

CLIMATE-RELATED DISCLOSURES

FMG Insurance Limited FY25/ 26



Farmers Mutual Group's (FMG's) subsidiary, FMG Insurance Limited (FMGIL), is a Climate Reporting Entity under the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (the Act). FMGIL is relying on an exemption described in the Financial Markets Conduct (Climate-related Disclosures – FMG Insurance Limited) Exemption Notice 2025, which applies for reporting periods up to and including the year ending 31 March 2030. Under the Notice, FMGIL is exempt from section 461Z of the Act to the extent that Climate Statements are to be completed in relation to FMGIL only. This exemption is subject to several conditions, and its effect is that Climate Statements are prepared on a consolidated basis under FMG Group, comprised of FMG and FMGIL.

This is FMG's third Climate-related Disclosure Report, written in compliance with the Aotearoa New Zealand Climate Standards issued by the External Reporting Board. This report covers FMG's Climate-related performance and activities for the 12 months from 1 April 2025 to 31 March 2026 unless otherwise stated. Any reference to currency used in this report is in New Zealand Dollars (\$NZD), unless otherwise stated.

Adoption provisions

In preparing its Climate-related Disclosures, FMG has elected to use the following Adoption Provisions:

- Adoption Provision 2 (Anticipated financial impacts): Exempts Climate Reporting Entities (CRE) from disclosing anticipated financial impacts of Climate-related risks and opportunities reasonably expected by the CRE.
- Adoption Provision 4 (Scope 3 Green House Gas (GHG) emissions): Exempts CREs from disclosing all of their Scope 3 GHG emissions or a subset of their Scope 3 GHG emissions.
- Adoption Provision 5 (Comparatives for Scope 3 GHG emissions): Exempts CREs from disclosing Scope 3 emission comparative information for the immediately preceding two reporting periods.
- Adoption Provision 7 (Analysis of trends): Exempts CREs from disclosing the main trends evident from a comparison of each metric from previous reporting periods to the current reporting period.

IMPORTANT NOTICE

FMG has exercised due diligence in the preparation of this Climate-related Disclosure to provide accurate information as at 31 March 2026.

This report contains forward-looking statements, including Climate-related metrics, Climate Scenarios, estimated Climate Projections and Assumptions. These statements necessarily involve assumptions, forecasts and projections about present and future strategies and the environment in which FMG will operate in the future, which is inherently uncertain and subject to limitations, particularly as to inputs, available data and information which is likely to change.

FMG cautions reliance being placed on representations that are necessarily subject to significant risks, uncertainties or assumptions given the novel and developing nature of this subject matter. In particular, the risks and opportunities described in this report may not eventuate or may be more or less significant than anticipated. There are many factors that could cause FMG's actual results, performance, or achievement of Climate-related metrics to differ materially from that described, including climatic, Government, consumer, and market factors outside of FMG's control.



Introduction

FMG is the leading rural insurer in New Zealand Aotearoa, continuing a 121 year legacy built by farmers for farmers. With a nationwide network of 30 offices, FMG brings deep expertise in rural risk, strengthened by its advice-led, relationship-focused approach.

As a Mutual, FMG's Members are its owners, with 100% of profits reinvested back into the business to keep premiums fair and affordable, and to support strong and prosperous rural communities.

FMG continues to champion a reasonable and efficient transition to a lower emissions economy, recognising the essential role of farmers and growers in New Zealand Aotearoa within the national economy and global food and fibre systems.

Building on progress made in previous reporting years, FMG is continuing to invest in technology, data quality, and modelling capability across natural hazards, flood risk, GHG emissions, underwriting and operational systems. These improvements help FMG respond more effectively to increasing Climate-related events.

FMG also continues to place equal emphasis on strengthening the resilience of people and communities. This includes maintaining strong employee and client engagement, deepening industry partnerships, and supporting rural health through initiatives such as Farmstrong and its partnership with Melanoma New Zealand.

Underpinning this progress is FMG's commitment to a purpose-led and values-driven approach, reinforced by

its 2023 achievement as the first—and still only—B Corp Certified General Insurer in New Zealand Aotearoa.

As FMG presents its latest Climate-related Disclosure, the Mutual reaffirms its commitment to working alongside rural New Zealand Aotearoa to contribute to a sustainable and resilient future, while continuing to champion the critical contributions of farmers and growers.

This report outlines FMG's approach across four core areas:

Governance: How FMG's Board and Senior Leaders maintain oversight of Climate-related risks and opportunities.

Risk Management: How FMG identifies, assesses, and manages Climate-related risks and opportunities.

Strategy: How FMG responds to Climate-related risks and opportunities, including potential increases in claims linked to the physical impacts of Climate Change.

Metrics and Targets: FMG's GHG emissions profile and the steps taken to support a lower emissions economy.



Sarah von Dadelszen

Chair

25th June 2026

Sinead Horgan

Director

25th June 2026



Governance

FMG Board responsibilities

FMG's Board of Directors (Board) is responsible for the management and oversight of all risks across FMG, including those related to Climate Change. Climate-related risks are not managed separately, but form part of FMG's overall Enterprise Risk Management Framework (ERMF) and broader approach to identifying, assessing and managing key business risks.

This responsibility includes oversight of the frameworks, systems and processes for risk management, internal controls, and legal compliance regimes. The Board is also responsible for establishing appropriate governance arrangements, organisational structures, delegations of authority and committees, and for ensuring sufficient resources are dedicated to risk management to provide effective guidance and oversight. This includes forming a view on the desired risk culture within the organisation, operating within FMG's defined Risk Appetite and in the context of its strategic objectives and desired outcomes.

Since 2023, Climate-related risks and opportunities have been increasingly integrated into FMG's annual strategy review process. This integration ensures Climate considerations are explicitly assessed and discussed alongside other strategic, operational, financial and

regulatory risks and opportunities, rather than in isolation.

The Board Risk and Audit Committee (BRAC) assists the Board to achieve its purpose by supporting sound risk management and strong corporate governance. The BRAC provides an objective review of the integrity and effectiveness of FMG's ERMF and associated internal controls. This includes oversight of acceptable risk-taking and advice to the Board on current and emerging risk exposures, including Climate-related risks, as well as promoting a risk-aware culture across FMG.

The BRAC considers the ERMF on a quarterly basis through its review of FMG's Top Risks and regular Risk Appetite reporting.

The Board is also involved in an annual review of the Mutual's Enterprise Risk Management Policy (ERMP) and FMG's ERMF, which explicitly includes Climate-related risks as part of FMG's overall risk profile.

Board Climate-related skills and capabilities

The Board maintains up-to-date knowledge of the regulatory and governance requirements affecting the business, including those relating to Climate Change and Climate-related Disclosures.

The Board has undertaken training on Climate-related Disclosures and continues to build its understanding of Climate-related risks and opportunities within the context of FMG's Mutual model, strategy and risk appetite.

Where relevant, specific Climate-related risks and opportunities are considered as part of FMG's annual business strategy pre-work and strategy discussions. This approach ensures Climate considerations are evaluated and embedded alongside other key business risks and opportunities.

As part of regular reporting, the Board receives the Chief Risk Officer's Report, which highlights key risks facing the Mutual and compares FMG's risk positions against the Board-approved Risk Appetite. This reporting includes Climate-related risks.

The BRAC receives a detailed Risk Report at each meeting covering Key Risks, incidents, and risk positions relative to agreed Risk Appetite settings, including Climate-related risks.



Figure 1. Key Board and Committee meetings related to Climate-related risks and opportunities



KEY: ■ Board - Chief Risk Officer Report and Risk Appetite ■ BRAC - Top Risks, Risk Appetite and Emerging Risks

Management responsibility

The Board delegates day to day operational management of the Mutual, including the management of Climate-related risks, to the Chief Executive and Executive Leadership Team (ELT). Climate-related risks are managed as part of FMG’s broader enterprise risk profile and are embedded within existing management, governance and reporting processes.

Executive level accountability for FMG’s Sustainability Programme, including Climate-related risks and opportunities, sits with the Chief Marketing Officer. This role works closely with the ELT to ensure Climate considerations are appropriately integrated into strategy, business planning and operational decision making.

On behalf of the Board, risks are monitored through the Enterprise Risk and Compliance Committee (ERCC), which reviews quarterly Enterprise Risk Reports covering FMG’s key risks, including Climate-related risks. A summary of this reporting is tabled with the BRAC on a quarterly basis, ensuring clear escalation, oversight and alignment with the Board approved Risk Appetite.

Neither the Board nor Management have remuneration elements explicitly linked to Climate-related risks or opportunities. However, remuneration outcomes are linked to the delivery of initiatives within FMG’s Business Plan, many of which support FMG’s long term sustainability, resilience and ability to operate within its Risk Appetite.

Figure 2. Board and Management responsibilities for Climate-related risks and opportunities

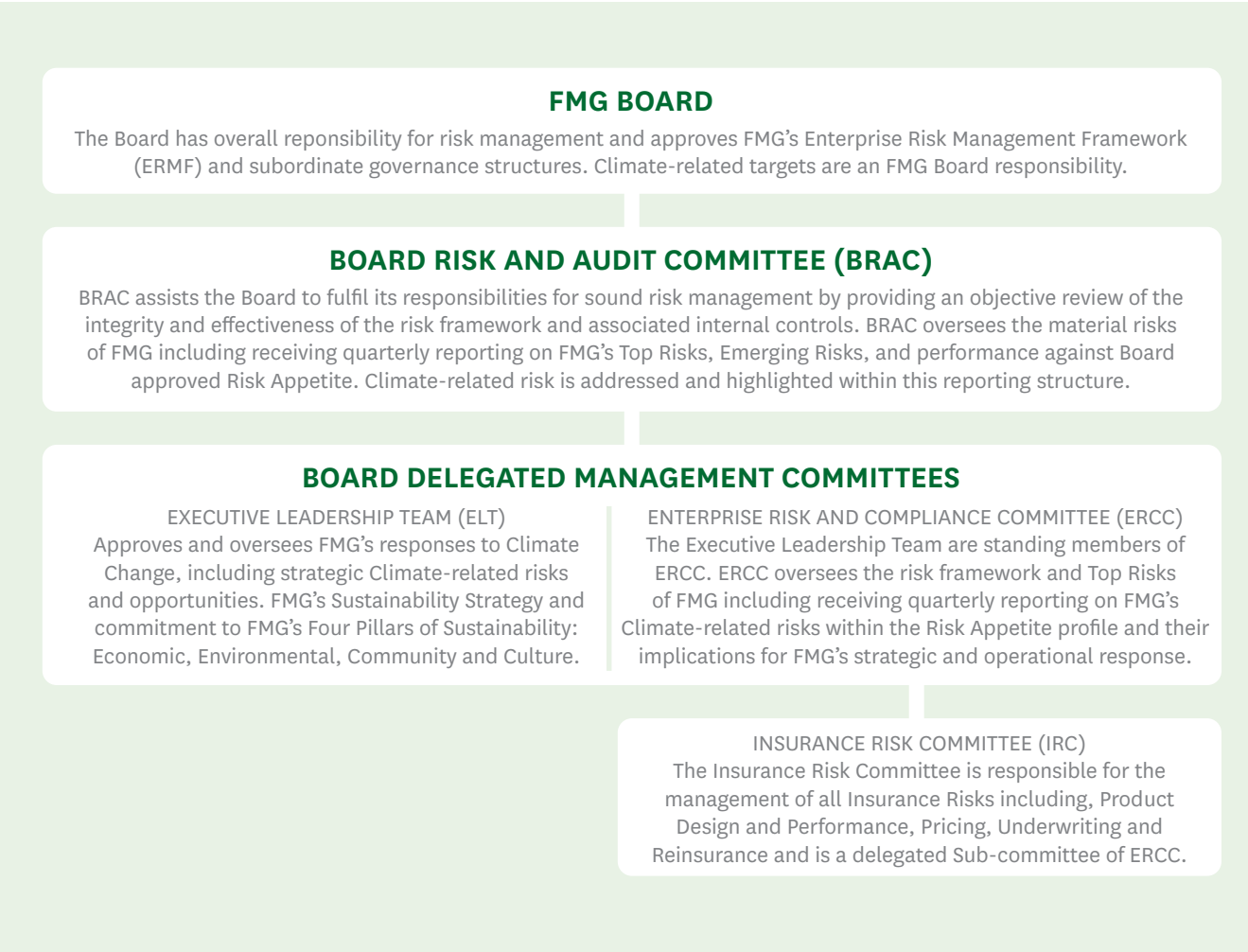


Figure 3. Internal workshops: Climate-related risks and opportunities, Climate Scenarios (and other)



Management Climate-related skills and capabilities

In FY25/ 26, FMG deliberately strengthened internal Climate-related capability by refreshing its Climate Scenario and Climate Risks and Opportunities internally, rather than outsourcing this work. This approach was designed to build organisational capability and understanding of Climate risks across the business, and to ensure the scenarios were relevant, credible and reflective of FMG's operating context, Members and rural communities. By grounding the analysis in FMG's own risk profile and stakeholder realities, the scenarios can more meaningfully inform Enterprise Risk Management and strategic decision making.

Following completion of the internal Scenario refresh, FMG engaged external advisors, KPMG, to test, challenge and support the robustness of the scenarios, assumptions and the outputs including the risks and opportunities identified.

Board and ELT oversight of Climate metrics and targets

The Board and ELT provide oversight of FMG's Climate-related metrics and targets, including FMG's GHG emissions reduction target and associated initiatives. This oversight includes setting strategic direction for activities such as fleet transition, reviewing the appropriateness of FMG's current GHG reduction target, and determining FMG's position on the use of carbon offsets.

Progress against Climate-related targets and initiatives is considered through Chief Executive reporting and strategic discussions, ensuring Climate performance is reviewed alongside other key operational, financial and risk-based metrics.

Work is underway to develop an internal GHG data lake and carbon reporting tool, with a focus on improving data quality, governance and accessibility. This capability is expected to strengthen FMG's ability to undertake more timely analysis and support more consistent reporting of Climate-related metrics, with delivery expected over the next two years.

Risk management

Risk management

FMG’s risk management process is designed to identify, assess and manage all material risks, including those related to Climate Change. Risks are grouped across Insurance, Credit, Market, Liquidity, Operational, Strategic, Emerging and Environmental, Social and Governance (ESG) categories.

This approach ensures Climate-related risks are identified, assessed, prioritised, managed and reported using the same risk management methodology applied to all other risks across FMG.

FMG’s Enterprise Risk Management Framework (ERMF)

FMG’s ERMF is comprised of the structures, policies, processes, systems and controls that support consistent and effective risk management across the business. The ERMF is designed to ensure risks are clearly owned, appropriately managed, monitored and reported, while promoting a strong risk aware culture.

Ultimately, the framework’s goal is to create and preserve value, to set Risk Appetite, manage risks within that Appetite, and protect the interests of all stakeholders, including clients, Members, employees, and the prosperity of rural communities.

The scenario creation and analysis processes (detailed in the Strategy Section of this report) also help to identify and assess potential impacts of Climate Change, which in turn, shapes FMG’s Climate-related risks.

Figure 4. FMG’s Enterprise Risk Management Framework (ERMF)





Enterprise Risk Management Standard

The purpose of this Standard is to support FMG's ERMF by describing the expectations and accountabilities of Management for the assessment of risks impacting the Mutual, which includes Climate-related risks. The Standard provides the foundation for actively managing and scaling the level of risk FMG is willing to accept and provides confidence in the standard treatment of risks across the Mutual. Standardised risk assessments provide a mechanism through which the ELT and the Board can understand the level of risk that FMG is exposed to and the strength of the control environment in treating risk exposures.

Enterprise Risk Appetite Statements

The Board sets FMG's Enterprise Risk Appetite Statements (ERAS). These define the level of risk FMG is willing to accept to achieve its objectives, including in relation to Insurance, Credit, Market, Liquidity, Operational, Strategic and ESG Risk. Climate-related risks can emerge under any of these categories.

The ERAS seek to define the Mutual's approach to managing risks in key areas while balancing the needs of stakeholders, including FMG's clients, Members, third parties and employees. The ERAS are approved by the Board and adherence to them are measured through a series of metrics which are reported quarterly to the ERCC, BRAC and the Board.

Risk Reporting

Reporting focuses on risks that could impact FMG's ability to achieve its objectives, as set out in the Strategic Plan (Te Ara Tika 2030 The Way Forward), which is reviewed every five years.

Risk reporting covers Top Risks, Emerging Risks (i.e. over 'short', 1-3 years, and 'long', 10 year plus, timeframes), and performance against Board approved Risk Appetites using a combination of qualitative and quantitative metrics.

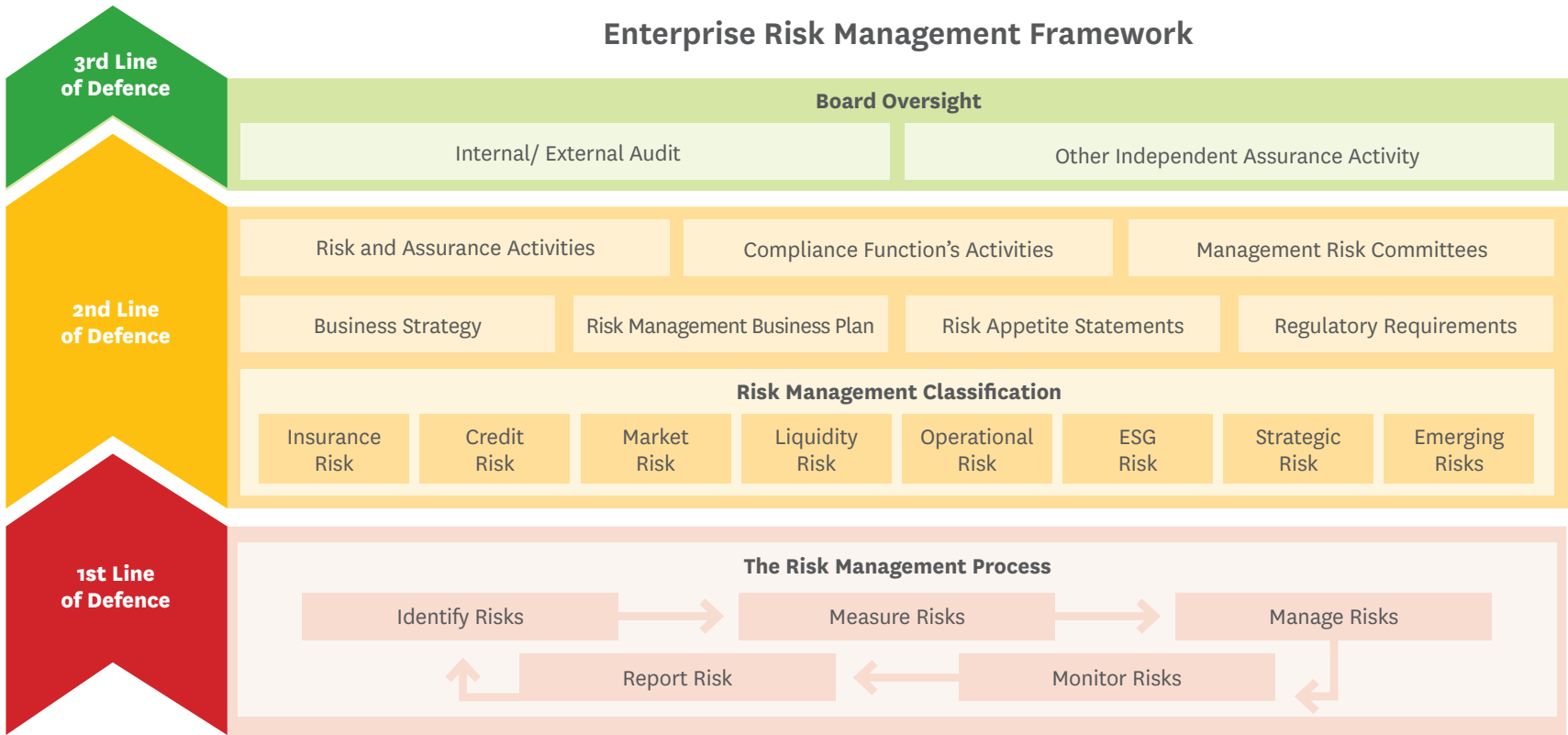
Each Risk is reviewed by the ERCC and is assessed for its impact, likelihood, and position against Risk Appetite (i.e. Very Low, Low, Medium, High). Following review, Emerging Risks may become Top Risks, which will then have a mitigation plan assigned. A summary of this work is included in reporting to BRAC.

This process operates on a quarterly basis and covers all risk categories, including the identification, management, and monitoring of mitigation measures for Climate-related risks and opportunities. Climate-related risks and opportunities are formally reviewed on an annual basis to inform FMG's strategic discussions.

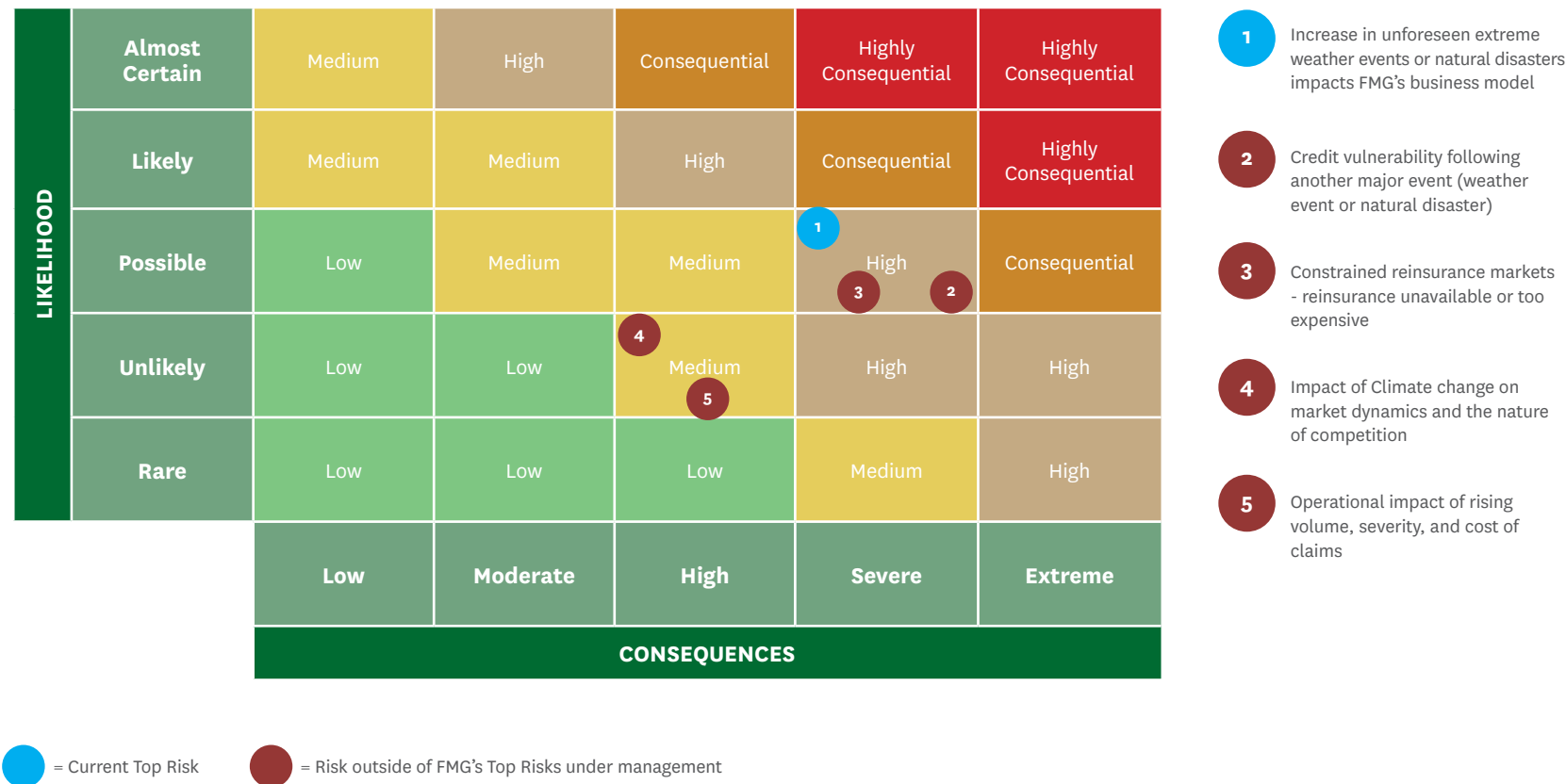
How FMG identifies and manages Climate-related risks

The following Risk Management Process diagrammatically represents how all risks, including Climate-related risks, are identified, measured, managed, monitored, and reported on at FMG.

Figure 5. FMG’s risk management process



**Figure 6. Heat map
Climate-related risks
resident within
FMG's Top Risks**



Risks are assessed in terms of the likelihood of them occurring and the consequence if they do occur across the following dimensions: Business Objectives, Client, Reputation and Market Confidence, Regulatory, Legal and Contractual, People/ Employees and Financial. Risks are plotted on the matrix accordingly.

The Heat Map in Figure 6. above shows the specific Climate-related risks resident within FMG's Top Risks. The most material Climate-related risk is the physical impact of more frequent and increasingly intense weather-related events on FMG's insurance portfolios. This risk has been tracked and prioritised as part of FMG's Top Risks.

As such, FMG reviews the performance of its insurance portfolios through regular reviews undertaken by the Insurance Risk Committee (IRC). Emerging Risks, including the impact of Climate Change, are monitored by the ERCC on a quarterly cycle.

The IRC conducts regular reviews of the pricing for each portfolio against specified performance targets and FMG's objective to retain pricing positions within Financial Tolerance and Risk Appetite. In addition, the Product Team conduct a regular Product Review process to ensure products remain current and fit for purpose.

The IRC reviews FMG's Underwriting Risk Appetite at least

every 12 months or immediately following a major Climate-related event. FMG regularly conducts Probable Maximum Loss (PML) modelling of its aggregate exposures, which informs business decision making, including the size and structure of FMG's reinsurance programme and planning for retained losses.

In addition, FMG conducts regular stress testing which includes Climate-related scenarios, serving as the basis for ongoing and future discussions, informing FMG's strategy and response to Climate Impacts. The detail of this work is outlined in the Strategy Section of this report.

Strategy



As the country's leading rural insurer, FMG exists to support farmers and growers, who play a critical role in producing food and fibre for New Zealand Aotearoa and the world. FMG's strategy is grounded in a deep understanding of farming and growing and the opportunities and challenges it faces, including the increasing impacts of Climate Change, evolving market and regulatory expectations, and the transition to a lower emissions economy.

Rural New Zealand Aotearoa is already demonstrating progress in sustainable food and fibre production. Farmers and growers are investing in green technologies, Climate resilient farming and growing systems, and improved land and water management practices. FMG recognises both the innovation underway and the pace at which these practices are evolving. As the sector continues to adapt, FMG actively considers how its products, services, underwriting approaches, and advice can keep pace with and appropriately reflect these developments.

FMG operates an advice-led business model, supported by in-house Claims and Underwriting teams. All insurance relationships are managed directly by FMG employees, enabling a relationship-based approach built on trust, local knowledge, and long-term engagement. This model supports organic growth and reflects FMG's belief that enduring client relationships are fundamental to resilience and sustainability, particularly in an environment of increasing Climate volatility.

FMG's approach to Climate Change is anchored in the belief that resilient people and communities underpin meaningful Climate adaptation. Addressing Climate-related risks and opportunities—both physical and transitional—begins with supporting the wellbeing and capability of employees, clients, Members, and the communities in which they live and work. This philosophy is embedded in FMG's mutual structure and its application of the *Service Profit Chain* model.

The *Service Profit Chain* recognises that prioritising employee wellbeing and engagement, leads to stronger client relationships, and long-term Member value. This aligns with FMG's Purpose of delivering “A better deal for

rural New Zealand Aotearoa” and Vision of “*Helping to build strong and prosperous rural communities*”. FMG's strong employee engagement outcomes reinforce the role people play in building organisational resilience as Climate-related risks intensify.

FMG's contribution to resilience extends beyond insurance and advice. The Mutual invests in rural communities through key initiatives such as Farmstrong, Melanoma New Zealand, and New Zealand Young Farmers, as well as supporting over 700 community and industry events each year. FMG also maintains a strong local presence through its 30 regional offices. These activities strengthen social resilience, which is increasingly important as communities experience more frequent and severe weather events.

Grounded in its mutual structure and with over 121 years of values-driven heritage, FMG remains committed to supporting an appropriate and well-managed transition to a low emissions future. Rural communities are indispensable to the New Zealand Aotearoa economy and global food systems. As Climate risks increase, FMG's role is to provide both assurance and insurance, supporting farmers and growers to manage risk, navigate complexity, and invest confidently in innovation and adaptation.

FMG's Climate work is not treated as a separate strategy. It is embedded within FMG's overall Enterprise Strategy, *Te Ara Tika 2030 - The Way Forward*, which sets FMG's strategic ambitions through to 2030. Climate considerations are integrated into decisions relating to risk management, capital, products, data, people, and community investment, ensuring FMG remains resilient and relevant as Climate conditions continue to change.

B Corp certification

FMG was the first and remains the only B Corp certified General Insurer in New Zealand Aotearoa, achieving certification in October 2023. B Corp certification reflects FMG's commitment to high standards of social and environmental performance, transparency, and accountability, reinforcing its purpose-led approach as a mutual insurer, supporting strong and prosperous rural communities.

Certification requires FMG to meet rigorous standards across governance, risk management, environmental performance, and social impact, further embedding sustainable business practices into its operating model. As FMG prepares for recertification in 2027, it continues to refine its strategy to strengthen Climate resilience, enhance sustainability outcomes, and support the transition to a lower emissions economy.

B Corp certification also supports FMG's ability to attract and retain purpose driven talent, strengthening internal capability and resilience—an increasingly important factor as FMG responds to heightened volatility driven by more frequent and severe weather events.



Climate scenario analysis

Climate Scenarios are used to explore a range of plausible future Climate-related conditions and their potential implications over the medium to long term. They are not forecasts, but structured tools designed to support consideration of uncertainty, test assumptions, and inform future focused planning.

For the current reporting period, FMG developed Climate Scenarios internally to assess how Climate-related risks and opportunities may emerge through to 2060 and beyond. The Scenarios are informed by relevant industry research and external insights to ensure they are credible and aligned with prevailing thinking, while remaining tailored to FMG's operating context and long-term horizon.

The Scenarios reflect a range of distinct and plausible future pathways, are internally consistent, and are designed to challenge linear assumptions about how Climate impacts may unfold over time. They are intended to provide decision relevant insight to support consideration of long-term risks, opportunities, and areas of uncertainty.

The Climate Scenarios are an integral part of FMG's broader business planning processes and inform long-term direction and future considerations. Insights from the Scenario analysis are considered alongside other inputs when assessing future risks, opportunities, and areas of focus.

Recognising that uncertainty evolves over time, FMG expects its Climate Scenarios to be reviewed and refined as experience emerges and conditions change. This will support continued relevance and ensure the Scenarios remain appropriate for informing future planning and consideration of FMG's Climate-related impacts, risks, and opportunities.

Climate scenario development process

1. Internal programme overview

During the 2025/ 26 reporting period, FMG undertook an internally led Climate Scenario development and review process. This work was delivered through a structured programme of activity across the year, progressing from consideration of a broad set of external and internal drivers of future change, the development and refinement of three Climate Scenarios, through to the structured testing and identification of Climate-related risks and opportunities. The Scenarios were subsequently used to inform business planning and Climate-related Disclosures.

2. Consideration of external context, pathways and drivers

Prior to developing the Climate Scenarios, FMG considered a wide range of external context and sources to inform its understanding of plausible future conditions. This included consideration of Climate pathways and transition trajectories, as well as insights from relevant sector based and system level scenario work (for example, scenarios developed by the Aotearoa Circle for the seafood sector).

FMG also considered a broad set of potential drivers of change, including environmental, social, political, technological, and economic factors, and areas of uncertainty relevant to its role as a rural insurer. These inputs provided context and framing for subsequent Scenario development, rather than representing a predetermined set of risks or outcomes.

3. Scenario development and refinement

Building on this context, FMG developed and refined three Climate Scenarios representing distinct, plausible future pathways. Each Scenario reflected different combinations and interactions of

environmental, social, political, technological, and economic drivers over time.

Scenario narratives were iteratively refined and tested for internal consistency, plausibility and relevance across multiple time horizons. This work built on learnings from earlier Climate Scenario analysis developed with external support, which provided a foundation for Scenario structure and key drivers, while being further refined through FMG led analysis to reflect current conditions and FMG specific considerations.

4. Cross business engagement and validation

The Scenario development process involved broad participation from across FMG at multiple stages, drawing on a diverse mix of skills, experience, and seniority. Playback and validation sessions were used to test assumptions, challenge Scenario narratives, and assess their relevance to FMG's business model and decision making. This engagement helped ensure the Scenarios remained practical, decision relevant, and appropriately challenging.

5. Scenario testing and identification of Climate-related risks and opportunities

Following Scenario development, FMG used three Climate Scenarios to explore and identify potential Climate-related risks and opportunities across the business.

FMG worked with KPMG to facilitate a dedicated Black Hat session to test whether risks and opportunities had been considered sufficiently broadly. This session challenged underlying assumptions and tested the robustness and internal coherence of the Scenarios, providing additional confidence in their credibility and supporting the identification of material Climate-related risks and opportunities.

Table 1. FMG's Climate scenarios

	Low scenario: Technology driven solutions (Net Zero 2050)	Medium scenario: Too distracted (Delayed transition)	High scenario: It is hotting up (Current policies)
Temperature change	+1.6°C by 2050, +1.5°C by 2100	2050: +2°C, 2100: +3°C (RCP4.5)	2050: +3°C, 2100: +4°C (RCP8.5)
Physical risk	Lowest severity	High	Highest
Transition risk	Moderate	Highest	Low (little transition)
Policy reaction	Immediate and with heavy investment into Carbon Capture and Storage (CCS) technologies.	Delayed, fragmented; MVP-style obligations via trade	No effective policy
Short term (2025–2030)	Global economy subdued. Unprecedented Climate events globally, prompting renewed focus on emissions reduction, looking for technology (CCS) to provide the solution. New Zealand Aotearoa's managed retreat begins; tech sector grows; insurance premiums rise; and insurance availability reduces.	Similar to the Low (Technology Driven Solutions/ Net Zero 2050) scenario, but with the 1.5°C threshold breached; an AI-driven equity crash triggers recession; the Paris Agreement becomes globally divisive with increased questioning of Climate science; biosecurity risks rise; and insurance shifts towards parametric solutions.	Severe global conflict; Climate deprioritised; economic stagnation; and storms worsen.
Medium term (2031–2040)	Focus is on emission reduction and removal of carbon from the atmosphere. Adaptation and managed retreat expand; New Zealand Aotearoa leads in Agri-tech and sustainable energy; and insurance affordability and availability deteriorate, underpinned by granular risk-based pricing. Farming and Growing included in Emissions Trading Scheme (NZ ETS), accelerating adoption of CCS to meet requirements.	Tipping points accelerate hazards; managed retreat accelerates, which prompts global action on adaptation and mitigation. New Zealand Aotearoa follows suit. Government an active participant in the insurance market and extends the remit of the Natural Hazards Commission (NHC) to create Flood Re (similar to the UK scheme).	Wildfire season entrenched; water governance tensions escalate; inequality deepens; and insurers exit market. Infrastructure backlog worsens; adaptation costs politicised; and significant inequality begins to emerge; insurance coverage becomes limited; and social media becomes leading source of news leading to misinformation surges.
Long term (2041–2060)	Peak weather impacts have occurred and are starting to stabilise and become more predictable. New Zealand Aotearoa is better able to respond and cope with a more resilient infrastructure. Geo-political tension eases; low-carbon economies dominate; physical risk reduced but persistent; and insurance regulated with affordability still a challenge.	Adaptation embedded in law; the majority of New Zealand Aotearoa farmers and growers are corporatised; carbon removal technology deployed but insufficient; social licence fragile; insurance affordability and accessibility crisis persists; and ongoing intervention from the Government and agencies with insurance.	Resource scarcity drives global tension; parts of New Zealand Aotearoa uninhabitable; tourism collapses; food insecurity global; corporatisation dominates; insurance becomes domain of wealthy; and communities work together sharing the risk. Farming and growing contracting and adapting due to volatile Climate conditions, impacting on farm production, farm systems and access to markets. Commodity prices remain strong.

The Scenario work is used to translate a range of plausible future conditions into a clear view of what could be most significant for FMG's business model, Members and wider stakeholders.

Table 2 (overleaf) summarises the key risks and opportunities identified and links each to the nature of the potential impact, the response options FMG can take, and the likely timeframe over which these considerations may emerge.

Table 2. Key risks and opportunities arising from the Scenario work

Opportunity and challenge	Description	Impact	How can FMG respond	Impact timeframe
The impact of increased Climate events on the availability and affordability of insurance cover	The increased frequency and impact of weather events will impact the availability and affordability of insurance cover. Affordability: The price of insurance cover is likely to increase driven by adoption of risk-based pricing and increasing reinsurance premium. Availability: The availability of insurance, or the breadth of cover of insurance could decrease due to responding to the challenges of more frequent and severe storms.	Reducing levels of coverage reduces income (Gross Written Premium) and if severe enough threatening business viability. Increasing issues with affordability and accessibility, may increase the potential for Government intervention. Claims operational impact as described below. Negative impact on FMG's reputation and social licence.	Extending the Loss Prevention programme and advice proposition to provide clients a broader approach to risk management. Development of alternative products such as Parametric and Embedded insurance (through external Partnerships) to provide alternatives. On-going investments in FMG's core insurance capabilities (product, pricing, underwriting and claims) can ensure better management of risk, while also providing improved financial performance, potentially reducing the need for premium increases. FMG will continue to build strong, and proactive relationships with its Stakeholders.	Short, medium and long term.
Physical impacts increase the cost and availability of reinsurance	Global reinsurers due to the frequency and severity of weather events, may adjust their risk models leading to reduced availability of insurance and increased and volatile premiums for clients. There may also be reduced availability of reinsurance coverage.	Reduced availability and coverage of insurance. Increase in insurance premiums, driven by reinsurance rates (which can flow through to affordability issues). Volatility with insurance premiums driven by changing reinsurance requirements.	Strong reinsurance programme underpinned by diversification of reinsurance, relationships and effective capital management.	Short, medium and long term.
"Build Back Better"	Clients who have made a significant property claim, have the opportunity to "build back better", reducing the potential for future loss.	Clients have a reduced potential for a significant loss (which could translate into lower relative premiums, and ongoing availability of coverage). FMG can build a more proactive relationship with clients, which could translate to increase retention and loyalty.	Extending the Loss Prevention and programme and advice proposition into significant client claims.	Medium and Long term.
Impact of Climate Change on market dynamics and the nature of competition	As a generalist insurer, FMG operates across a broad range of risks and client needs. This differs from the narrower focus of specialist insurers and underwriters (including Managed General Agencies), which may influence competitive dynamics and contribute to changes in the traditional insurance model.	Potential to lose clients to specialist insurers and underwriters- either all of their business, or part of their business.	FMG to continue to develop and build specialist insurance offerings.	Medium and Long term.
Operational impact of rising volume, severity, and cost of claims	The increase of frequency and severity of extreme weather events creates a greater impact for FMG's clients and has the potential for FMG to not meet service expectations.	Potential reputation damage through decreased client satisfaction, which flows through to client growth and retention. Operational stress creating service issues across the Mutual which could flow through to the levels of service received by clients, and impact employee wellbeing.	Robust claims strategy, which is focused on digitisation, scaling for severe weather events and improving the overall service delivery. Strong focus on employee wellbeing, underpinned by a high performing culture focused on exceptional client experience,	Short, medium and long term.

Figure 7. Physical risks associated with weather events

					
Rising temperatures Temperatures are expected to continue to increase, particularly peak temperatures over the summer months. The occurrence of extreme heat events is likely to increase.	Changing rainfall patterns An increase in the West and South, less in East and North. Increasing temperatures mean atmospheric rivers are more likely, carrying more moisture and resulting in more intense rainfall when they occur.	Wind Extreme wind speed over the lower North Island and parts of the South Island is expected to increase by mid-century.	Sea level rise Ground water tables rise in response to increases in sea level, meaning coastal defences are overtopped more often with increased coastal flooding.	Flooding More intense rainfall is expected to result in an increase in frequency and severity of flooding events.	Wildfire Increase in drought conditions and higher wind speed are expected to increase the likelihood of wildfires and make them more damaging.

Physical impacts and risks to FMG

Understanding the nuances of physical risk is fundamental for any General Insurer. As climatic patterns evolve, so too, does the nature of this risk. Most of the physical assets that FMG insures are exposed to a degree of increased risk resulting from a changing climate. These physical assets represent 62% of Sums Insured within FMG's portfolio.

FMG also underwrites several Liability products. The current wording of these contracts is not explicit with regards to a response to Climate-related risks, and without legal precedent it would not be possible to say that these products are not exposed to some form of Transition risk. Liability business represents circa. 38% of FMG's portfolio by Sum Insured.

FMG's investment portfolio has 20% exposure to equities through external fund managers. Most companies within these equity portfolios have exposure to transition risk, noting that some industries (for example the energy sector), are considered at higher risk than others.

Current physical impacts and risks to FMG

The physical impacts and risks of Climate Change affect FMG most acutely through the cost of weather-related claims. While it remains difficult to quantify how much of FMG's historical weather-related claims cost can be directly attributed to Climate Change, trends indicate that claims costs associated with severe weather are rising.

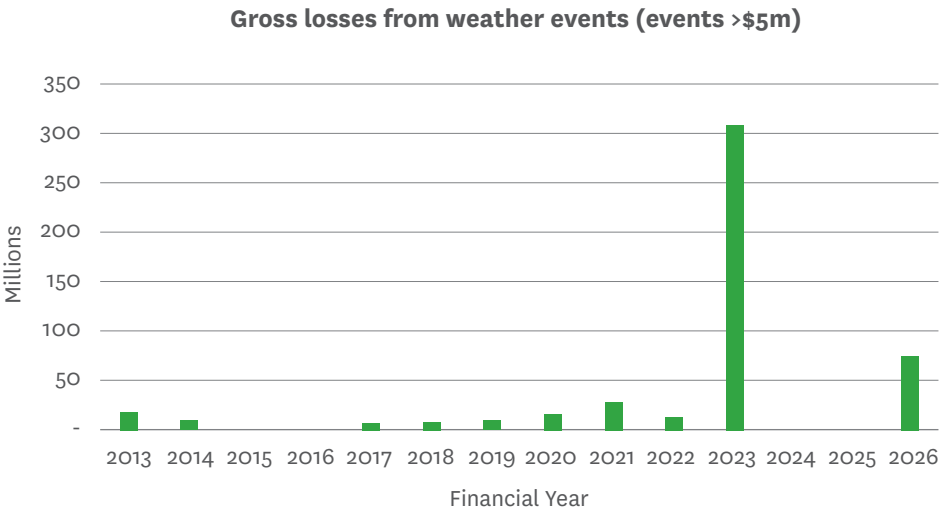
The combined claims from Cyclone Gabrielle and the Auckland Anniversary Weekend floods in early 2023

remain the most significant event in FMG's 121-year history. More recently, severe storms and flooding across parts of the South Island and other regions have resulted in substantial losses, reinforcing the ongoing exposure to extreme weather events. These developments highlight the increasing volatility and frequency of severe weather, underscoring the need for FMG to continually reassess its exposure and resilience strategies.

Current transition impacts and risks to FMG

FMG has not identified any material current transition impacts for FY25/ 26. Current transition impacts observed but which are not material include changes to the insured portfolio as clients transition to a low carbon economy and adopt more Climate resilient farming practices.

Figure 8. FMG’s historic losses from weather-related events



Anticipated financial impacts from Climate-related physical flood risk

Over the last three years, FMG has considered a range of flood models to strengthen its understanding of both current and future flood risk across the portfolio. In late 2025, FMG acquired the Fathom flood models to inform underwriting and pricing decisions. Fathom also provided forecasts of flood risk aligned with FMG’s Climate-related Disclosures scenarios. Six modelled combinations were developed, with three aligned to the Scenario time horizon out to 2060 and a further set extending to 2100. This extended timeframe recognises that Climate-related conditions are expected to continue evolving well beyond the formal Scenario horizon.

All modelling was undertaken using FMG’s portfolio data for Buildings, Contents, and Business Interruption as at 30

November 2025. The analysis assumes the portfolio remains unchanged over the forecast period, with no additions or removals of insured items and insured values held constant at their 30 November 2025 levels. The modelling also assumes that existing flood protection and mitigation measures remain in their current state, with no additional mitigation actions undertaken in the future. As a result, the analysis isolates the impact of changing flood risk driven by Climate-related factors, rather than changes in exposure, insured values, or mitigation activity.

Changes in average annual flood losses

The modelling indicates an increase in average annual flood losses for Buildings, Contents, and Business Interruption over time under all Scenarios. These increases reflect both a growing proportion of the portfolio exposed to flood risk

as events become more severe and increasing frequency of flood events.

The table above summarises the proportion of insured addresses impacted by flood risk and the associated increase in average annual expected flood losses across Scenarios and time horizons.

By 2100:

- under the Low Scenario, average annual flood losses are expected to increase by \$23.6m, and
- under the High Scenario, average annual flood losses are expected to increase by \$58.7m relative to current experience.

Table 3. Increase in average annual flood losses and proportion of addresses impacted by Scenario and time horizon

Scenario		2025	2040	2060	2100
Low	Percentage of addresses impacted	21.3%			21.5%
	Annual Increase in Cost \$'m	nil			23.6
Medium	Percentage of addresses impacted	21.3%		22.0%	22.5%
	Annual Increase in Cost \$'m	nil		18.8	35.2
High	Percentage of addresses impacted	21.3%	21.9%	22.6%	24.1%
	Annual Increase in Cost \$'m	nil	7.60	26.7	58.7

Growth in coastal flood risk

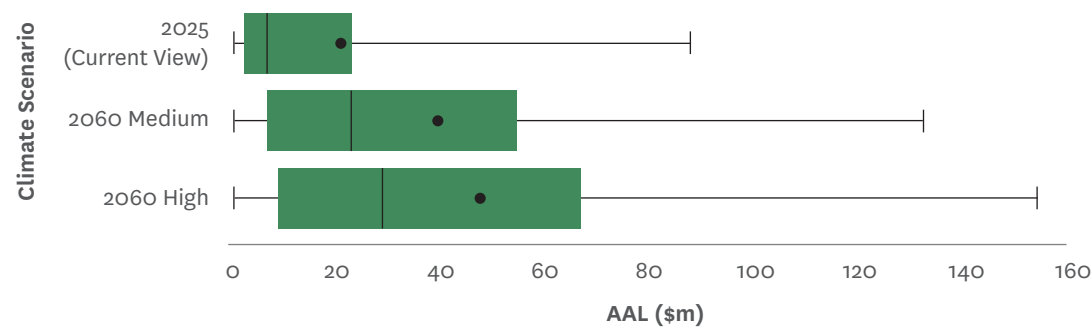
The modelling shows that coastal flood risk increases more rapidly than other forms of flooding. Under current conditions, coastal flooding represents approximately 16% of total flood risk. Under the High Scenario, coastal flooding is expected to represent approximately 60% of total flood risk by 2100.

Variability and extreme flood events

Table 3 (on page 18) represents the increase in the average annual cost of flood losses. Actual experience will vary from year to year, with some years experiencing little or no flooding and other years experiencing significant flood events.

Figure 9 below illustrates the distribution of portfolio wide annual flood losses over time under different Scenarios.

Figure 9. Distribution of portfolio annual flood losses under different Climate Scenarios



In this figure:

- the solid green bar represents the range of flood losses expected to occur in 50% of all years,
- the right hand whisker represents losses associated with rarer events (a 1-in-20-year event), and
- the solid circle denotes the average annual loss.

To provide context for the scale of these results, the gross incurred cost for FMG clients of Cyclone Gabrielle in February 2023 was approximately \$275m, which at the time represented an estimated 1-in-175 years event for FMG.

Under the High Scenario:

- losses of comparable magnitude are expected to occur 1-in-90-years by 2060, and
- 1-in-40-years by 2100.



Table 4: Gross and net flood event costs under selected Scenarios

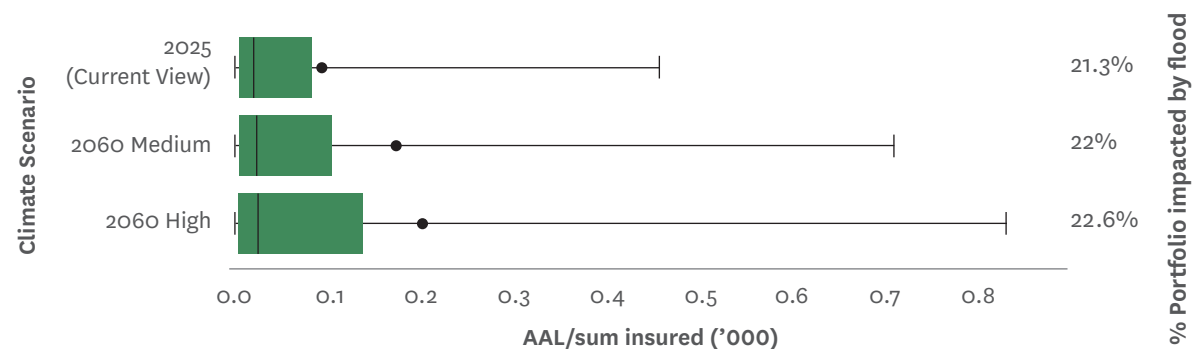
	Gross Losses (\$m)	Net Cost to FMG (\$m)
2025 Current Flood Risk		
AAL	20.0	20.0
75th percentile	22.6	22.6
95th percentile	86.9	28.2
2060 Medium Scenario		
AAL	39.1	26.7
75th percentile	53.7	27.2
95th percentile	132.0	29.6
2060 High Scenario		
AAL	47.0	27.1
75th percentile	66.1	27.6
95th percentile	153.1	30.2

Implications for pricing, capital, and reinsurance

The modelling shows that the Average Annual Flood loss (AAL) sits above the midpoint of the expected loss distribution. This means that, in many years, an insurer must collect more premium than the losses incurred in that same year. This surplus is required to fund future years in which flood losses materially exceed the average. In the absence of reinsurance, this variability would require insurers to hold significant additional capital to absorb the years with large losses.

FMG maintains a reinsurance programme that provides some protection against large flood losses. Using the reinsurance structure in place for the 2026 financial year as an illustrative example, Table 4 above shows the retained cost to FMG for the average event and more severe events under selected Scenarios, including the cost of reinstating the reinsurance after it has been utilised.

Figure 10. Distribution of flood losses per \$1,000 of Sum Insured for impacted insured items under different Climate Scenarios



While reinsurance significantly reduces FMG's exposure to extreme flood losses, it is expected that, as flooding becomes more frequent and severe, the cost of purchasing reinsurance will increase and the availability of favourable reinstatement terms will decline. As a result, the retained costs illustrated in Table 4 are expected to increase over time.

Distribution of flood risk across the portfolio

Flood risk is not evenly distributed across FMG's insured portfolio. Currently, approximately 21.3% of insured items are exposed to some degree of flood risk. Under the High Scenario, this proportion increases to approximately 22.6% by 2060.

In addition to more items being exposed, the range of flood risk experienced by impacted items increases significantly over time.

Figure 10 above shows the distribution of average annual flood losses for individual Buildings, Contents, and Business Interruption items.

In this figure:

- the solid bar represents the flood risk experienced by 50% of impacted items, and
- 5% of impacted items are beyond the right hand whisker.

Over time, both the number of items exposed to flood risk and the spread between lower and higher risk properties increase materially, highlighting the growing concentration and severity of flood risk within parts of FMG's portfolio.

Transition planning

FMG refreshed its business strategy, Te Ara Tika 2030 - The Way Forward, during FY24/ 25, updating its Strategic Ambitions through to 2030. The Strategy reaffirms FMG's commitment to being an advice led organisation, guided by its Purpose of delivering 'A better deal for rural New Zealand Aotearoa'. It continues to be informed by the Service Profit Chain, with employees, clients, and Members at the centre of long term decision making, including FMG's response to Climate-related risks and opportunities.

FMG's strategic planning process sets the long term direction and priorities for the business out to 2030, while the Annual Business Plan translates this strategy into near term objectives. Business initiatives are designed to address material risks or capitalise on opportunities, including those related to Climate Change, in support of FMG's strategy. These initiatives are prioritised through FMG's integrated, always on, business planning and strategy to delivery process, and delivered through FMG's Strategic Change Programme. Climate-related risks and opportunities are considered alongside other material business priorities to ensure they are embedded in decision making and delivery.

Climate-related risks and opportunities are not currently explicitly considered in internal capital deployment or funding decisions associated with the Strategic Change Programme, and FMG does not apply an internal emissions or carbon price as part of this decision-making framework. Progress against the Programme is reported through the CEO Report at each Board meeting.

The Mutual's transition planning reflects those elements of FMG's Strategy and Business Plan that support resilience and sustainability as global and domestic economies transition to a low emissions, Climate resilient future. A significant risk for FMG remains its ability to continue supporting clients with appropriate insurance solutions in the face of increasingly volatile and severe weather.

Figure 11. Specific areas of investment for FMG to adapt to Climate Change risks



Transition planning process

Following the update and refinement of key risks and opportunities outlined in Table 2, FMG continues to progress its transition planning alongside its strategy and business planning processes. This work focused on refining areas where targeted investment and capability development would strengthen FMG's resilience to Climate related risks across a range of potential future pathways.

FMG has identified six specific areas of investment to adapt to Climate Change risks, illustrated in figure 11 above.

Each area is assigned to an ELT member who is accountable for its delivery. Consideration is given to what actions are required in each area and when those actions should commence to respond effectively to emerging risks.

Where future action is identified, appropriate metrics will be developed and monitored to ensure the ongoing validity of current assessments. Earlier intervention may be triggered if metrics reach predetermined thresholds. For example, adapting product and process design is assigned to the Chief Insurance Officer. The integrated Natural Perils Underwriting tool is an example of current action in this

area. Further work is underway to develop more granular pricing algorithms, with the ability to accelerate this work if existing approaches become insufficient.

Review of the transition planning framework with ELT members is ongoing. Once completed, the framework is expected to support clearer mapping of Climate-related risks and opportunities across short, medium, and long-term horizons aligned with FMG's Climate Scenarios.

The areas identified primarily reflect the transition required for FMG to adapt to a changing physical risk landscape, which remains the most material Climate-related risk for the Mutual. As FMG continues to build capability and confidence in Scenario Analysis and transition planning, risks and opportunities associated with the transition to a low emissions economy may become more prominent in future disclosures.

As with all long-term planning, actions in the near term are better understood due to greater certainty in the current operating environment. Over longer horizons, Climate-related initiatives will continue to be prioritised alongside other strategic objectives and regulatory requirements facing the insurance sector.



Progress against priority areas

FMG's transition planning focuses on strengthening resilience to Climate-related risks through a defined set of priority areas. These areas reflect where FMG continues to build capability, adapt processes, and support Members, clients, and rural communities in response to increasing Climate-related volatility.

Loss prevention advice associated with Climate-related risk

As an advice-led insurer, the provision of risk advice remains a core component of FMG's value proposition. Drawing on in-house claims experience, external hazard data, industry partnerships, and FMG's rural knowledge, the Mutual continues to provide guidance to clients on reducing physical and human loss from Climate-related hazards, including flooding, windstorms, wildfires, and other severe weather events.

During the year, FMG has continued to strengthen how Climate-related risk information is incorporated into

client conversations. This includes ongoing exploration of digital tools to improve awareness of site-specific hazard exposure and support more proactive risk management discussions. These tools are intended to complement FMG's advice-led approach by providing clearer and more accessible information at a property level.

FMG has also continued to develop its Risk Consultant capability, focused on supporting larger and more complex clients. This work remains centred on site and building characteristics, natural hazard exposure, and practical risk reduction strategies. As hazard data and modelling mature, this capability is expected to support more forward-looking discussions about how risk profiles may change over time, as Climate conditions evolve.

Sourcing and building appropriate datasets

High quality data is critical to understanding and managing Climate-related risk. FMG continues to strengthen its use of external datasets to support more granular assessment of weather-related hazards, with a particular focus on flooding.

FMG's insurance contracts are short-term, with underwriting and pricing reflecting risk over a 12 month period. However, understanding how Climate-related risk may evolve over time supports clearer and more transparent discussions with clients about longer term insurability and affordability. During the year, FMG has continued to integrate improved flood and natural hazard data into underwriting and has explored how this might impact pricing considerations over time.

Adapting product processes

FMG has continued to enhance its Underwriting and Claims processes in response to increasing Climate-related volatility. Natural Perils Underwriting capability has been further embedded within FMG's core insurance systems, enabling individual risks to be assessed more consistently for exposure to Climate-related hazards.



Maintaining Claims service standards under more volatile conditions

To support effective response to future events, FMG continues to operate its Event Response Preparedness Plan (ERPP). The ERPP outlines governance, operational roles, service standards, communication protocols, community engagement approaches, and wellbeing considerations during major events.

The ERPP has been tested through simulations and applied during actual events, with learnings used to refine processes over time. This approach helps ensure FMG remains prepared even during extended periods without major events.

FMG has continued to progress its Future of Claims work, building on the completion of earlier stages to improve scalability, consistency, and experience across the claims lifecycle. Recent focus has been on strengthening claims assessment processes and reducing the time taken to resolve simpler claims. The transition to Guidewire Cloud enables greater use of automation and digital tools to support claims triage and processing, allowing straightforward claims to be resolved more efficiently, and allowing teams to focus on more complex and large scale claims events.

Maintaining adequate capital

FMG manages capital through its Target Solvency and Capital Management Policy, which documents the Board's Risk Appetite for financial security and supports the Mutual's resilience to Climate-related risk. As an insurer, FMG is required to hold a minimum level of capital under the Solvency Standard issued by the Reserve Bank of New Zealand (RBNZ). However, recognising the inherent variability of insurance returns, FMG targets capital in excess of the regulatory minimum to ensure it can operate through adverse conditions and continue delivering on its strategic objectives.

Climate-related risk is an increasingly important consideration in this context. Insurance returns are expected to become more volatile over time, in part due to the increasing frequency and severity of weather-related events. While Climate-related risks are not currently an explicit driver of internal capital deployment decisions, they are a key input into FMG's assessment of capital adequacy and its understanding of how financial resilience may need to evolve.

In 2025, FMG undertook a capital adequacy assessment to ensure the Target Solvency and Capital Management Policy aligned with updated RBNZ Solvency Standard guidance and reflected the Board's Risk Appetite in a more volatile operating environment. This review resulted in a slight increase to the lower bound of the target capital range and an extension of the upper target range, supporting a progressive strengthening of FMG's capital position and improved resilience over time.

The target solvency position requires FMG to hold significant investments to support the insurance entity, managed in accordance with the Statement of Investment Performance Objectives. These investments balance return objectives with the Board's Risk Appetite and the need to maintain sufficient liquidity to meet claims obligations. Liquidity risk is particularly relevant following large weather events, where claims payments may be required before recoveries from reinsurers are received, a dynamic expected to become more pronounced as Climate-related events increase. FMG manages this risk by holding sufficient income assets, including cash and fixed interest investments, to maintain a margin above insurance liabilities. These parameters were reaffirmed through the capital adequacy assessment and support FMG's ability to provide fair and affordable insurance in a changing Climate.

People, community and wellbeing resilience

FMG recognises that Climate-related risks extend beyond impacts on insurance and physical assets. These risks also affect people and social systems, particularly the wellbeing of Members, clients, and the rural communities FMG serves.

Farmstrong

FMG is a founding member and ongoing supporter of Farmstrong, a rural wellbeing programme focused on building health and resilience across rural communities. As more frequent and severe weather events, longer recovery periods, and cumulative Climate stress place sustained pressure on people, Farmstrong plays an increasingly important role.

June 2025 research showed that around 20,000 farmers and growers attributed improvements in their wellbeing to Farmstrong, reflecting the programme's scale and relevance across the sector. Further monitoring found that 13% of surveyed farmers reported improved ability to cope with the ups and downs of farming, which they attributed to Farmstrong—highlighting its contribution to day to day resilience.

Partnering with Melanoma New Zealand

FMG has also continued its support of skin cancer prevention and awareness initiatives through its work with Melanoma New Zealand. New Zealand Aotearoa has some of the highest rates of melanoma in the world, with farmers, growers, and those who work outdoors at particularly elevated risk due to prolonged exposure to ultraviolet (UV) radiation. As days become warmer, cumulative sun exposure is expected to remain a significant health risk for rural communities. In 2025, FMG invested in a new mobile spot check van, expanding the FMG Spot Check Roadie and increasing screening capacity



across rural regions. This delivered 44 spot check events, resulting in 1,546 free melanoma spot checks, with around one in five farmers identified as having suspicious lesions and referred for further clinical follow up. FMG clients and Members also receive free access to Melanoma New Zealand's online training programme, supporting early awareness, detection and preventative tools.

Underpinning all this, is FMG's give back ethos, sponsoring, attending and supporting over 700 local, industry, and community events throughout rural New Zealand Aotearoa every year. These initiatives foster stronger social ties, promote learning and leadership, and create spaces to share knowledge and experience. Communities that are well connected are better equipped to cope with and recover from severe weather and ongoing Climate Change. By engaging locally, FMG goes beyond insurance, supporting the social foundations essential for lasting Climate resilience in rural New Zealand Aotearoa.





Metrics and targets

Greenhouse gas emissions target

As a certified B Corp and in line with its broader responsibility as a business, FMG is committed to reducing its GHG emissions to support Climate Change mitigation efforts. In FY18/19, FMG set a target to reduce GHG emissions intensity by at least 30% per full-time equivalent (FTE) by 2030. The target covers Scope 1, Scope 2 and limited Scope 3 emissions and continues to apply following subsequent changes to FMG's GHG inventory boundary.

Scope 3 emissions include: all business-related travel and accommodation, printed office paper, postage and freight, waste generated in operations (office), fugitive emissions from lost refrigerants, fuel and energy-related losses, employee commuting and working from home.

FMG aims to honour, and where possible exceed, its current commitments, while prioritising the wellbeing of its employees, Members, and clients.

FMG acknowledges that its GHG emissions target is not aligned with The New Zealand Aotearoa Nationally Determined Contribution (NDC1) under the Paris Agreement, which seeks a 50% reduction in net emissions below gross 2005 levels by 2030. As FMG is unable to measure its 2005 gross emissions, full alignment with this target is not feasible. FMG also considers its current target to be appropriate for the following reasons:

Alignment with Member, client, and employee expectations

- FMG's target balances the need to reduce its emissions footprint with its role as a sustainable insurer supporting a fair and orderly transition to a lower emissions economy. This includes a strong focus on Climate adaptation through investment in loss prevention advice, maintaining access to fair and affordable insurance, supporting strong and prosperous rural communities, and sustaining trusted, face-to-face relationships with the communities FMG serves.
- FMG has also experienced an extended period of strong growth over the last five years, meaning the emissions reduction targets are being achieved within the context of the Mutual supporting many more businesses and individuals throughout New Zealand Aotearoa.
- In addition, the target enables FMG to prioritise the collection of high-quality activity data, providing confidence that emissions reductions are measured using accurate and reliable information.

Achievable without offsets

- The target is designed to be achievable without the use of carbon offsets, such as exotic tree planting, which FMG considers may have unintended negative impacts on rural communities. This approach supports emissions reduction actions that deliver tangible benefits for the communities FMG serves.

Organisational description and boundaries

This year, FMG measured its GHG emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) (GHG Protocol), having previously applied the ISO 14064 1 Standard in prior reporting years. The transition to the GHG Protocol reflects FMG’s intent to align with the most widely used international framework for corporate GHG accounting and reporting, while maintaining methodological consistency with its historical emissions inventory.

Both the ISO 140641 Standard and the GHG Protocol are internationally recognised and closely aligned in their principles, boundary setting approaches, and treatment of Scope 1, Scope 2, and Scope 3 emissions. FMG’s adoption of the GHG Protocol does not result in a material change to its organisational or operational boundaries.

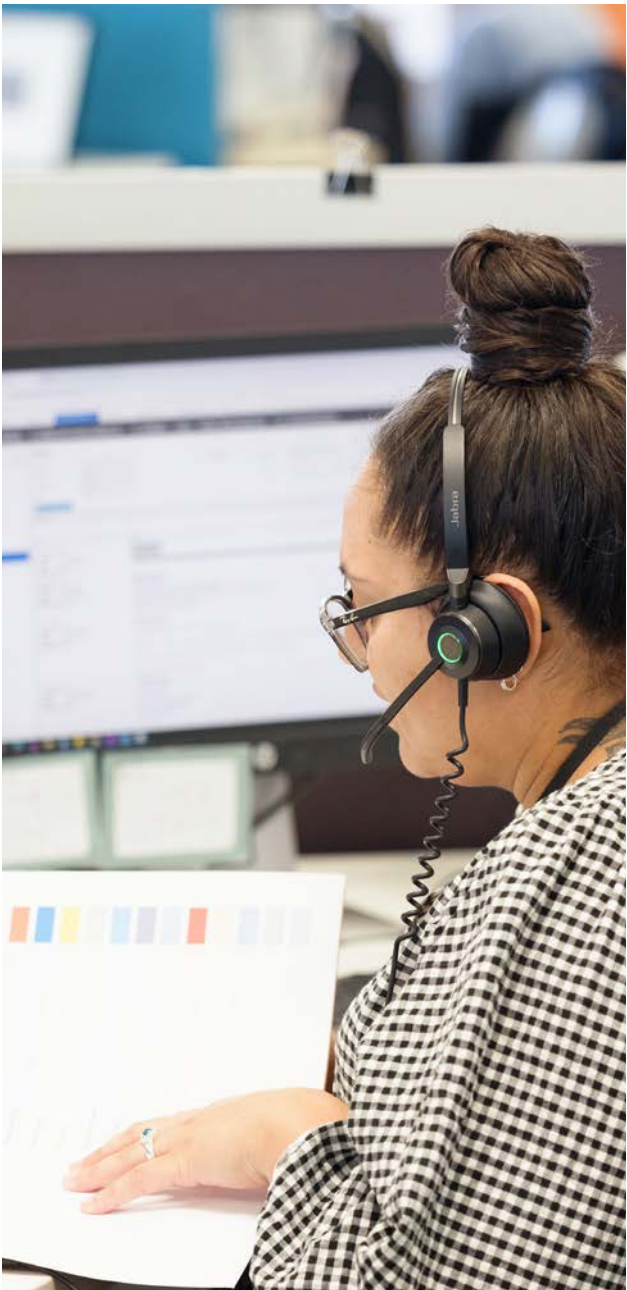
FMG continues to apply the Operational Control Approach to define its organisational boundaries. Under this approach, FMG includes all entities over which it has the authority to introduce and implement operating policies at a Group level (FMG Insurance Limited).

The operational boundaries for FMG’s GHG inventory include:

- **Owned property:** One office location in New Zealand Aotearoa.
- **Leased offices:** 29 leased office locations across New Zealand Aotearoa.
- **Fleet vehicles:** 212 fleet vehicles used for client-facing roles and selected Executive Management roles.
- **Employees and equivalents:** 956 full-time employees and equivalents, including part-time employees and long-term contractors listed on FMG’s payroll.

Table 5: FMG’s leased and owned offices

North Island	
Whangarei	Dannevirke
Pukekohe	Te Kuiti
Warkworth	Hastings
Tauranga	Hawera (owned)
Whakatane	New Plymouth
Gisborne	Feilding
Hamilton	Palmerston North
Matamata	Wellington
Rotorua	Masterton
South Island	
Nelson	Greymouth
Blenheim	Balclutha
Ashburton	Alexandra
Invercargill	Dunedin
Christchurch	Oamaru
Timaru	Gore





Emission sources included in FMG’s reporting boundary

In addition to measuring Scope 1 (direct GHG emissions) and Scope 2 (indirect GHG emissions), FMG includes Scope 3 (other indirect emissions) where data is available and considered reasonably accurate.

The Scope 3 emissions sources included within FMG’s reporting boundary are:

- Printed office paper,
- Fuel and energy related losses,
- Postage and courier,
- Waste generated from office operations,
- All business related travel and accommodation,
- Employee commuting and working from home,
- Fugitive emissions from lost refrigerants.

The activities included in FMG’s GHG inventory are determined based on operational control, materiality, and data availability, consistent with the principles of the GHG Protocol.

Ernst & Young Limited (EY) has provided independent, third-party limited assurance on Scope 1, Scope 2 (location-based), and selected Scope 3 gross GHG emissions presented in Table 7 (on page 28) for the FY25/ 26 reporting period, in accordance with the New Zealand Standard on Assurance Engagements 1 Assurance Engagements over Greenhouse Gas Emissions Disclosures (NZ SAE 1) and the International Standard for Assurance Engagements (New Zealand): Assurance Engagements on Greenhouse Gas Statements (ISAE (NZ) 3410).

GHG emissions disclosed for the periods ended 31 March 2019 to 31 March 2024 have been subject to reasonable and limited assurance by McHugh & Shaw Ltd.

Table 6. Activities included in FMG’s GHG inventory (GHG protocol)

Scope	GHG protocol category	Activities Included
1	Direct emissions	Fuel use in leased vehicles
2	Purchased electricity (location based)	Purchased electricity
3	Category 1 – Purchased goods and services	Printed office paper
	Category 3 – Fuel and energy related activities (not included in Scope 1 or 2)	Transmission and distribution losses (T&D) and Well to tank (WTT) emissions from electricity consumed
	Category 4 – Upstream transportation and distribution	Postal and courier services
	Category 5 – Waste generated in operations	Office waste
	Category 6 – Business travel	Air travel; personal vehicle use; taxi travel; accommodation (incl WTT)
	Category 7 – Employee commuting	Employee commuting (incl WTT) and working from home (energy use)
	Category 8 – Upstream leased assets	Fugitive emissions from lost refrigerants in leased offices

Emissions sources, calculation methods, assumptions and uncertainties

Table A1 in Appendix 1 provides an overview of all emissions sources included in FMG’s GHG inventory, together with associated data sources, calculation methods, key assumptions, and an assessment of data quality and uncertainty. Excluded emission sources are provided in Table A2 in Appendix 2.

Data for FMG’s GHG inventory is collected from a range of internal and external sources, including utility bills, fuel purchase records, travel and accommodation logs, and waste disposal records. Emissions are primarily calculated using activity based methodologies, consistent with the GHG Protocol. Where activity data is unavailable, average data based or spend based methodologies are applied. These approaches are described below.

Average data-based method:

Estimates emissions by multiplying the quantity of a product or activity (e.g. kilograms, litres) by an appropriate secondary emission factor.

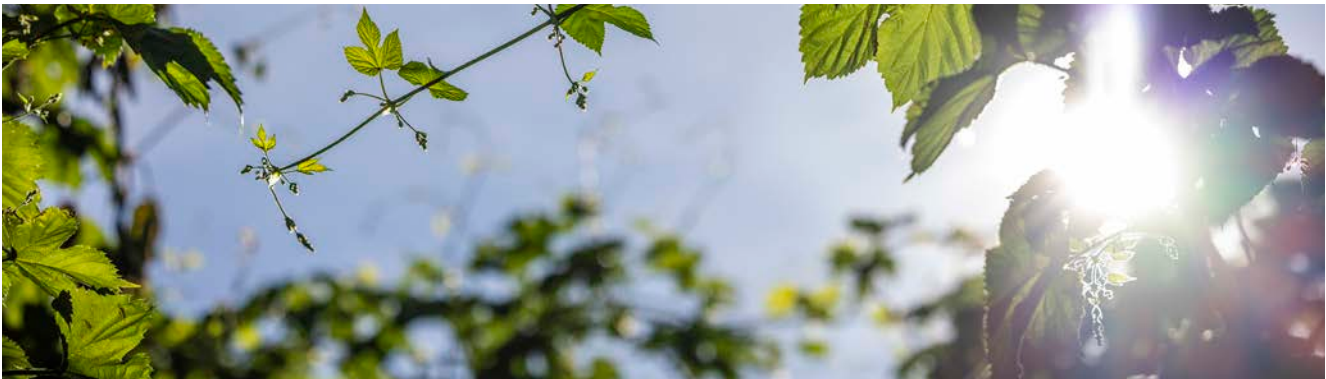
Spend-based method:

Estimates emissions by multiplying the monetary value of goods or services purchased by an appropriate spend based emission factor.

Emission factors

Emissions data presented in this report is calculation based and derived by multiplying activity data, where available, by relevant emission factors, as shown below:

Emissions (tonnes CO₂e) = Activity data (unit) × Emission factor (tonnes CO₂e per unit)



Emission factors have been sourced primarily from the New Zealand Ministry for the Environment (MfE), published in May 2025. Where MfE factors were unavailable, emission factors from Thinkstep 2025, UK Department for Energy Security and Net Zero 2025 (DESNZ), have been applied.

All emission factors are expressed in terms of carbon dioxide equivalent (CO₂e). Emissions of individual greenhouse gases are calculated separately and converted to CO₂e using 100 year Global Warming Potentials (GWPs) from the IPCC Fifth Assessment Report (AR5), consistent with GHG Protocol guidance.

Table 7. Breakdown of reported emissions for FY25/ 26 by Scope

Category	Total Emissions (tCO ₂ e)	Share of total %
Scope 1	978	36%
Scope 2 (Location based)	110	4%
Scope 3	1,646	60%

Figure 12. Breakdown of reported emissions for FY25/ 26

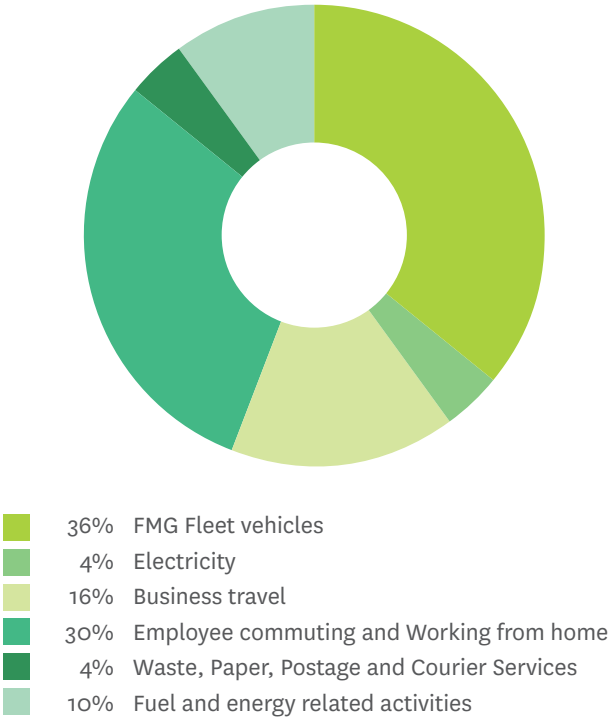


Table 8. Breakdown of FMG's reported emissions by source (GHG protocol)

Scope	GHG protocol category	Emission source	Total tCO ₂ e FY23/ 24	Total tCO ₂ e FY24/ 25	Total tCO ₂ e FY25/ 26
1	Direct emissions	Diesel and petrol used in leased vehicles	1,325	1,170	978
2	Purchased electricity (location based)	Purchased electricity	100	83	110
3	Category 1 – Purchased goods and services	Printed office paper	5	4	5
	Category 3 – Fuel and energy related activities (not included in Scope 1 or 2)	Electricity transmission and distribution losses and WTT	14	37	39
		WTT from diesel and petrol	327	286	239
	Category 4 – Upstream transportation and distribution	Postal and courier services	27	70	97
	Category 5 – Waste generated in operations	Office waste	2	17	8
	Category 6 – Business travel	Air travel (incl WTT)	506	393	336
		Personal vehicle use (incl WTT)	82	78	71
		Taxi travel (incl WTT)	20	1	4
		Accommodation	34	36	39
	Category 7 – Employee commuting	Employee commuting (incl WTT)*	740	723	762
		Working from home (energy use)	12	30	46
	Category 8 – Upstream leased assets	Fugitive emissions from lost refrigerants in leased office	0	0	0
		Total Gross GHG Emissions	3,194	2,928	2,734
		Removals	0	0	0
		Carbon credits / offsets purchased	0	0	0
		Total Net GHG Emissions	3,194	2,928	2,734
		Full time employee equivalents (FTE)	907	898	956
		GHG emissions intensity (tCO ₂ e per FTE)	3.5	3.3	2.9

* FY23/ 24 and FY24/ 25 employee commuting emissions have been restated using FY25/ 26's improved survey-based methodology to ensure year-on-year comparability and isolate genuine behavioural changes from data quality improvements.

This resulted in employee commuting emissions increase from 537 to 740 tCO₂e in FY23/ 24, and from 526 to 723 tCO₂e in FY24/ 25. These restatements have not been subject to assurance procedures.

Progress against FMG's emissions reduction target

FMG set a target to reduce emissions intensity by 30% by 2030, using FY18/ 19 as the baseline. By FY22/ 23, emissions intensity had reduced by 21.9% , reflecting steady operational improvements.

From FY23/ 24, the emissions boundary was expanded to include employee commuting and working from home. As this data was not available historically, earlier years were not restated and a new baseline was established. Performance from this point is tracked separately to provide a clear view under the broader boundary.

Intensity net GHG emissions in FY25/ 26 were 2.9 tCO₂e per FTE. This represents a 17% decrease from the FY23/ 24 re-baseline year. Taken together with the previous 21.9% reduction achieved up to FY22/ 23, this shows FMG is delivering on its 2030 emissions intensity reduction target.

Changes in FMG's GHG emissions over the year reflect a mix of deliberate action and factors outside the business's control. A key driver has been the early shift of the vehicle fleet to hybrid models, significantly reducing fuel use and associated emissions. At the same time, stronger operational practices across FMG, including more considered business travel and improved waste management, are driving meaningful reductions in emissions through everyday ways of working.

External factors also play a part. For example, updates to the electricity emissions factor have increased reported scope 2 emissions, even where underlying electricity use has reduced on a per FTE basis.

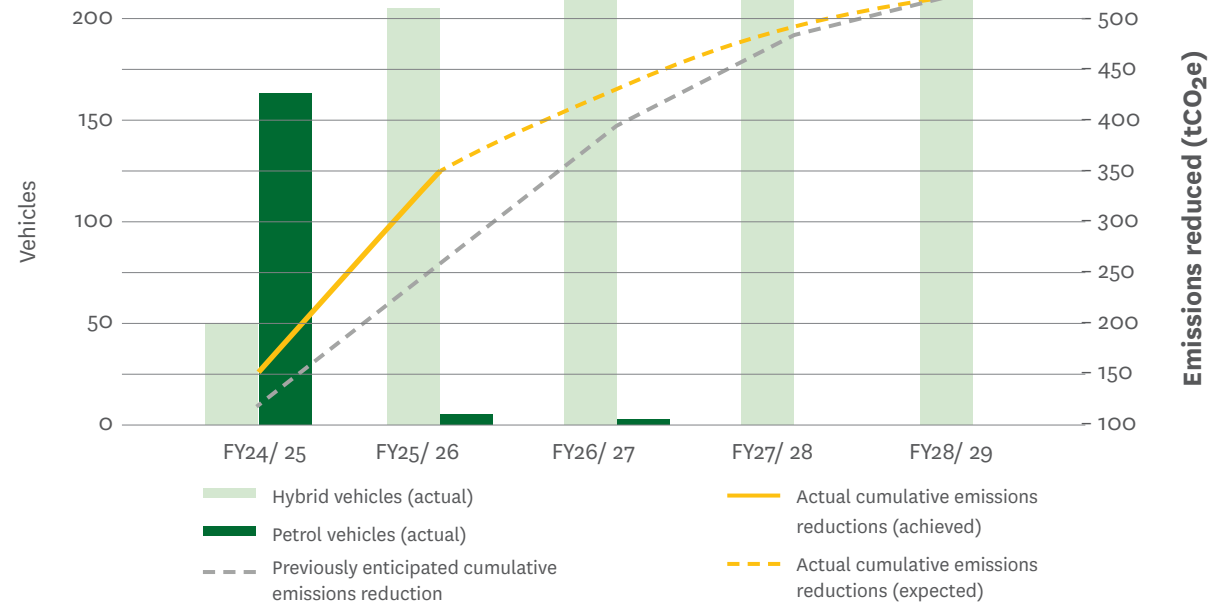
Table 9. FMG's progress against emissions intensity reduction target*

Financial year	Total gross GHG emissions (tCO ₂ e)	FTEs	Emissions intensity (tCO ₂ e/FTE)	Year-on-year change (%)	Progress vs FY18/ 19 base (%)	Progress vs FY23/ 24 re-baseline (%)
FY18/ 19	2,155	673	3.2	Base year		
FY19/ 20	2,328	705	3.3	+3.1%	-3.1%	
FY20/ 21	2,210	737	3.0	-9.1%	6.2%	
FY21/ 22	1,779	847	2.1	-30.0%	34.4%	
FY22/ 23	2,159	864	2.5	+19.0%	21.9%	
FY23/ 24	3,194	907	3.5			Re-baseline year
FY24/ 25	2,928	898	3.3	-5.7%		-5.7%
FY25/ 26	2,734	956	2.9	-12.1%		-17.1%

* GHG disclosures for the periods ended 31 March 2019 to 31 March 2024 have been subject to reasonable and limited assurance by McHugh & Shaw Ltd. FY23/ 24 and FY24/ 25 (restated emissions), emissions intensity metrics and performance have not been subject to external assurance.



Figure 13. Previously anticipated vs actual Scope 1 emissions reduction from FMG's fleet transition



Transitioning to a hybrid fleet (Scope 1)

Fleet vehicles play a crucial role in FMG's client-centric operating model, enabling client-facing teams to maintain strong, in-person relationships with Members and clients across rural and provincial New Zealand Aotearoa. Given this fleet fuel use has historically been one of the most material sources of FMG's operational GHG emissions.

The transition from internal combustion engine (ICE) vehicles to hybrid vehicles started in February 2024 and

was originally expected to be completed by FY28/29. By FY25/26, 205 of FMG's 212 fleet vehicles are now Toyota RAV 4 Hybrids, delivering the programme approximately two years ahead of schedule.

The remaining vehicles have been retained to meet specific operational or employee requirements, with lower-emissions alternatives continuing to be assessed where practical.

Early delivery of the fleet transition has contributed to a material reduction in Scope 1 emissions from mobile combustion during FY25/26. Reduced fuel use has also

delivered flow-on benefits for upstream fuel-related emissions captured in Scope 3. Based on current performance, the transition is expected to deliver cumulative emissions reductions of approximately 520 tCO₂e over the life of the programme.

Overall, the fleet transition demonstrates that FMG can reduce emissions from a core operational activity while maintaining its strong, boots-on-the-ground presence across rural and provincial New Zealand Aotearoa.

APPENDIX 1

FMG emissions sources, calculation methods assumptions and uncertainties

Data quality and uncertainty are evaluated based on the following scales:

Data quality scale:

- Low – Data exhibits noticeable inaccuracies, inconsistencies, or variability that may limit its reliability.
- Medium – Data is generally dependable but includes some inaccuracies or missing values that require extrapolation.
- High – Data is precise, consistent, and mostly comprehensive.

Uncertainty scale:

- Low – There is strong confidence in the data's reliability and precision, with clearly understood limitations.
- Medium – There is reasonable confidence in the data's dependability, with some acknowledged constraints.
- High – Confidence in the data's reliability is limited, with significant unknowns affecting its interpretation.

Table A1 provides a detailed summary of the emissions sources included in FMG's FY25/ 26 GHG inventory, together with the calculation methods applied, key assumptions, and associated data quality and uncertainty considerations.



Table A1: FMG emissions sources, calculation methods, assumptions and uncertainty

Scope	GHG Protocol category	Emissions source	GHG Protocol methodology	Data and collection method	Data source	Emission factor (EF) source	Assumptions	Data quality	Uncertainty
1	Mobile Combustion	Diesel and petrol consumption from leased vehicles (fleet)	Activity-based	Fuel volumes (litres)	Supplier fuel invoices and fleet records	MfE 2025 – Transport fuel EFs (regular petrol, diesel)	Fuel consumption data provided by the supplier is assumed to be complete and accurate for the reporting period. MfE emission factors are assumed to be representative of the fuel types consumed.	High: Invoiced fuel data captured via fleet management systems and monitored regularly.	Low: Activity-based calculation using invoiced fuel data and established MfE EFs.
2	Purchased Electricity (location-based)	Purchased electricity	Activity-based	Electricity consumption (kWh)	Electricity supplier invoices and metering records	MfE 2025 – Purchased electricity EF (annual average 2024)	Electricity consumption data provided by the supplier is assumed to be complete and accurate. For a small number of shared offices that do not receive supplier invoices, an estimate has been used to calculate consumption based on square meterage.	High: Electricity invoices and ICP meters used; limited estimation required.	Low: Activity-based electricity data with national average EFs.
3	Category 1 – Purchased goods and services	Office consumables (printed office paper)	Activity-based	Pages printed (converted to kg)	Supplier data portal and reports	UK DESNZ 2025 – Material use: paper and board	Standard page-to-ream (500) and ream-weight (2.5 kg) conversions applied.	Low: Aggregated supplier data using standard conversion assumptions.	Low: Activity-based data with standardised material assumptions.
	Category 3 – Fuel and energy related activities (not in Scope 1 or 2)	Fuel well-to-tank (WTT) – petrol and diesel	Activity-based	Fuel volumes (litres)	Supplier fuel invoices and fleet records	UK DESNZ 2025 – Fuel WTT EFs	Scope 1 fuel volumes assumed to reasonably represent upstream fuel emissions.	High: Same underlying activity data as Scope 1 fuel consumption.	Low: Activity-based calculation using published upstream EFs.
	Category 3 – Fuel and energy related activities (not in Scope 1 or 2)	Electricity transmission and distribution (T&D) losses	Activity-based	Electricity consumption (kWh)	Electricity supplier invoices and metering records	MfE 2025 – Electricity T&D loss EF (2024)	Scope 2 electricity consumption assumed to incur average national transmission and distribution losses.	High: Derived directly from Scope 2 electricity data.	Low: Activity-based electricity data with MfE published loss EFs.

Continued next page

Table A1: FMG emissions sources, calculation methods, assumptions and uncertainty *continued*

Scope	GHG Protocol category	Emissions source	GHG Protocol methodology	Data and collection method	Data source	Emission factor (EF) source	Assumptions	Data quality	Uncertainty
3	Category 4 – Upstream transportation and distribution	Postage and courier	Spend-based	Spend data (NZD)	Internal finance records	thinkstep 2025 – Spend-based EFs	Financial spend assumed to be a reasonable proxy for activity.	Low: Complete financial spend data available.	Medium: Spend-based proxy less precise than activity-based methods.
	Category 5 – Waste generated in operations	Waste to landfill	Activity-based	Waste volumes (kg)	Waste service provider invoices and records	MfE 2025 – Waste to landfill (no gas recovery)	Supplier-reported weights assumed to reflect actual disposal volumes and made up of typical general office waste items.	High: Supplier-reported weight-based data for material sites.	Medium: Waste composition and landfill treatment assumptions increase uncertainty.
	Category 6 – Business travel	Air travel (incl. WTT)	Activity-based (distance)	Passenger distance (km), by travel class	Corporate travel management reports	MfE 2025 – Air travel (with radiative forcing); MfE Detailed Guide 2025 – WTT	WTT included using MfE guidance. WTT calculated using quantities (km).	High: Transaction-level booking data captured.	Medium: Assumptions and radiative forcing increase uncertainty.
	Category 6 – Business travel	Taxis / rideshare (incl. WTT)	Spend-based	Spend data	Internal finance records	MfE 2025 and UK DESNZ 2025 (WTT)	Spend assumed to reasonably represent travel activity; WTT Calculated using quantities (Kms).	Medium: Complete spend data available; trip detail not captured.	Medium: Spend-based proxy and upstream estimation increase uncertainty.
	Category 6 – Business travel	Personal vehicle use	Activity-based	Mileage claims (km)	Internal mileage claims system	MfE 2025 – Private car default (petrol 2000–3000cc)	Calculated using an industry standard NZD per km rate. This is assumed to reasonably represent average travel activity and may favour fuel-efficient vehicles and some public transport. WTT calculated using quantities (km).	Medium: Distance data reliable; vehicle type not captured.	Low: Distance-based calculation using reimbursed km.

Continued next page

Table A1: FMG emissions sources, calculation methods, assumptions and uncertainty *continued*

Scope	GHG Protocol category	Emissions source	GHG Protocol methodology	Data and collection method	Data source	Emission factor (EF) source	Assumptions	Data quality	Uncertainty
3	Category 6 – Business travel	Accommodation	Activity-based	Total room nights by country	Corporate travel management reports	MfE 2025 – Hotel stay EFs (by country)	Assumed no room sharing has occurred. Country-level proxy EFs applied where property-specific data are unavailable.	High: Supplier booking data with country detail	Low: Accommodation emissions not material.
	Category 7 – Employee commuting	Employee commuting (incl. WTT)	Average data method	Employee survey data	Internal employee survey	MfE 2025 – Travel by mode; MfE Detailed Guide 2025 – WTT	Calculated using total annual commuting distance (km) by transport mode from employee survey, (16% response rate), extrapolated to total FTE (excluding fleet vehicle users). Distances assume a direct return route between home and primary office per commuting day, based on 249 working days per year and three commuting days per week (149 days per employee). WTT calculated using quantities (km).	Low: Survey response rate limited; extrapolation required.	High: Survey assumptions compounded with WTT estimation
	Category 7 – Employees working from home (energy use)	Working from home (energy use)	Average data method	Estimated WFH days	Internal policy and payroll data	MfE 2025 – Working from home (default)	Standard working year and policy-based assumptions (2 days per week WFH) applied consistently across FTEs.	Medium: Policy-based estimate replaces direct measurement.	Low: Standard assumptions applied consistently.
	Category 8 – Upstream leased assets	Fugitive emissions (refrigerant leaks)	Activity-based	Annual confirmation	Building management correspondence	MfE 2025 – Refrigerant gas EFs	Building managers confirmed no refrigerant leaks at material sites.	High: Direct confirmation obtained for all material sites.	Low: No leaks reported, uncertainty dependent on record accuracy if applicable.

APPENDIX 2

The following GHG emission sources have been excluded from FMG's FY25/ 26 inventory. Excluded emission sources fall into three categories: (i) sources assessed as not material, (ii) sources assessed as not applicable to FMG's operations, and (iii) sources that have not yet been calculated, for which FMG is applying NZ CS Adoption Provision 4.

Table A2: Emissions sources excluded from FMG's GHG inventory

Scope	Scope 3 Category	Emission source (grouped)	Reason for exclusion
1	–	Stationary fuel (diesel, natural gas, LPG)	Assessed as not material (<1%); ad hoc use only (e.g. LPG BBQs).
3	Category 1	Purchased goods and services (excluding printed office paper)	Not yet calculated; FMG using NZ CS Adoption Provision 4.
	Category 2	Capital goods (owned property, IT equipment, furniture)	Not yet calculated; FMG using NZ CS Adoption Provision 4
	Category 5	Waste generated in operations (document destruction, liquid waste)	Not yet calculated; FMG using NZ CS Adoption Provision 4.
	Category 5	Waste generated in operations – claims-related asset disposal	Not yet calculated; FMG using NZ CS Adoption Provision 4.
	Category 8	Upstream leased assets (excluding electricity and refrigerants)	Not yet calculated; FMG using NZ CS Adoption Provision 4.
	Category 9	Downstream transportation and distribution	Assessed and considered not applicable; FMG provides insurance services and does not distribute physical products.
	Category 10	Processing of sold products	Not yet calculated; FMG using NZ CS Adoption Provision 4.
	Category 11	Use of sold products (branded merchandise and promotional items)	Not yet calculated; FMG using NZ CS Adoption Provision 4.
	Category 12	Cash-settled claims and end-of-life treatment of sold products	Not yet calculated; FMG using NZ CS Adoption Provision 4.
	Category 13	Downstream leased assets	Not yet calculated; FMG using NZ CS Adoption Provision 4.
	Category 14	Franchises	Assessed and considered not applicable; FMG does not operate franchises.
	Category 15	Insurance-associated emissions (all underwriting portfolios) Financed emissions – investment portfolio	Not yet calculated; FMG using NZ CS Adoption Provision 4.

APPENDIX 3



Shape the future
with confidence

Independent limited assurance report to Farmers' Mutual Group

Assurance conclusion – Scope 1, Scope 2 (location based only) and reported Scope 3 GHG emissions

Based on our limited assurance procedures performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Farmers' Mutual Group's consolidated gross scope 1, scope 2 (location based) and reported scope 3 Greenhouse Gas ("GHG") emissions, related additional required disclosures of gross GHG emissions and gross GHG emissions methods, assumptions and estimation uncertainty, within the scope of our limited assurance engagement (as outlined below) (together "GHG disclosures") included in Farmers' Mutual Group's Climate-related Disclosure for the year ended 31 March 2026 ("Climate Statement") are not fairly presented and not prepared, in all material respects, in accordance with the Aotearoa New Zealand Climate Standards ("NZ CS") issued by the External Reporting Board ("XRB").

Scope

Ernst & Young Limited ("EY") has undertaken a limited assurance engagement, to report on Farmers' Mutual Group's (the "Mutual" or "FMG"):

- Consolidated gross GHG emissions:
 - Scope 1 on page 28;
 - Scope 2 (location based) on page 28;
 - Scope 3 on page 28;
- Related additional requirements for the disclosure of consolidated GHG emissions on pages 26, 28, and 36;
- Related GHG emissions methods, assumptions and estimation uncertainty on pages 28, 29, and 32 to 35 included in the Climate Statement for the year ended 31 March 2026 (the "Subject Matter" or "GHG disclosures"). The reported amounts and disclosures relate to the Mutual and its subsidiaries (together the "Group") as explained in the Climate Statement.

Our assurance engagement does not extend to any other information included, or referred to, in the Climate Statement on pages 01 to 32. We have not performed any procedures with respect to the excluded information and, therefore, no conclusion is expressed on it.

Criteria applied by Farmers' Mutual Group

In preparing the GHG disclosures, Farmers' Mutual Group applied NZ CS (the "Criteria"). In applying the Criteria the methods and assumptions used are described on pages 33 to 35 of the GHG disclosures, as are the estimation uncertainties inherent in the methods and assumptions used.

Key matters

We have determined that there are no key matters to communicate in our report.



**Shape the future
with confidence**

Farmers' Mutual Group's responsibility

The Directors are responsible, on behalf of the Mutual for the preparation and fair presentation of the GHG disclosures in accordance with NZ CS. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the GHG disclosures, such that they are free from material misstatement, whether due to fraud or error.

EY's responsibility

Our responsibility is to express a limited assurance conclusion on the GHG disclosures based on the procedures we have performed and the evidence we have obtained.

Our engagement was conducted in accordance with New Zealand Standard on Assurance Engagements 1 *Assurance Engagements over Greenhouse Gas Emissions Disclosures* ("NZ SAE 1") and in accordance with the International Standard for Assurance Engagements (New Zealand): *Assurance Engagements on Greenhouse Gas Statements* ("ISAE (NZ) 3410"). Those standards require that we plan and perform this engagement to obtain limited assurance about whether the GHG disclosures have been prepared, in all material respects, in accordance with the Criteria. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the

risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

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.

Ernst & Young provides audit services related to the Group's financial statement and solvency return, and provides independent quality assurance and remuneration advisory services to the Mutual and its subsidiaries. Partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. We have no other relationship with, or interest in, the Group.

Our independence and quality management

We have complied with the independence and other ethical requirements of NZ SAE 1 *Assurance Engagements over Greenhouse Gas Emissions Disclosures* issued by the External Reporting Board (XRB) and the Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International*

Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than, for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.



**Shape the future
with confidence**

Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the report and related information and applying analytical and other relevant procedures.

Our procedures included:

- Obtaining, through inquiries, an understanding of FMG'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;
- Evaluating whether FMG's methods for developing estimates are appropriate and had been consistently applied. Our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate FMG's estimates;
- Evaluating organisational and operational boundaries to consider the completeness of the emissions sources;
- Performing analytical procedures on particular emission categories by comparing the expected GHGs emitted to reported GHGs emitted and made inquiries of

management to obtain explanations for any significant differences we identified; and

- Considering the presentation and disclosure of the GHG disclosures.

We also performed such other procedures as we considered necessary in the circumstances.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

Inherent uncertainties

The GHG quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

Other matters

The comparative GHG disclosures (that is the restated scope 3: category seven - employee commuting GHG disclosures for the period ended 31 March 2025 and 31 March 2024) have not been subject to assurance. As

such, these disclosures are not covered by our assurance conclusion.

The comparative GHG disclosures (that is GHG disclosures for the period ended 31 March 2019 to 31 March 2024) have been subject to reasonable and limited assurance by another assurance provider, with their unmodified assurance reports dated on 7 October 2020, 11 June 2021, 25 February 2022, 15 March 2023, 19 June 2023, and 8 July 2024 respectively.

Use of our assurance report

We disclaim any assumption of responsibility for any reliance on this assurance report to any persons other than FMG, or for any purpose other than that for which it was prepared.

The engagement partner on the engagement resulting in this independent assurance conclusion is Matthew Cowie.

A stylized, handwritten-style signature of 'Ernst & Young Limited' in dark blue ink.

Ernst & Young Limited
Auckland
29 June 2026