CHUBB®

New Zealand Climate-related Disclosures 2024

Chubb Life Insurance New Zealand Limited

Contents

Climate-related disclosures for the financial year ending 31 December 2024

This is the second Chubb Life Insurance New Zealand (Chubb Life) climate related disclosure under the Aotearoa New Zealand Climate Standards (Climate Standards). It relates to the financial year ending 31 December 2024.

Chubb Life is a member of the Chubb Group of insurance companies. Chubb Group acknowledges that:

- global climate change poses an extreme risk to social and economic activity,
- human activity is a direct and contributing cause,
- concerted action by the world community, including governments, businesses and citizens, is necessary to avoid the worst impacts of climate change.

Signed for and on behalf of the Board of Directors

Paul Brock
Director
16 April 2025

Linley Wood
Director
16 April 2025

Statement of Compliance

Chubb Life is a climate-reporting entity under the Financial Markets Conduct Act 2013. These climate-related disclosures comply with the Aotearoa New Zealand Climate Standards (NZ CS 1, 2 and 3) issued by the External Reporting Board (XRB).

In preparing this report, Chubb Life has elected to use the following Adoption Provisions in NZ CS 2:

- Adoption provision 2, which exempts Chubb Life from disclosing anticipated climate-related financial impacts on Chubb Life.
- Adoption provisions 4 and 5, which exempt Chubb Life from disclosing Scope 3 Greenhouse Gas (GHG) emissions and comparatives for those emissions. We have disclosed Chubb Life's indirect Scope 3 emissions from commercial air travel, but no other categories of Scope 3 GHG emissions information for the 2023 and 2024 financial year reporting periods.
- Adoption provision 6, which allows Chubb Life to disclose one year only of comparative information for metrics.
- Adoption provision 7, which exempts Chubb Life from disclosing an analysis of trends from metrics reported in our 2023 climate disclosures.
- Adoption provision 8, which allows Chubb Life to exclude its limited Scope 3 GHG emissions disclosures from the scope of its assurance engagement for the 2024 financial year.

We aim to quantify the anticipated climate-related financial impacts on Chubb Life when our understanding of the relevant risks and opportunities relating to the life insurance sector and the Chubb Life business improves. We will then also be able to measure and track Chubb Life's performance against climate-related metrics and targets over time.

Disclaimer:

This report contains forward looking statements, including climate related scenarios, transition planning, assumptions, climate projections, forecasts, statements of Chubb Life's future intentions, estimates and judgements. These statements are not facts and involve assumptions, forecasts and projections about Chubb Life's present and future strategies and the environment in which Chubb Life will operate in the future, which are inherently uncertain and subject to limitations, particularly as to inputs, available data and information which is likely to change. The risks and opportunities described here, as well as our transition plan objectives, may not eventuate or may be more or less significant than anticipated. There are many factors that could cause Chubb Life's actual results, performance or achievement of our objectives to differ materially from that described, including economic and technological viability, as well as climatic, government, consumer, and market factors outside of Chubb Life's control.

This report reflects Chubb Life's current understanding of future climate related events, risks, opportunities, impacts and strategies as at April 2025. Chubb Life has sought to provide a reasonable basis for forward-looking statements and we will progress our response to climate-related risks and opportunities over time, but we are constrained by the novel and developing nature of this subject matter. We will report our progress each year, but we caution reliance on aspects of this report which are necessarily subject to the caveats above.

Nothing in this report should be interpreted as capital growth, earnings or any other legal, financial, tax or other advice or guidance. To the greatest extent permitted by law, Chubb Life disclaims responsibility for any loss suffered in reliance on the information in this report.

About Chubb Life

Chubb Life aspires to be connected to New Zealanders for life, by protecting them and their loved ones and being there when they need us most. We seek to understand the impact of current and emerging environmental influences, including climate change, on our customers, colleagues and business.

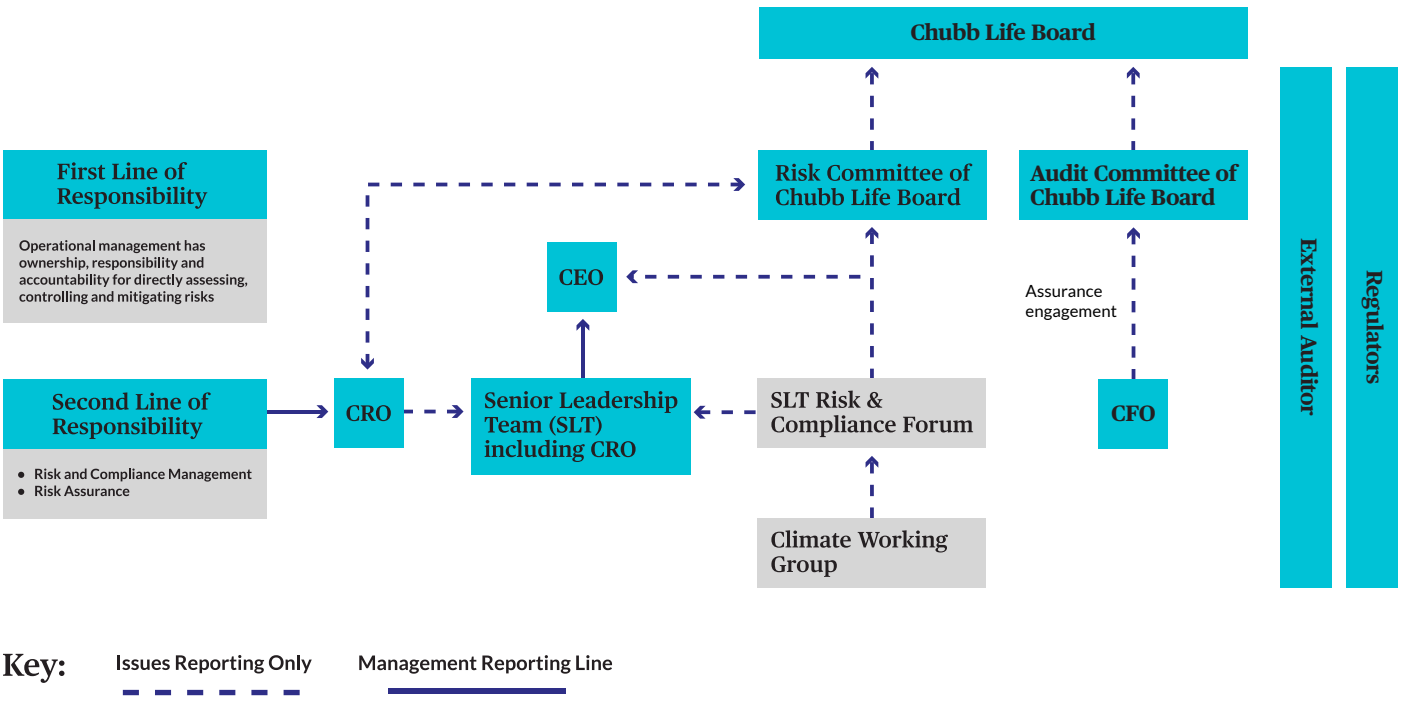
Chubb Life is one of New Zealand's leading providers of life insurance. We offer life, income protection, critical illness and business insurance products through Independent Financial Advisers, our partners at ANZ, TSB and Southern Cross, as well as direct marketing. Chubb Life has approximately 300,000 customers and employs over 300 people across New Zealand.

Chubb Life's strategy focuses on customers. Our multi-channel distribution model provides opportunities for customers to interact with Chubb Life through a variety of approaches, including digital. Our strategy also focuses on:

- Creating products that are innovative and support customers to make informed decisions about their life insurance, reflecting their specific needs and lifestyles.
- Adopting technologies and platforms that make it easy for our customers to do business with Chubb Life.
- Continuously reviewing and improving the way we operate, so we can be more efficient and reduce costs.

Governance

Climate change is considered at all levels of Chubb Life. This includes oversight by the Board and its committees, involvement in discussions and decisions by senior management and grassroots efforts by staff-led committees.



The role of the Chubb Life Board

The Chubb Life Board of Directors meets at least six times per year and is responsible for oversight of climate-related risks, opportunities and impacts affecting Chubb Life.

The Chubb Life Board has delegated certain responsibilities in relation to climate to two Board Committees. The Risk Committee, which is made up of all directors of Chubb Life, has oversight responsibility for both compliance with the Aotearoa New Zealand Climate Standards and the work to understand and respond to climate-related risks. The Audit Committee has responsibility for appointing the external assurance adviser that will perform limited assurance in relation to the disclosure of Chubb Life's GHG emissions, and for receiving and reviewing the report of that external adviser. As all directors are members of the Risk Committee, the Board can then take into account relevant reporting with respect to climate risks and opportunities when making decisions about Chubb Life's overarching strategy.

The Board retains the right to make decisions relating to climate matters, including via recommendation from the Risk Committee or the Audit Committee. The Board agenda includes a standing agenda item for the Chair of each of the Risk Committee and the Audit Committee to report on the discussions at and recommendations from their committee meetings. This includes the consideration of climate-related risks and opportunities, and annual climate disclosures. See below for more detail on each Committee's role with respect to Chubb Life's climate-related risks, opportunities and reporting. In making its decisions, and approving its reporting, the Board then takes into account the evolving regulations, standards, developments and views in relation to climate risks and opportunities.

The role of the Board Risk Committee

The Board Risk Committee meets at least four times per year and receives and considers management reporting relating to current and emerging risks affecting the Chubb Life business, including climate risks and opportunities where relevant.

In 2024, the quarterly reporting to the Risk Committee from senior management was expanded to include specific reporting on climate risk and regulatory developments (as discussed below under "Senior Management responsibilities"). This reporting included:

- updates on emerging science relating to climate change impacts and trends in climate behaviour and patterns, both globally and within New Zealand;
- information about emerging practices for climate risk management;
- updates and observations on public policy and regulation in New Zealand relating to climate change and the reporting regime; and
- insights into evolving expectations from key stakeholders.

Access to new and emerging information relating to climate change that is relevant to Chubb Life, or life insurance more broadly, provides an opportunity for Chubb Life directors to consider the risks, opportunities and reporting related to climate change.

In 2024, the Risk Committee also:

- reviewed and confirmed the rating of Climate Risk as a Chubb Life Top Risk; and
- provided feedback and advice to senior management on the proposed approach to managing, measuring and reporting Chubb Life's own climate impacts.

The Risk Committee is responsible for reviewing and recommending to the Board for approval any metrics and targets relating to climate matters as they are developed by management. At this stage, Chubb Life reports the CHG metrics required by the Climate Standards. Should new metrics be established, these will be allocated to a specific member of senior management, and reported to the Risk Committee.

No climate-related targets have been approved by Chubb Life as at the date of this climate disclosure. In addition, in FY24 the GM of Human Resources considered the appropriateness of incorporating performance metrics relating to climate into staff remuneration policies. The decision was made not to do so, as Chubb Life continues to mature its approach to managing both climate risks and opportunities. Accordingly, Chubb Life's remuneration policies do not currently include performance metrics relating to climate.

The role of the Board Audit Committee

The Audit Committee has responsibility for the appointment of an external assurance provider to complete an assurance engagement in relation to GHG emissions and any other matters identified for assurance. The Committee will receive the report of the external assurance provider and will accordingly make a recommendation to the Board as to its acceptance of the proposed disclosure of Chubb Life's GHG emissions, contained within Appendix B of this report.

Senior management responsibilities

Climate Working Group

Chubb Life established the Climate Working Group in April 2022. The Climate Working Group is made up of senior management from across Legal, Risk and Governance, Finance, Actuarial, Strategy and Human Resources, and is chaired by the General Counsel & Chief Risk Officer. In 2024, it met six times to discuss progress against Chubb Life's objectives (as discussed in more detail at page 13 of this report) as well as reviewing the approach to scenario analysis, transitional planning, scope three emissions reporting and potential target setting.

The General Counsel & Chief Risk Officer reports where relevant on the progress of this Working Group via his quarterly report to the Risk Committee and verbal updates. We intended to review the role of the Working Group in 2024. However, our work on climate during 2024 did not change materially and therefore the review of the Working Group's role was not undertaken.

Risk and Compliance Forum

The Risk and Compliance Forum is made up of the entire SLT[1] and is chaired by the Chief Executive Officer. It meets monthly to discuss and review various matters relating to risk and compliance management at Chubb Life to ensure compliance with the Risk and Compliance Management Framework. This includes making recommendations to the Board Risk Committee as to the appropriate risk appetite for climate risk, assessing the level of transitional and physical risks, and providing direction and feedback to the Climate Working Group on the proposed approach to mitigating climate risk. The General Counsel & Chief Risk Officer reports on the activities and recommendations of the Risk and Compliance Forum, where relevant, via his quarterly report to the Risk Committee, his CRO update to the Board of Chubb Life, and verbal updates.

The SLT is also responsible for ensuring that climate risks and opportunities are considered when proposing strategic activity and planning changes. Our scenario analysis indicates that it will take some time for material climate risks and opportunities to emerge for Chubb Life. Accordingly, the Chubb Life strategic plan does not currently include specific climate-related strategic initiatives; however, we have established a series of climate objectives for our business (initially five objectives in 2024, and an additional two in 2025).

The SLT provides oversight and approval of any proposed business initiatives to ensure they align with our climate-related opportunities. In particular, the SLT meets on a fortnightly basis to discuss both operational and strategic matters and participates in a regular strategic prioritisation process. Individual initiatives also report to members of SLT via Steering Committees and other governance structures as appropriate.

General Counsel & Chief Risk Officer

The General Counsel & Chief Risk Officer is responsible for the development, implementation and operation of the Chubb Life risk management framework, which specifically includes our appetite for climate risk and the tools we use to manage risks (for further information on this process, see Risk Management on page 14).

The General Counsel & Chief Risk Officer provides a risk report to each Board meeting and provides Climate Risk Updates to Risk Committee meetings as required. In addition, each quarterly Risk Committee agenda explicitly provides for CRO time alone with the Risk Committee.

Other members of the Senior Leadership Team

The General Manager, Human Resources is responsible for supporting staff initiatives and organisational culture, including in relation to climate change. The General Manager Strategy and Marketing is responsible for ensuring that climate is considered in Chubb Life's strategic planning and incorporated in strategic initiatives as required. The General Manager, Human Resources and the General Manager Strategy and Marketing each report to the Board through the CEO, as set out below.

In addition to chairing regular meetings of the SLT, the CEO meets regularly with each member of the SLT. She also provides a regular CEO Update to each Board meeting, which may include updates on the climate reporting regime and Chubb Life's positioning.

Chubb Life's approach to climate and other ESG-related matters is informed by decisions made by its ultimate parent, Chubb Limited, which is headquartered in Zurich, Switzerland and has offices in New York City. The General Counsel & Chief Risk Officer is responsible for ensuring that Chubb Life's approach to climate risks and opportunities is coordinated with and supports the Chubb Group's global intentions. More about the Chubb Group's approach to climate-related matters, can be viewed [here] Chubb 2024 Sustainability Report.[2]

[1] Chief Executive Officer, Chief Financial Officer, General Counsel & Chief Risk Officer, Chief Operations Officer, GM – Strategy and Marketing, Chief Actuary, GM Human Resources and GM Distribution.

[2] Please note that these documents are for context only and are not considered material to this disclosure. Accordingly, they are not lodged alongside these climate disclosures.

Skills and Experience

The Board and Risk Committee includes Chubb Life directors with management and governance experience in other large organisations with climate reporting obligations. During 2024 the Board, through the General Counsel & Chief Risk Officer, consulted with and took advice from the Chubb Group's Global Climate Officer, Margaret Peloso, on climate matters. This engagement with Ms Peloso supplemented and strengthened the Board's knowledge. Ms Peloso is an expert in environmental and global climate issues and provided key insights into climate science, likely scenarios, the global emergence of climate reporting obligations, and governance responsibilities. Further Board education and training will be provided through deep dive sessions when appropriate.

Strategy

In 2024 Chubb Life revised and updated its strategy to ensure it remained appropriately forward looking and focused on both current and emerging issues. As noted above, at this stage we have not created strategic initiatives that are specifically related to climate risks and opportunities. However, Chubb Life's strategic pillars address some of the risks and opportunities we expect to see in a climate-impacted future. For example, like many financial services providers we are focused on accessibility via digital solutions. This aligns with the opportunity to design innovative products, and may mitigate risks relating to staff availability and impacts on our distribution model arising from disruptive climate events.

The Board regularly reviews and approves Chubb Life's overarching strategy, and can take into consideration evolving views of climate risks and opportunities.

How climate change is impacting Chubb Life today

The Ministry for the Environment stated in 2023 that "Climate change is becoming increasingly evident in Aotearoa New Zealand. Our average and extreme temperatures have increased since pre-industrial times... Extreme weather events, such as those leading to floods and slips in Tairawhiti and Auckland, storms in Westport and Nelson, and droughts across the country, are becoming both more frequent and severe".[3]

To understand the physical impacts of climate change on Chubb Life in FY24, we sought to identify any weather related or other business continuity events that occurred during the year which had a relationship to climate.

When we refer to physical impacts or risks, we are referring to the impacts or risks that arise directly from climate change itself. These may be acute – relating to major events, for instance – or chronic/long-term, such as changes in temperature or rainfall. By comparison, transitional impacts or risks are a result of the transition to the low-emissions, climate-resilient global and domestic economy. These tend to be impacts or risks resulting from the economic, regulatory, social, technological, and legal responses to climate change.

Current physical impacts

We engaged with the Wider Leadership Team of Chubb Life to understand how different teams and functions were impacted by climate change, including whether we had identified any impacts on customers (for example, through increased claims).[4] This confirmed that we did not observe any material physical impacts from climate change on our business operations in FY24, or physical impacts on customers that related to their life insurance. Accordingly, no financial impact from physical climate impacts has been identified in FY24.

Current transition impacts

In our first Climate Disclosures in 2024 we reported that the main transitional impact of climate change for Chubb Life has been, and will continue to be, the need to prepare for and adapt to climate change. We have continued to devote operational resources to managing climate initiatives, like our employee commuter surveys and changing our fleet to hybrid vehicles. However, our assessment of these transitional actions is that they are not having a material effect on Chubb Life at this stage, and there were no material identifiable financial impacts from these transition activities in FY24.

Understanding the future of New Zealand's climate

Scenario analysis is a process for systematically exploring the effects of a range of plausible future events under conditions of uncertainty. The FMA has referred to it as "a creative and primarily qualitative process".[5] Scenario analysis presents the opportunity for Chubb Life to consider the future of our business. In 2023 we first adopted a standalone, multi-stage process to help ensure that we were able to explore an uncertain future. In 2024 we reviewed and adapted our scenario analysis process to build on this previous work.

[3] https://environment.govt.nz/publications/our-atmosphere-and-climate-2023/
[4] The Wider Leadership Team is made up of all direct reports to members of the Senior Leadership Team.
[5] FMA Information Sheet: Climate-related Disclosures – Scenario Analysis. July 2023

Our existing work on scenario analysis

Via our Financial Services Council membership, we participated in the preparation of industry scenarios in FY23. These considered three alternative futures:

- **Orderly – 1.5° C:** *The Orderly scenario represents collective action towards a low carbon global economy. In this scenario, there are steady and constant societal changes related to technology, policy, and behaviour to support the transition to a lower emissions economy. This is matched by an increasing carbon price that reinforces low carbon behaviour change. The coordinated and timely action around the world to curb greenhouse gases prevents the worst predicted impacts of climate change, however, the long-term chronic impacts from historic greenhouse gas ("GHG") emissions still occur, although not severely. Overall, based on the literature review and stakeholder engagement, this scenario represents a medium level of transition risk and a low level of physical risk relative to the other scenarios.*[6,7]

- **Too Little Too Late – >2° C:** *The Too Little Too Late scenario represents a misaligned and delayed transition towards a low carbon economy between different parts of the world. In this scenario, some countries are early movers on the transition to a low emissions economy, introducing policy that brings about net zero emissions by 2050. In other parts of the world, however, there is very little action towards a low emissions future with fossil fuelled development continuing throughout much of the remaining first half of the century. From mid-century, global efforts to address climate change begin to align and exceed those by the early movers. Large increases in carbon price will drive a rapid improvement in low emissions technology efficacy and uptake. This shift is partly driven by the increasing evidence and awareness of the social, economic, and environmental degradation caused by a continued increase in fossil fuelled development. Despite making a concerted effort to reduce emissions and move to a low emissions economy at mid-century, the changes come too late to prevent wide ranging acute and chronic physical climate impacts. Overall, based on the literature review and stakeholder engagement, this scenario represents a high level of transition risk compared to the other scenarios and a medium level of physical risk compared to the other scenarios.*[8]

- **Hothouse– >3° C:** *This scenario represents minimal action towards a low carbon global transition. Despite increasing levels of social, economic, and environmental degradation, there is little shift in social and political traction towards a low emissions future. As a result, there is little behaviour change and a lack of low carbon emissions technology development. This leads to a continued and increasing level of fossil fuel use, strong globalisation, increasing consumption and materialism. The impact of these activities continues to drive emissions higher throughout the remaining 21st century leading to significant materialisation of acute and chronic physical risks. In the first half of the 21st century this physical risk sees increasing severity of extreme weather which is accompanied by rising sea levels in the latter half of the 21st century. This threatens coastal developments worldwide, placing pressure on global relations. Overall, this scenario represents a low transition risk and a high level of physical risk when compared to the other scenarios.*[9]

For each scenario we assessed potential short-term (1-3 years), medium term (5-10 years), and long term (30+ years) impacts (from a baseline year of FY23). The short to medium term time frames align with our strategic planning horizons (of approximately five years). The long-term timeframe is not linked to our strategic planning or capital deployment, but provides an interesting opportunity for us to consider risks and opportunities in a timeframe that aligns with the long-term nature of the life insurance policies we write. Further information about the scenarios, time horizons, and the assumptions supporting the scenarios, is set out in Appendix A.

Our scenario analysis took into account the extent of the Chubb Life value chain that has a direct impact on our business. This included considering the design, manufacture and distribution of our product, as well as key stages in the customer lifecycle (represented by services provided by Chubb Life, such as claims and fulfilment), and key external elements such as providers of vital infrastructure and third party services. We have considered undertaking a deeper analysis of some elements of our value chain; however, for now we remain focused on core elements we have already identified.

In addition to the industry scenarios, our Risk and Compliance team led internal research to deepen our understanding of our alternative futures, including the impacts specific to New Zealand in terms of both physical and transitional impacts. We also considered factors specific to Chubb Life, including our value chain (as described above) and the distribution of our customers across New Zealand. We added details by setting out and testing broad assumptions about our business, including our likely distribution models and the likely behaviour of our closest competitors.

We used this information to develop workshops for our Climate Working Group, where they worked through different scenarios and discussed possible risks and opportunities arising in each one. The outcomes of these workshops were then shared and discussed with the full SLT and a subcommittee of the Board, as well as the Chubb Global Climate Officer. Finally, the Risk Committee of the Board reviewed the proposed outcomes of our scenario analysis.

[6] Climate Scenario Narratives for the Financial Services Sector, EY and FSC, page 29
[7] During 2024 it was reported that the average temperature (globally) over 12 consecutive months was more than 1.5 degrees Celsius higher than preindustrial times. This indicates that the plausibility of this scenario is likely declining over time. This is a mandatory scenario under CS1, and accordingly we have included it.
[8] Climate Scenario Narratives for the Financial Services Sector, EY and FSC, page 38
[9] Climate Scenario Narratives for the Financial Services Sector, EY and FSC, page 49

How we built on this work in 2024

In 2024, our primary goal was to challenge our scenario analysis based on either the scenarios or Chubb Life's own operations changing. We also wanted to introduce additional points of view into the scenario analysis to help identify any new risks or opportunities. To achieve this we undertook the following steps:

- **Reviewed the underlying assumptions that supported the scenario analysis:** The Risk and Compliance team reviewed the assumptions that supported our industry scenarios to identify whether the parameters had changed. We also considered whether these scenarios were still plausible and challenging. At the time this review was completed (July to September 2024), no changes were made to the underlying assumptions that would have a bearing on our analysis.
- **Reviewed internal and external settings that might have a bearing on the scenarios:** We then undertook a review of our business model to identify whether any changes had occurred that would mean our value chain, or our operations, would respond differently to the climate scenarios.
- **Implemented a workbook to capture our findings and sought SLT feedback:** Finally, we designed and distributed a workbook to support SLT to consider our existing findings and provide additional commentary and ideas.

The updated risks, opportunities and impacts were then presented to the Climate Working Group for further challenge and discussion, before being incorporated into the draft climate disclosure provided to the Risk Committee for review and feedback.

What climate change presents for Chubb Life

As a life insurer, Chubb Life's business is focused on the long-term protection of our customers. When considering the risks and opportunities presented by climate change, we take into account our responsibilities to our current and future customers.

It is still somewhat uncertain what the climate in New Zealand will look like in the future. Our scenario analysis allowed us to consider a range of possibilities and identify a number of risks and opportunities. Over the next five years we will remain focused on material risks and opportunities. We will also continuously review our risk landscape (described in Risk Management) as well as our strategy and will continue to evolve and refine our view of our material climate-related risks and opportunities.

The climate-related risks and opportunities we have identified since 2023 have not changed materially. We have summarised these, including their likely scenario(s) and earliest timeframes, and highlighted any changes below.

The opportunity to support our customers and communities

We have identified four transition opportunities across different scenarios:

Opportunity description	Likely scenario	Earliest timeframe
Product innovation		
Customers' needs, and the ways we engage with our prospective customers, are likely to change in the future as ways of living and working are impacted by climate change. Exploring the data we hold about our customers and their preferences presents an opportunity to continue to provide innovative, targeted life insurance solutions via the right approach.	**Orderly scenario**	**Short term**
Customer-centricity		
We may also be able to use data to understand our customers' own exposure to climate change in the future, so we can support our customers to understand and plan more broadly for their own climate-impacted future.	**Orderly scenario**	**Medium term**
Operational innovation		
NEW A dual opportunity, whereby we can take early steps to adapt to predicted climate-related risks (creating greater operational resiliency while the cost is low) as well as further reducing our own climate impacts.	**Orderly scenario**	**Short term**
Multi-channel model improvements		
NEW Engaging with Independent Financial Advisers and other key partners, as well as internal stakeholders, to ensure each channel is developed to support sales, retention and customer service even where traditional distribution and service efforts are impacted by physical climate events. This ensures we are conscious of our own actions while the market as a whole evolves.	**Too Little Too Late**	**Medium term**

We have assumed that investing in understanding our customers, and supporting them to adapt to climate change, will provide us with longer term benefits by supporting new business volumes and the management of both claims and lapse rates.

We expect that this investment will mean that over time our customer feedback is positive, future claims experience is improved, and our overall profitability is supported due to retention of existing customers and the onboarding of new customers who prefer our approach and product. However, the impacts of this opportunity are not yet quantifiable, as they depend in part on the trajectory of climate change and in part on the decisions we make about how to implement both Chubb Life's strategy and the actions needed to realise our climate opportunities.

Physical risks and anticipated impacts

We are proactively controlling our own operational exposure to acute physical risks from climate change, such as flooding and landslides, by ensuring we have appropriate ways of working including business continuity practices and support for our teams. At present, and over the short term, we do not expect to be materially impacted by these risks. However, over the medium and long term, and particularly if temperature increases exceed two degrees, we anticipate a number of potential impacts on our corporate operations as these acute events become more severe.

Physical risks arising from climate change can also be chronic, due to longer term shifts in climate patterns. These include persistent high temperatures, rising sea levels, and changes in rainfall. New Zealand will experience all of these, and they are expected to have a detrimental effect on human morbidity and mortality, impacting our customers. The Royal Society has published its evidence summary *Human Health Impacts of Climate Change for New Zealand*, which describes a number of health impacts. We have had reference to these in considering climate-related risks.

At this stage limited quantitative research is available and it is therefore difficult to quantify the changes to life in New Zealand, or the impact on Chubb Life and its customers, with sufficient certainty. However, we reasonably expect that as with acute physical risks, the risks associated with chronic climate change will materially increase where temperature increases are higher.

We have identified the following climate-related physical risks and their reasonably anticipated impacts across different scenarios:

Physical risk description	Likely scenario	Earliest timeframe
Adverse weather events		
Flooding and other acute physical risks could lead to increased insurance costs for Chubb Life and potential costs for retreat/adaptation, even where Chubb Life facilities are not directly impacted.	**Too Little Too Late**	**Medium term**
Staff availability and capability challenges		
Direct impacts on staff from acute physical events could have indirect impacts on Chubb Life's ability to serve customers, with negative impacts on customer retention and behaviour.	**Too Little Too Late**	**Medium term**
Distribution model availability and capability challenges		
Potential impacts on our ability to acquire new customers and therefore possible impacts on Chubb Life's profitability as a result of challenges in the distribution model from weather events.	**Too Little Too Late**	**Medium term**
Unsupportable claims experience		
There may be changes in claims experience as overall health declines, including changes to mental health due to climate anxiety and stress induced by adverse changes to livelihood due to climate impacts. It is relevant that mental health claims can have a longer claim period than other types of claimable events.	**Too Little Too Late**	**Medium term**
Unsupportable lapse experience		
The potential for reduced household income of customers due to systemic economic issues, as well as increased costs required to respond to climate events (such as general insurance, moving costs, costs to repair assets). We expect it will become more difficult for customers to prioritise life insurance in this changing economic environment.	**Too Little Too Late**	**Medium term**

The combined effect of these risks could be felt as an impact on Chubb Life's profitability and solvency over the longer term. This is difficult to quantify with the information currently available. The Chubb Life Actuarial team will continue to monitor the available data and will include changes to future life expectancy (if any) and morbidity in relevant models and assumptions.

We also believe Chubb Life is well positioned for the present-day operational impacts of climate change due to our approach to remote work and our distributed work force.

Transition risks and anticipated impacts

New Zealand has made a commitment to reduce greenhouse gas (GHG) emissions and transition from fossil fuels, which is reflected in the creation of the Climate Change Response Act 2002 and in particular, the amendments made by the Climate Change Response (Zero Carbon) Amendment Act 2019, as well as its ratification of the Paris Climate Accords in 2016. We are therefore anticipating significant policy, legal, technology and market changes to support mitigation and adaptation. We support the efforts to reduce the impact of climate change, and have considered the risks presented by the transition to a lower-carbon economy.

As with physical risk, the severity and likelihood of the risks we have identified vary from scenario to scenario, and they are not presently considered to be material for our business. We will continue to review our risk position over time so we can respond proactively to risks as they become more certain.

We consider our short-term transition risks to be limited at this stage to risks arising from a failure to appropriately acknowledge, engage with, and plan for climate change itself.

Transitional risk description	Likely scenario	Earliest timeframe
Failure to plan (transitional)		
Customers' needs and the relative priority of life insurance, as well as the ways we engage with our current and prospective customers, are likely to change in the future as ways of living and working are impacted by climate change. Failure to engage with this early enough could leave us exposed to attrition in our customer base and potentially increase our insurance risks in the long term due to anti-selection (where we become the preferred insurer of customers who are exposed to more significant risk, leading to an imbalance in our overall customer base).	**Orderly scenario**	**Short term**

Transition Planning: What we're doing to prepare

The Climate Working Group has assessed the impacts of the identified risks and opportunities and determined these do not currently require investment in addition to the overall investment in Chubb Life's strategic goals. However, our strategic work is supplemented with key objectives to support our transition to a climate-impacted future. While these climate-related objectives align with our general Chubb Life strategy, and therefore with our overarching internal capital deployment and funding decision making, we have not otherwise sought to align our transition planning with our internal capital deployment and funding decision-making processes.

Chubb Life's work in 2023 enabled us to begin climate transition planning, and to integrate this planning into our strategy and risk management practices. The first stage of our transition planning incorporates a focus on building systems and processes that allow us to properly understand and respond to the evolving nature of climate change, and its direct and indirect impacts, as well as objectives that reflect our focus on our employees and our customers.

In 2023, we set five objectives for our transition planning through 2024, and identified how we intend to measure our success with achieving these objectives. We report below on our progress against those objectives.

Objective	Update
Identify ways to educate and support customers' and our people's adaptation/resilience to climate change	We completed research to support this objective and shared this with the HR and Strategy teams, including the GM of Strategy and Marketing. We confirmed two key areas of opportunity: 1. Incentivising changes to customer behaviour that will improve overall health/mortality outcomes connected to climate change; and 2. Provide customers (and New Zealanders more broadly) with access to information and resources about climate change. We continue to view this objective as an opportunity, and have now identified that in order for this to be effective it is important to focus resources on data segmentation. That work will ensure we offer more meaningful and useful information to our customers to support them to prepare to be climate resilient.
Investigate the data we will need in order to achieve our aspirations around climate-related innovation in product design and offering so we can support outcomes for our customers	Senior members of the Product, Technology and Actuarial teams formed a working group to advance this objective. This work allowed us to identify critical data elements related to key customer segments. Our next step is to ensure our work on data includes a focus on climate-related critical data elements.
Embed and evolve our approach to assessing the progression of climate change, and to reviewing and updating our view of our climate-related risks and opportunities	The process for sourcing and reviewing evolving research into climate change was embedded into our Risk and Compliance Team, who facilitate risk analysis and emerging risk identification. We completed a review of climate-related risks and opportunities as described in this disclosure. We have assessed that at this stage we can use our existing risk analysis tools and controls within project management and delivery to effectively manage climate risks (including the risk of lost opportunity).
Review our emissions to understand where we can make effective changes to our business model to reduce our environmental impact, including ways in which we can support our employees to make positive climate choices	We published a revised Travel and Entertainment Policy and undertook assurance to ensure this aligned with best practice. The Chubb Group has a practice of replacing vehicles with hybrids when they age out of the fleet. As a result of this policy, the corporate fleet was reviewed during 2024 and 82% will be moved from petrol engines to hybrid vehicles over the course of 2025. The Green Team completed Chubb Life's first employee commuter survey, investigated initiatives to incentivise staff to ride to work, and was engaged in the project to move office spaces in Wellington to ensure we were adopting an environmentally responsible approach.
Review management remuneration and establish the appropriateness of incorporating performance metrics relating to climate	The GM of HR undertook a review of this topic. The result of this work is outlined at page 6. We do not intend to introduce performance metrics relating to climate at this stage.

In 2025 we intend to continue to build on this first phase of transition planning, and will focus on the following two additional key objectives:

Objective	Rationale	How we'll track our progress
Ensure our existing work on data and digital includes a focus on climate related critical data elements (CDEs) such as geographical location or nature of occupation	Having identified CDEs relating to climate, our next step is to ensure these CDEs are incorporated into our overall data and digital work. This will assist us to address opportunities relating to product innovation and customer-centricity to improve adaptation to climate change, as well as managing risks relating to heightened claims and lapse experiences in a climate future.	We will establish a working group within Chubb Life, who will meet to understand the progress in our data work and ensure climate CDEs are incorporated.
Build out our internal view of our Scope Three emissions	Understanding Scope Three emissions introduces more information and nuance in our decision-making but is subject to significant data and methodology uncertainties globally. Undertaking this work will support our continued work to understand and respond to potential transitional risks from climate change.	We will report to the Risk Committee on global developments in (a) measuring invested emissions in Government debt securities and (b) measuring insured emissions in life insurance.

Risk Management

Chubb Life's Risk and Compliance Management Framework sets out Chubb Life's approach to identifying, assessing, and managing all risks, including climate-related risks. Under the Framework, Chubb Life first agrees its appetite for certain key risks and then applies that appetite across its business.

Our approach to managing risk (including climate-related risk) considers materiality, likelihood, and impact of each risk. Risks, including climate-related risks, are reviewed at least annually to agree which risks are the top risks for the Chubb Life business. This helps ensure that our risk management remains focused on the most significant areas of potential impact. Top risks are then reviewed and discussed by the Risk Committee quarterly and are also subject to monthly review and discussion by the SLT. Climate Risk is considered a top risk and appears on the Chubb Life Risk Profile for discussion on a monthly basis. This reflects management and Board focus on this evolving risk area. At this stage we are managing climate risk via actions under the objectives discussed above, and no further risk mitigation has been activated. We report on our progress against our current objectives to the Climate Working Group and to the Risk Committee each quarter.

In addition to its consideration as a top risk, Chubb Life also analyses the various sub-risks that make up Climate Risk as a whole. These include the physical and transitional risks outlined in this disclosure report, which focus on operational risk and risks to our customers. By understanding the nuance of our exposure to these sub-risks, we can better understand our position in relation to climate risk overall and can take a more directed approach to risk mitigation strategies as required.

Chubb Life has undertaken scenario analysis (as described in Strategy) to inform its view of the likely physical and transitional risks arising from climate change over the short-term (1-3 years), medium term (5-10 years), and long-term (30+ years) time horizons (from a base year of FY23). We will continue to review and refine our scenario analysis as a key risk identification tool in the future, so that we can appropriately adapt our view of the likely material risks (and opportunities) arising from climate change.

In 2024 we trialled an approach to reviewing climate-related risks, which leverages elements of our existing Risk and Compliance Management Framework. This requires us to identify any changes to our business, value chain, or operating environment (including climate-related changes, such as new information arising from research) and use these inputs to challenge our existing assessment of the likely impact and timing of climate-related risks. This approach also supports the identification of new or emerging risks. We will continue to refine this methodology through 2025.

Chubb Life uses risk rating methodologies that account for the likelihood, severity, likely speed of onset, and complexity of its risks, and undertakes analysis of its mitigation or adaptation strategies for its key risks. In particular, the likelihood analysis requires us to consider the likelihood of events, out to a maximum of 50 years.

As described on page 9, during the identification and assessment of climate-related risks, we have taken into account the extent of the Chubb Life value chain that has a direct impact on our business, such as product development, marketing, distribution and sales, underwriting, claims and policy administration as well as various support activities such as technology and financial management. We do not consider our whole value chain as at this stage we do not have a detailed view into some elements of our value chain such as: our third- and fourth-party suppliers, including reinsurers and providers of services, tools and materials; and distribution of materials (such as customer communications) related to our intangible products. We are mostly focused on risks that relate directly to our core business.

We use these methods to support our analysis of the detailed climate-related risks identified from scenario analysis. We also expect to adopt additional tools to identify and assess our risk as the science relating to climate change continues to advance.

Metrics and Targets

GHG Emissions

Information about selected categories of Chubb Life's GHG emissions in the year ending 31 December 2024 is set out at Appendix B of this Climate Disclosure.

Future metrics and targets used to measure risks and opportunities

We previously reported that we expect to track additional metrics as part of our oversight of emerging climate risks and opportunities that are specific to the life insurance industry, but that there did not appear to be consensus as to what appropriate metrics will be. This remains the position, and accordingly we have not progressed this work further.

The financial impacts of risks and opportunities

Having analysed our physical and transition risks, we have considered the vulnerability of Chubb Life's assets and business activities, for example, resulting from increases in insurance premiums for, and physical impacts to, business premises, and disruption to services resulting from climate-related weather events. We have assumed that the effects of climate change will continue to aggregate incrementally, and that New Zealand will not experience a climate-related catastrophe with a significant loss of human life in the short term. We consider there is too much uncertainty at present as to the likely mortality effects of chronic physical risks, such as rising temperatures or rainfall, and so we have not taken these into account when assessing our financial exposure.

We have also assumed that we will continue to take action to address the shorter term risks we have identified, in alignment with our existing approach to risk management. Based on those assumptions, we have not identified business activities or assets where the vulnerability to climate-related physical or transition risks is material.

Similarly, the climate-related opportunities we have identified to date have parallels with our strategic goals and operational plans. Because of this, Chubb Life has not deployed material capital expenditure on climate related opportunities specifically and at this stage there is no material alignment of assets or business activities to climate-related opportunities specifically. In addition, we do not currently deploy material amounts of capital, financing or investment towards climate-related risks.

As transition planning and climate strategies evolve over the next few years we anticipate we will be able to more meaningfully allocate capital and operating expenditure towards climate-related risks and opportunities.

There has been no change since FY23 in the metrics provided above in relation to:

- Assets or business activities vulnerable to transition risks or physical risks;
- Assets or business activities aligned with climate-related activities; and
- Amount of capital expenditure, financing, or investment deployed toward climate-related risks or opportunities.

Targets and performance indicators

At Chubb Life our initial focus is on further developing our transition plan to support our customers and our business to transition to a low-emissions future. While we have not yet set New Zealand-specific targets (as anticipated in our FY23 CRD), we have instead focussed on developing our next phase of objectives, as described at page 14 above.

In New Zealand Chubb Life has completed a review of potential changes to both our internal operations, and in the external environment, which are likely to impact our emissions. These include:

- Changes to our head office in Wellington, including a reduction in footprint and introduction of energy saving options at the new location. We expect to undertake a similar exercise for our Auckland office in the next 12-24 months;
- The transition of our fleet of vehicles from petrol to HEV. In 2025 we expect 32 of our 39 current petrol vehicles to have been transitioned across, thereby reducing our emissions; and
- Mitigation strategies set out in the New Zealand Biennial Transparency Report, including participation in initiatives to reduce aviation emissions and to increase renewable energy sources and EV charging infrastructure.

Appendix A: Scenario Narratives

Chubb Life was a member of the FSC's Climate Working Group, which was involved in the development of the climate scenario narratives for the financial services sector. The use of sectoral scenarios allows consumers to more easily compare disclosures.

The process to determine the scenario narratives followed five stages:

1. Engagement of stakeholders, including the establishment of the working group and the Steering Committee;
2. Setting the focal question, which included determining the time horizons and key categories of climate-related risk;
3. Identifying driving forces, utilizing STEEP analysis. The STEEP analysis tool is a framework for assessing how external environmental considerations will impact a company's business plan. It provides a structure for thinking through the social, technological, environmental, economic and political factors in a future scenario. This phase included desktop research to identify the most appropriate scenarios and data sets;
4. Selected the scenarios and identified risks, opportunities and their pathways. Work was undertaken with the members to identify the key climate-related risks, and the impacts of these risks under different scenarios; and
5. Draft and revising the narratives.

The scenarios are summarized in the table below:

Objective	**Orderly** **1.5° C**	**Too Little Too Late** **>2° C**	**Hothouse** **>3° C**
Global climate and socio-economic parameters	IPCC SSP1-1.9	IPCC SSP2-4.5	IPCC SSP5-8.5
Global energy and emission pathway parameters	NGFS Net Zero 2050 IEA Net Zero Emissions by 2050	NGFS NDCs IEA APS	NGFS Current Policies IEA STEPS
New Zealand-specific climate parameters	NIWA RCP2.6	NIWA RCP4.5	NIWA RCP 8.5
New Zealand-specific transition pathway parameters	CCC 'Tailwinds'	CCC 'Headwinds'	CCC 'Current Policy Reference'
Emissions pathway	Steep and steady decline • Domestic: 47 $MtCO_2e$ by 2030, 3.8$MtCO_2e$ by 2050 • Global: NGFS Net Zero by 2050 25.9 $BtCO_2e$ by 2050, -294.82 $MtCO_2e$ by 2050 using GCAM5.3+ (NGFS)	Steady decline • Domestic: 57 $MtCO_2e$ by 2030, 22$MtCO_2e$ by 2050 • Global: NGFS National Determined Contributions (NDCs) 35.1 $BtCO_2e$ by 2050, -26.7 $MtCO_2e$ by 2050 using GCAM5.3+ (NGFS)	Minimal change • Domestic: 62 $MtCO_2e$ by 2030, 35$MtCO_2e$ by 2050 • Global: NGFS Current Policies (Hothouse) 38.6 $BtCO_2e$ by 2050, 34.3 $MtCO_2e$ by 2050 using GCAM5.3+ (NGFS)
Environmental	Average temperature increase by 2100: • Domestic: +0.7°C by 2100 (min 0.4, max 1.3) • Global: +1.4° C by 2100 (min 1.0, max 1.8)	Average temperature increase by 2100: • Domestic: +1.4°C by 2100 (min 0.7, max 2.2) • Global: +2.7° C by 2100 (min 2.1, max 3.5)	Average temperature increase by 2100: • Domestic: +3.0°C by 2100 (min 2.0, max 4.6) • Global: +4.4° C by 2100 (min 3.3, max 5.7)

Continued >

Objective	Orderly 1.5° C	Too Little Too Late >2° C	Hothouse >3° C
Policy	Progressive policy activity globally, such as the implementation of national and international emissions reduction requirements, mandatory climate-related reporting, emissions tradition schemes and carbon taxes. Carbon price: • Domestic ETS: NZ$140 in 2030, NZ$250 in 2050 • Global: US$124 in 2030, US$400 in 2050	Inconsistent application of climate policies, with some countries (such as NZ) implementing climate policy early, for example, national and international emissions reductions requirements and carbon taxes. Other countries take very little action to create policy action to incentivize a low emissions future until mid-century. Carbon price: • Domestic ETS: NZ$140 in 2030, NZ$250 in 2050 • Global: US$34 in 2030, US$50 in 2050	Reverse, revoke or roll back of climate policies by countries, such as NZ, that were early adopters of policies to reduce emissions. Policies that are currently under development by Japan, China and Australia are paused. The Paris Agreement fails as countries begin to withdraw. Carbon price: • Domestic ETS: NZ$35 in 2030, NZ$35 in 2050 • Global: US$6 in 2030, US$6 in 2050
Social	Concerted behaviour change across the population Global population: 8 billion by 2030, 8.5 billion by 2050	Increased geopolitical tensions Global population: 8.3 billion by 2030, 9.2 billion by 2050	Increasing political instability Global population: 8.2 billion by 2030, 8.6 billion by 2050
Technological Assumptions related to carbon sequestration from afforestation and nature-based solutions not included in scenario narratives	Increased research and rapid uptake of low emissions and emissions abatement technology Percent of renewable electricity of total electricity produced: • Domestic: 94% by 2030, 100% by 2100 • Global: 61% by 2030, 88% by 2050 Percent of renewable energy of total energy produced: • Domestic: 55% by 2030, 90% by 2100 • Global: 30% by 2030, 67% by 2050	Delays in development of low emissions and emissions abatement technology, restricting early moving nations' progress on decarbonization until closer to the medium term. Percent of renewable electricity of total electricity produced: • Domestic: 94% by 2030, 98% by 2100 • Global: 46% by 2030, 71% by 2050 Percent of renewable energy of total energy produced: • Domestic: 50% by 2030, 80% by 2100 • Global: 19% by 2030, 37% by 2050	Overall lack of change of technology change to support emissions reduction. By 2050, fossil fuels continue to be the dominant source of primary energy at a global level. Percent of renewable electricity of total electricity produced: • Domestic: 93% by 2030, 94% by 2100 • Global: 42% by 2030, 60% by 2050 Percent of renewable energy of total energy produced: • Domestic: 48% by 2030, 61% by 2100 • Global: 16% by 2030, 26% by 2050
Economic GDP (GDP % change due to chronic physical risk, acute impacts are excluded from this figure and would further negatively impact GDP)	Positive growth • NZ GDP: NZ$330 billion (-0.5%) in 2030, NZ$485 billion (-0.7%) in 2050 • Global GDP: US$176 trillion (-1.2%) in 2030, US$289 trillion (2.0%) in 2050	Significant financial impacts • NZ GDP: NZ$329 billion (-0.7%) in 2030, NZ$477 billion (-2.3%) in 2050 • Global GDP: US$175 trillion (-1.6%) in 2030, US$274 trillion (-2.3%) in 2050	Surmounting costs • NZ GDP: NZ$329 billion (-0.7%) in 2030, NZ$475 billion (-2.6%) in 2050 • Global GDP: US$175 trillion (-1.6%) in 2030, US$273 trillion (-5.7%) in 2050

IPCC	Intergovernmental Panel on Climate Change	**CCC**	Climate Change Commission
SSP	Shared Socioeconomic Pathways	**$MtCO_2e$**	Metric tonnes of CO_2 equivalent
NGFS	Network for Greening the Financial System	**GCAM**	Global Change Analysis Model
IEA	International Energy Agency	**ETS**	Emissions Trading Scheme
NIWA	National Institute of Water and Atmospheric Research	**GDP**	Gross Domestic Product
RCP	Representative concentration pathways		

The sector narratives are supported by robust rationale for their inclusion. The Orderly and Hothouse scenarios are commonly used in relevant industries, and have been used in other New Zealand sectoral analyses. The Too Little Too Late scenario is not commonly used, but is considered more realistic than the "Disorderly" scenario. In order to further satisfy ourselves that the scenarios were relevant and appropriate, we reviewed the narratives against the scenario quality check factors set out in the XRB's Staff Guidance on Scenario development, as well as the express requirements of the Climate Standards. We also undertook additional research relating to climate change and its impacts from a life insurance perspective, to ensure that our understanding of the impacts on human health and life was robust. See the References at the end of this report for a list of the New Zealand-specific resources used in conducting our scenario analysis.

The nature of our business means that we must consider plausible but challenging narratives. The chosen scenarios ensure we consider a wide range of possible risks and opportunities that could emerge, and allow us to assess how similar risks could emerge in different ways in different scenarios. In this way, the scenarios support Chubb Life's senior management and Board to prepare for a future where the impacts of climate change could vary significantly. To support this, we made some assumptions about Chubb Life and our industry as part of our scenario analysis. In particular, we assumed that:

- our appetite for non-compliance would remain low,
- we would continue to have a similar target market for our products, and that we would (broadly) continue to offer the same product types,
- we would continue to do actuarial analysis to support pricing, and would continue to maintain statutory and shareholder funds with an external manager,
- there would continue to be a number of meaningful competitors in our market, who also consider that ESG is an important requirement (and will therefore participate fully), and
- our competitors would continue to use hybrid teams to serve their businesses.

Appendix B: Chubb Life GHG emissions reporting

Chubb Limited measures and reports on Greenhouse Gas (GHG) emissions at a Group level. In 2024 Chubb Life submitted information, including data relating to its electricity consumption, fuel consumption, and air travel to Chubb Limited. This data was then used by Chubb Limited to calculate both its consolidated GHG emissions, and the emissions for Chubb Life on a stand alone basis. The consolidated report can be viewed [here].

Emissions are defined as:

- Direct GHG emissions (Scope 1): emissions from sources that are owned or controlled by the company.
- Indirect GHG emissions (Scope 2): emissions from the consumption of purchased electricity, heat or steam.
- Indirect GHG emissions (Scope 3): emissions that occur as a consequence of the company's activities but from sources not owned or controlled by the company.

Chubb Limited reports carbon dioxide equivalent (CO_2e) emissions, which are inclusive of four (4) greenhouse gases: CO_2 (carbon dioxide), CH_4 (methane), N_2O (nitrous oxide), and HFCs (hydrofluorocarbons). Emissions data by individual gas is not disclosed as a majority of CO_2e is related to CO_2.

The emissions that Chubb Life measures and reports are set out in the table below.

	Emissions sources measured by Chubb Life	Gross emissions in metric tonnes of CO_2e in 2023	Gross emissions in metric tonnes of CO_2e in 2024[1]
Scope One	Direct emissions from mobile combustion of fuels, and refrigerants.	155.5[1]	204.53[1]
Scope Two	Indirect emissions from purchased electricity (location-based).	49.1[1]	23.14[1]
Scope Three	Indirect emissions from commercial air travel. Other sources of scope 3 emissions are not currently measured by Chubb Life.	195.18[2]	453.52[2]
	Total	399.78	681.19

The methodology for measuring Scope one and Scope two emissions changed between 2023 and 2024, as described further at page 22.

Approach to measurement

In measuring GHG emissions, Chubb Limited uses an operational control approach, which is then also utilized in respect of Chubb Life. In relation to Scope 1 and Scope 2 emissions, the Chubb Life boundary includes all locations for which we hold a deed or lease and leased fleet vehicles. Related to Scope 3 emissions, the boundary includes business travel by Chubb Life employees on commercial airlines.

Chubb Limited measures greenhouse gas emissions in accordance with the principles and guidance of the World Resources Institute (WRI) and World Business Council for Sustainable Development's (WBCSD) *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard*, *Revised Edition*, *GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard*, and the *Corporate Value Chain (Scope 3) Accounting and Reporting Standard: Supplement to the GHG Protocol Corporate Accounting and Reporting Standard*.

Emissions were converted to CO_2e using actual or estimated consumption data multiplied by the associated emission factors and/or global warming potentials (GWPs). GWPs were sourced as follows: (i) where the GWP is not embedded in the emission factor,

[1] For 2024, PwC performed limited assurance in relation to gross scope 1 and 2 emissions as set out in their Independent Assurance Report. No assurance has been performed in relation to comparative information.

[2] No assurance has been performed in relation to gross scope 3 emissions in 2024 and 2023.

GWPs from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) are used or (ii) where the GWP is embedded in the emission factor (i.e., emission factors only provided as CO_2e), the embedded GWPs are used. The NZ Ministry for the Environment and the UK Department for Energy Security and Net Zero use GWP values from the IPCC Fifth Assessment Report (AR5).

The emissions factors measured by Chubb Life are:

- Scope one:
  - Mobile combustion (leased fleet vehicles): Ministry for the Environment. 2024. Measuring emissions: A guide for organisations: 2024 summary of emission factors. Wellington: Ministry for the Environment (May 2024) for motor gasoline and diesel.
  - Refrigerants: IPCC, 2023: Climate Change 2023: Synthesis Report. Contribution of Working Groups I, II and III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change
- Scope two, purchased electricity: Ministry for the Environment. 2024. Measuring emissions: A guide for organisations: 2024 summary of emission factors. Wellington: Ministry for the Environment (May 2024)
- Scope three, commercial air travel: Department for Energy Security and Net Zero, UK Government GHG Conversion Factors for Company Reporting (without RF) 2024, Version 1.1 (July 2024)[3]

GHG emissions quantification is subject to significant inherent measurement uncertainty due to factors such as GHG emissions factors that are used in mathematical models to calculate GHG emissions, and the inability of these models, due to incomplete scientific knowledge and other factors, to accurately measure under all circumstances the relationship between various inputs and the resultant GHG emissions. Environmental and energy use data used in GHG emissions calculations are subject to inherent limitations, given the nature and the methods used for measuring such data. The selection by Chubb Limited of different but acceptable measurement techniques could have resulted in materially different amounts or metrics being reported.

Chubb Limited (and therefore Chubb Life) does not use an internal emissions price.

Methods, Assumptions and Estimates adopted in respect of GHG reporting

Scope one: mobile combustion	**Methodology:** Chubb Limited used actual litres of motor gasoline and diesel fuel consumed for employee personal and business use obtained from employee company fuel cards, where available. **Assumptions**: It is assumed that the data represents a complete and accurate account of all fuel purchases, and it is assumed that staff used required processes for acquiring fuel for fleet vehicles. **Estimates:** No estimations were used to calculate these emissions. **Uncertainties:** Uncertainties arise due to our reliance on third party supplier reports and the possibility that employees may have not charged fuel for their vehicles to their fuel cards.
Scope one: refrigerants	**Methodology:** Refrigerants represent discharge and recharge of refrigerants from chillers, coolers, and HVAC. Where actual consumption data was not available, Chubb Limited estimated emissions from refrigerants using the following approach: Using an intensity factor per square foot generated from the US Environmental Protection Agency's Hydrofluorocarbons Emissions Accounting Tool to Support Federal Reporting of Hydrofluorocarbon Emissions (October 2016) for the services sector multiplied by the site's square footage obtained from the deed or lease agreement and months owned or leased for the reporting year. This source was adopted as it provides for a simplified screening methodology which is effective where an entity does not have data about the amount of refrigerant or charge capacity of equipment. **Assumptions:** Where purchase data was not available, but sites reported having chillers, coolers or HVAC, Chubb Life assumed that refrigerants were leaking or will leak into the atmosphere at those sites. Where actual data is not available for buildings, it is assumed that a blend of R-134a and R410a emissions intensity is used for cooling.

[3] No assurance has been performed in relation to gross scope 3 emissions in 2024 and 2023.

Scope one: refrigerants	**Estimates:** Chubb Life does not directly measure refrigerant consumption. Accordingly, the emissions relating to refrigerants were entirely estimated in accordance with the methodology described above. There are other methodologies available for estimating consumption that may result in different outcomes. The Chubb Limited methodology for estimation and assumptions was adopted by Chubb Life in order to align with the consolidated approach. These estimated emissions account for approximately 7.8% of reported Scope 1 emissions. **Uncertainties:** There is no data available to support the leakage rate of refrigerants in respect of Chubb Life sites in New Zealand. This data uncertainty means that estimation must be used.
Scope two: purchased electricity (location-based)	**Methodology:** Reported Scope 2 emissions include indirect emissions from purchased electricity from the grid used at Chubb Life sites. Chubb Limited used actual consumption data obtained from third party invoices for all periods where these were available, measured in kWh. Estimation was applied where actual data was not available. **Assumptions:** It was assumed that the meterage data provided by third party suppliers is complete and accurate, and that the data underlying any estimations, such as floor areas set out in the relevant leases, was correct. **Estimates:** For months where actual data was not available, Chubb Life estimated electricity consumption by taking the average consumption of months within reporting period for which we held actual consumption data in a particular location. **Uncertainties:** Uncertainties arise due to our reliance on third party supplier reports and the reliance on estimations for some periods in the reporting year. These estimated emissions account for approximately 7.9% of the reported location-based Scope 2 emissions.
Scope three: commercial air travel[4]	**Methodology:** Emissions from commercial air travel for employees were calculated using the distance-based method. Information regarding origin and destination was collected by Chubb Limited from Chubb Life's third-party travel system used to book business travel for its employees. This was then ingested into Watershed, which calculated emissions arising from both well-to-tank and fuel combustion. **Assumptions:** It is assumed that staff only booked corporate travel via the required internal travel provider, and all travel is accurately coded, and that therefore that the data is complete and accurate. **Estimates:** no estimates were made by Chubb Life. **Uncertainties:** Uncertainties arise due to our reliance on third party supplier reports of our corporate travel, and the possibility that this contains inconsistencies due to employees entering data incorrectly or incorrect coding by the supplier. **Exclusions:** Chubb Life has relied on the transitional relief in relation to reporting its scope 3 emissions for all other sources of these emissions as defined by Climate Standard 1. Further work is required to determine whether these emissions can be calculated in a sufficiently reliable way, and whether their disclosure would be material under Climate Standard 3.

Changes to methodology

In 2023, emission factors for direct emissions were derived from the Climate Leaders Inventory Guidance documents developed by the US Environmental Protection Authority[5,6,7]. Grid average emission factors for indirect emissions, including electricity, were derived from the International Energy Agency for locations outside the US, which are updated annually[8]. Emission factors for Scope 3 – Business Travel emissions, specifically air travel, were derived from the UK's Department for Environment, Food and Rural Affairs. In 2024 Chubb Limited implemented new climate reporting infrastructure, and updated its methodology to adopt different sources of emissions factors. In particular, Chubb Limited adopted emissions factors published by the New Zealand Ministry for the Environment in respect of Chubb Life, as outlined on page 21.[9]

[4] No assurance has been performed in relation to gross scope 3 emissions in 2024 and 2023.
[5] EPA Centre for Corporate Climate Leadership, Greenhouse Gas Inventory Guidance, Direct Emissions from Mobile Combustion Source (December 2023).
[6] EPA Centre for Corporate Climate Leadership, Greenhouse Gas Inventory Guidance, Indirect Emissions from Purchased Electricity (December 2023).
[7] EPA Centre for Corporate Climate Leadership, Greenhouse Gas Inventory Guidance, Direct Fugitive Emissions from Refrigeration, Air Conditioning, Fire Suppression, and Industrial Gases (December 2023).
[8] International Energy Agency, Emissions Factors 2023, Annual GHG emission factors for World countries from electricity and heat generation (September 2023).
[9] United Kingdom Department for Environment, Food and Rural Affairs, Greenhouse gas reporting: conversion factors 2023 (28 June 2023).

Emissions intensity[10]

Chubb Life has calculated the intensity of its Scope One and Two emissions relative to its number of full time employees.

Metric	2023	2024
Total number of full-time employees	339 as at 31 December 2023	349 as at 31 December 2024
Total emissions for Scope One and Scope Two (tonnes of CO_2e)	204.6	227.67
Scope One and Scope Two GHG emissions intensity per employee (tonnes of CO_2e)	0.60	0.65

[10] No assurance has been performed in relation to emissions intensity in 2024 and 2023.

Independent Assurance Report

To the Directors of Chubb Life Insurance New Zealand Limited

Limited Assurance Report on Chubb Life Insurance New Zealand Limited's Greenhouse Gas (GHG) Disclosures

Our conclusion

We have undertaken a limited assurance engagement on the gross GHG emissions, additional required disclosures of gross GHG emissions, and gross GHG emissions methods, assumptions and estimation uncertainty (the GHG Disclosures), within the *Scope of our Limited Assurance Engagement* section below, included in the New Zealand Climate-related Disclosures (the Climate-related Disclosures) of Chubb Life Insurance New Zealand Limited (the Company) for the year ended 31 December 2024.

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 4 of the Climate-related Disclosures.

Scope of our Limited Assurance Engagement

We have undertaken a limited assurance engagement over the following GHG Disclosures on pages 20 to 22 of the Climate-related Disclosures for the year ended 31 December 2024:

- gross GHG emissions on page 20:
  - Scope 1 GHG emissions, and
  - Scope 2 GHG emissions (location-based method).
- additional required disclosures of gross GHG emissions on pages 20 and 21; and
- gross GHG emissions methods, assumptions and estimation uncertainty on pages 20 to 22.

Our assurance engagement does not extend to any other information included, or referred to, in the Climate-related Disclosures. The comparative information for the year ended 31 December 2023 disclosed in the Company's Climate-related Disclosures is not covered by the assurance conclusion expressed in this report. We have not performed any procedures with respect to the excluded information and, therefore, no conclusion is expressed on it.

Other matter - comparative information

The comparative GHG Disclosures (that is GHG Disclosures for the year ended 31 December 2023) have not been subject to assurance. As such, these disclosures are not covered by our assurance conclusion.

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 21 of the Climate-related Disclosures, 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 NZ SAE 1 *Assurance Engagements over Greenhouse Gas Emissions Disclosures*, issued by the External Reporting Board (XRB). 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.

We are independent of the Company. Other than in our capacity as financial statement auditors, assurance practitioners and providers of other related assurance services we have no relationship with, or interests in, the Company. In addition, certain partners and employees of our firm may deal with the Company on normal terms within the ordinary course of trading activities of the business. The provision of these other services and relationships has not impaired our independence.

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

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

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

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

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

- Obtained, through enquiries, an understanding of the Company's control environment, processes and information systems relevant to the preparation of the GHG Disclosures. We did not evaluate the design of particular control activities, or obtain evidence about their implementation;
- Evaluated whether the Company's quantification methodology, including methods for developing estimates, are appropriate and had been consistently applied;

- Performed analytical reviews and trend analysis of gross Scope 1 and Scope 2 GHG emissions and made enquiries of management to obtain explanations for any significant differences we identified;
- Tested, a limited number of items to, or from, supporting records, as appropriate;
- Recalculated gross Scope 1 and Scope 2 GHG emissions;
- 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 an assurance opinion on these GHG Disclosures.

Inherent limitations

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

Who we report to

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

The engagement partner on the engagement resulting in this independent assurance report is Christopher Ussher.

For and on behalf of:

PricewaterhouseCoopers

PricewaterhouseCoopers Wellington
16 April 2025