McHugh & Shaw.

INDEPENDENT ASSURANCE STATEMENT

TO THE DIRECTORS OF AA INSURANCE LIMITED

Reporter: AA Insurance Limited

Registered address: 17th Floor, AA Centre, 99 Albert Street, Auckland

McHugh & Shaw Limited was engaged to conduct independent assurance of the greenhouse gas (GHG) emissions reported by AA Insurance Limited for the period of 1 July 2022 to 30 June 2023. The engagement was completed during the months of August and September 2023. This statement applies to the related information included within the scope of work described below.

The determination of the GHG emissions is the sole responsibility of AA Insurance Limited. McHugh & Shaw Limited was not involved in determining the GHG emissions. Our sole responsibility was to provide independent assurance on the accuracy of the GHG emissions reported, and on the underlying systems and processes used to collect, analyse and review the information.

This statement is only to be used for the purpose that it was intended i.e. to report against measured greenhouse gas emissions in accordance with the mandatory requirements of The GHG Protocol.

This statement is not to be used to make any claims including but not limited to:

- Carbon neutral or net zero emissions claim; and
- Verified emission reductions from a base year where McHugh & Shaw Limited have not been the verifiers for all years covered by the reduction claim.

Environmental claims

Information regarding your responsibility when making environmental or carbon claims under the Fair Trading Act is available at the New Zealand Commerce Commission website.

If you are making a claim outside of New Zealand, then check the legal requirements for that Country.

GHG assurance objectives

McHugh and Shaw will perform such tests and procedures, as considered necessary under the particular circumstances, to enable McHugh and Shaw to express an opinion, on the level of assurance as specified below and that the GHG inventory reported (GHG Statement) meet the criteria stated.

Boundaries of the reporting company GHG emissions covered

- Operational Control
- New Zealand

GHG emissions information assured (to which this statement applies)

- GHG Report Reference: GHG Emissions report FY23 for Assurance v3.pdf
- GHG Calculations Reference: Assurance Master file 2023.xlsx

GHG emissions and removals by category (metric tonnes CO_2e)

Scope 1	Direct GHG Emissions	88.21
Scope 2	Indirect GHG Emissions from imported energy (Electricity, location-based)	52.39
Scope 3	Value Chain Emissions (Categories 1, 3, 5 & 6)	86.68
	Total GHG Emissions (Gross)	227.28

Notes:

- Data and information supporting Scope 1 and Scope 2 were historical in nature.
- Data and information supporting the Scope 3 emissions assertion were in some cases estimated rather than historical in nature.
- Data quality: Good

Period covered by GHG emissions statement

- 1 July 2022 to 30 June 2023

Base year (baseline)

- 1 July 2019 to 30 June 2020
- 299.04 total Gross GHG Emissions (tCO_2e)
- The base year was verified by McHugh & Shaw Limited, and a separate Assurance Statement issued.

GHG reporting protocols against which assurance was conducted

- Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard, revised edition, 2004.
- Greenhouse Gas Protocol – Corporate Value Chain (Scope 3) Accounting and Reporting Standard, 2011.
- Ministry for the Environment. 2023. Measuring emissions: A guide for organisations: 2023 detailed guide. Wellington: Ministry for the Environment.

GHG assurance protocol(s)

- ISO 14064-3:2019 Greenhouse gases – Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions.

GHG assurance methodology

A risk assessment and evidence gathering plan was completed. Our assurance strategy used a combined data and controls testing approach. Evidence-gathering procedures included but were not limited to the following:

- Review of the AA Insurance GHG Report;
- Review of the AA Insurance GHG calculations;
- Testing, tracing and retracing of data trails back to primary data;
- Evaluation of relationships among GHG and non-GHG data;
- Remote interview of personnel involved in data collection;
- Evidence to support the reporting boundaries, organisational and legal structure reported;
- Site visits to inspect the completeness of the inventory including interview of site personnel to confirm operational behaviour and any standard operating procedures and sample of site based records;
- Verification of primary data including supplier statements, invoices, waste reports, finance system reports, and travel records;
- Review of emissions factors and conversion factors used within the calculations for source appropriateness; and
- Review of assumptions, quantification methodologies and the setting of operational boundaries.

Assurance findings are issued and tracked on a separate Findings Log as part of the assurance working papers.

Projected emission reductions or removal enhancements

The reporter did not seek validation of projected emission reductions or removal enhancements. There is a reduction strategy in place.

Achieved level of assurance

- Scope 1 and Scope 2 GHG Emissions: Reasonable Assurance
- Scope 3 GHG Emissions: Limited Assurance

Assurance opinion

Based on the assurance process and procedures conducted, we conclude that:

- The Scope 1 GHG Emissions and Scope 2 GHG Emissions assertions shown above are materially correct and are a fair representation of the data and information.
- There is no evidence that the Scope 3 GHG Emissions assertion shown above is not materially correct or not a fair representation of the GHG emissions data set; and
- AA Insurance has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of GHG emissions for the stated period and boundaries, and has implemented underlying internal assurance practices that provide a reasonable degree of confidence that such information is complete and accurate.

Qualifications

There are no qualifications.

Facts found after verification

There are no facts found after the verification was finalised.

Statement of independence, impartiality and competence

McHugh & Shaw Limited is an independent professional services company that specialises in sustainability assurance with over 10 years history in providing assurance services.

No member of the verification team has a business relationship with AA Insurance Limited, its Directors or staff beyond that required of this assignment. We conducted this work independently and to our knowledge there has been no conflict of interest or risks to impartiality.

The assurance team has extensive experience in conducting assurance over environmental, quality, sustainability and health and safety information, systems and processes, has over 20 years combined experience in this field and an excellent understanding of the methodology for both reporting and assurance of greenhouse gas information statements.





Jeska McHugh, Lead Verifier
McHugh & Shaw Limited
Christchurch, New Zealand
4 September 2023

May Stewart, Independent Reviewer
May Stewart Consulting
Christchurch, New Zealand
6 September 2023

This assurance statement, including the opinion expressed herein, is provided to AA Insurance and is solely for the benefit of AA Insurance in accordance with the terms of our agreement. We consent to the release of this statement by you to interested parties but without accepting or assuming any responsibility or liability on our part to any other party who may have access to this statement. Any correspondence regarding this statement is to be directed to info@mchugh-shaw.co.nz