AA Insurance

Sustainability Report **2025**



AA Insurance

1 July 2024 – 30 June 2025

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→ **Refer to the Appendices** for some important information about the contents of this report.



AA Insurance's 2025 Sustainability Report covers the financial year from 1 July 2024 to 30 June 2025 (FY25).

Introduction

Welcome to AA Insurance Limited's ('AA Insurance') 2025 Sustainability Report. This report covers key areas of action reflecting our ambition to create impact under our sustainability pillars: Protecting New Zealand, Thriving People, and Climate Resilience.

About us

AA Insurance is an independently operated New Zealand-based joint venture between Vero Insurance New Zealand Limited ('Vero') (68% ownership) and the New Zealand Automobile Association Limited ('NZAA') (32% ownership). Vero is owned by Suncorp Group Limited ('Suncorp'), a listed Australian company. NZAA is an incorporated society governed by a National Council, which oversees its affairs and appoints the Board.

Since 1994 we have shown trusted expertise in home, contents and car insurance, and in 2018 we introduced small business insurance. We help protect customers against many of the financial impacts that accidents, natural disasters and climate-related events can have on their assets.

We underwrite our own policies and sell direct to New Zealanders. Our **1,100+** New Zealand-based employees look after over **1,100,000** policies for our customers.



560,000+ customers



AA Insurance is a Climate Reporting Entity under the Financial Markets Conduct Act 2013 and has prepared Climate Statements in accordance with the Aotearoa New Zealand Climate Standards. They can be found on our **website**.

Standard and Poor's (Australia) Pty Ltd has given us an Insurer Financial Strength Rating of AA- (Very Strong). You can read more about our financial strength on our website **Our current financial strength | AA Insurance**

Welcome from our CEO and Board Chair

On behalf of the AA Insurance management team and Board, we're pleased to present our 2025 Sustainability Report.



Michelle James
Chief Executive Officer

8 October 2025

Alison Barrass
Chair

8 October 2025

Over the past year, AA Insurance has focused on delivering strong outcomes under each of our sustainability pillars – Protecting New Zealand, Thriving People, and Climate Resilience. This report is our opportunity to share some of these highlights with you.

The principles of sustainability are increasingly important for our business as we adapt to an ever-changing natural world. What hasn't changed is AA Insurance's commitment to be there for our customers when they need us. We will do this with a strategic focus on developing our product and service offerings, integrating partnerships with a strong social impact, and taking a responsible, long-term approach to managing risk.

> "Sustainability is not solely the remit of an individual or a team, but the responsibility of the entire business."

This report highlights how we are investing in our systems and processes for the future (page 6). This approach is fundamental to maintaining a resilient, successful business, enabling us to deliver an integrated insurance experience and be deserving of the trust our customers have in us.

While the impact of climate change on weather patterns is clear, the resulting increase in the volume, complexity and cost of claims needs to be managed responsibly through pricing signals and managing our market share in places with higher natural hazard risk. In the future, insurance could look different across New Zealand, and we are committed to engaging with our communities and customers to explain the factors that may impact insurance cover in the future (page 7).

This year, we are proud to highlight how we are strengthening our commitment to Diversity, Equity, Inclusion and Belonging (DEI&B) initiatives, reflecting our absolute shared belief that everyone can bring their whole selves to work. In this report, we share the stories of our four Employee Action Groups, which are run and managed by teams of passionate individuals and empowered by executive sponsors (page 10).

We are proud this year to have furthered our commitment to partnering for social impact, by supporting the United Fire Brigades' Association and Women's Refuge (page 11). Our partnership with the Student Volunteer Army continues to thrive, as our organisations lean into our shared commitment of building community resilience (page 14).

We support New Zealand's transition towards a low emission future, and are actively taking steps to manage our emissions (page 15). Alongside the updates in this report, you can find more detail relating to the climate risks and opportunities facing our business in our 2025 Climate Statement.

We welcome the Independent Reference Group's Adaptation Report and its emphasis on a coordinated, inclusive approach to climate resilience in New Zealand. Adapting to the impacts of climate change is not going to be easy, but the recommendations offer pragmatic, structured pathways for embedding adaptation into decision-making, which will empower local communities to lead in shaping resilient futures.

There's no doubt the environment we're operating in brings with it a range of emerging challenges and opportunities, but we will stay true to our purpose by keeping our customers and communities at the heart of all we do, as we have done for more than 30 years.

We hope you enjoy sharing in some of our highlights of the last 12 months.

Sustainability at AA Insurance

Our vision is to *Earn the trust of New Zealanders and their communities to protect what matters most.*
At the heart of this vision is how we are adapting to the changing environment, meeting customers' expectations of us, and how we are responding to rapidly advancing technology across all aspects of our value chain.

A sustainable approach to valued customer experiences, climate goals and genuine social impact initiatives is an important part of how we will succeed over the long term. Our sustainability approach has been designed with these principles in mind.

Materiality

We conduct materiality assessments every two years. Last year's materiality assessment saw us engage with our stakeholders to identify the topics that are important to them and to our business. These material topics inform the three pillars of how we approach sustainability at AA Insurance. You can find more about our material topics in the appendix on page 18.

Earn the trust of New Zealanders and their communities to protect what matters most.

Protecting New Zealand

Provide insurance products and services that our customers value and trust

Material topics:

- **Product, pricing and service innovation**
- **Digital and data preparedness**
- **Sustainable financial performance**

Thriving People

Strengthen the long-term resilience of people, customers and communities

Material topics:

- **Resilient communities**
- **Proactive voice**
- **Engaged and inclusive culture**
- **Future-ready workforce**

Climate Resilience

Support the transition to a low emission, climate resilient future

Material topics:

- **Environmental impact**
- **Climate change response**
- **Ethical sourcing**

Our year at a glance

$532m in claims paid

198,022 claims lodged

250+ suppliers signed up to **Supplier Code of Practice**

Employee working arrangements

- Remote **40%**
- Hybrid **60%**



83% Employee engagement score

21,861 learning courses completed by our people

50% of women on Executive Leadership Team

Gender pay gap

12.48% (in favour of men)

Calculated as the difference in the median base salary hourly rate between men and women for all employees including the Executive Leadership Team.

Delivered phase 1 of our Digital Transformation Programme

Policy growth

2.0% Motor

8.0% Home

1.6% Contents

11.7% Small business

57.48% leadership roles held by women

Established our **AI Centre Of Excellence**

21.3% reduction in emissions since FY20 baseline[1]

36.3% increase in total reported emissions since **FY24**

62 Net promoter score (NPS)

88.9% Overall customer satisfaction score



$40k in sports grants awarded to four primary schools nationwide through our **Big Little Sponsorship**

Partnered with the **United Fire Brigades' Association** (UFBA)



[1] This reduction relates to emissions categories covered by our 42% reduction target only. AA Insurance has set a short-term science aligned greenhouse gas emissions reduction target, covering scope 1, scope 2 and some scope 3 emissions categories that we have been measuring since FY20. Our target is to reduce these emissions by 42% between FY20 and FY30. For further information, see our 2025 Climate Statement.



Section 1

Protecting New Zealand

How we're striving to provide insurance products and services that our customers value and trust.

Material topics:

- **Product, pricing and service innovation**
- **Digital and data preparedness**
- **Sustainable financial performance**

Protecting New Zealand

Standing with customers experiencing financial hardship

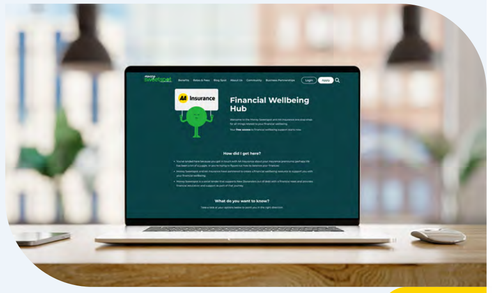
In October 2024, we launched a six-month trial to understand how we can better support customers facing financial vulnerability.

Through this pilot, eligible customers received tailored premium and payment support, along with access to our financial wellbeing partner, Money Sweetspot, a social enterprise offering debt consolidation loans and financial tools designed to help people reset, regain control, and build lasting financial resilience.

In just six months, we supported over 300 customers, and offered over $50,000 in premium relief, easing financial pressure and helping the vast majority retain their insurance cover, ensuring they stayed protected when they needed it most.

The impact extended beyond customers. Some of our team members also tapped into Money Sweetspot's resources to strengthen their personal financial wellbeing. Inspired by this, we're now exploring how we can expand access to these services for our people in the coming year.

Whitney Ferguson, Customer Resolution Specialist, was deeply involved with the trial, helping to develop a process and resources for the frontline teams about Money Sweetspot and how it can help customers. "It was very rewarding to develop support that helps customers by providing immediate financial relief, in addition to long-term solutions, to help ensure their insurance is in place when it's needed," Whitney said.



Financial hardship is complex, and no two stories are the same. But this trial reinforced the importance of meeting people with empathy and practical support. We're proud of what we've achieved so far, and we're committed to building on it, refining and expanding the programme to support even more customers in 2025 and beyond.

Smart systems, safer outcomes: embedding sustainability through digital transformation

At AA Insurance, sustainability includes building smart systems that support long-term resilience and place our customers front and centre.

Our multi-year Digital Transformation Programme is a key pillar of this approach, reshaping how we operate and ensuring we're equipped to meet our customers' needs, now and well into the future.

Over the past three years, we've been preparing to systematically replace our legacy customer systems with future-focused technology. In April 2025, we reached a major milestone with the first release of our Digital Transformation Programme in partnership with Suncorp, including implementation of a new world class policy administration system and the integration of a digital guidance and automation platform that's transforming the way we support our customers. Since launch, more than 43,000 financial advice notes have been captured for new quotes - improving compliance, reducing risk, and giving customers clearer advice.



Previously, our frontline teams had to navigate a mix of system prompts, knowledge scripts, and personal memory. With the new system, the process is now more intelligent, reliable, and aligned with our regulatory responsibilities.

While the Digital Transformation Programme has been a significant undertaking, sometimes, making things better starts with something as simple as a phone call. This year, we knew that if we wanted to deliver faster, more helpful service to our customers, we needed to give our people the right tools to do it. That's why we also moved to a modern phone system that makes life easier for both our people and our customers.

These system investments are about more than just technology. They're about creating a stronger, more efficient, and sustainable business model.



"I love how cohesive everything is, and I don't need to keep referring back to my scripting as it's all just there. I really love the reminders to make sure I've discussed important areas with customers."

Trinity Sovea,
Sales Representative.

Claims Team of the Year 2024

We are proud to be named Claims Team of the Year for the second year running at the 2024 New Zealand Insurance Industry Awards.

At AA Insurance, every claim is a chance to do what's right - for our customers, our people, and our communities. This recognition reflects the dedication of our incredible team and partners as we continue to deliver on our purpose 'we care, we help, and we get things sorted.'



AA Insurance team members celebrating our Claims Team of the Year win.

Building a resilient future together

Insurance is about more than policies, it's about people. It's about being there when things go wrong, and helping communities get back on their feet. That's why we're focused on being a sustainable, long-term partner for Kiwis.

As our understanding of natural hazard risk improves, we're evolving how we price for these risks so we can keep supporting our customers when they need us most.

Pricing for resilience: a risk-based approach

Not all properties face the same level of risk. That's where "risk-based pricing" comes in. It means the costs of insurance premiums more accurately reflect the unique natural hazard risks of a specific address and location.

Using detailed data and modelling, we price each home policy based on the natural hazard risk involved. As Chris Taylor, Head of Pricing explains, pricing risk responsibly helps customers understand the risks associated with their assets:

"Reinsurers around the world are increasingly seeking greater clarity on natural hazard risk segmentation - low, medium, and high - as well as more robust exposure management from their insurance partners.

In response, we've begun incorporating detailed data and advanced modelling to assess the likelihood of natural hazard events when setting premiums. By integrating natural hazard risk into pricing, we can empower customers and communities to make more informed decisions about their assets, supporting a stronger, more resilient future."

Insurance in high-risk areas

Some places in New Zealand are naturally more exposed to natural hazards like floods and earthquakes. As a responsible insurer, to make sure we can fully support our current customers if a major event hits, we sometimes need to temporarily stop offering *new* Home policies in those higher-risk zones.

> "It's never an easy call. We don't make these decisions lightly. It's about ensuring we stay strong and responsive when our current customers need us most. We regularly review our underwriting limits, and restrictions may change over time."
>
> Dee Naidu,
> Head of Underwriting.

As New Zealand adapts to the climate challenge, so are we. By focusing on being a sustainable, resilient insurer, we can be here to help support our customers get back on their feet now, and well into the future.

> Ultimately, we are thinking about the challenges of insurance availability now, to ensure we can be here for our customers in the long term.



For more on how we are working with government and industry to advance resilience in our communities, see **page 9**.



Section 2

Thriving People

How we're working to strengthen the long-term resilience of people, customers and communities.

Material topics:

- **Resilient communities**
- **Proactive voice**
- **Engaged and inclusive culture**
- **Future-ready workforce**

Volunteering: strengthening communities, one day at a time

At AA Insurance, community is more than a value; it's part of who we are.

This year, we're proud to have reached a major milestone: over 20% of our people used their paid volunteering leave, more than doubling last year's 8% participation rate. While we have a long way to go, we're pleased that over 1,800 hours have been dedicated to making a real difference in communities across New Zealand.

Our volunteering programme offers every permanent and fixed-term team member a day of paid leave each year to give back in a way that matters to them. This year, teams have supported a wide range of causes from packing essential items for children with Foster Hope, to restoring native ecosystems with Conservation Volunteers New Zealand, helping feed families through Kiwi Harvest, lending a hand to Variety and Hospice, and even supporting volunteer firefighter training with the UFBA.

The diversity of these efforts reflects the diversity of our people, and the depth of their commitment.



AA Insurance volunteers helping to sort donations at Dove Hospice.

Volunteering connects us to each other, to our values, and to the communities we serve. It builds stronger teams, grows new skills, and brings our purpose to life in meaningful, tangible ways.



AA Insurance volunteers at UFBA's 2025 Road Crash Rescue Challenge.

Partnering for resilience: supporting climate adaptation in South Dunedin

We understand that climate resilience isn't just about managing risk - it's about building stronger, safer communities for the future.

That's why, together with Suncorp New Zealand, we visited Dunedin City Council for an in-depth conversation on the city's evolving climate strategy, following the release of its forward-looking Seven Futures study.

The report outlines seven potential pathways for South Dunedin to adapt to the growing impacts of climate change, including sea level rise and increased flooding. The proposed futures range from large-scale infrastructure investment to carefully managed retreat from the most vulnerable areas.

As part of this engagement, Emma Wignall, our Natural Hazards & Specialty Claims Manager, visited key locations identified in the study to better understand the lived realities behind the data.

"Seeing these areas first-hand and speaking directly with local decision-makers really brought home the scale of both the challenge and the opportunity," said Emma. "It's clear that insurers have a vital role to play in shaping solutions that are not only sustainable but deeply rooted in community resilience."

Our involvement is part of a broader commitment to help ensure that our communities are better prepared in the face of a changing climate.



Emma Wignall, Natural Hazards & Speciality Claims Manager (third from left), with Lisa Meiklejohn (far left) and Nichola Young (second from right) of Suncorp New Zealand, and members of Dunedin City Council.

Thriving People

Beyond a tick box - how we're creating a real story of belonging

We believe that driving real change starts from within. Our Employee Action Groups (EAGs) are grassroots champions, shaped by passion, perspective, and experience.

Each group focuses on a specific community or kaupapa - bringing vital conversations to life, building inclusion, and helping us create a workplace where everyone belongs. Their momentum is real, and their impact is felt - shaping how we grow stronger, together.

With strong governance, executive sponsorship, and a growing network of active EAGs, these groups provide meaningful platforms for our people to lead change from within. They are helping to shape a more inclusive and supportive workplace culture - one that reflects the diversity of our people and the communities we serve.

A cornerstone of our commitment to inclusion is our partnership with Pride Pledge - making us New Zealand's first general insurer to sign. The partnership has helped benchmark our internal processes and provide recommendations, shaping the foundation of our DEI&B efforts. Its insights have influenced leadership development, inclusive policy design, and the way we support intersecting identities across all EAGs.



Each EAG plays a vital role in delivering our commitments

RAAINBOW
Employee Action Group

Rainbow promotes visibility, fosters authentic engagement & leadership, and cultivates a culture of trust.

WĀHINE
Employee Action Group

Wāhine supports women from all backgrounds to confidently navigate career growth, home life, and societal expectations.

ARAWA HŌKŪLE'A
Employee Action Group

Arawa Hōkūle'a champions the connection, education, and celebration of Māori and Pasifika peoples by embedding cultural understanding and uplift throughout the business.

NEURODIVERSITY
Employee Action Group

Neurodiversity raises awareness, improves accessibility, and advocates for diverse cognitive strengths.

Giving back with AA Insurance's Give Back Shack

As part of our ongoing partnership with Eden Park, we are proud to continue hosting the Give Back Shack, a dedicated space within New Zealand's iconic stadium.

The Give Back Shack serves as a welcoming venue where community partners, employees, and customers come together to connect and support local causes.

Since its introduction in 2023, we have hosted more than 30 groups at the Give Back Shack, including Will & Able, the Student Volunteer Army, Variety - the Children's Charity, The Little Miracles Trust, graduates of our Sponsored Apprentice Programme and Duffy Books in Homes, among others. By providing a unique and accessible space during a variety of sports and music events, we offer these groups the opportunity to raise awareness about their important work and engage with wider audiences.

The Give Back Shack reflects our strong commitment to giving back to the communities we serve. It creates meaningful experiences for both the groups we support and for our employees and customers who volunteer and participate in these events. Through this initiative, we foster stronger community connections, encourage collaboration, and celebrate the efforts of those making a positive difference in New Zealand.



The crew from Duffy Books in Homes at the Give Back Shack.

Creating pathways through the trades

At AA Insurance, we believe in using our expertise to create real opportunities - for young people, for our partners, and for the future of the motor industry.

Our motor social impact strategy is grounded in collaboration, combining the skills of our motor team with community partnerships, sponsorships, and employee-led initiatives to make a lasting difference.

A key focus has been helping rangatahi find meaningful career pathways in the trades. Through our Sponsored Apprentice Programme, we've supported and trained 18 young automotive professionals since 2017. The programme covers training costs, provides essential equipment vouchers, and offers mentorship throughout their qualification - setting them up for long-term success in the industry.

One of our exceptional wāhine apprentices, Sidney Clow from Matamata Panelworks, partnered with fellow tradeswoman Victoria Hine from A1 AutoFinish - both of whom have been recognised by the repair industry: Sidney as the recipient of the Golden Gun award, and Victoria with the Golden Hammer.

Their skills recently made a powerful impact beyond the workshop. Together, they restored and donated a car to Eastern Refuge Society, transforming technical expertise into tangible community support.

A huge thank you to A1 AutoFinish and Matamata Panelworks for their generous support in making this donation possible.

Annie Tupaea, Kaiwhakahaere at Eastern Refuge Society, said: "It's fitting that Sidney and Victoria restored this car because they are wāhine toa. We truly appreciate them and will remember their kindness every time we use this car to support our community."

More recently, our motor team has partnered with MITO, Whatukura, and Waikato-Tainui iwi on Te Waharoa - a 10-week programme designed to reconnect young iwi members with their roots while helping them become work-ready. The first four weeks focus on cultural grounding, goal setting, soft skills, and financial literacy. In the final six weeks, we provide paid work experience through our repair network, helping participants gain hands-on skills and build meaningful career connections.

Beyond training, our social impact also extends to road safety and emergency response. This year, we donated 72 written-off vehicles to the UFBA for their national Road Crash Rescue Challenge, helping volunteer firefighters hone their life-saving skills in realistic scenarios.

We also continued supporting the Wheels of Hope initiative, which refurbishes written-off vehicles and donates them to whānau in need. This year, 17-year-old Aroha, nominated by her community for her resilience and service to others, received a Toyota Prius and a year of free insurance, helping her take a vital step toward independence.



Sidney Clow (left) and Victoria Hine (right)

By investing in people, skills, and strong partnerships, we're helping to build a more capable, connected, and resilient future for New Zealand's automotive industry, and the communities it serves.

Supporting inclusion through gender affirmation

We believe that inclusion means more than good intentions - it's about taking real, practical steps to ensure every team member feels safe, supported, and respected. That's why, as part of our ongoing commitment to the Pride Pledge we rolled out our first Gender Affirmation Policy.

The policy is designed to support our people in their gender identity and expression, and to ensure every individual can bring their full self to work. From gender-affirming leave and inclusive facilities, to guidance on pronouns, and tailored support plans - this policy is about recognising the unique needs of each person and responding with care and respect.

Strong leadership and advocacy have helped bring this work to life. Our rAAInbow EAG in collaboration with our People & Capability team, has helped shape a policy that's grounded in lived experience and backed by expert support. As Talent Acquisition Consultant and rAAInbow EAG lead Stephen Grey explains, "Everyone's journey is different. When someone is considering affirming their gender, we'll work with them to create a personalised plan that reflects their needs and priorities."

By putting this policy in place, and joining the Pride Pledge Gender Affirmation Policy Register, we're reaffirming our commitment to rainbow inclusion - not just in words, but in action. Because creating a safe, inclusive workplace helps everyone thrive - and brings us closer to the kind of organisation we want to be.



Flexibility in motion, connection in action

This year, we consulted with our teams across the business to develop a consistent approach to hybrid working.

We ran a series of workshops to better understand what people need to be successful when working at home and in the office, what leadership looks like in a hybrid working environment, and how we might support teams connect in person more frequently, while maintaining the benefits of flexibility.

As an organisation, we developed three hybrid working principles to give our people and leaders clarity, including valuing the freedom and flexibility of hybrid working, a commitment to meeting the needs of our peers and the business, and valuing in-person activities such as meetings, workshops and social gatherings.

To support the new guidelines of a minimum of two days in the office for hybrid team members, and a minimum of half the week for managers, we developed a range of offers for our people, including half-price public transport in Auckland and Hamilton (read more on page 15), and improved coffee facilities and breakfast options.

Feedback has been resoundingly positive, with people's satisfaction with the hybrid working arrangements increasing from **47%** (November 2024) to **70%** (May 2025).





Section 3

Climate Resilience

How we're working to support the transition to a low emission, climate resilient future.

Material topics:

- **Environmental impact**
- **Climate change response**
- **Ethical sourcing**

Climate Resilience

Helping communities bounce back with our Customer Response Team

After the North Island weather events in 2023, we saw how important it is to be ready to help our customers on the ground when disaster strikes.

That's why we established the Customer Response Team (CRT) – a group of specialists from across the business, with skills including claims management, corporate affairs, customer service, and risk management. Each member of the team brings a different skill set to help support communities in the aftermath of major events like storms, floods, or earthquakes. The CRT is building relationships with our community partners and the NZAA to help recovery activities following a major event.

The first stage of developing the CRT was an important practice drill in Auckland's Victoria Park, where the team tested key equipment like satellite communications and the mobile trailer. These regular, hands-on exercises help the team get comfortable working together and practising with the tools they will use to support customers quickly and effectively after a disaster.

Following the Nelson-Tasman flooding in June 2025, we sent members of the team to the local Civil Defence information hub. We also supported our community partner, the Student Volunteer Army, to clean up a local property that had been damaged in the storm.



Members of the CRT and our CEO Michelle James (fourth from left, back row) at the Auckland CBD drill.



Members of the Student Volunteer Army helping to clean up a storm-affected farm.

"We created the CRT after the 2023 weather events because we know how tough those times can be. Being on the ground in Nelson showed just how important it is to have a team ready to step in and support communities when they need it most. We're proud of the work we've done so far, and will continue preparing so we can respond quickly and effectively wherever we're needed."

Jamie Auld,
Technical Claims Manager
and CRT Lead.



The Student Volunteer Army and AA Insurance's Natural Hazards & Speciality Claims Manager, Emma Wignall (back row, far right).

Managing our emissions

We have a short-term target to reduce certain categories of emissions by 42% between FY20 and FY30.

Full details of the emissions sources covered by this target are available in our 2025 Climate Statement, one of which is the emissions from our vehicle fleet.

Fleet electrification

Whilst relatively modest, these emissions are directly within our control, and transitioning our vehicle fleet is a critical component of meeting our FY30 target.

In FY25, we added 22 electric vehicles (EVs) to our fleet and retired **31** hybrid vehicles and **2** internal combustion engine (ICE) vehicles.

This change marks an important shift away from combustion engines toward a low emission operating model.

In FY25, we are on track to meet our 42% reduction target by FY30, having reduced the total emissions covered by this target by 21.3% since FY20.



We currently do not have a long-term emissions reduction target as we are still working to gather data and measure our full scope 3 emissions baseline. Read more about this in our **2025 Climate Statement**.

Half-price public transport

In December 2024, we kicked off a new initiative to incentivise lower emission commutes for our Auckland and Hamilton-based people: half-price public transport.

Whilst lowering commute emissions is not part of our formalised 42% reduction target, it is an important component of our refreshed hybrid working setup (read more on page 12). This trial with Auckland Transport's Fareshare Programme aimed to encourage more environmentally conscious travel choices, and ease the strain on wallets too.

Since launch, our people have travelled over 50,000 kilometres on electric buses in Auckland alone. Across both cities, more than 400 employees jumped on board (literally), helping us clock up more than a whopping 200,000 kilometres on public transport in just six months.

It's no surprise we decided to make the benefit permanent from June 2025.

> "By joining Fareshare, we've become one of the largest Auckland employers supporting the scheme. And the benefits are clear: a larger portion of our workforce is taking public transport to get to work, contributing to a more relaxed commute for our people."



AA Insurance and Auckland Transport team members at the Fareshare launch expo.

Transition planning

During FY25, the Board approved three transition planning principles to help guide climate-related prioritisation and decision making:

Guiding principle 1:

AA Insurance will take a proportionate role in reducing emissions using 1.5 degrees as a north star, provided our efforts do not have a materially detrimental impact on our customers or ability to operate.

Guiding principle 2:

AA Insurance proactively considers short-, medium- and long-term climate risks and opportunities in our business strategies, plans and decisions.

Guiding principle 3:

AA Insurance supports its people, customers and communities to adapt to the impacts of climate change through education, risk transparency and the development of fit for purpose insurance products and services.





You can read more about the climate transition planning aspects of our strategy in our **2025 Climate Statement**.



Section 4

Appendices

Materiality topics

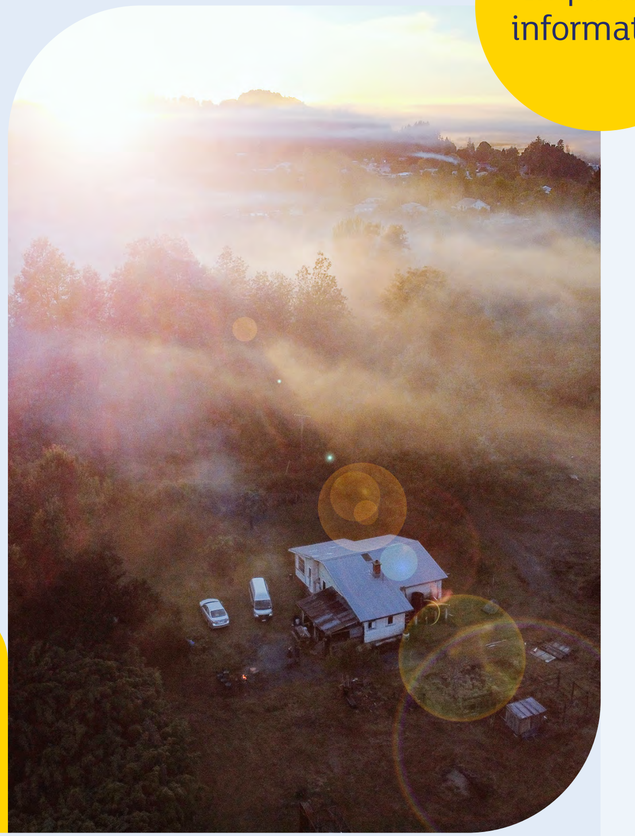
Important information

Materiality topics

As referenced on page 3, these material topics inform the three pillars of sustainability at AA Insurance.

Protecting New Zealand	**Product, pricing and service innovation**	Innovative solutions to help New Zealanders reap the benefits of insurance as customer risk profiles change over time.
	Digital and data preparedness	Opportunities to integrate and innovate technologies for the benefit of our customers and employees.
	Sustainable financial performance	Ensure robust financial performance in a changing world (increasing costs, reinsurance) so we are here for customers in the long term.
Thriving People	**Resilient communities**	Engage with and empower the local communities in which we operate. Support community-led climate and disaster mitigation and adaptation activities.
	Proactive voice	Confidence to be an informed advocate for difficult topics at a national level to drive change.
	Engaged and inclusive culture	Actively build a workplace that mirrors the diverse communities we work in and for.
	Future-ready workforce	Build a workforce with the skills, knowledge, processes and resources to tackle present and future needs.
Climate Resilience	**Environmental impact**	A focus to reduce our environmental impact across our value chain. This includes our carbon footprint such as transport, electricity usage, and waste, and how we can influence consumer behaviour.
	Climate change response	Understand the impacts of climate change on our business, customers and communities.
	Ethical sourcing	Ensure that the goods and services we purchase are made in environmentally and socially responsible ways.

Important information



This report contains forward-looking statements in relation to AA Insurance's sustainability approach and business operations. Forward-looking statements may be identified with words such as 'commit', 'continue', 'expect', 'may', 'plan', 'potential', 'target', 'will' and other similar terms and phrases. AA Insurance has sought to provide accurate information in respect of the year ended 30 June 2025 as at the date of publication but would caution against reliance being placed on representations that are necessarily subject to significant risks, uncertainties or assumptions. Any forward-looking statements should not be considered a guarantee of future outcomes but rather reflect our understanding as of the date of this report's publication. AA Insurance expects that some forward-looking statements made in this document may be amended and updated in future documents as the quality and completeness of its data and methodologies continue to evolve and improve. AA Insurance maintains that reliance should not be placed on any forward-looking statements. The forward-looking information and opinions in this report do not offer an invitation or solicitation or recommendation to buy financial products in relation to AA Insurance. AA Insurance gives no representation, guarantee, warranty or assurance about future business performance, or that the outcomes expressed or implied in any forward-looking statements made in this document will occur. AA Insurance does not accept any liability whatsoever for any loss arising directly or indirectly from any use of the information contained in this report.

AA Insurance



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