forum, to assess the ongoing relevance of their underlying assumptions, drivers and narratives, taking into account material developments in climate science and physical climate impacts, policy and regulation, economic and societal conditions, technology, insurance and reinsurance markets, and Tower's business and strategy.

The key differences between the FY25 disclosed climate scenarios and the refreshed FY26 climate scenarios are:

- **Managed Transition compared with FY25 Orderly:** Both scenarios represent a coordinated transition towards a low-emissions future. The FY26 scenario uses SSP1-1.9 rather than SSP1-2.6 and places greater emphasis on the near- and medium-term costs and challenges of transition, including economic and affordability pressures, claims volatility, reinsurance costs and increasing regulatory scrutiny, while stronger mitigation and adaptation progressively moderate longer-term physical risk.
- **Fragmented Response compared with FY25 Disorderly and Hothouse:** The FY26 scenario uses SSP3-7.0 and a higher-warming pathway, rather than the SSP2-4.5 pathway used for the FY25 Disorderly scenario. It combines weak and fragmented climate action with increasing physical risks and constrained adaptation, more explicitly considering the consequences for reinsurance, insurance affordability and availability, risk-based pricing and exposure to increasingly severe weather events. It therefore incorporates elements more closely associated with the FY25 Hothouse scenario while providing greater focus on the commercial implications for Tower.
- **Fragmented with Intervention compared with FY25 scenarios:** This is a more distinct scenario than those used in FY25. It uses the same SSP3-7.0 high-warming pathway as Fragmented Response, but tests a different response to the resulting insurance-market pressures: stronger government intervention through measures such as affordability support, risk-sharing mechanisms, public backstops, levies and customer outcome obligations. This enables Tower to explore the implications of significant physical climate risk occurring alongside greater government intervention in the insurance market.
- **Across all three scenarios:** The FY26 scenarios are more closely tailored to Tower's business and strategy, giving greater prominence to insurance-sector drivers (physical hazard exposure, reinsurance cost and capacity, adaptation and land-use planning, insurance affordability and demand, regulation and pricing, legal liability and implications for Tower's Pacific operations), and testing strategic resilience against them more explicitly.

Analysis of climate conditioned data

In FY25 Tower procured climate conditioned flood and sea surge data from our data partners to further understand potential climate risks related to each scenario. The data was based on the Representative Concentration Pathways (RCP) and Intergovernmental Panel on Climate Change (IPCC) Shared Socioeconomic Pathways (SSP) used for each of our climate-related scenarios and across our long-term time horizon. The data assisted Tower to better understand the implications of our chosen scenarios.

This enabled us to improve our assessment of potential future risks to our customers' properties and our business and to test our strategy settings. The resulting revised estimates of properties at high risk of future flood and sea surge are lower than initial conservative estimates. This suggests that our strategic approach of flood risk based pricing has contributed to successfully lowering our exposure to climate-related physical risks associated with our portfolio.

The above process and data were considered during the scenario review and refresh climate-related risk and opportunity reviews and transition planning update.

Scenario architecture, socioeconomic pathways and rationale for selection

The below table sets out Tower's scenario architecture, how Tower's scenarios align with relevant local and international socioeconomic pathway parameters and the rationale for selection.

Tower's scenario architecture			
Parameters	**Managed Transition 1.5°C**	**Fragmented >3°C**	**Fragmented with Intervention >3°C**
Global emissions and socioeconomic pathway parameters	Representative Concentration Pathway (RCP) Intergovernmental Panel on Climate Change (IPCC) Shared Socioeconomic Pathway (SSP) 1-1.9	RCP6.0 IPCC SSP3-7.0	RCP6.0 IPCC SSP3-7.0
New Zealand physical risk	NIWA Climate Projections	NIWA Climate Projections	NIWA Climate Projections
New Zealand-specific emissions, transition and socioeconomic pathway parameters	Climate Change Commission (CCC) 'Tailwinds'	CCC 'Current Policy Reference'	CCC 'Current Policy Reference'
Rationale for selection	Aligned with scenarios already selected by ICNZ for the General Insurance Sector (and other sectors). Meets XRB's requirement for a 1.5°C aligned scenario.	Meets XRB's requirements for a >3°C scenario.	Meets XRB's requirements for a third climate scenario. This scenario is built on the same archetypes as Fragmented, however the below drivers related to government intervention in the insurance sector and related to climate more broadly, are amplified to fully assess the potential implications to Tower.
Key scenario drivers	Physical hazards and exposure of insured assets • Reinsurance markets • Landuse planning/adaptation • Government adaptation policy • Insurance affordability, demand and social licence • Insurance regulation and ability to price • Legal and regulatory liability • Behaviour of large Australian competitors in NZ market • Implications for Pacific arm of the business		

Tower's climate-related scenarios

Our climate-related scenarios are summarised in the high-level data points and narratives below.

Managed Transition

Key characteristics of the scenario:

International and domestic policy settings aim to limit total warming by end-of century to less than 1.5˚C.

POLICY AMBITION	2050 WARMING
Strong, <1.5°C	1.6°C

	NZ	Pacific
Mean annual temperature change 2050	1.6˚C	1.8˚C
Mean sea level rise	22cm	20.4cm

Severity of physical risk	Low
Severity of transition risk	High
Policy reaction	Immediate & smooth
Climate Technology change	Fast
Carbon dioxide removal	High
Regional policy variation	Low

This scenario follows the most optimistic SSP pathway, targeting approximately 1.5˚C of warming through rapid, coordinated global climate action.

New Zealand accelerates decarbonisation across energy, transport, and urban form, with carbon prices, regulation, and capital flows all aligned behind the transition. While this represents the most orderly future, it is not without cost. The transition creates sustained economic headwinds including slower GDP growth, persistent infrastructure and energy cost inflation, and rising household affordability pressure in the near to medium term.

Long term physical risk exposure is progressively moderated by stronger adaptation and reduced emissions. For Tower, near term claims volatility continues as warming is already locked in, reinsurance costs rise before stabilising, and repair capacity constraints delay complex claims. Customers grow more sensitive to pricing and service outcomes as cost-of-living pressures mount. Competitors intensify digital and pricing competition, and regulatory scrutiny of conduct, affordability, and climate risk management increases throughout.

The core strategic challenge is maintaining Tower's increasingly granular, risk-based pricing and portfolio management as climate risks evolve, while supporting customer trust, affordability, and sustainable portfolio growth.

Key insurance sector considerations across the short, medium and long term time horizons:

FY26–29:

- Margin pressure from claims costs, reinsurance pricing, repair inflation, and customer affordability pressure increases
- Operational surge events increase claims handling pressure
- Customer sensitivity to pricing and claims outcomes increases across the portfolio

FY30–39:

- Revenue growth slows as exposure growth moderates and affordability pressure intensifies across households and businesses
- Customer retention declines in exposed and affordability-sensitive segments
- Portfolio quality increasingly depends on pricing precision, exposure management, digital capability, and balancing affordability with pricing adequacy

FY40–50:

- Long-term profitability increasingly depends on capital strength, operational resilience, customer trust, and portfolio quality
- Pricing precision, claims capability, and resilience investment increasingly shape competitive position
- Sustained affordability pressure continues constraining premium growth and customer retention despite stabilising long-term physical risk

Fragmented Response (SSP3-7.0)

Key characteristics of the scenario:

International and domestic policy settings aim to limit total warming by end-of century to less than 3°C.

POLICY AMBITION	2050 WARMING
Weak & fragmented,	
~3.6°C	2.1°C

	NZ	Pacific
Mean annual temperature change 2050	2.0°C	2.0°C
Mean sea level rise	~39cm	~23cm

Severity of physical risk	High
Severity of transition risk	Moderate
Policy reaction	Slow
Climate Technology change	Slow
Carbon dioxide removal	Low
Regional policy variation	Low

NZ and major global economies remain on a fragmented, high-emissions pathway aligned with a trajectory toward ~3.6°C+ warming by 2100. Climate action remains weak and inconsistent, carbon prices remain lower and more volatile, and geopolitical fragmentation slows coordinated decarbonisation, resilience investment, and adaptation.

NZ increases investment in adaptation and resilience over time, but repeated severe events, fiscal pressure, infrastructure constraints, and slower economic growth limit the pace and effectiveness of response measures. Urban intensification, transport transition, and emissions reduction occur more unevenly and slowly.

Physical risks continue increasing in the near term due to locked-in warming and increase materially over time as warming accelerates and adaptation struggles to keep pace. Exposure growth remains higher, and severe weather events increasingly drive claims volatility, operational disruption, repair delays, and supply-chain pressure. Insurance pricing and underwriting become increasingly responsive to underlying risk signals, with limited government support for affordability or market stability. Premiums rise sharply over time, insurers withdraw from some high-risk areas, and insurability deteriorates in parts of NZ.

Key insurance sector considerations across the short, medium and long term time horizons:

FY26–29:

- Margin pressure from claims costs, reinsurance pricing, repair inflation, and affordability pressure increases
- Operational surge events increase claims handling pressure
- Customer sensitivity to pricing and claims outcomes increases materially

FY30–39:

- Revenue growth slows materially as affordability pressure and worsening insurability intensify
- Customer retention declines ~5–15% in higher-risk and affordability-sensitive segments
- Portfolio quality increasingly depends on pricing precision, exposure management, and capital efficiency

FY40–50:

- Long-term profitability increasingly shaped by capital constraints, operational resilience, and customer retention
- Resilience investment and claims capability remain materially elevated above FY25 baseline
- Portfolio quality increasingly challenged by worsening physical risks and affordability pressures

Fragmented Response with Intervention (SSP3-7.0)

Key characteristics of the scenario:

International and domestic policy settings aim to limit total warming by end-of century to less than 3˚C.

POLICY AMBITION	2050 WARMING
Weak & fragmented, ~3.6°C	2.1°C

	NZ	Pacific
Mean annual temperature change 2050	2.0˚C	2.0˚C
Mean sea level rise	~22cm	~21-22cm

Severity of physical risk	High
Severity of transition risk	Moderate
Policy reaction	Slow
Climate Technology change	Slow
Carbon dioxide removal	Low
Regional policy variation	Low

This scenario shares Fragmented Response's high-emissions, fragmented trajectory, with warming of approximately 3.6˚C or more, but escalating catastrophe losses globally and in New Zealand drive progressively greater government involvement in insurance markets. Intervention may include:

- **Affordability measures**, such as price caps or targeted support to help maintain access to insurance.
- **Catastrophe risk-sharing mechanisms**, such as levy-funded public backstop arrangements or other public-private risk-pooling structures.
- **Customer outcome obligations**, such as requirements to provide affordable minimum-cover options or maintain availability in higher-risk markets.

High warming brings greater physical risk, more volatile claims, repair delays and reinsurance shocks. Unlike Fragmented, insurers' retreat from high-risk areas is limited by government action to keep insurance available and ease some affordability pressure. Insurers in New Zealand and globally face new or higher levies, policies that may influence which markets they serve regardless of commercial risk appetite, and stricter regulation and conduct rules.

From the FY30s, growing levies and persistently high reinsurance costs steadily squeeze return on equity, underwriting margins and capital efficiency. Success increasingly depends on working well with greater government involvement, regulation and public policy goals, and some competitors may cut back their exposure in selected areas.

The core strategic challenge is determining how Tower can maintain profitability, shareholder returns, solvency strength, and operational resilience in a market where catastrophe risk is increasingly socialised, commercial pricing signals are progressively weakened, and the terms of market participation are shaped as much by policy settings as by the underlying economics of risk.

Key insurance sector considerations across the short, medium and long term time horizons:

FY26–29:

- Margin pressure from claims costs, reinsurance pricing, repair inflation, and affordability pressure increases materially
- Operational surge events increase claims handling pressure
- Customer sensitivity to pricing and claims outcomes increases materially

FY30–39:

- Revenue growth slows as affordability measures, pricing limits and physical risks increase
- Expense ratio and claims handling costs stay elevated over time
- Pricing limits, higher capital requirements and reinsurance costs increasingly squeeze return on equity and underwriting profits
- Fewer price-sensitive and risk-exposed customers stay
- Portfolio quality increasingly shaped by pricing constraints, capital efficiency, and regulatory expectations

FY40–50:

- Ongoing pressure on return on equity, capital efficiency and shareholder returns
- Long-term profits shaped by government intervention, capital limits, operational resilience and customer retention
- Resilience investment and claims capacity stay well above FY25 levels
- Competitiveness depends more on navigating government intervention and political limits in insurance

Material climate-related risks and opportunities

Tower reviewed its material climate-related risks and opportunities following the FY26 refresh of our climate scenarios. The scenario refresh responded to changes in the external climate, policy and insurance environment, and to the expiry of our previous short-term time horizon. It provided an opportunity to test the continued relevance of the risks and opportunities previously identified, the appropriateness of their drivers and potential impacts and the suitability of our assessment periods for effective strategic decision-making. The revised time horizons provide a clearer basis for assessing how climate-related risks and opportunities may emerge, intensify or change across the short, medium and long term, and for considering how these matters interact with Tower's business strategy, transition planning and risk management processes.

The previous short term climate horizon of 2023-2025 was aligned to horizon 1 of our business strategy which is now in horizon 2, 2026-2027 with horizon 3 established for 2028-2029. Together these business strategy timelines reflect the revised short term climate time horizon.

The updated time horizons were selected to align with Tower's long-term business strategy and transition planning but are independent of planning cycles, which are based on a three-year forward-looking view and reviewed annually.

Time horizon	Period	Business Strategy Horizons
Short	2026-2029	Horizons 2 & 3
Medium	2030-2039	Beyond current published horizons
Long	2040-2050	Beyond current published horizons



Climate-related risks

The review was informed by the refreshed FY26 scenarios, Tower's strategy, climate science, regulatory and geopolitical developments, hazard and claims data, and input from relevant business units. It was overseen through Tower's Sustainability and Climate Forum and approved by the Risk Committee and Board for disclosure in this Climate Statement.

As a result of the FY26 review, Tower consolidated the 22 climate-related risks disclosed in FY25 into 12 climate-related risks. The revised list comprises four inherently high risks, five inherently medium risks and three inherently low risks. It includes four physical risks, six transition risks and two risks assessed as both physical and transition. The consolidation reflects a more focused assessment of the matters most relevant to Tower's business, customers, operations and primary users. Risks that had significant overlap or recurring themes, including reinsurance, underwriting and data risks, have been consolidated, while risks already captured through Tower's wider corporate risk register, where climate-related drivers were assessed as indirect, low or negligible have been removed from the climate-related risk register but continue to be managed through enterprise risk processes.

The four inherently high risks relate to:

- Operational stress from climate impacts
- Large climate-related events in Fiji affecting the Suva Hub,
- Exposure to financial stress from climate impacts, and
- Diminishing affordability of reinsurance as the cost of risk accelerates.

These risks remain central to Tower's assessment of climate-related impacts because of their potential to affect multiple aspects of our business including claims volumes, operational resilience, customer outcomes, capital adequacy, reinsurance arrangements and the affordability and availability of insurance across New Zealand and the Pacific.

The FY26 review also considered the Financial Markets Authority's Climate-related Disclosures: Insights from our reviews 2026 report including the need for clearer, more entity-specific disclosure of physical climate risks. In response, this section provides more detailed descriptions of the relevant hazards, exposed regions, customers, operations or assets, and vulnerability factors that may influence how risks could arise or change over time. Tower will continue to monitor these risks and reassess their materiality in line with our Risk Management Framework and Climate and Sustainability Governance Framework.

Tower's two material transition climate-related opportunities previously disclosed have also been retained and updated. These relate to building a more resilient insurance industry and enhancing brand and reputation through transparent, accessible risk-based pricing and new products and propositions. These opportunities reflect Tower's role in using data, pricing, products, partnerships and customer communications to support resilience, affordability and continued access to insurance as climate risks evolve. A third material transition opportunity has been included in FY26. This was previously disclosed as a recognised opportunity that was not considered material and relates to the potential to achieve climate resilience and mitigation improvements through partnerships. The opportunity was upgraded to material due to the recognised strength in collaborations and partnerships.

Physical and transition risks

Physical risks

Physical risks, as defined in NZ CS 1, relate to the physical impacts of climate change. These risks can be acute, such as those related to severe or large weather events, or chronic, due to longer-term shifts in weather patterns, including changes in precipitation, temperature, cyclone intensity, flooding, coastal inundation, sea surge or sea level rise at a regional or national level.

Tower does not directly own or lease assets that are materially vulnerable to acute or chronic climate-related physical risks. However, our customers, operations, supply chains and outsourced service locations may be exposed to these risks. The potential impacts on customer assets, claims volumes, operational resilience, reinsurance arrangements, capital adequacy, affordability and access to insurance have therefore been identified and assessed for disclosure.

In FY26, Tower identified four physical risks and two risks assessed as both physical and transition. The physical risk themes identified and assessed include operational stress from climate impacts, large climate-related events in Fiji affecting the Suva Hub, exposure to financial stress from climate impacts, and increasing larger loss events in the Pacific affecting standard and parametric customers. These risks reflect Tower's exposure to acute severe weather events across New Zealand and the Pacific, including high-volume or clustered claims events, cyclones, flooding, coastal hazards and sea surge. The relevant exposure is primarily to insured customer assets, Pacific customers and communities, Tower's operational response capability, claims resources, supplier capacity, and the Suva Hub, which supports parts of Tower's operations.

Tower's FY26 assessment also considered vulnerability factors that may influence the extent of physical risk impacts. These include the geographic distribution of Tower's customer base and Pacific operations, concentration of skills or services in particular locations, reliance on claims assessors and suppliers during surge events, the availability and cost of reinsurance, and the ability of customers to absorb higher premiums or changes in cover. These factors may affect how physical risks translate into operational disruption, customer outcomes, claims costs, complaints, conduct risk, staff pressure, capital impacts or constraints on future growth.

Transition risks

Transition risks, as defined in NZ CS 1, relate to the risks that may arise as New Zealand, the Pacific and global markets transition toward a lower-emissions, climate-resilient economy, such as policy, legal, technology, market and reputation changes associated with the mitigation and adaptation requirements relating to climate change. For Tower, these risks may arise from changes in government policy, regulation, capital requirements, market expectations, technology, customer behaviour, affordability pressures, legal liability, disclosure expectations, competitor behaviour and societal views on the appropriate role of insurance in responding to climate impacts.

In FY26, Tower identified six transition risks and two risks assessed as both physical and transition. The key transition risk themes identified and assessed include:

- The diminishing affordability of reinsurance as the cost of risk accelerates.
- Government intervention influencing the insurance market and the sector's ability to signal and price risk.
- Lack of access to actionable and quality data insights.
- Pricing, product design and insurance suitability failing to keep pace with climate-driven market change.
- Reputational impacts from greenwashing claims.
- Products becoming too complex for customers to understand.
- Changes in regulatory capital requirements.

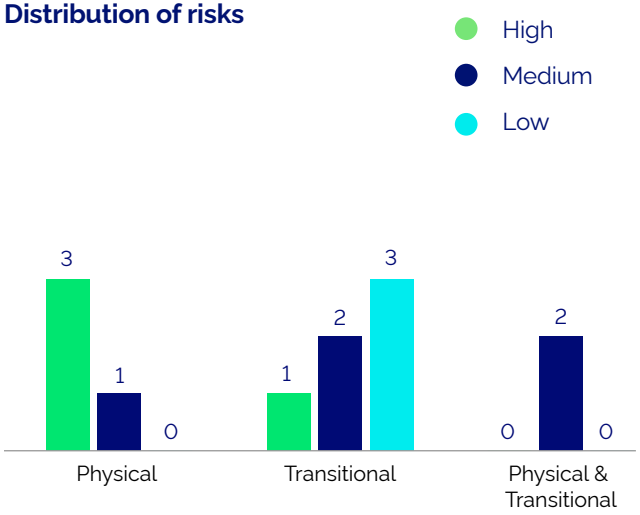
These risks reflect the increasing complexity of maintaining risk-based pricing, product suitability, underwriting discipline, customer trust and insurance affordability as climate impacts and transition expectations evolve.

Some climate-related risks have both physical and transition characteristics. For example, supply chain disruption may result from physical impacts such as severe weather affecting parts, materials, repair networks or outsourced service locations, while also being influenced by transition pressures such as changes in repair methods, costs, emissions expectations, supplier capability or customer demand. Similarly, the pace and scale of physical climate impacts may require changes to pricing, underwriting, products, claims capability, capital settings and customer communications, creating both physical and transition risk dimensions.

The FY26 review found that transition risks make up the largest proportion of Tower's revised climate-related risk profile by number, while the inherently high risks remain concentrated in physical and reinsurance-related matters. The revised risk profile includes four physical risks, six transition risks and two risks assessed as both physical and transition. Tower will continue to monitor these risks and reassess their materiality in line with our Risk Management Framework and Climate and Sustainability Governance Framework.

The following graph shows the distribution of risks according to risk type and severity.

Distribution of risks



Identified climate-related risks and associated anticipated impacts

A description of our inherently high risks, their risk type, anticipated impact, existing mitigations and assessed magnitude against each scenario and time horizon are detailed in the table below.

Risk	Risk type / inherent rating	Description	Regions affected	Anticipated business impact	Current strategies / controls	Scenarios assessed	Time horizons		
							Short FY26–29	Medium FY30–39	Long FY40–50
Operational stress from climate impacts	High Physical	Increasing severe weather events create substantial operational stress, including claims surge volumes, complex claims, resource pressure and potential disruption to business-as-usual activity.	New Zealand Pacific	Claims handling pressure e.g. strain on resourcing capacity, increased complaints or conduct risk, reputational damage, staff pressure, diversion of resources from strategic delivery and possible customer experience impacts.	Large Event Response Plan, Senior Leadership responsibility for natural disaster response, claims surge planning, NHC capability, operational resilience, digital tools, supplier management and business continuity planning.	Managed Transition	↑	↑	—
						Fragmented Response	↑	↑	↑
						Fragmented with Intervention	↑	↑	↑
Large climate-related events in Fiji threaten the ability of the Suva Hub to function	High Physical	Acute events such as cyclones, flooding, sea surge or infrastructure disruption in Fiji could affect the Suva Hub and services supported from that location.	Pacific	Business continuity disruption, service delays, pressure on claims and customer operations, staff welfare impacts and potential additional operating costs.	Business continuity planning, geographic distribution of operations, digital operations, remote-working capability, operational resilience planning and monitoring of Fiji exposure.	Managed Transition	↑	↑	—
						Fragmented Response	↑	↑	↑
						Fragmented with Intervention	↑	↑	↑

Legend: — Risk remains the same ↑ Risk increases ○ Continuing to assess change

Risk	Risk type / inherent rating	Description	Regions affected	Anticipated business impact	Current strategies / controls	Scenarios assessed	Time horizons		
							Short FY26–29	Medium FY30–39	Long FY40–50
Exposure to financial stress from climate impacts	High Physical	Large or repeated climate-related events may create financial stress through elevated claims costs, claims volatility, reinsurance impacts and capital pressure.	New Zealand Pacific	Higher claims costs, earnings volatility, capital pressure e.g. exceeding large events budget, reduced investor confidence, higher cost of capital and possible constraints on growth or strategic investment.	Risk-based pricing, underwriting controls, hazard data, reinsurance programme, large event allowance, capital management, financial planning and portfolio monitoring.	Managed Transition	↑	↑	–
						Fragmented Response	↑	↑	↑
						Fragmented with Intervention	↑	↑	↑
Affordability of reinsurance diminishes as the cost of risk accelerates	High Transition	Reinsurance availability, capacity or affordability may reduce as climate-related risk, global catastrophe losses and reinsurer risk appetite change.	New Zealand Pacific	Increased reinsurance costs, pressure on pricing and profitability to maintain market share, reduced cover availability, higher capital requirements and possible constraints on products or markets.	Multi-year catastrophe reinsurance agreements, active reinsurer engagement, portfolio and exposure management, risk-based pricing, underwriting controls and capital planning.	Managed Transition	↑	↑	–
						Fragmented Response	↑	↑	↑
						Fragmented with Intervention	↑	↑	↑

Legend: – Risk remains the same ↑ Risk increases ○ Continuing to assess change

Material climate-related opportunities

Tower retained two material climate-related opportunities in FY26, updated to reflect the refreshed climate scenarios, revised time horizons and the evolving insurance context in New Zealand and the Pacific. Tower has also adopted a third material opportunity. Previously disclosed as a consideration in earlier climate statements, it has now been reassessed as having high strategic importance. These opportunities are transition-focused and relevant across the short, medium and long term.

Tower FY26 climate-related opportunities

Opportunity	Opportunity type	Description	Anticipated Business impact	Current strategies	Time horizons
A more resilient insurance industry	Transition	Industry partnerships that may benefit customers and communities through efficiencies, education, data, advocacy and cost savings as climate risks evolve.	Supports efficiency for insurers, strengthens sector resilience, supports improved pricing and affordability outcomes, and may help maintain access to insurance for customers and communities in New Zealand and the Pacific. Considered material as it supports Tower's long-term financial sustainability.	ICNZ collaboration on responses to Government proposals, including the Climate Adaptation Framework. Participation in industry engagement on climate adaptation, resilience and affordability. Completed ICNZ pilot to estimate emissions from motor repairers, reducing the reporting burden on suppliers. Ongoing use of partnerships and industry forums to support education, practical resilience and customer outcomes.	Short, medium, long
Enhanced brand and reputation through transparent, accessible risk-based pricing and new products and propositions	Transition	Tower can build on its transparent, risk-based pricing approach to strengthen customer trust, improve climate and natural hazard risk understanding, and differentiate itself as climate impacts grow. Clear communication on pricing, product innovation and insurance availability can support retention, education and social licence.	Supports growth, customer retention and brand reputation. Supports customer understanding of risk and may assist Tower to maintain trust, relevance and competitiveness as affordability, product suitability and access to insurance become more challenging.	Parametric insurance. Risk-based pricing. Property-level risk information and customer communication. Product innovation. Contributing to public discourse on climate impacts directly and through sustainability and climate-change focused corporate memberships. Engagement with government, industry and other stakeholders on climate adaptation, affordability and insurance availability.	Short, medium, long
Develop partnerships that benefit customers and other stakeholders	Transition	Collaboration with industry associations, business partners and other external stakeholders can help overcome barriers to customer and community adaptation and resilience measures, as well as to emissions calculation and reduction.	Potential to improve the resilience of NZ and Pacific communities and the insurance sector. Provides Tower material opportunity to improve customer outcomes.	Collaboration with suppliers to establish calculation methods and data sources for supply chain emissions. Collaboration with business partners on climate resilience and adaptation opportunities.	Short, medium, long

Anticipated impacts

The work completed in assessing anticipated impacts in previous years, has been reassessed in FY26 against Tower's revised climate scenarios and climate-related risks and opportunities. This work, outlined in the following section, remains relevant in FY26 and continues to inform Tower's approach.

In FY24 Tower disclosed that we had begun working with data suppliers to scientifically estimate the anticipated increase in climate-related claims costs through to 2050. In FY25 we progressed this work and updated our scenario analysis (as described on **page 13** relating to climate aligned sea surge and flood data) to model the expected impacts on our future business.

The modelling used a 'top down' approach, taking external data and trends from Tower's climate-related scenarios and applying these to Tower's business with assumptions spanning out to 2050 relating to:

- Population growth
- Dwelling growth
- Transition to Electric Vehicles (EVs) and vehicle ownership rate assumptions
- Tower's expected market share of target markets
- Growth of multi-unit dwellings
- Stormwater infrastructure investments
- Potential government interventions in the general insurance market

Tower notes there is significant uncertainty in assumptions spanning out to 2050. The benefit of using a top-down modelling approach is to identify the factors most likely to significantly impact Tower's business performance over the period. This model presented a practical solution, considering available data, extended time horizons, and systemic variables. This analysis was applied across the three Tower scenarios.

The potential impacts for Tower to monitor are summarised below:

- Financial and operational impacts from increased frequency and severity of weather events across NZ and the Pacific.
- Customer affordability challenges due to increasing insurance costs (through increased weather events, BAU frequency, increasing return on investment costs).
- Government intervention to mitigate affordability and/or insurance retreat, could constrain risk-based pricing and place pressure on Tower's profitability, capital strength and operational resilience.
- Societal shift in demand for products through changing transportation trends such as increased use of public transportation and uptake of EVs.
- Tower has continued working with data suppliers to scientifically estimate the anticipated increase in climate change-related claims costs through to 2050.



The transition planning aspects of our strategy

Our approach

In FY26 Tower further developed our approach to positioning the business as the world and more specifically the markets we operate in transition towards a low emissions, climate-resilient future state.

Tower's approach to developing transition planning has the following key foundations:

- **Tower's climate-related scenarios** – our revised climate scenarios provided an insight into the potential changes that could impact Tower's business as a result of a changing climate.
- **Time horizons** – Tower established short, medium and long term horizons revised in FY26.
- **Climate-related risks and opportunities** – as noted earlier in this report Tower has reviewed and assessed climate-related risks and opportunities across each scenario and timeline. These are central to our understanding of strategic priorities across a long term outlook.

The timelines and process for Tower's transition planning development is outlined below:

- 2023/2024 Development of climate-related scenarios, risks and opportunities and FY24 Climate statement.
- July/August 2024 External training for key employees on transition planning.
- November 2024 Legislation and literature review (repeated periodically during FY25 based on legislative or guidance updates and available disclosures).
- November 2024 Sustainability and Climate Steerco established a transition planning working group and lead.
- December 2024 ELT and Senior Leader training in transition planning.
- February 2025 ELT transition planning workshop.
- March 2025 Board update and discussion on transition planning.
- June 2025 2nd ELT Transition Planning Workshop.
- July 2025 Board Strategy days including a draft overview of the transition planning aspects of Tower's strategy alongside a review of climate-related risks and opportunities.
- November 2025 Final transition planning Audit Committee and Board approval.
- March to August 2026 review and refresh of climate scenarios and climate-related risks and opportunities alongside climate strategy and transition planning.
- August 2026 Sustainability and Climate Forum review of transition planning against revised time horizons, scenarios, risks and opportunities and FY26 business strategy.
- September 2026 Updates made to reflect expired short term time horizon, completed and ongoing elements.

The process has been overseen by Tower's Climate and Sustainability Forum with meetings held monthly. Within the ELT Transition Planning workshops, the following steps were taken:



Transition planning aspects of Tower's strategy

Climate change presents material risks and opportunities for Tower. By continuing to strengthen our data and insights, we can advance our climate commitments and unlock innovative solutions that better meet the evolving needs of our customers. Furthermore, as customers increasingly seek climate-conscious brands, Tower's commitment to climate action positions us to align more closely to their values and expectations.

Following the refresh of our climate scenarios and the review of climate-related risks and opportunities, Tower reassessed the transition-planning aspects of our strategy in light of these updates.

The initial short-term horizon (FY20–FY25) and its associated actions are now complete. The second and third horizons—Transform and Innovate—have had minor updates to reflect ongoing work from the short-term horizon and progress since transition plan development in FY25. The transition planning aspects of our strategy have been assessed as relevant and complete for FY26 with further review planned for FY27.

Set out below are the actions we are targeting in each time period.

FY26 – FY27	FY28 – FY29	FY30 – FY39	FY40 – FY50
Transform & innovate		**Climate resilient value chain**	**Low emissions value chain**
• Embed risk-based pricing & customer transparency. • Monitor climate-related risks and opportunities, strategy and transition. • Supply chain digitisation & procurement strategy uplift. • Government policy & public engagement. • Scope 1 & 2 emissions reduction plan, Scope 3 data visibility. • 2nd Sustainability strategy FY26 – FY30. • Large events resilience/processes. • Operational, claims, efficiency, digitisation & BCP – enhancements.	• Investigate expansion of risk-based pricing customer transparency. • Evolve products & propositions. • Explore Parametric insurance growth opportunities in the Pacific and introduction in NZ. • Proposition to support adaptation/ managed retreat. • Implement emissions reduction plan. • Climate adaptation public engagement. • Demonstrate improvement in operational footprint.	• Propositions to support low emissions & resilient NZ & Pacific economies. • Propositions to support continued provision of affordable insurance. • Further improve systems & data collection, to improve value chain visibility & resilience.	• Low emissions & climate resilient: — operations — underwriting portfolios — supply chain • Investment portfolio supports low emissions economy.
		Climate innovation	
	Innovative, adaptive, flexible culture		
Climate hazard data & capability			

The transition planning work and development of Tower's approach supported the existing business strategy direction in providing a good foundation for a climate-resilient future. In the Tower Business Model and Strategy section of this climate statement we highlight four main approaches which remain the core components of the transition planning aspects of our strategy:

Time horizon	Detail
FY26-FY29 **Transform & innovate**	Over this four-year period, Tower intends to build on its existing strategic direction to support a low-emissions, climate-resilient future. In the first 12 months, Tower continued to implement its expanded risk-based pricing model, which now includes sea surge and landslide risks and to grow Parametric insurance in the Pacific. As customers renew their policies, they receive updated pricing aligned to their individual property's sea surge and landslide risks. Alongside this, we will continue to enhance customer transparency by providing individual property risk ratings through our online quote tool. At launch Tower communicated with a range of stakeholders including representatives from local and central government to help broaden understanding of risk-based pricing and advocate for improved climate change adaptation planning and will continue these conversations. Tower also plans to investigate further enhancements to risk-based pricing, including a rollout of the pricing strategy across Pacific markets, and the extension of risk-based pricing for natural hazards to contents insurance. This period is expected to see continued investment in digitisation and streamlining the customer experience across the insurance lifecycle. Tower plans to maintain active engagement with government agencies and policymakers. Tower is committed to sharing its insurance expertise and insights with government representatives to support the development of effective policy responses in New Zealand and the Pacific, including consideration of their practical implementation and potential implications for customers, communities and insurance markets. We intend to advocate for sensible actions that safeguard our customers and communities. In the latter part of this strategy period, Tower intends to continue evolving its product and proposition offerings to incorporate low-emissions and climate-resilient features. We will also explore new opportunities for innovation and collaboration that support climate adaptation. Alongside this, Tower expects to advance its data and technology capabilities to improve pricing, underwriting, and operational efficiency—particularly during large-scale events—and continue developing initiatives that help address affordability challenges.
FY30-FY39 **Climate resilient value chain**	This period has been identified for the continued development of initiatives introduced in the prior period, with a focus on enhancing products and propositions that support customer and community resilience across all operating regions. Potential initiatives developed in the prior period will be reviewed and refined periodically to enable implementation when market conditions are appropriate. In this period Tower expects to also step up its focus on exploring opportunities to reduce emissions within its supply chain, with further detail to be developed over the coming period.
FY30-FY40 **Low emissions value chain**	Tower's long term ambition is to support a low emissions value chain from customer policies to our claims and operational supply chains. We expect that the foundations to support a low emissions economy will have been established in our FY20 to FY25 period as illustrated above and will be continued over the subsequent strategy periods.

Underlying each period of transition planning are key periods of internal capability uplift and innovation. Looking forward these are:

Climate hazard data and capability – Tower continues to invest in up to date hazard data in order to uplift our risk based pricing approach and customer transparency. Alongside our customer focused work we will continue to build our internal capability, skills and understanding. This includes providing and supporting employee training and upskilling relating to climate science, large events, risk-based pricing and customer communication.

Innovative, adaptive and flexible culture – Tower recognises that a key element of climate resilience and low emissions operations is an informed and adaptive culture. This requires us to support innovative thinking and the capability to move swiftly with a changing climate and the potential for large and frequent weather events or changes in policy and regulation.

Climate innovation – in order to move towards a low emission future it will be crucial to find innovative and novel methods to remove emissions from Tower's value chain. We will continue to identify and explore opportunities in this area.

Tower will continue to operate under its existing business model and strategy, with climate transition planning integrated into our strategic planning. Initiatives included in time horizons beyond FY28 will be reviewed alongside strategic planning development.

Capital expenditure and investment

As a general insurer, managing climate-related risk is a core component of Tower's business as usual activities and includes investment in enhancing our natural hazard modelling and pricing capabilities annually.

During Tower's annual strategic planning process, executive leaders evaluate material risks and opportunities, and strategic decisions. These are then escalated to the Board for oversight, guidance and investment decisions. This process includes assessing climate-related risks and opportunities, which in recent years has led to investments in parametric insurance and risk-based pricing. The Board approves funding for further proposition, investigation and development, and considers initiatives for inclusion in the business strategy and annual business plan.

Tower's transition plan includes initiatives that require capital expenditure or project funding, which is allocated as part of Tower's annual planning cycle. Transition aspects of Tower's strategy that are aligned with its internal capital deployment and funding decision-making processes will likely change annually but are expected to include: investments that improve Tower's ability to respond to insurance claims arising from weather related events, purchase of reinsurance to mitigate insurance risks of weather related events, investments in developing risk-based pricing and climate related product innovation, memberships and subscriptions to groups that advocate for climate related policies, investment in upgrades to Tower's workspaces or equipment to lower emissions, expenditure on systems that allow for better climate-related reporting and changes to procurement policies and processes to better engage with supply chains on climate-related matters.

The annual purchase of reinsurance to manage the financial impacts of large events, including potential climate-related events, is considered under Tower's reinsurance strategy and approved by the Board.

Tower's capital level is influenced by loss history, which in turn can be influenced by climate related risks and impacts. Capital requirements are determined by the products we develop and sell, and the risk levels associated with those assets. For instance, a house insurance policy typically requires Tower to hold more capital than a motor insurance policy, reflecting differences in the nature and potential severity of the risks insured, including exposure to catastrophe events. As the industry transitions to a low-emissions, climate resilient future, expanding into different asset classes and insurance products, will result in different capital requirements. These decisions are made in accordance with Tower's capital management process.

Tower has an annual operational budget for sustainability initiatives and compliance with the Climate-related Disclosures (CRD) regime. This includes the costs of measuring emissions, consultancy support, and climate and sustainability training.

Our greenhouse gas (GHG) emissions

Tower has been measuring its GHG emissions since FY20 in accordance with the requirements of the 'Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (2004)'. Tower applies the operational control consolidation approach to account for emissions, with emissions reported in tonnes of CO_2 equivalents, in line with the requirements of the Aotearoa New Zealand Climate Standards.

Updates to the GHG Inventory methodology in FY26[1]

To date, Tower's GHG inventory has included Scope 1 and 2 emissions for New Zealand and Pacific operations, along with selected Scope 3 emissions as detailed below. As part of our annual review, Tower updated selected emission factors to improve the accuracy and relevance of our emissions calculations. This included sourcing more geographically appropriate factors through CarbonDi, where available, to better reflect the emissions profile of the countries and activities included in our operational footprint. These updates support more consistent and reliable reporting, improve comparability across reporting periods, and ensure our GHG inventory continues to reflect current methodologies and data availability. We have continued to apply adoption provision 4 of NZ CS 2, which exempts Tower from disclosing all material Scope 3 GHG emissions. Tower has chosen to disclose a subset of Scope 3 emissions in line with previous annual report inclusions – please see Appendix 4 for the sources that have been excluded this year. The methods, assumptions and estimations used in calculating our GHG emissions are also included in Appendix 4.

Boundary approach

Tower applies the operational control approach to its organisation and includes emissions generating activities from all operating countries. This approach has been developed in line with the guidance outlined in the Greenhouse Gas Protocol. With respect to leased buildings, Tower has included the direct emissions under its operational control.

Materiality

In FY25 we set our materiality threshold at 5% of total emissions for the applicable Scope, this remains in place in FY26.



1 Total Scope 1 and Total Scope 2 GHG emissions for the year ended 30 September 2026 as disclosed in the table on page 32, are subject to limited assurance by PwC. Refer to the PwC assurance report on page 60.

The following illustration summarises material emissions sources across Tower's value chain. Scope 3 upstream indirect emissions are reported in FY26, consistent with disclosures in FY24 and FY25. Scope 3 downstream indirect emissions are subject to adoption provision 4 and are not currently reported. Tower continues to develop our assessment and calculation of these sources for future disclosure.



Legend for icons provided in following tables.

Scope 3 Upstream indirect emissions

	Business travel: flights and accommodation – NZ and Pacific Taxis and rental vehicles – NZ only
	Employee commute – NZ and Pacific
	Work from home – NZ and Pacific
	Waste – NZ only
	Purchased goods and services: paper use – NZ only
	Water supply – NZ and Pacific

Scope 3 Downstream indirect emissions

	Calculation of emissions relating to our underwriting portfolio
	Purchased goods and services – ICNZ collaboration to pilot the assessment of motor repair provisions related to claims
	Assessment of investment emissions
	Purchased goods and services – assessment of supply chain emissions

GHG emissions

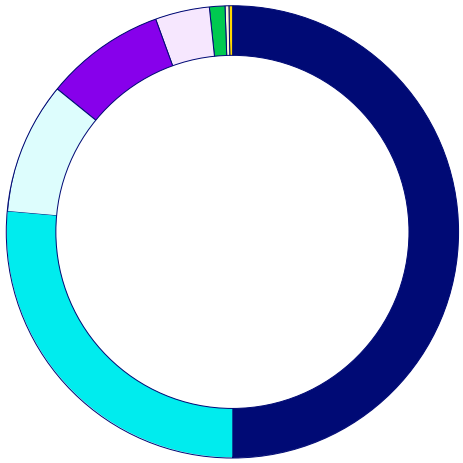
The following table summarises Tower's Greenhouse gas emissions (tCO_2e[1]) from our FY20 baseline year to the FY26 reporting period.

	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Scope 1							
Mobile Combustion	129	115	120	140	136	131	103
Stationary Combustion	19	17	–	–	–	–	–
Fugitive Emissions	–	–	–	–	28	11	1
Total Scope 1[2]	**148**	**132**	**120**	**140**	**164**	**142**	**104**
Scope 2							
Purchased Electricity (location-based)	176	151	113	121	114	108	91
Total Scope 2[2]	**176**	**151**	**113**	**121**	**114**	**108**	**91**
Total Scope 3[3, 4]	**209**	**295**	**202**	**183**	**742**	**859**	**873**

1 Tonnes of Carbon Dioxide equivalent (tCO_2e) = unit of measurement for combined GHG emissions represented as carbon dioxide.
2 Total Scope 1 and Total Scope 2 GHG emissions for the year ended 30 September 2026 as disclosed in above table, are subject to limited assurance by PwC. Refer to the PwC assurance report on page 60.
3 NZCS 2 Adoption Provision 4 has been applied, with Scope 3 Categories 2, 4, 8 and 15 excluded and Scope 3 category 1 partially excluded due to current data limitations, evolving methodologies, and standards.
4 FY20-23 no employee commute emissions, work from home, Pacific water, Pacific wastewater, and Pacific T&D losses. FY20-24 no well-to-tank emissions.

Scope 3 emissions have been aggregated to provide a total for our reported subset of operational emissions. This includes paper usage, water supply, wastewater, business travel, employee commute and work from home and fuel and energy related activities not included in Scope 1 & 2.

The chart below shows the breakdown of Tower's GHG emissions by source.



- Employee commute
- Business travel
- Vehicle fleet
- Purchased electricity
- Fuel- and energy-related activities (Scope 3)
- Waste and water
- Refrigerants
- Paper

Our largest source of reported GHG emissions is associated with how our employees commute to work and their working patterns, including working from home. In FY26 employee commuting accounted for 50% of our reported GHG emissions. In FY26 we did not conduct an employee commute survey, however we applied a methodology to the FY25 survey data to estimate emissions per person and total for the year given changes in emissions factors, employee headcount and commuting habits. Business travel, including flights, accommodation, taxis and rental cars, accounted for 26% of total emissions and plays an important role in keeping us connected with colleagues and business partners across our geographical locations. The operation of our New Zealand and Pacific fleet vehicles accounted for 10% of total emissions.

In FY25, we also added well-to-tank[1] emissions for fuel and upstream emissions associated with purchased electricity which increased fuel and energy related activities not included in Scope 1 and 2 to 4% of total emissions.

Our fleet vehicles are crucial for our claims and assessing teams to meet the needs of our customers. Our business travel enables us to remain connected across our geographical locations with colleagues and business partners and our employee commute emissions reflect our people's journeys to work. As a result, our approach to emissions reduction needs to maintain our service value in these areas. Initiatives to reduce emissions associated with these sources are provided in the table on **page 35**.

Scope 1 and 2 emissions are also calculated as an intensity figure using our total risk numbers as the key indicators[2]. The intensity results from our baseline year, FY25 and FY26 are outlined in the table below. The Group emissions intensity per policy shows a consistent decrease to FY26. The significant reduction in FY26 is due to increasing policy numbers while reducing emissions.

Emissions intensity in tCO_2e/risks insured (000s)	FY20	FY25	FY26
NZ intensity	0.30	0.19	0.13
Pacific intensity	3.72	3.44	2.66
Group intensity	**0.58**	**0.40**	**0.29**

In Tower's FY24 Climate Statement we outlined our participation in an ICNZ/Cogo pilot to calculate claims emissions from motor repair services. In FY25 the pilot with Cogo was concluded. The pilot identified that supplier engagement was in part restricted by the accounting software used. The working group continues to explore emissions accounting solutions that can maximise supplier engagement and minimize the reporting burden on suppliers.

1 Well-to-tank (WTT) refers to the assessment of energy consumed and greenhouse gas emissions generated during the entire upstream supply chain of a fuel, from initial raw material extraction (the "well") up to the point of delivery (the "tank").
2 Calculated as Scope 1 & 2 emissions divided by average risk count for the year. In this context risk refers to the specific addressable property or risk covered by an insurance policy, e.g., the house, the motor vehicle, or a period of overseas travel. The Pacific intensity figures include emissions for the Suva hub which provides services in relation to NZ policies.

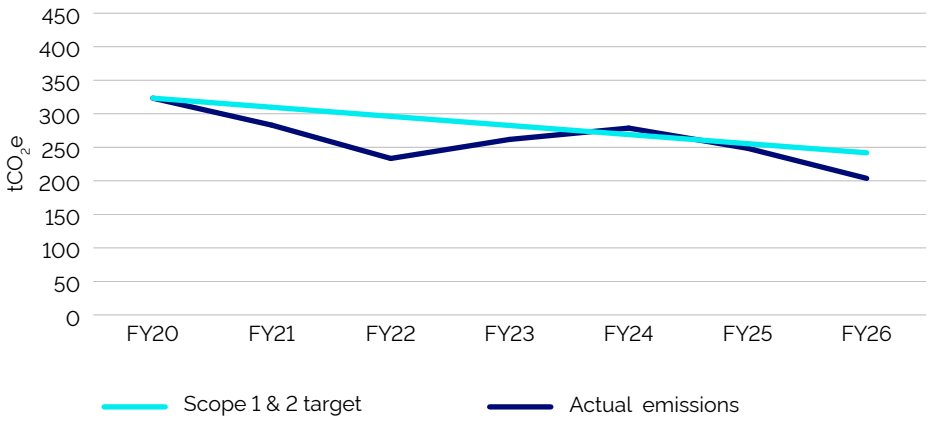
GHG emissions target

In FY25, we set a target to reduce absolute Scope 1 and 2 emissions by 63% by FY35, from our FY20 baseline. We selected FY35 to allow time to adopt evolving technologies and capabilities, particularly across our Pacific operations. In FY26, our combined Scope 1 and 2 emissions fell to 195 tCO_2e, a reduction of approximately 22% from FY25 and 40% from our FY20 baseline, representing further significant progress towards our target. Tower has not set interim targets.

Our FY20-25 target and our new FY26-FY35 target were established based on the Paris Agreement goal to limit global warming to 1.5°C. The Paris Agreement goal (UNFCCC 2015) requires emissions to peak before 2025 at the latest and decline 42% by 2030. Tower calculated our reduction trajectory to 2035 on the basis of this ambition and utilising the Science-based Target Initiative publicly available Corporate Near-Term Target Setting Tool (version 2.3).

In taking responsibility for our emissions, our preferred approach is to invest in initiatives to reduce gross emissions as much as possible. Therefore, there are no offsets applied to our FY26 GHG inventory. In our FY24 Climate Statement Tower indicated that we would explore the viability of an intensity-based metric and target and consider extension to Scope 3 emissions. In the development of our FY26 to FY35 target intensity-based options were considered but were not found to adequately represent Tower's operational footprint. Tower has opted to use the extended adoption provisions related to Scope 3 emissions and will not be setting targets against these.

Current GHG target and tracking scopes 1 & 2



Our emissions reductions initiatives

Tower has continued working towards reducing our Scope 1 & 2 emissions. During FY26, we have continued to improve the accuracy of our Scope 1 and 2 (e.g. obtaining metered energy data) reporting to further understand opportunities for reductions in both our premises and vehicle fleet. To further understand the impact of our Suva Hub we have commissioned two further electricity meters to understand the HVAC systems and additional leased spaces, these meters were installed in September 2026. Since 2022, Tower has had a policy commitment to purchase and lease only EVs or hybrid vehicles in New Zealand. In our Pacific locations, our fleet remains primarily internal combustion engine (ICE) vehicles with three of sixteen being hybrid vehicles.

We recognise that electricity generation in the Pacific Islands is primarily fossil fuel-based and therefore conversion to hybrid or EVs is unlikely to generate the same emission reductions as our New Zealand fleet. However, there are parallel benefits to moving away from petrol or diesel vehicles in all locations, including lower running costs and supporting improvements in local air quality.

The table below outlines completed or ongoing emissions calculation and reductions initiatives for FY24, FY25 and FY26. Initiatives that are ongoing in FY26 are highlighted in cyan.

Scope	Inventory item	Detail	FY24	FY25	FY26
1	Vehicle fleet fuel	Tower Policy to only purchase or lease hybrid, plug in hybrid or fully electric vehicles. NZ vehicles fully transitioned to hybrid in FY25. Pacific Island vehicles partially transitioned. Full transition in the Pacific is limited by the current cost of hybrid vehicles as well as charging and servicing infrastructure for EVs and a requirement to access isolated areas.	136 tCO_2e	131 tCO_2e	103 tCO_2e
2	Electricity	The Auckland office is a 6 star rated Green Building. Tower has access to detailed sub-metering for electricity consumed within our operations, in the Suva Hub an electricity meter was installed in April 2025 with two additional meters installed in September 2026 to provide full coverage of Tower's general electricity and half of our heating and cooling usage.	114 tCO_2e	108 tCO_2e	91 tCO_2e
3	Business travel	Tower's Sustainable Travel Policy includes an intention (without a target) to reduce air travel. Tower makes efforts to travel to the Pacific only when necessary. During FY26, Tower has increased its operational capacity and resilience in Suva locations, this has led to increased business travel requirements over the year.	197 tCO_2e	228 tCO_2e	282 tCO_2e
	Waste (landfill)	Employee initiatives such as Plastic Free July to encourage waste minimisation. Permanent soft plastic recycling, bottle cap and lid recycling alongside mainstream recycling and food composting available at the Fanshawe Street office. Waste volumes have stayed consistent in FY26, however significant increases to the Ministry for the Environment emission factors have led to increased emissions from landfill.	8 tCO_2e	7 tCO_2e	13 tCO_2e
	2nd & 3rd year underwriting	In FY24 and FY25 we disclosed our work to develop underwriting emissions with Generate Zero. As a result of the External Reporting Board's Amendments to NZ CS 1 Climate-related Disclosures 2026 that were approved on 13 October 2026, this project has been halted.			
	Employee commute/ WFH	In FY25 the second employee commute survey was completed to enable an estimate of average commuting and working-from-home emissions per employee. The survey was not repeated in FY26 however FY25 survey data was adjusted for changes in emission factors, employee headcount and commuting habits. For the Fanshawe Street office, commuting habits and working-from-home patterns were updated using FY26 swipe-card data. The next employee commute survey is due in FY27. In FY26 Tower introduced Extraordinary Pay, a salary sacrifice scheme for employees to access savings on public transport commute options.	501 tCO_2e (employee commute) 29 tCO_2e (WFH)	521 tCO_2e (employee commute) 38 tCO_2e (WFH)	485 tCO_2e (employee commute) 53 tCO_2e (WFH)
	2nd & 3rd year supply chain	In FY24 and FY25 we indicated a review of existing ESG supplier requirements to include material emissions reporting. This work is progressing through engagement with key suppliers to support year 3 disclosures.			

Measuring our performance

Tower uses various metrics and tools to manage our business risk indicators, including those relevant to climate-related risks and opportunities and our GHG emissions.

The metrics remain relevant and unchanged against the refreshed climate scenarios and reviewed climate-related risks and opportunities. Our metrics have been updated for the FY26 period. There are no New Zealand insurance industry based metrics.

Targets related to GHG emissions are provided in Section 5 above.

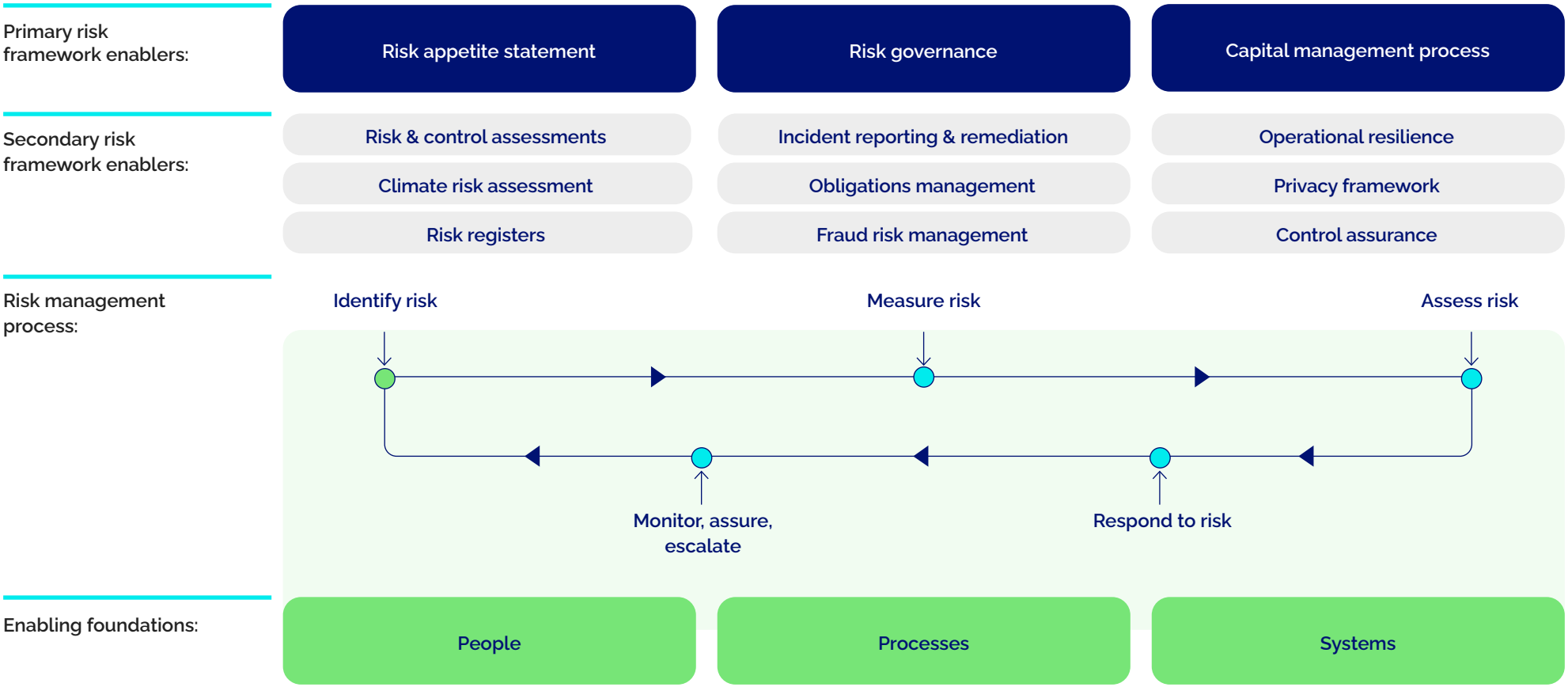
Type	Description	Metric	FY24	FY25	FY26
Transition risks	Amount or % of assets or business activities vulnerable to transition risks	% of vehicles insured that are internal combustion engines (ICEs)	91%	88%	85%
Physical risks	Amount or % of assets or business activities vulnerable to physical risks.	% of homes insured that are high flood risk[1]	3%	2.6%	2.2%
Opportunities – Current	Amount or percentage of assets, or business activities aligned with climate-related opportunities.	% of electric vehicle (EV) and plug-in hybrid (PHV) vehicles covered	9%	12%	15.1%
Capital deployment	Capital deployment has been calculated as the operational and capital expenditure in FY26 on specific projects/initiatives that the Climate and Sustainability Forum has determined as being climate-related activities, including rolling out risk-based pricing to cover sea surge and landslide perils, the transition of Tower's motor vehicle fleet and the preparation of climate-related disclosures. This expenditure does not include salaries for permanent staff who may spend part of their time generally working on sustainability and climate topics.	Capital or operating expenditure deployed towards: • Risk Based Pricing • Parametric • Sustainability • CRD • Fleet transition	Approx $769K	Approx $4.1m	Approx $1.6m
Internal emissions price	Price per metric tonne of CO_2e used internally by an entity.	In FY24 Tower indicated that no internal emissions price was established. Following review in FY25 no internal emission price will be set. This remains the approach in FY26.			
Remuneration	Management remuneration linked to climate-related risks and opportunities in the current period – %, weighting, description or amount of overall management remuneration.	ELT objectives and targets include climate-related measures where relevant to the responsibilities of their business units. Select executives' short-term incentives incorporate climate-related objectives, including delivery of climate-related financial disclosures, integration of ESG goals into procurement and supplier management, development of risk-based pricing for climate hazards, and creation of sustainable insurance products for Pacific markets. A proportion of select executives' remuneration is also linked to initiatives that reduce emissions, improve climate data reporting, and help to model future climate impacts on portfolios. A specific weighting, percentage or amount is not provided as this varies according to the executive role and responsibilities. This remains unchanged in FY26.			

1 Limitation for use of flood risk ratings - the definition of "High Flood Risk" is Tower's own definition and not necessarily a consistent definition with any other public source. Specifically, it relates to insurance risk and cost to repair or replace property relative to the risk of flooding and not just the chances of flooding happening alone. It also relates to Tower's own risk appetite and what we consider is "High", which may differ to others risk appetites or interpretation of the level of risk.

Risk management

Risk management is central to Tower's strategic and operational activities and is underpinned by Tower's enterprise-wide Risk Management Framework (RMF). The RMF is approved by the Tower Board and applies to all Tower employees and operations. The RMF was reviewed in November 2025 with minor updates made.

The RMF sets out guiding principles to enable Tower to identify, assess, monitor and manage its risk exposures to pursue its strategic objectives. The RMF and its key components are depicted below:



Fundamental to the application of the RMF is Tower's Risk Appetite Statement (RAS), which outlines the Board's risk appetite against key categories defined in the RMF. Tower's Board Risk Committee is responsible for monitoring the adequacy of the RMF, receiving reports on key risks, exposures and their management against the RAS.

The primary executive governance forum for the RMF is the Tower Management Risk and Compliance Committee (MRCC) which meets monthly and is governed by an annually reviewed Charter overseen by the Chief Risk Officer (CRO).

The RMF is implemented through risk, compliance, conduct and internal audit processes across each business function. The executive, senior management and staff must demonstrate that reasonable steps have been taken to effectively manage Tower's risks in line with the RMF. Responsibilities are assigned to individuals to manage identified risks, and material changes to Tower's risk profile are monitored.

Each business unit within Tower maintains a risk register that records the likelihood and consequence of risks, actively identifying, assessing and monitoring the risks and associated controls. These risks are recorded, maintained and managed within our Protecht risk management software platform with clear identification of the risk owner, inherent risk, risk mitigation(s) and residual risk scores.

Risk owners are responsible for updating their risks whenever changes occur that may alter the inherent or residual risk score. To ensure regular reviews, each risk is assigned an agreed time period for review. These time periods may range between six-monthly and two-yearly.

The Protecht platform also enables the prioritisation of all risks, ensuring appropriate escalation in a timely manner. Risks are prioritised as Low, Medium or High residual risk status. High residual risks are given priority for suitable mitigation and raised to the Board for acceptance or deployment of capital if the risk cannot be effectively mitigated, and then closely monitored.

Integration of climate risks in Tower's Risk Management Framework

Tower revised its RMF in February 2024 to include climate-related physical and transition risks as a specific risk category along with the other key risks facing Tower across its full value chain. Tower also introduced a dedicated Climate Risk Forum to regularly review and monitor its climate risk profile. Additionally, in early 2025 Tower revised its risk assessment matrix to enable a more focused approach to risk assessment across the business.

In FY26, the process undertaken by Tower to assess climate-related risks followed the approach outlined under the RMF and disclosed in FY25, as follows:

1. Identify
2. Measure and Assess
3. Respond
4. Monitor, assure and escalate

Identify

In 2024, Tower conducted a cross-functional workshop to consider the climate risks and opportunities as part of the climate scenario development and analysis. The workshop and subsequent internal analysis included all material elements of Tower's value chain, covering both New Zealand and Pacific-based operations, as well as our core supply chain. This exercise initially identified 42 climate-related risks and opportunities, which were subsequently consolidated to 26 for our FY24 Climate Statement, 22 for our FY25 Climate Statement and 12 following our in-depth FY26 review.

Measure and assess

The identified risks served as the basis for further internal stakeholder meetings to:

- Refine the risks
- Assign ownership
- Identify key impacted business units
- Complete initial risk and control assessments across the short, medium and long-term time horizons with the same duration outlined in the Strategy section
- Agree appropriate controls against each risk to mitigate the impact of the risks occurring.

The data was also divided into specific areas to illustrate Tower's overall climate risk profile across each scenario and time horizon (as detailed within the Strategy section):

- Key Impacted Business Units – by climate related risks
- Climate Risk Categories – Transition & Physical Risks
- Climate Risk Ratings – high, medium, low
- High Inherent Risks – measured under the three climate-related scenarios and three time horizons.

Respond

Tower's response considered each of the climate-related risks and assigned controls against them to arrive at a residual risk rating. In line with Tower's RMF, where a residual risk is High and cannot be managed through the control environment, it is reported to the Tower Board for risk acceptance or otherwise. No climate-related risks have been identified as unable to be managed effectively through appropriate controls and actions.

Accountability for managing these risks is assigned to Tower's executives and senior management. The suite of risks provides an overall climate-related risk profile for Tower and facilitates the monitoring of those risks over time. Where the nature of the risk changes, the response to managing that risk may change also.

Monitor, assure and escalate

Due to the nature of Tower's business, four of our climate-related risks are assessed as high residual risks. All four of these climate-related risks have actions in place to monitor and mitigate.

All material climate-related risks across each of the identified scenarios and time horizons (as detailed within the Strategy section) have been recorded in Protecht and are reviewed as part of the usual cycle of risk reviews within each business unit. The Sustainability and Climate Forum will assist in regular monitoring of the climate risk landscape and is described on the right.

A comprehensive review of identified risks and opportunities will be undertaken annually and following any updates to Tower's climate-related scenarios.

The Climate and Sustainability Forum

In FY26 the Climate Risk Forum was amalgamated with the Climate and Sustainability Steerco to form the Sustainability and Climate Forum comprising executive and senior leaders with functions related to the identification, assessment and management of climate-related risks and opportunities (further information relating to the function of the Sustainability and Climate Forum is provided in the following Governance section).

The purpose of the Sustainability and Climate Forum is to facilitate discussion, collaboration, and action on climate-related risks and opportunities and provide oversight on all aspects of Tower's climate disclosures.

During the FY26 review of risks and opportunities subject matter experts and risk owners were convened in six workshop sessions to review and revise Tower's climate-related risks and opportunities. Consideration was given to Tower's revised climate scenarios, Tower's business strategy and transition planning, internal and external climate hazard data, and geopolitical and economic trends.

Climate-related risks are considered over the short, medium and long-term time horizons identified on page 19.

Governance

Strong governance underpins our management of climate-related risks and opportunities.

Tower's Board of Directors provides leadership within a framework of prudent and effective controls, enabling the assessment and management of Tower's risks and opportunities, including those that are climate-related. The Board composition is provided in our 2026 Annual Report.

Details of our governance of climate-related topics in FY26 are detailed in the table on **page 42**.



Governance framework

The Board is responsible for approving and overseeing Tower's ESG strategy and reporting. This includes considering sustainability strategies and oversight of Tower's climate-related risks, including physical and transition risks, and climate-related opportunities as relevant to Tower's broader business strategy. Our material climate-related risks and opportunities were included in the July Board Strategy sessions through discussions relating to risk based pricing, large events preparedness and transition planning. The Board retains overall accountability for the development and ownership of climate-related strategy, transition planning, metrics and targets and climate-related disclosures.

The Board is assisted in its oversight by its Audit, Risk and People, Remuneration and Appointments Committees. Additionally, Tower's Executive Leadership Team (ELT) led by our CEO, and topic specific management committees and forums, sponsor and direct key elements of our climate statement development. The roles and responsibilities of each of these bodies, along with key milestones over the reporting period are provided in the table on **page 42**.

In March 2026, halfway through our reporting period, the Board approved updates to Tower's Climate and Sustainability Governance Framework. This followed the transition of Tower's climate-related disclosure work from a project-based approach to business-as-usual in FY25, reflecting enhanced internal capability and the embedding of key disclosure processes across the business.

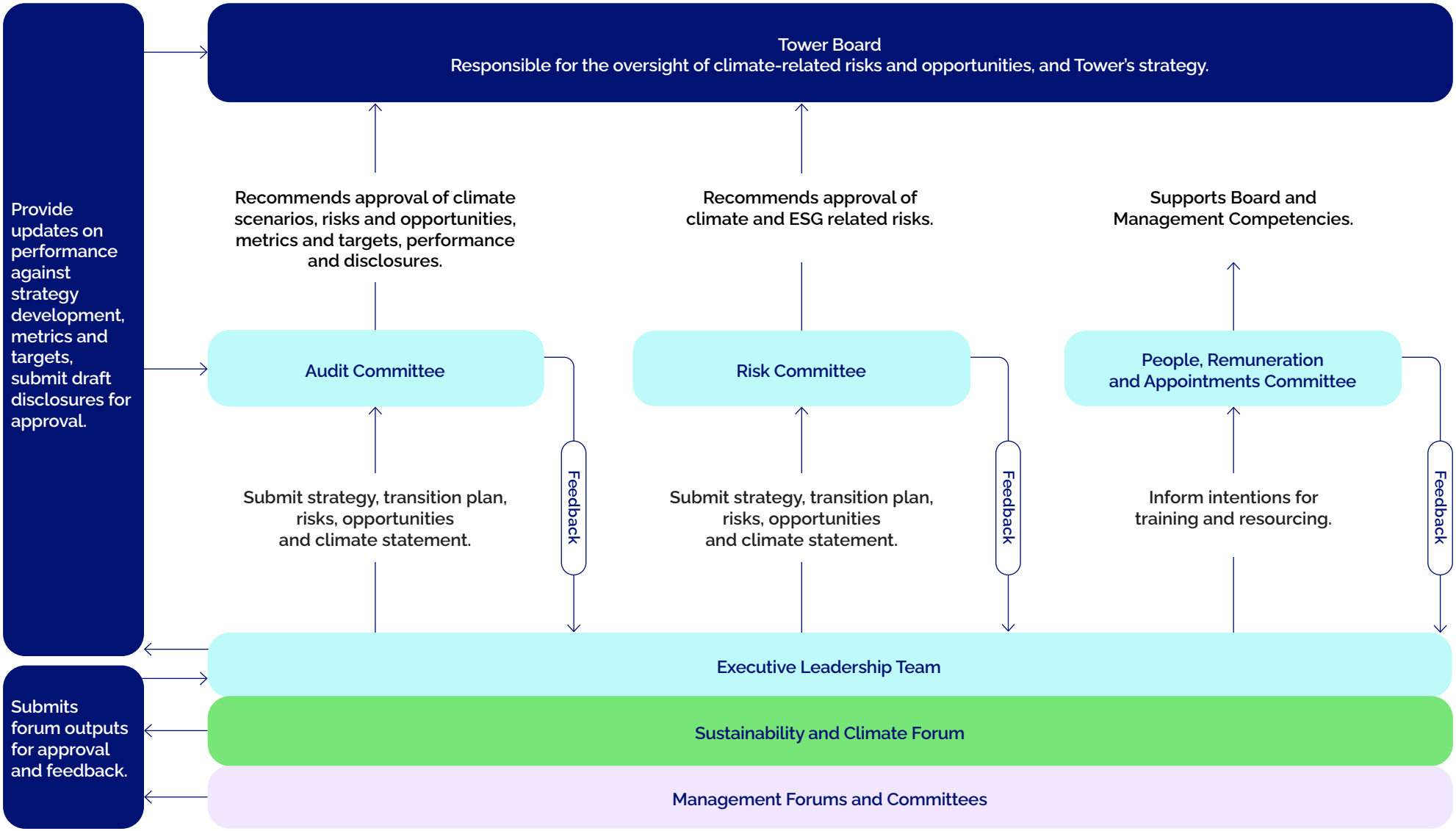
As part of this transition, Tower reviewed the management framework supporting the development of its annual Climate Statements. After the first two reporting periods, Tower's climate disclosure process had matured, and the preliminary governance structure established for implementation required refinement.

At a management level, the revised framework amalgamated the Climate and Sustainability Steering Committee, the Climate Risk Forum and the climate workstream leads into a single Sustainability and Climate Forum. The Forum comprises Executive and Senior Leaders from these groups and meets quarterly, with subgroups convened as needed to progress specific workstreams.

These workstreams include workshops to refresh Tower's climate scenarios, review climate-related risks and opportunities, and support the development of the annual Climate Statement.

The Board level oversight and responsibilities remain unchanged by the updates to Tower's Climate and Sustainability Governance Framework. The following diagram illustrates the key roles, responsibilities, communication, and decision-making processes that support the Board in fulfilling its climate-related governance obligations.

Climate, sustainability governance framework



Throughout FY26, the full Board considered elements of the climate-related disclosure development on behalf of its committees to ensure progress within desired timeframes.

Table of Governance bodies, frequency of meetings, their roles and responsibilities

Governance body	Roles and responsibilities	Activity
Board and Board Committees		
Tower Limited Board of Directors	Provide oversight and approval for the Company's environmental and social governance obligations, including consideration of sustainability strategies, climate-related physical and transitional risks and opportunities and all disclosures in the company's Climate Statement.	**Monthly** progress update on sustainability and CRD through regular content in the CEO report. This includes updates on climate scenarios, risks, opportunities, strategy and transition planning, resourcing, and updates from the Steerco on performance against metrics and targets. Topic specific papers and submissions were made as follows: **March 2026** CRD update including intended FY26 Board and Committee schedule, progress to delivering FY26 Climate Statement, approach to the climate scenario review and the revised Climate Governance Framework. **May 2026** Update on Sustainability, Climate and GHG emissions progress against plan. **July 2026** The revised Climate Scenarios discussed during Board Strategy days. **August 2026** Climate-related risks and opportunities recommended by the Audit Committee for approval. **November 2026** Approval of the FY26 Climate Statement, on the recommendation of the Audit Committee.
Tower Limited Pacific subsidiary Boards	Part of Tower Group GHG emissions reporting covers Pacific activities. As Tower's approach matures, Management is increasing its engagement with the Tower Limited Pacific subsidiary Boards on climate-related topics. Members of Tower's ELT sit on each of the Tower Pacific Boards including the CEO, CUO, CPO, COO and Head of Strategy and provide oversight on behalf of the Tower Limited Board.	The Fiji Board and Joint Pacific Boards met on five occasions in FY26. Sustainability and climate updates were provided at each of these. Focused topic specific submissions were provided as follows: **May 2026** Annual overview of CRD and Sustainability provided which included legislative obligations and key climate and sustainability updates for Tower Limited. Opportunity for Directors to raise queries or provide feedback.

Governance body	Roles and responsibilities	Activity
Audit Committee	The Audit Committee assists the Board by: • Overseeing climate-related disclosures and the adequacy of control systems for climate-related reporting. • Reviewing climate-related scenarios, risks and opportunities, metrics and targets, and disclosures, and recommending Board approval. • Agreeing on the scope of the external auditor's limited assurance of GHG emissions for the climate statement.	The Audit Committee met four times in FY26. Topic specific submissions were made as follows: **May 2026** Approval of GHG assurance auditor appointment. **August 2026** Recommend approval of Climate-related risks and opportunities to Board. **November 2026** Recommend approval of FY26 transition planning, metrics and targets and GHG restatements and disclosures to the Tower Board.
Risk Committee	The Risk Committee assists the Board by: • Monitoring climate-related risks. • Assessing the effectiveness of Tower's Risk Management Framework, strategy, risk appetite, and risk profile. Ensuring compliance with relevant prudential regulatory requirements, including climate-related transition risks.	**Monthly** Chief Risk Officer (CRO) report to Risk Committee or Board includes climate and increased frequency of large events as both a key strategic risk and a compliance risk. This report provides updates on work on climate-related risks. **August 2026** Recommend approval of Climate-related risks and opportunities to Board. **November 2026** Recommend approval of FY26 transition planning, metrics and targets and GHG restatements and disclosures to the Tower Board.
People, Remuneration and Appointment Committee	The People, Remuneration and Appointment Committee assists the Board in its oversight of remuneration strategy by: • Recommending whether climate metrics should be included in reward frameworks, and recommending potential metrics. • Recommending required skills, capabilities and experience for Board members to ensure the Board can effectively manage risks and opportunities arising from climate.	The People, Remuneration and Appointment Committee met on four occasions in FY26. Topic specific submissions were made as follows: **May 2026** Results of Tower's Sustainability and Climate Skills and Capabilities Assessment for employees provided to the Committee, along with an update on Management's approach to ensuring appropriate climate-related skills and capabilities. Information provided on the disclosure requirements for incorporating climate-related targets into executive remuneration. Climate-related performance metrics included in Executive remuneration where the roles are central to our climate-related disclosures as included on **page 36**.

Governance body	Roles and responsibilities	Activity
Management and Management Committees		
Executive Leadership Team	With respect to the Climate Statement, and the Executive Leadership Team's role in assessing and managing climate-related risks and opportunities the Executive Leadership Team is responsible for: • The development and execution of Tower's climate strategy and transition plan; • Ensuring that sustainability and climate-related risks and opportunities are considered as part of investment, underwriting, product design, customer experience, pricing, supply chain and claims processes; • Ensuring that all employees are aware of their responsibilities for the identification of climate risks and opportunities; • Ensuring that employees have relevant climate and sustainability skills and capabilities.	**Monthly** updates on climate and sustainability progress via the People and Capability dashboard report to the ELT. These include GHG inventory development and performance, climate scenario review, transition planning development, climate-related risks and opportunities and disclosure developments. **April 2026** ELT agenda items on climate scenarios and the fuel crisis. **May 2026** Climate Scenario ELT workshop.
Sustainability and Climate Forum	The Sustainability and Climate Forum is responsible for the delivery of Tower's Climate Statement and related work. The Sustainability and Climate Forum is chaired by the Head of Corporate Affairs and Sustainability and includes the CRO, CUO and Deputy CFO. It also includes management representatives from risk, underwriting, procurement, claims and natural hazards. The forum oversees: • Tower's development, assessment and management of climate scenarios and climate related risks and opportunities. • Tower's progress and performance against sustainability strategy and climate strategy/ transition plan/ metrics and targets. • The assignment of resources to ensure sustainability and climate outcomes are achieved. • Delivery of Tower's sustainability reporting and climate-related disclosures to the Board and its Committees and the delivery of the Annual Report (sustainability) and Climate Statement.	**Quarterly** meeting with subgroup meetings and workshops as required. The former Sustainability and Climate Steerco met on three occasions in FY26 and the new Sustainability and Climate Forum also met on three occasions. Updates on Forum activities are provided to the Board in the monthly CEO report. Key climate-related decisions and information are raised through appropriate governance committees as required.
Management Risk and Compliance Committee	The Management Risk and Compliance Committee (MRCC) assists Tower Limited to discharge its management and governance responsibilities for risk including climate-related risk. The primary purpose of the MRCC is to oversee, manage and approve Tower-wide risk, compliance, and conduct management practices.	**Monthly** meetings with summary of Board CRO report discussed. Climate-related matters were included in the MRCC agenda on two occasions in August and September. The review and assessment of climate-related risks and opportunities and the revised list was considered in August.

Governance body	Roles and responsibilities	Activity
Product, Pricing & Underwriting Committee	This Committee oversees monitoring, reporting and management of emissions from Tower's underwriting portfolios. It will be responsible for: • Recommending targets for underwriting portfolio emissions reduction to the Sustainability and Climate Forum. • Directing underwriting, product and pricing actions to achieve Tower's sustainability strategy, climate strategy, and transition plan. • Ensuring alignment of sustainability and climate underwriting and pricing actions with Tower's business strategy and operations.	**Monthly** meeting The roll out of Risk Based Pricing to sea surge and landslide and Pacific Parametric cover was considered by this committee as part of the climate adaptation elements of our strategy.
Claims Committee	The Claims Committee will oversee monitoring, reporting and management of emissions from Tower's claims supply chain. It will: • Recommend targets for claims supply chain emissions reduction to the Sustainability and Climate Forum. • Recommend claims actions that will achieve Tower's sustainability strategy and climate strategy, and transition plan (once developed) to the ELT/Sustainability and Climate Forum.	**Monthly** meeting The Claims Committee was kept informed of progress on the Events Future State programme throughout FY26. The programme delivered the majority of its enhancements during calendar year 2025 and focused on strengthening Tower's readiness and response capability for large-scale events.
Portfolio Performance and Investment Committee (PPIC)	The PPIC is an Executive-level committee that was established in FY25 responsible for enterprise-wide project governance. It prioritises and oversees investment decisions across key investment categories, balancing priorities, including incorporating transition risk considerations into decision-making.	Climate related reporting to be undertaken on an as need basis. No reports in FY26. However the ongoing roll out of Risk Based Pricing to seasurge and landslide was considered as part of the climate adaptation elements of our strategy.

Climate-related skills and capabilities

Board climate skills and capabilities

Following changes to the Board's composition during FY26, Tower deferred the directors' climate-related skills and capabilities assessment until the new Board was established. The assessment is expected to be completed in FY27. The Board aims to have an appropriate mix of relevant skills, with particular competencies in the insurance and financial services sector and further climate and sustainability training and resources are planned for FY27. All Board papers are provided with sufficient contextual information to enable Directors to discharge their duties under Tower's Climate Governance Framework.

Management climate-related skills and capabilities

As an insurer, Tower's teams have existing skills and capabilities that are highly relevant to managing climate-related risks and opportunities including general risk management, actuarial, data management, natural hazard modelling, finance, governance, and strategy.

Tower has dedicated sustainability roles, including within senior management. The chair of the Sustainability and Climate Forum, Tower's Head of Corporate Affairs and Sustainability is responsible for:

- Developing and delivering Tower's sustainability strategy, incorporating climate-related goals and initiatives for the period 2026-2030.
- Leading the delivery of climate-related disclosures, with support from Tower's Sustainability Manager and the Sustainability Analyst role.

ELT and Senior Leaders received climate training material as part of the FY25 transition planning workshop and foundational sustainability (including basic climate science, GHG emissions sources, calculation and reporting) training as part of the FY25 materiality assessment workshops. In FY26 ELT and Senior leaders were provided training resources prior to the climate scenarios workshop, and a Climate Fresk (IPCC based climate science training) was held providing an in depth insight into climate science for attending employees. Further information sessions were provided on GHG emissions sources, calculations and reductions.

Senior leaders actively working on Tower's Climate Statement have included objectives in their FY26 performance plans related to resourcing and completing their contributions.

Tower also has access to a range of external consultants for specialist expertise and advice which has been noted in Board updates throughout the year as appropriate.

Appendices

Appendix 1

Index – CRD way finder

CRD sections	CRD disclosures	Tower disclosure	Adoption provisions
NZ CS 1			
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.	7 (a) the identity of the governance body responsible for oversight of climate-related risks and opportunities; (b) a description of the governance body's oversight of climate-related risks and opportunities (see paragraph 8); and (c) a description of management's role in assessing and managing climate-related risks and opportunities (see paragraph 9).	Governance framework pg 40-46	
Strategy - To enable primary users to understand how climate 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.	11 (a) a description of its current climate-related impacts; (b) a description of the scenario analysis it has undertaken (c) a description of the climate-related risks and opportunities it has identified over the short, medium, and long term (d) a description of the anticipated impacts of climate-related risks and opportunities; and (e) a description of how it will position itself as the global and domestic economy transitions towards a low-emissions, climate-resilient future state.	Strategy Pg 11 Pg 13 Pg 19-26 Pg 25 Pg 26-29	Adoption provision 2: Anticipated Financial impacts

CRD sections	CRD disclosures	Tower disclosure	Adoption provisions
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.	18 (a) a description of its processes for identifying, assessing and managing climate-related risks (see paragraph 19); and (b) a description of how its processes for identifying, assessing, and managing climate related risks are integrated into its overall risk management processes. 19 An entity must include the following information when describing its processes for identifying, assessing and managing climate-related risks: (a) the tools and methods used to identify, and to assess the scope, size, and impact of, its identified climate-related risks; (b) the short-term, medium-term, and long-term time horizons considered, including specifying the duration of each of these time horizons; (c) whether any parts of the value chain are excluded; (d) the frequency of assessment; and (e) its processes for prioritising climate-related risks relative to other types of risks.	Risk management pg 37	
Metrics 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.	21 To achieve the disclosure objective, an entity must disclose: (a) the metrics that are relevant to all entities regardless of industry and business model; (b) industry-based metrics relevant to its industry or business model used to measure and manage climate-related risks and opportunities; (c) any other key performance indicators used to measure and manage climate-related risks and opportunities; and (d) the targets used to manage climate-related risks and opportunities, and performance against those targets	GHG emissions pg 30 Measuring our performance pg 36	Adoption provision 4: Scope 3 GHG emissions Adoption provision 5: Comparatives for Scope 3 GHG emissions Adoption provision 7: Analysis of trends Adoption provision 8: Scope 3 GHG emissions assurance
NZ CS 3			
Methods and assumptions, and data and estimation uncertainty	49 (a) a description of the methods and assumptions used in the preparation of its climate-related disclosures where they are not apparent, including the limitations of those methods. (b) aspects of its disclosure (including amounts) that involve data and estimation uncertainty, disclosing the sources and nature of data and estimation uncertainties.	Appendix 5 pg 59	

CRD sections	CRD disclosures	Tower disclosure	Adoption provisions
NZ CS 3			
Scenario analysis methods and assumptions	51 (a) the climate-related scenarios it has used, including: i a brief description of each scenario narrative; ii. the time horizons considered, including endpoints and whether the endpoints are determined by a year or a temperature target; iii. a description of the various emissions reduction pathways in each scenario and the assumptions underlying pathway development over time, including the scope of operations covered, policy and socioeconomic assumptions, macroeconomic trends, energy pathways, carbon sequestration from afforestation and nature-based solutions and technology assumptions including negative emissions technology; iv. an explanation of why the entity believes the chosen scenarios are relevant and appropriate to assessing the resilience of the entity's business model and strategy to climate-related risks and opportunities; and v. the sources of data used to construct each scenario. (b) how the scenario analysis process has been conducted, including: vii. whether scenario analysis is a standalone analysis or integrated within the entity's strategy processes; viii. the governance process used to oversee and manage the scenario analysis process, including the role of the governance body and management; ix. if modelling has been undertaken, a clear description of what modelling was undertaken and why the model was chosen as the appropriate model; and x. which external partners and stakeholders are involved	Understanding our Possible Futures pg 13 Appendix 3 Scenario Development pg 51	
GHG emissions methods, assumptions and estimation uncertainty	52 a description of the methods and assumptions used to calculate or estimate GHG emissions, and the limitations of those methods. When choices between different methods are allowed, or entity-specific methods are used, an entity must disclose the methods used and the rationale for doing so. 53 uncertainties relevant to the entity's quantification of its GHG emissions, including the effects of these uncertainties on the GHG emissions disclosures. 54 an explanation for any base year GHG emissions restatements.	Our greenhouse gas (GHG) emissions pg 30 Appendix 4 GHG emissions methodology, restatements and notes to restatements pg 54	
Statement of compliance	55 An entity whose climate-related disclosures comply with Aotearoa New Zealand Climate Standards must include an explicit and unreserved statement of compliance.	Executive summary pg 03	

Appendix 2

Consideration of materiality

The NZ Climate Standards require disclosure of information if it is material according to the definition in NZ CS 3.

The information provided in our climate disclosure is material to Tower's primary users, who we have defined as existing and potential shareholders and asset managers. Creditors are not primary users for Tower. Contextual information is also provided as it supports the key elements of the climate statement.

Considerations we use when determining materiality:

- Primary users – existing and potential shareholders and asset managers
- Geographical distribution of our operations
- Level of influence
- Level of impact or anticipated impact
- Combined effects



Appendix 3

Scenario sources of data

Sources

1. IPCC AR6 SSP1-1.9 and SSP3-7.0 archetypes
2. NZ Climate Change Commission pathways
3. NIWA / MfE climate projections and adaptation context
4. XRB climate scenario expectations
5. Global and NZ insurance and reinsurance market trends
6. Existing public-private insurance mechanisms internationally (Flood Re, Australian cyclone pool, EQC/NHC)
7. Tower's disclosed strategic measures and business performance indicators

Source details and applications

Source	Applications	Tower scenario
IPCC AR6 • IPCC Sixth Assessment Report (AR6) • WGII and WGIII reports SSP scenario framework • SSP1-1.9 and SSP3-7.0 reference scenarios	• Warming trajectories, • Socio-economic pathways, • Emissions pathways, • Global transition dynamics, • Physical risk escalation logic.	All
NZ Climate Change Commission • Emissions Reduction Plan advice • CCC pathway material • Energy sector and transport transition assumptions	• NZ decarbonisation pathway assumptions, • Electrification, • Transport transition, • Urban form implications.	All
Climate Change Commission pathway used	**How it was applied**	**Tower scenario**
Tailwinds	Low barriers to technology uptake and behavioural change, supporting rapid emissions reduction and achievement of Managed risk evolution New Zealand's 2050 targets.	Managed risk evolution
Current Policy Reference	Continuation of existing policy settings, with slower emissions reduction and New Zealand not achieving net zero long-lived gases by 2050.	Fragmented and Fragmented with Intervention (with scenario-specific government intervention assumptions – specific to the insurance context.)

Source	Applications	Tower scenario
Ministry for the Environment (MfE) • National Climate Change Risk Assessment • National Adaptation Plan • Managed retreat/adaptation material	• Adaptation pressures, • Coastal retreat logic, • Infrastructure vulnerability, • Public policy responses.	All
NIWA climate projections	• NZ-specific physical risk assumptions / trends e.g rainfall intensity, severe weather trends, flood/coastal hazard escalation,	All
XRB Climate Standards (NZ CS 1–3) XRB guidance documents Particularly: • Scenario analysis guidance, • Anticipated financial impacts guidance, • Plausibility/internal consistency expectations.	• Time horizon structure, • Strategic relevance, • Decision-useful framing, • Internal consistency requirements.	All
Global reinsurance market commentary • Munich Re NatCat reports • Swiss Re sigma reports • Gallagher Re reports • Aon catastrophe reports	General insurance sector trends and behaviours, e.g. catastrophe loss escalation, reinsurance pricing pressure, retention increases, insurance affordability and insurability trends.	All
APRA / Australian insurance adaptation material	• Insurance affordability, • Intervention precedents, • Catastrophe pool approaches, • Solvency/capital trends.	All
Tower public disclosures • Annual reports • Climate statements • Investor materials	• Strategic priorities, • Business model structure, • Key performance indicators, • Risk-based pricing positioning, • Pacific operations context.	All

Source	Applications	Tower scenario
Public-private insurance intervention examples NZ EQC / NHC material UK Flood Re Australian Cyclone Reinsurance Pool	• Plausibility of intervention scenarios, • Risk-pooling mechanisms, • Public-private catastrophe structures.	All
NZ transport, EV, and urban form references • Ministry of Transport • Waka Kotahi / NZTA • Stats NZ • MBIE housing and urban development material	• EV uptake assumptions, • Vehicle fleet trends, • VKT trends, • Urban intensification assumptions, • Housing form transition.	All
Internal workshop and executive feedback	• Insurer-specific operational realities, • Social and workforce implications, • Fraud and claims behaviour, • Pacific office implications, • Customer outcome considerations, • Practical pricing constraints, • Alignment with Tower strategy and transition plan.	All

Specific metrics

The quantitative metrics included within the scenarios are scenario-based stress assumptions informed by the above sources and calibrated to maintain internal consistency with the underlying SSP reference scenario, NZ context, and Tower's business model.

Appendix 4

Measurement standards and consolidation approach

Tower has been measuring its GHG emissions since FY20 in accordance with the requirements of the 'Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (2004)'.[1] Tower applies the operational control consolidation approach[1] to account for emissions, with emissions reported in tonnes of CO_2 equivalents, in line with the requirements of the Aotearoa New Zealand Climate Standards.

Guidance from the following sources has also been used to develop our GHG inventory methodology:

- Greenhouse Gas Protocol – Scope 2 Guidance[1]
- Greenhouse Gas Protocol – Categorising GHG Emissions Associated with Leased Assets Appendix F to the GHG Protocol Corporate Accounting and Reporting Standard – Revised Edition June 2006 (version 1.0)[1]
- Greenhouse Gas Protocol – Corporate Value Chain (Scope 3) Accounting and Reporting Standard
- Greenhouse Gas Protocol – Technical Guidance for Calculating Scope 3 Emissions (version 1.0)

GHG emissions methodology

Tower has contracted the services of Bravegen to assist with the collation and loading of emissions source data into their online Corporate Sustainability Reporting (CSR) tool.

Bravegen CSR has been developed to meet the requirements of the GHG Protocol.

The CSR software uses a calculation methodology for quantifying the emissions inventory using emissions source activity data multiplied by emission or removal factors.

Emission factors are utilised from a range of sources to calculate our GHG emissions:

- Ministry for the Environment (MfE) 2023 'Measuring Emissions: A guide for organisations' (NZ)
- Ministry for the Environment (MfE) 2026 'Measuring Emissions: A guide for organisations' (NZ)
- Department for Environment Food & Rural Affairs (DEFRA) 2025 'Greenhouse gas reporting: conversion factors' (UK)
- CaDI (2026) Greenhouse Gas Emissions Factors for International Grid Electricity (calculated from fuel mix) Environment
- Protection Authority Victoria (EPA) 2021 'Greenhouse Gas Emission Factors for Office Copy Paper

The emission factor sources are based on global warming potentials (GWPs) varying from AR4-AR6. The time horizon is 100 years.

1 Subject to assurance. As relevant to Scope 1 and Scope 2 GHG emissions, the disclosures of the measurement standards applied and the consolidation approach used are subject to assurance.

Restatements

FY20–FY25 emissions disclosures have been restated to correct errors and enhance the consistency of comparative information between reporting periods. In line with NZ CS, Tower has restated all changes material to the Group arising from improved geographically specific Pacific emission factors and the removal of double counted purchased heating and cooling for the Fanshawe Street office. As required by NZ CS 3 paragraph 54, the table below presents base year Scope 2 adjustments and totals them with New Zealand purchased electricity emissions. We have also provided explanations for restatements to other comparative periods. Only the numerical restatements and supporting descriptions for the base year are subject to assurance.

	Note	FY20 Base Year (Restated)	FY20 Adjustment	FY20 Base Year (Previously reported)	FY21 (Restated)	FY21 Adjustment	FY21 (Previously reported)	FY22 (Restated)	FY22 Adjustment	FY22 (Previously reported)
Scope 2, Purchased Electricity	1, 2	176	-41	217	151	-25	176	113	-33	146
Total Scope 2		176	-41	217	151	-25	176	113	-33	146

	Note	FY23 (Restated)	FY23 Adjustment	FY23 (Previously reported)	FY24 (Restated)	FY24 Adjustment	FY24 (Previously reported)	FY25 (Restated)	FY25 Adjustment	FY25 (Previously reported)
Scope 2, Purchased Electricity	1, 2	121	-37	158	114	-33	147	108	-28	136
Total Scope 2		121	-37	158	114	-33	147	108	-28	136

Notes to the restatements

1. Emission factor improvements

Previously, Tower used an Oceania-specific emission factor published by the International Energy Agency (IEA) for its Pacific territories. This factor represented an average for Australia, New Zealand, the Cook Islands, Fiji, French Polynesia, Kiribati, New Caledonia, Palau, Papua New Guinea, Samoa, the Solomon Islands, Tonga and Vanuatu. In FY26, as part of the annual review of emission factors, Tower identified and adopted an alternative source published by Carbon Data Intelligence (CaDI) to improve the accuracy of the emission factors applied to each territory. The CarbonDi emission factors provide geographically specific emission factors for each territory rather than the Oceania average previously used. This resulted in the following adjustments:

- **Fiji:** FY20: -35 tCO_2e; FY21: -22 tCO_2e; FY22: -31 tCO_2e; FY23: -35 tCO_2e; FY24: -34 tCO_2e; FY25: -30 tCO_2e
- **Tonga:** FY20: +2 tCO_2e; FY21: +2 tCO2e; FY22: +2 tCO_2e; FY23: +2 tCO_2e; FY24: +2 tCO_2e; FY25: +2 tCO_2e
- **Samoa:** FY20: -4 tCO_2e; FY21: -3 tCO_2e; FY22: -1 tCO_2e; FY23: -1 tCO_2e; FY24: 0 tCO_2e; FY25: -1 tCO_2e
- **American Samoa:** FY20: +4 tCO_2e; FY21: +5 tCO_2e; FY22: +6 tCO_2e; FY23: +7 tCO_2e; FY24: +6 tCO_2e; FY25: +7 tCO_2e
- **Cook Islands:** FY20: -1 tCO_2e; FY21: 0 tCO_2e; FY22: 0 tCO_2e; FY23: -1 tCO_2e; FY24: -1 tCO_2e; FY25: -1 tCO_2e

2. Removal of estimated purchased heating and cooling for Head Office

Previously, Tower incorrectly double counted the heating and cooling emissions associated with the central HVAC system at the Fanshawe Street office within Scope 2. Following a review of the building metering information and Tower's operational control boundary, these estimates have been removed from Scope 2. This resulted in adjustments of -7 tCO_2e in FY20, -7 tCO_2e in FY21, -9 tCO_2e in FY22, -9 tCO_2e in FY23, -5 tCO_2e in FY24 and -5 tCO_2e in FY25.

Methodology, assumptions, uncertainties and emissions factors for all Scopes

Category	GHG emissions source	Country	Data source	Calculation methodology, assumptions and uncertainty (Qualitative)	Source of Emission Factor
Scope 1					
Mobile Combustion	Vehicle fleet fuel	All countries	Supplier data	**NZ** – Fuel-based method. Low uncertainty. **Fiji, Tonga, Cook Islands & American Samoa** – Fuel-based method. Low uncertainty. **Samoa** – Spend-based method. Supplier fuel spend is obtained from finance system with the average fuel price for each month obtained from government sources. Low uncertainty.	MfE (2026) GWP: AR5
Fugitive Emissions	Refrigerants	All countries	Supplier data	Top-up method. Top-ups of HVAC systems under Tower's operational control. Low uncertainty.	MfE (2026) GWP: AR5
Scope 2					
Electricity	Electricity consumption	All countries	Supplier data & estimation	Location-based method. Metered kwh of electricity consumption and location-specific emissions factors for each territory are utilised to measure emissions. Suva Hub Estimate – Building 2's FY26 general electricity use was estimated by applying its kilowatt-hours consumption ratio to Building 3 during the overlapping metered period to Building 3's full-year recorded consumption. Low uncertainty.	NZ – MfE (2026) GWP: AR5 Pacific – CaDI (2026) GWP: AR6
Heating and cooling	Electricity consumption	Fiji (Suva Head Office)	Estimation	Location-based method. Heating and cooling acquired from central HVAC systems under landlord control. Usage has been estimated to be a 40% proportion, with the remaining 60% coming from general electricity used for lighting, power, and equipment. High uncertainty.	Fiji – CaDI (2026) GWP: AR6
Scope 3					
Category 1: Purchased goods and services	Office paper purchased	New Zealand	Supplier data	Average-data method. Supplier report outlines total office paper purchased (kg). Moderate uncertainty.	EPA Victoria (2019) GWP: AR5
Category 1: Purchased goods and services	Water supply	All countries	Supplier data	Average-data method. Reports provided for Auckland office, water is apportioned based on net lettable area (17.3%). Moderate uncertainty	MfE (2025) GWP: AR5

Category	GHG emissions source	Country	Data source	Calculation methodology, assumptions and uncertainty (Qualitative)	Source of Emission Factor
Category 3: Fuel- and energy-related activities not included in Scope 1 or Scope 2	Electricity transmission and distribution losses (T&D)	New Zealand	Supplier data	Average-data method. Emissions from T&D losses are estimated based on Scope 2 data. Low uncertainty.	NZ – MfE (2026) GWP: AR5 Pacific – CaDI (2026) GWP: AR5
	Electricity, T&D, and fuel well-to-tank (WTT)	New Zealand	Supplier Data	Average-data method. Emissions from WTT losses are estimated based on Scope 1 & 2 data. Low uncertainty.	NZ and Pacific Fuel - DEFRA (2025) GWP: AR5 NZ Fuel - DEFRA (2025) GWP: AR5 Pacific Electricity – CaDi (2026) GWP: AR5
Category 5: Waste generated in operations.	Waste to landfill	All Countries	Supplier data	Average-data method. Reports provided for Auckland office, waste is attributed based on net lettable area (17.3%). For other offices waste per FTE is calculated and applied to total FTEs across all locations. Moderate uncertainty.	MfE (2026) GWP: AR5
Category 6: Business Travel	Air travel & Hotel Stays	All countries	Supplier data	**Air Travel** – Distance-based method used for air travel. Supplier report outlines distance, domestic and international, and class of travel. **Hotel Stays** – Nights-stayed method. Supplier report outlines location and length of stay. For flights and hotel stays booked outside of the primary travel agent, invoices are extracted from the finance system, and the above approach is applied.	Air Travel – MfE (2026) – With radiative forcing. GWP: AR5 Hotel stays – MfE (2026) GWP: AR5 MfE (2023) GWP: AR5
Category 6: Business Travel	Rental cars	All countries	Supplier data Finance System	Distance-based method used for rental cars. Supplier report outlines distance travelled and vehicle type. Spend-based method used for bookings made with other providers. Expense data extracted from finance system.	MfE (2026) GWP: AR5
Category 6: Business Travel	Taxi travel	All countries	Supplier data Finance System	Distance-based method used for Corporate Cabs & Taxi Charge. Supplier reports outline distance travelled and vehicle category. Spend-based method used for other taxis booked with other providers. Expense data extracted from finance system. Moderate uncertainty.	MfE (2026) GWP: AR5

Category	GHG emissions source	Country	Data source	Calculation methodology, assumptions and uncertainty (Qualitative)	Source of Emission Factor
Category 7: Employee Commuting	Employee commute	All countries	Third-party survey	Average-data method using FY25 employee commute survey data, adjusted for FY26 changes in emission factors, employee headcount and commuting habits. For the Fanshawe Street office, commuting habits and working-from-home patterns were updated using actual FY26 swipe-card data. No new survey was conducted in FY26. Estimated emissions per employee by transport category are extrapolated to total FTEs. The FY25 survey had a 48% response rate across New Zealand and the Pacific. Moderate uncertainty.	MfE (2026) GWP: AR5
Category 7: Employee Commuting	Working from home	All countries	Third-party survey	Average-data method used to calculate total WFH days based on FY25 employee commute survey. For the Fanshawe Street office, commuting habits and working-from-home patterns were updated using actual FY26 swipe-card data. The survey had a 48% response rate across NZ and Pacific. Moderate uncertainty.	MfE (2026) GWP: AR5

Footnote: There are inherent data uncertainties with emissions data due to the limited availability of information and Tower's reliance on external sources, which means that there may be a lag in the data, the data is over or understated, and/or the quantification may be unreliable. The Quality score is assigned based on the availability, certainty and completeness of data. GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Scope	GHG emission source	Reason for exclusion
1	Stationary diesel related to back up generators (Pacific)[1]	Insufficient data available to calculate related emissions.
2	Purchased heating and cooling sourced from landlord-controlled assets (Samoa & Suva Retail Branch)[1]	Insufficient data available to calculate related emissions. We do not believe this is a material emission source outside of the Fanshawe and Suva Head Offices.
3	Employee vehicle claims (**NZ**)	In previous years these emission sources were calculated to be less than 1% and continue to remain an immaterial emissions source.
3	Waste generated in operations (**Pacific**)	We have been unable to obtain data for waste generated in our Pacific Island operations as illustrated on page 31 in FY26. We do not believe this will be a significant emissions source.
3	Value chain emissions from: Purchased goods & services Capital goods Upstream transport and distribution Investments	This preparation includes developing approaches to measuring claims-related emissions and monitoring evolving guidance on insurance-associated emissions. Tower continues to assess relevant measurement guidance and reporting requirements to inform the boundaries, attribution methods and data used for these emissions sources.

1 Scope 1 and 2 exclusions are subject to assurance.

Appendix 5

Assumptions, Methodologies and Limitations Statement

Forward-looking statements

This climate statement contains climate-related and other forward-looking statements and metrics, which are not and should not be considered guarantees, predictions or forecasts of future climate-related outcomes or financial performance.

There remains significant uncertainty in climate data, metrics, and modelling. The forward-looking statements are inherently subject to uncertainties, risks, and assumptions, many of which are beyond our control. These may include, but are not limited to, economic conditions, market trends, regulatory developments, and other known and unknown factors. The many underlying risks and assumptions may cause actual outcomes to differ materially.

As a result, readers are cautioned not to place undue reliance on any forward-looking statements contained within this climate statement. All information stated within this climate statement is relevant at the date of publication only.

Further Clarifications

Current climate-related impacts have been derived from internal categorization and quantification of claims data alongside known catastrophic and large weather events.

Climate-related risks & opportunities were developed on the basis of the ICNZ Climate-related scenarios, Tower's scenarios, internal expertise and knowledge and guidance from scenario source data. These are limited by the current lack of clear modelling.

Anticipated Impacts were derived using a combination of internal and external data sources.

- **Population growth** – Projections for scenario development as detailed in **Appendix 3**.
- **Dwelling growth** – Internal analysis based on forecasted population growth above.
- **Transition to EV vehicles and vehicle ownership rate** assumptions based on internal data and market trends.
- **Tower's expected market share of target markets** – Management's best estimate based on internal data and knowledge.
- **Growth of multi-unit dwellings** – Management's best estimate based on internal data and knowledge
- **Stormwater infrastructure investments** – Management's best estimate based on internal data and knowledge.
- **Potential public interventions in the general insurance market** - Management's best estimate based on internal data and knowledge.

Measuring our Performance - Metrics

- **Transition risks** – % of vehicles insured that are internal combustion engines (ICEs) derived from categorised motor policies as sourced from the underlying vehicle data obtained from RedBook.
- **Physical risks** – % of high flood risk homes insured. The definition of 'High Flood Risk' is Tower's own definition and not necessarily consistent with other public sources. Specifically it relates to insurance risk and cost to repair or replace property relative to the risk of flooding and not just the chances of flooding occurring in isolation. It also relates to Tower's own risk appetite or interpretation of the level of risk.
- **Opportunities current** – % of EV and PHV vehicles covered. Data is derived from categorised motor policies as sourced from the underlying vehicle data obtained from RedBook.
- **Capital Deployment** has been calculated based on operational expenditure on climate-related activities identified by the Sustainability and Climate Steerco.

Appendix 6

Independent Assurance Report

To the Directors of Tower Limited

Limited Assurance Report on Tower Limited's Greenhouse Gas (GHG) Disclosures

Our conclusion

We have undertaken a limited assurance engagement on the gross GHG emissions, additional required disclosures of gross GHG emissions, and gross GHG emissions methods, assumptions and estimation uncertainty (the GHG Disclosures), as outlined within the *Scope of our limited assurance engagement* section below, included in the Climate Statement of Tower Limited (the Company) and its subsidiaries (the Group) for the year ended 30 September 2026.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the GHG Disclosures are not fairly presented and are not prepared, in all material respects, in accordance with the Aotearoa New Zealand Climate Standards (NZ CSs) issued by the External Reporting Board (XRB), as explained on **page 54** of the Climate Statement.

Scope of our limited assurance engagement

We have undertaken a limited assurance engagement over the following GHG Disclosures on **pages 32**, **54 to 56** and **58** of the Climate Statement for the year ended 30 September 2026:

- Gross GHG emissions:
  - Total Scope 1 emissions of 104 tCO_2e on **page 32**;
  - Total Scope 2 (location-based) emissions of 91 tCO_2e on **page 32**;
- Additional required disclosures of gross Scope 1 and Scope 2 GHG emissions on **page 54**, **56** and **58**; and
- Gross Scope 1 and Scope 2 GHG emissions methods, assumptions and estimation uncertainty on **pages 55 to 56**.

Our assurance engagement does not extend to any other information included, or referred to, in the Climate Statement on pages 1 to 59. We have not performed any procedures with respect to the excluded information and, therefore, no conclusion is expressed on it. The comparative information for the years ended 30 September 2020 (base year), 30 September 2021, 30 September 2022, 30 September 2023, 30 September 2024 and 30 September 2025 disclosed in the Group's Climate Statement are not covered by the assurance conclusion expressed in this report.

Other matter – comparative information

Certain comparative GHG Disclosures, that is, GHG Disclosures for the years ended 30 September 2020 (base year), 30 September 2021, 30 September 2022, 30 September 2023 and 30 September 2024 have not been subject to assurance.

pwc.co.nz

PricewaterhouseCoopers, 15 Customs Street West,
Private Bag 92162, Auckland 1142, New Zealand
T: +64 9 355 8000

Independent Assurance Report (continued)

Directors' responsibilities

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

Inherent uncertainty in preparing GHG Disclosures

As discussed on page 58 of the Climate Statement, the GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our independence and quality management

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

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

Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)*;

Professional and Ethical Standard 3: *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements;* and

Professional and Ethical Standard 4: *Engagement Quality Reviews*.

In our capacity as auditor and assurance practitioner, our firm also provides review and other assurance services. In addition, certain partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business. The firm has no other relationship with, or interests in, the Group.

Assurance practitioner's responsibilities

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

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

Summary of work performed

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

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

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

- Obtained, through enquiries, an understanding of the Group'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 the Group's assessment of organisational and operational boundaries to assess completeness of GHG sources;

Independent Assurance Report (continued)

- Evaluated whether the Group's methods for developing estimates are appropriate and had been consistently applied. Where we considered it to be appropriate, we tested, on a limited sample basis, a selection of data on which the estimates are based. Certain estimates we recalculated by using the information provided. Our procedures did not include testing all the data on which the estimates are based or separately developing our own estimates against which to evaluate the Group's estimates;
- Tested a limited number of items to, or from, supporting records, as appropriate;
- On a sample basis, we compared the underlying records to other information sources in the Group for consistency and to establish that emission sources had not been omitted;
- Assessed all emissions factor sources and reperformed a limited sample of emissions calculations for mathematical accuracy;
- Enquired with management on the nature of the restatements to the comparative GHG Disclosures and inspected the supporting documentation and calculations that we were provided with;
- For relevant locations, performed analytical procedures on particular emission categories by comparing the expected GHGs emitted, on an annual basis, to actual GHGs emitted; and
- Considered the presentation and disclosure of the GHG Disclosures.

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

Inherent limitations

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

Who we report to

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

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

For and on behalf of:



PricewaterhouseCoopers Auckland
26 November 2026


TOWER
Forward thinking
Future ready