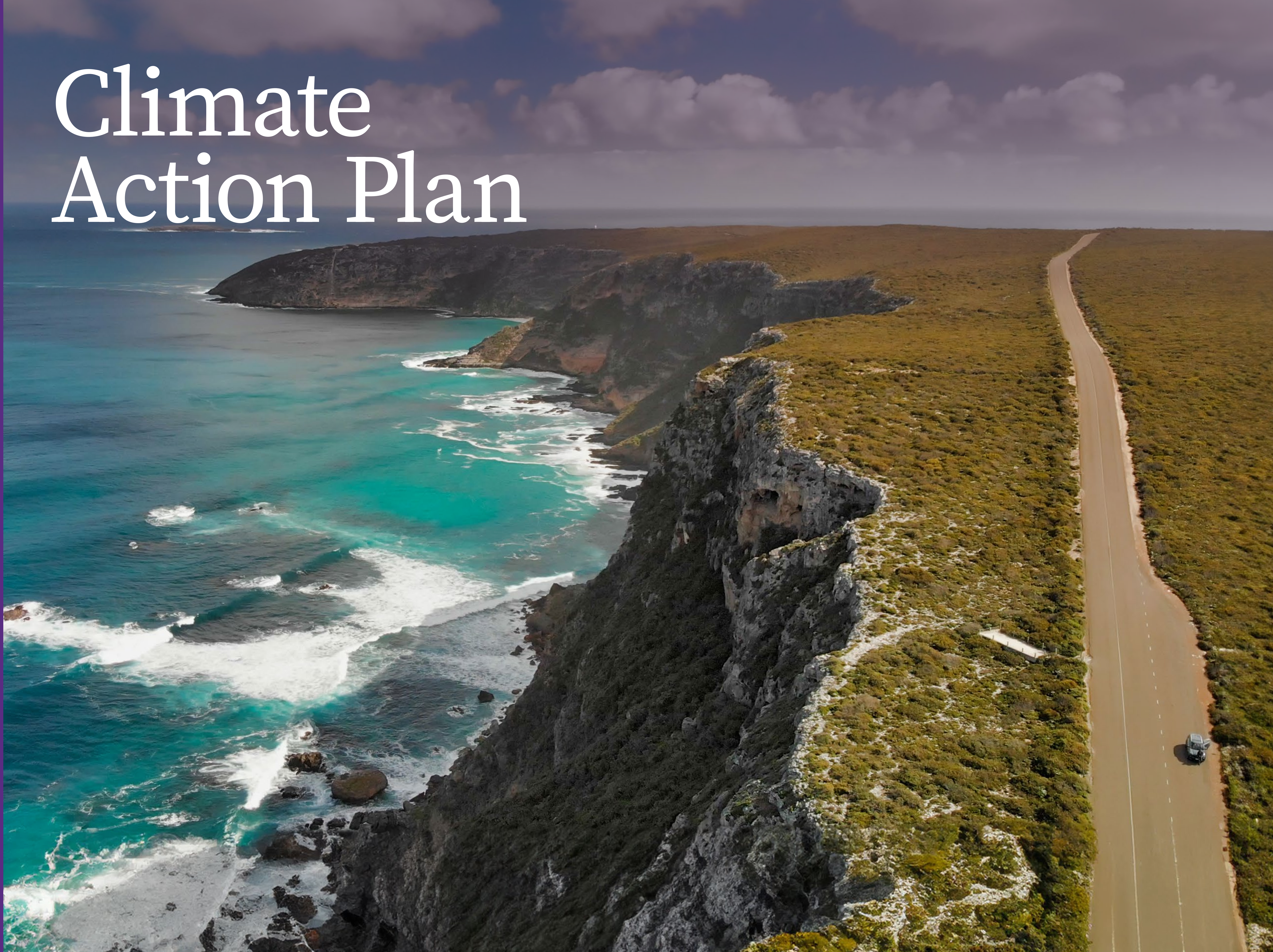
Climate Action Plan



Towards

FY30

2nd Edition

Acknowledgement of Indigenous Peoples

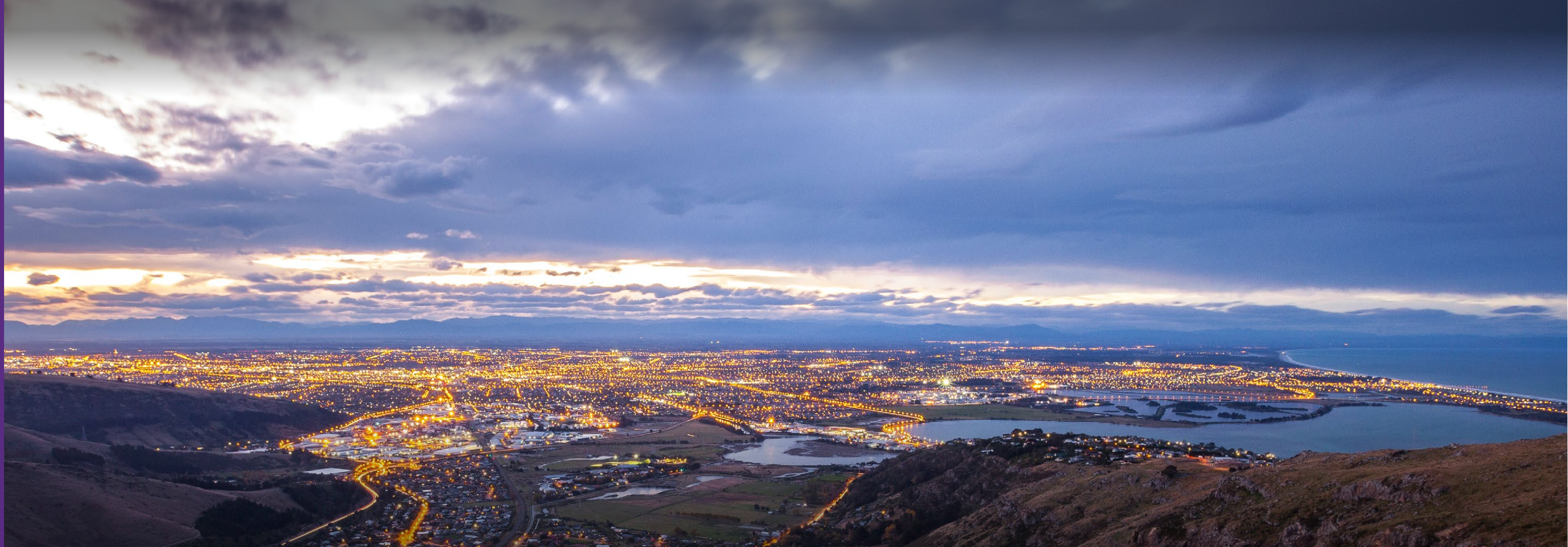
We acknowledge the Traditional Owners and Elders of the different Countries across Australia and how Country plays a significant role in the continuation of culture and connection to land, water and sky.

E kaha whakanui ana i ngā tangata whenua o Aotearoa, i tō rātau hononga whakapapa ki te whenua, e kaha tautoko ana hoki i te hirahiratanga o te reo Māori, o te tikanga Māori me te ao Māori.

In Aotearoa New Zealand, we acknowledge the people of the land, recognise their ancestral connections to the land, and support the enduring significance of the Māori language, Māori customs and protocols, and the Māori world (encompassing the culture and worldview of Māori).

Contents

Dates for interim targets listed in this Climate Action Plan refer to the end of the specified financial year (FY) (as applicable).



Important Information

1. This Climate Action Plan is timebound to FY30. IAG understands our pathway and the actions we plan to take to FY30 but beyond this, there are factors outside of our control that may impact our ability to achieve our aspiration to work towards net zero emissions across all operations by 2050.
2. Although IAG currently believes the interim targets have a reasonable basis, they are not certain and are subject to the assumptions and dependencies specified in this document and may also be subject to unknown assumptions and dependencies which may be outside of our control and which may impact our ability to achieve our interim targets.

This document contains general information current as at August 2026 (unless otherwise stated) and is not a recommendation or advice in relation to any product or service offered by Insurance Australia Group Limited or its subsidiaries (IAG or the Group). This document is not an invitation, solicitation, recommendation or offer to buy, issue or sell securities or other financial products in any jurisdiction.

This document does not take into account the financial situation, investment objectives or particular needs of any person and should not be relied upon in substitution of obtaining independent advice. This document should be read in conjunction with IAG's other periodic and continuous disclosure announcements filed with the Australian Securities Exchange (available at asx.com.au) and investors should consult with their own professional advisers.

To the maximum extent permitted by law, no assurance, guarantee, representation or warranty, express or implied, is made as to the accuracy, adequacy, completeness, or reliability of any statements (including forward-looking statements), or opinions, or the accuracy or reliability of the assumptions on which they are based.

Any forward-looking statements and opinions in this document are based on assumptions and contingencies which are subject to change without notice. This includes statements regarding, but not limited to IAG's strategy, aspirations, targets, goals, ambitions, beliefs, objectives, commitments and current expectations regarding, but not limited to, IAG's business and market conditions.

Forward-looking statements may generally be identified by the use of words such as "should", "will", "may", "expect", "plan", "aim", "aspiration", "anticipate", "believe", "target", "goal", "ambition", "continue", "commit" or other similar words.

There are particular risks and significant uncertainties (both known and unknown), limitations and assumptions in the metrics and modelling associated with forward-looking statements and other representations relating to ESG issues including but not limited to climate change, climate and disaster resilience. In particular, the metrics, methodologies and data relating to climate and sustainability may be impacted by various factors including the inherent limits in the current scientific understanding of climate change and its impacts, the rapidly evolving and maturing nature of methodologies to capture and record emissions, inconsistent data, availability and quality of historical emissions data, reliance on assumptions and future uncertainty (including in relation to energy stability, technology development (and its affordability) and socio economic changes, effectiveness of internal controls relating to management of climate-related risks and opportunities, ability to influence upstream Scope 3 emissions and the uncertainty around future climate and sustainability-related policy, market practice, regulation and legislation. These factors may impact IAG's ability to meet commitments and targets or cause IAG's outcomes or results to differ materially from those expressed or implied in this document.

Neither IAG, nor any other person, gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. Given the risks and uncertainties associated with forward-looking statements undue reliance should not be placed upon such statements. IAG assumes no obligation to update such information (except as required by law). Past performance is no guarantee or indication of future performance.

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A word from our CEO

Our Purpose, making your world a safer place, starts with understanding and responding to the risks that matter most to our customers and communities. As an insurer, we see first-hand how changing weather patterns and natural hazards can affect people's lives, homes and businesses.

The increasing frequency and severity of extreme weather events has reinforced our role in supporting the resilience of communities. We are seeing more people, more often, directly impacted by floods, bushfires and other extreme weather events.

Over the last two decades, we have worked to understand the physical impacts of climate change on our customers and our business. These events are no longer unexpected or rare, they are part of the reality we must prepare for through a coordinated and systemic response across businesses, government and society.

Our Climate Action Plan continues to guide how we adapt to a changing climate while strengthening disaster and community resilience. This means collaborating with government, industry and communities to ensure homes, businesses and infrastructure are located, designed and maintained for the future conditions they will face. We know that to better support our customers and communities, we must continue to identify, understand and manage our own climate risk.

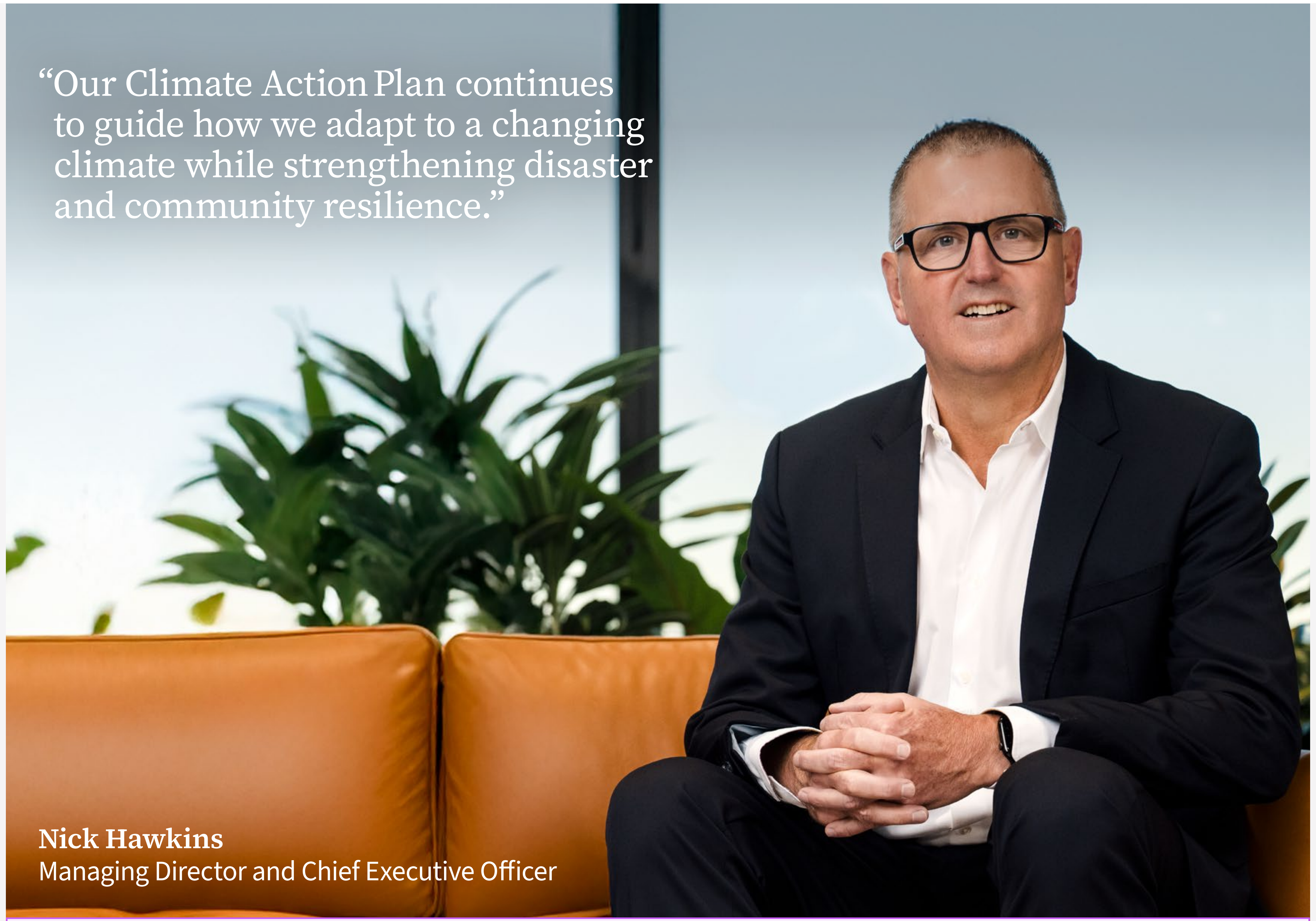
As an insurer, building resilience sits alongside decarbonisation as a priority. We recognise our own responsibility to reduce emissions and support the transition towards a low carbon economy.

This Plan, which is an update on our Climate Action Plan 'Climate Action Plan: Towards FY30' first published in August 2024, builds on our refreshed Climate Ambition which focuses on 'Empowering better choices for a safer place'. Our existing, updated and new interim targets focus on the practical steps we can take now, while supporting the wider transition over time. We also know that the achievement of lasting decarbonisation depends on change across the broader economy.

We have a clear governance framework in relation to this Plan. We expect that our Plan will continue to evolve as government policy settings, external frameworks, methodologies, data and best practice develop, and as our understanding of climate risks and opportunities deepens.

The need to act on climate change has never been more urgent and we're proud to play our part. Our Climate Action Plan demonstrates our commitment to helping customers and communities in Australia and New Zealand adapt to a changing climate and transition to a safer future.

Nick Hawkins
Managing Director and Chief Executive Officer



About this Climate Action Plan

This Plan forms part of IAG's broader suite of corporate and sustainability reports and disclosures, alongside our:

- Sustainability Report (published as part of the Annual Report) – prepared in compliance with the Australian Sustainability Reporting Standards *AASB S2 Climate-related Disclosures* (AASB S2);
- New Zealand Climate-related Disclosure – prepared in compliance with the Aotearoa New Zealand Climate Standards (being NZ CS1, NZ CS2, and NZ CS3);
- ESG Data Summary – published annually as part of our annual reporting suite; and
- Ongoing research and thought leadership into climate change and its impact on Australians and New Zealanders, delivered by IAG experts as well as in partnership with external specialist institutions.

This Plan has been developed with consideration of frameworks including the Greenhouse Gas Protocol (GHG Protocol) and Treasury's Climate-related Transition Planning Guidance Consultation Paper. Unless otherwise stated, all interim targets and performance metrics apply to IAG's consolidated entities, consistent with the reporting boundary used for our financial statements.

Our climate action journey

2004
Co-founded the Australian Business Roundtable on Climate Change

2012
Co-founded the Australian Business Roundtable for Disaster Resilience and Safer Communities

Founding signatory of the UN Principles for Sustainable Insurance

2017–18
Released first public Climate Action Plan and TCFD-aligned climate-related disclosure

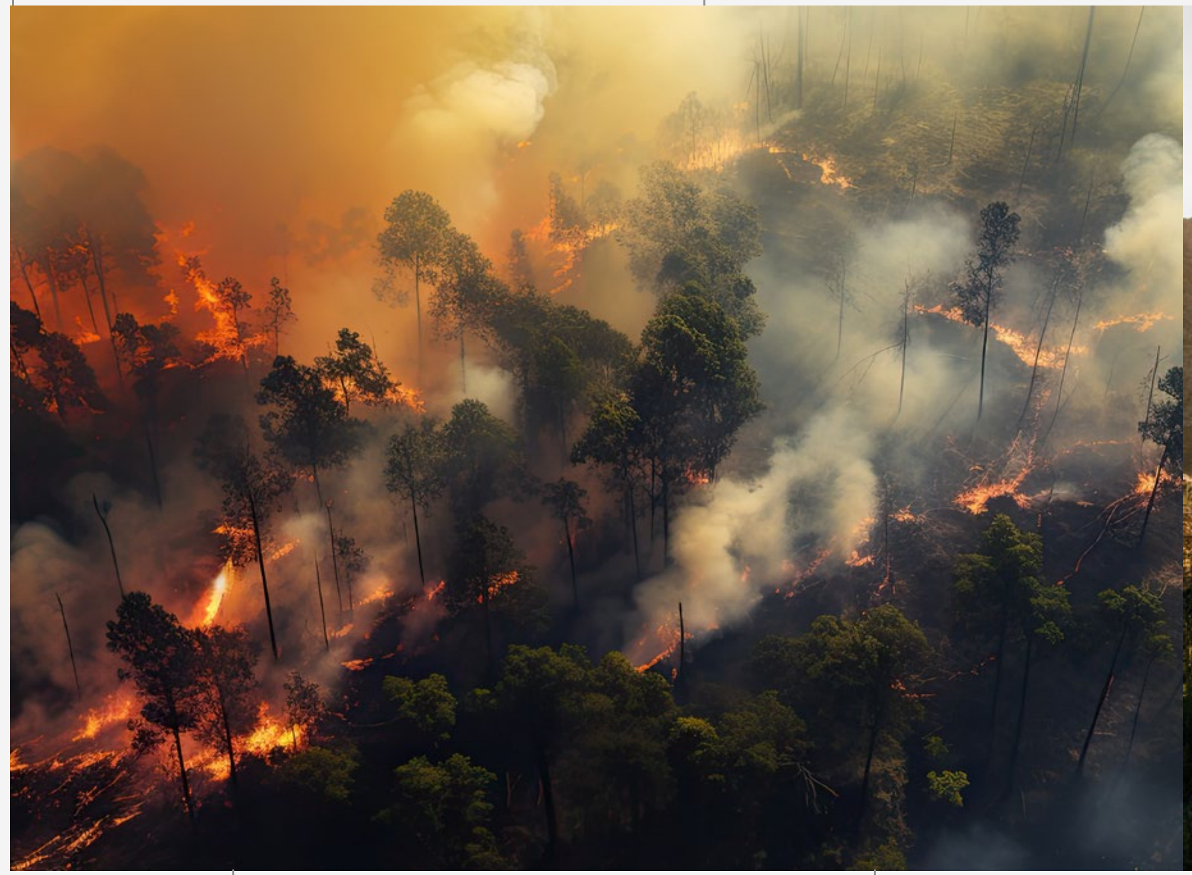
Founding member of the New Zealand Climate Leaders Coalition

2020
Social and Environmental Framework and Responsible Investment Policy released

2023
Included emissions reduction measure in the FY24 Group Balanced Scorecard

2025
Joined the UN Global Compact

Published voluntary Sustainability Report



2006
Became a signatory to the UN Principles for Responsible Investment

2015
IAG-led Global Resilience Project launched the Global Risk Map in New York

2019
Published *Severe Weather in a Changing Climate Report* with the US-based National Center for Atmospheric Research

2021–22
Released FY22–24 Climate and Disaster Resilience Action Plan and Net Zero Roadmap

Released IAG NZ’s first climate-related disclosure

Updated Scope 1 and 2 emissions reduction target to align to 1.5°C

2024
Founding participant of the UNEP Forum for Insurance Transition to Net Zero

Released First Edition of Climate Action Plan: Towards FY30

2026
Published the 3rd edition of the *Severe Weather in a Changing Climate Report*, in partnership with the US-based National Center for Atmospheric Research

Released 2nd Edition of Climate Action Plan: Towards FY30

Published first mandatory Sustainability Report

Our Climate Ambition

Ambition

Our Climate Ambition guides us to support building resilience in the face of a changing climate, while we contribute to emissions reduction, recognising both are important to a safer future.

Reviewing our Targets

We will review our interim targets periodically, recalibrating them as necessary (e.g. to reflect methodology updates, policy changes, mergers and acquisitions, portfolio shifts or new climate science). We plan to report annual progress against the interim targets in the Sustainability Report within our Annual Report and our New Zealand Climate-related Disclosure. Reviews may assess target ambition, achievability, methodology, data quality, referencing frameworks such as the GHG Protocol and emerging regulatory requirements, among other factors.

Empowering better choices for a safer place

Our Ambition targets three key action areas.

Aspiration

Our aspiration is to work towards net zero emissions across all our operations by 2050, while enhancing climate resilience and capturing opportunities through the transition.

Our aspiration is a broad, overarching vision statement which acts as our guiding principle for action, setting the direction of our interim targets. We use the term “aspiration” deliberately, rather than “target”, “forecast” or “commitment”, to make clear that it reflects our current direction and vision, and is not a prediction, forecast or guarantee that net zero emissions will in fact be achieved by 2050.

While IAG understands our pathway and the actions we plan to take to FY30, there are, however, many significant factors outside of our control that may impact our ability to achieve our aspiration by 2050, particularly in relation to Scope 3 emissions where our quantification methodology and underlying assumptions for broader categories of emissions not yet covered by an interim target continued to develop.

These factors include, but are not limited to, data availability, government policy, energy stability, technology development across industry, and socio-economic or geopolitical changes that help facilitate the transition, and the extent to which global emissions trajectories remain broadly aligned with pathways consistent with limiting warming to 1.5°C. Achievement of net zero emissions by 2050 is accordingly uncertain and cannot be assured.

Innovate

Deliver solutions that incentivise risk reduction and support the economy-wide transition

Educate

Use our expertise and insights to guide our people, customers and partners

Collaborate

Engage policymakers and inform communities to help drive sustainable insurance markets and build resilient communities

Innovate

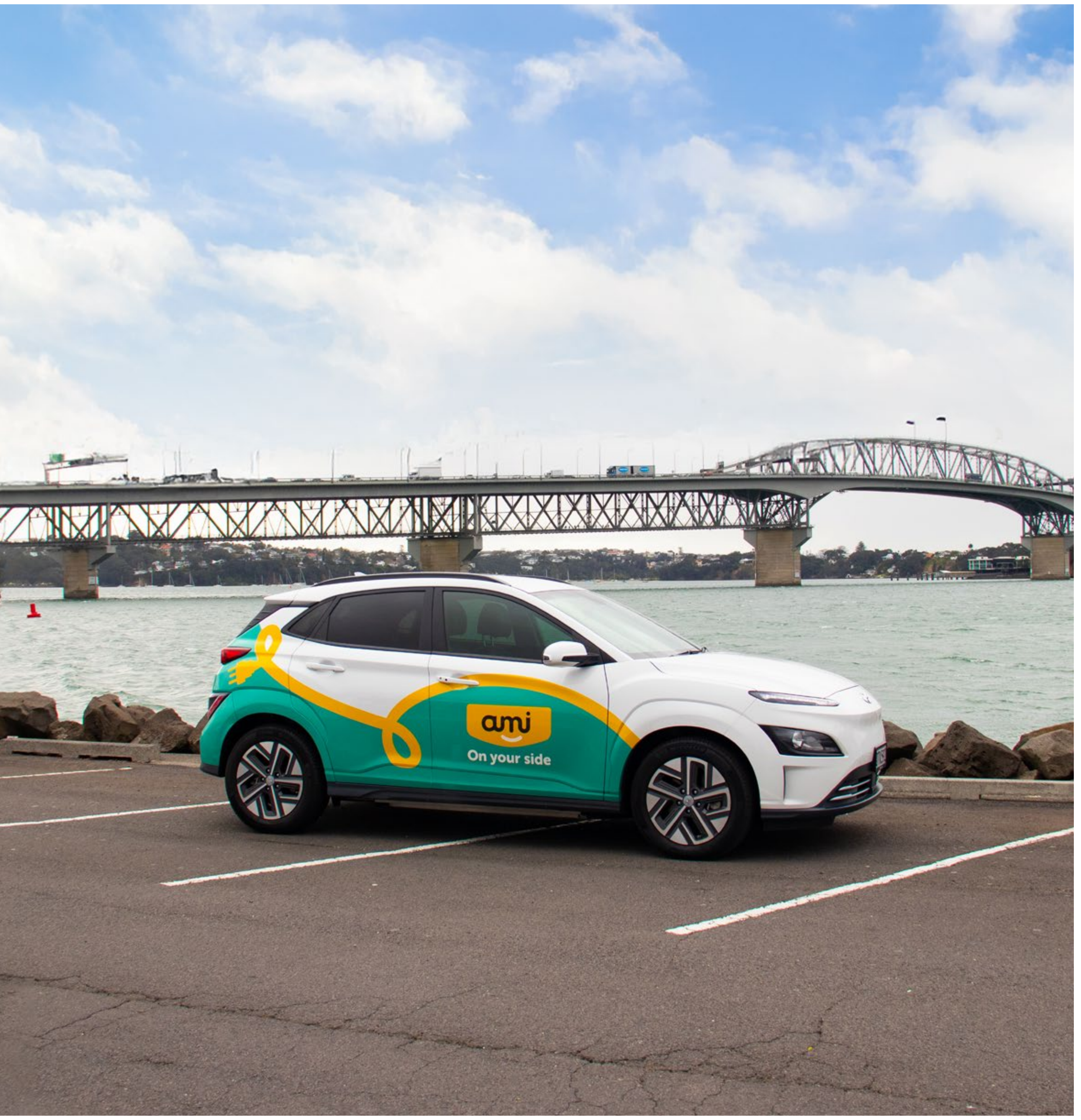
Deliver solutions that incentivise risk reduction and support the economy-wide transition.

Innovation is critical to building climate resilience and supporting the economy-wide transition. Through solutions that incentivise risk reduction, we aim to help prepare for the climate challenges ahead while reducing our own operational footprint.

Our Scope 1 and 2 emissions reduction interim target aligns with a 1.5°C pathway and is focused on reducing emissions from our direct operations.

TARGET	KEY INITIATIVES	KEY CONSIDERATIONS | ASSUMPTIONS	KEY DEPENDENCIES
INTERIM TARGET **Net zero Scope 1 and 2 (market-based) emissions by FY30** from an FY24 baseline.	• Procurement of, and increased use of, renewable energy. • Transitioning to a low-emissions tool of trade fleet. • Optimise our property portfolio through energy efficiency upgrades and property consolidation. • Exploring fuel switching opportunities to alternative fuel sources (e.g. use of biofuels in our owned motor repair centres). • Executive performance outcomes linked to decarbonisation and climate resilience. • We anticipate that the above actions should result in an approximate 90% decrease of our Scope 1 and 2 emissions by FY30; as such, residual emissions are expected to be offset through the purchase of carbon removal offsets in FY30.	• Interim target covers all operating entities consolidated within the Sustainability Report. • For the purpose of this target, Scope 2 emissions are calculated using a market-based approach (i.e. deriving emission factors from contractual instruments such as large-scale generation certificates (LGCs)/New Zealand Renewable Energy Certificates (NZECs)). • For other key considerations and assumptions see the two sub-targets on the following page.	**Internal** • Implementation of policies that support the shift to alternative fuel sources such as biofuels in our owned motor repair centres. • Implementation of initiatives to support sustainable property practices. **External** • Availability and cost of alternative fuel sources. • Availability and cost of technology to support decarbonisation such as electrification of repair network paint booths. For other key dependencies see the two sub-targets on the following page.

Innovate (continued)



TARGET	KEY INITIATIVES	KEY CONSIDERATIONS | ASSUMPTIONS	KEY DEPENDENCIES
SUB-TARGET **Continue to procure the equivalent of 100% of our direct Australian and New Zealand electricity demand from renewable energy.**	• Maintain our energy provider partnership with Ecotricity to procure Toitū climate positive certified electricity, to source New Zealand Renewable Energy Certificates (NZECs) to match our non-renewable energy demand. • Maintain our energy provider partnership with CleanPeak Energy, through a Power Purchase Agreement (PPA), to purchase energy and the equivalent of 100% of our non-renewable energy demand in large-scale generation certificates (LGCs).	• Maintenance of electricity supply contracts and the continued purchase of LGCs and NZECs to meet this sub-target for all the sites that fall under the scope of the entities in the reporting boundary for the interim target above. • These initiatives are expected to enable IAG to source, match or purchase LGCs or NZECs equivalent to 100% of its electricity demand from the markets in which the electricity is used.	**Internal** • Changes to our business or operations, such as acquisitions, may require additional renewable energy to be procured. **External** • Availability and ability to enter, renew or extend existing renewable energy contracts, at a commercial price. • Having a sufficient supply of renewable energy into future periods.
SUB-TARGET **Transition to 100% low-emissions (including hybrid and electric) tool of trade vehicles, by FY30.**	• Where possible, update our tool of trade fleet to low emissions vehicles as leases expire to manage resource consumption.	• Excludes salary sacrifice vehicles. • Excludes major events response vehicles. • Excludes: First Rescue New Zealand Limited, Homehub Limited, IAG NZ Repairhub Limited, Loyaltyhub Limited, Motorserve Pty Limited, Vehicle Repairhub Pty Limited.	**Internal** • Policies that support the shift to low emissions tool of trade vehicles. • Expiry profile of existing leases. **External** • Availability and cost of vehicles that meet the requirements of, and perform a similar service to, our current fleet. • Accessibility of public charging infrastructure.

Innovate (continued)

Scope 3 emissions

We are focused on reducing our Scope 3 emissions sources that are within our direct operational control or influence. In relation to the sources of emissions covered by this interim target, we consider that this interim target aligns with the current pathway required to limit global warming to 1.5 degrees.[1]

The target covers those emission sources that IAG can control or in relation to which IAG can support emissions reduction through employee engagement and education opportunities, namely business travel, employee commuting, working from home, waste, print, office paper, and fuel and energy-related services. The target does not include supply chain emissions and virtual data centres or downstream emissions sources such as emissions from IAG's investments.

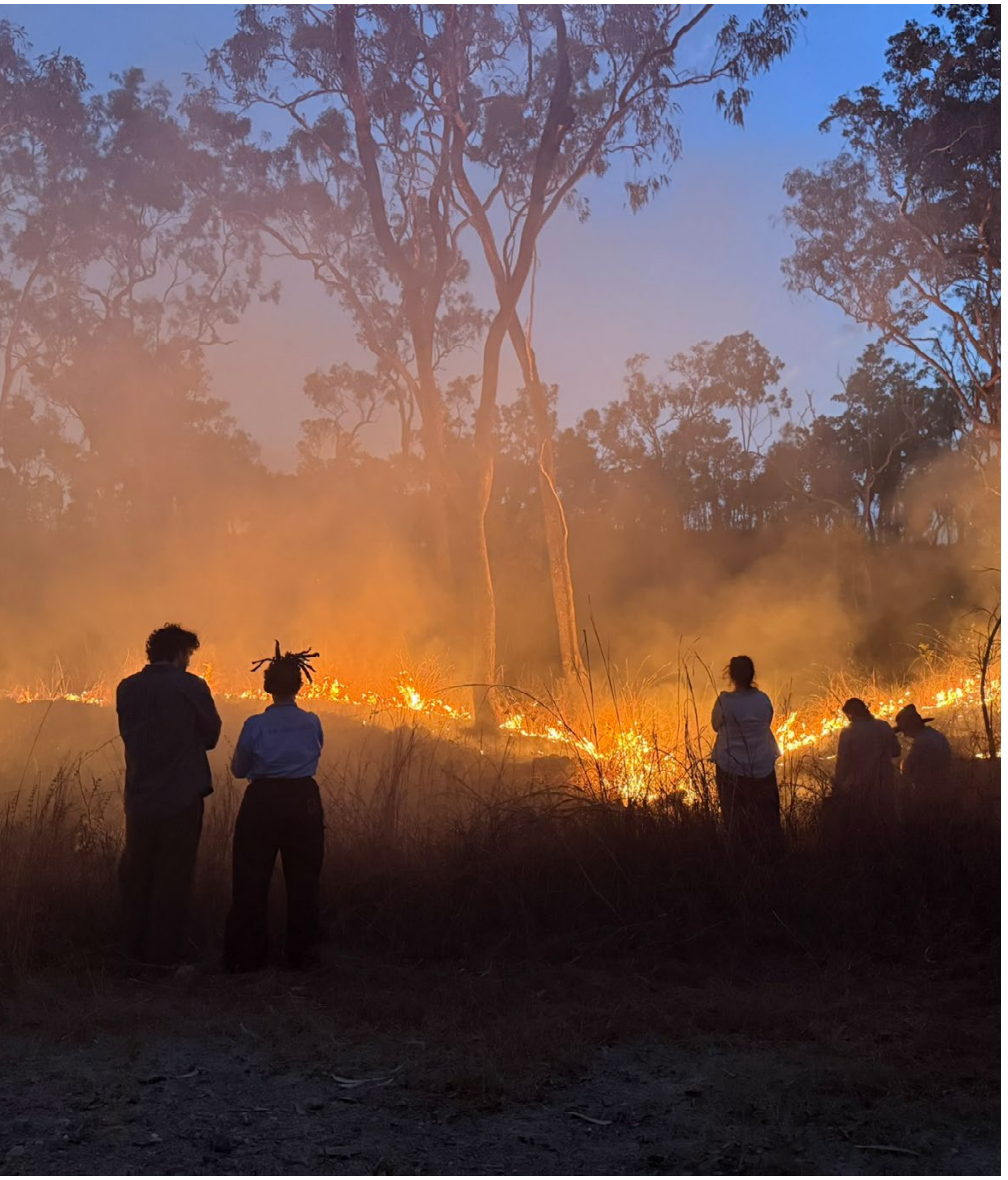
Investments

Our Responsible Investment Policy supports our commitment to managing ESG risks and opportunities within our investments. Our Responsible Investment policy has been updated to include a net zero transition alignment exemption, allowing investment in certain companies where activities are demonstrated consistent with the transition to a low carbon economy.

TARGET	KEY INITIATIVES	KEY CONSIDERATIONS | ASSUMPTIONS	KEY DEPENDENCIES
INTERIM TARGET **Reduce select gross Scope 3 emissions** by 50% by FY30 against an FY24 baseline.	• Transitioning to a low-emissions tool of trade fleet, to reduce Scope 3 emissions associated with upstream fuel extraction and processing. • Supporting renewable energy uptake by employees (e.g. by partnering with energy providers to offer employees access to climate positive certified electricity for home use.) • Reducing our paper consumption. • Executive performance outcomes linked to decarbonisation and climate resilience.	• The interim target covers all operating entities consolidated within the Sustainability Report. • Downstream emissions sources, supply chain emissions and virtual data centres are excluded from the target scope. • We selected an FY24 base year for our target as this was a standard operating year (with minimal residual impacts from COVID-19). • This interim target does not rely on offsets.	**Internal** • Policies to reduce waste and encourage maintenance or re-use. • Staff behavioural change, such as choosing low emissions commuting options to work. **External** • Availability and cost of technology such as sustainable transport. • Government policy and infrastructure to influence staff low emissions transport. • The economic availability of sustainable aviation fuel certificates, which allow the purchase of credits representing cleaner jet fuel used elsewhere. • Australian regulatory changes to allow digital delivery of customer notices.
INTERIM TARGET **Reduce our listed equity investments (AU, Global) Scope 1 and 2** (a) normalised carbon footprint, and (b) weighted average carbon intensity, 50% by FY30, against FY20 relevant index level baselines.[2] **INTERIM TARGET** **Maintain our $200 million investment in green bonds.**	• Continue to align our investments to our interim target and Responsible Investment Policy.	• We expect to refine our measurement methodologies in alignment with emerging industry best practice and standards.	**Internal** • Subject to ongoing Strategic Asset Allocation settings. **External** • Subject to availability of suitable investments. • Provision of target performance information from a third party. • For listed equity investments interim target, provision of target performance.

1 Our view is based on the reduction pathway set by the SBTi Target Setting Tool. Our view does not rely on any third-party advice, assessment or validation.
2 The relevant baselines refer to the ASX 200 (excluding IAG) for Australian equities, and the MSCI World for Global Listed equities, as of June 2020.

Innovate (continued)



Responsible Underwriting

We continue to work on ways to identify, assess and integrate climate resilience, decarbonisation, and other sustainability considerations, into our underwriting decisions, guided by our commitment to the UN Principles for Sustainable Insurance (PSI). We are seeking to balance commercial value from sustainable business with positive societal outcomes.

Decarbonisation of our underwriting portfolio is dependent on government policy and action, the development and commercialisation of emissions reduction technologies, continuous improvement in emissions reduction methodologies and the availability of data.

To align with our responsible underwriting approach, we are in the process of phasing out underwriting for entities that are predominantly in the businesses of either fossil fuel exploration, extraction and/or power generation. This does not include:

- Policies and/or portfolios that IAG has divested from where the liability for future claims will exist until expiry of the policy.
- Workers' compensation and compulsory third party insurance policies, irrespective of the climate intensity/fossil fuel exposure of the industry they work in.
- Supporting businesses that supply services to these entities.
- Underwriting of renewable energy standalone risks, including where the risk might be owned by one of these entities.

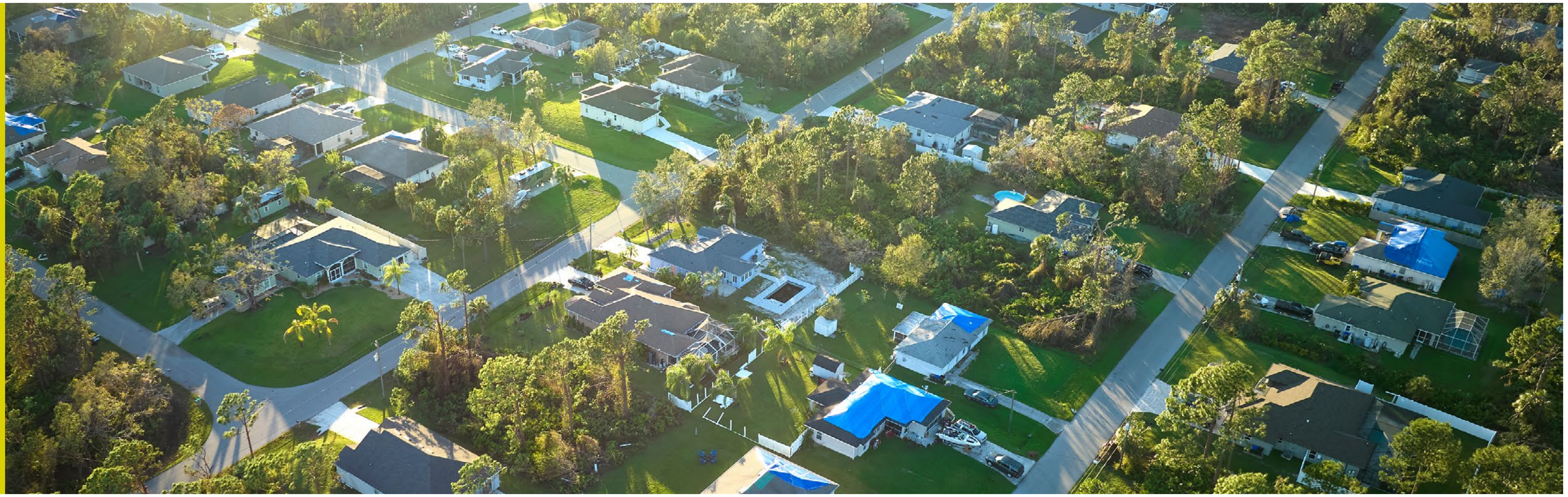
This is subject to the internal systems and processes we have available to monitor which entities we underwrite.

Firemark Ventures

Firemark Ventures, the corporate venture capital arm of IAG, is actively considering investments in the climate technology sector to support our climate aspirations. We are working to identify and potentially invest in leading climate technologies both locally and globally, alongside other global insurer corporate venture capital funds.

IAG has invested in climate technology startups such as 7Analytics. 7Analytics leverages advanced geoscience and machine learning to develop predictive models for floods and landslides, helping residential and commercial property insurers pinpoint flood risk at the individual asset level.

Educate



Use of our expertise and insights to guide our people, customers and partners.

We recognise that we can use our knowledge and influence to help build resilience and accelerate the transition. Our role extends beyond our immediate operations to support our people and influence our broader value chain, including our supplier networks, the products we source, and the customers and communities we serve.

Our People

Across IAG we are supporting our people to better understand climate-related impacts and the role they can play to support, prepare for and adapt to a low carbon future.

TARGET	INITIATIVES	CONSIDERATIONS | ASSUMPTIONS	DEPENDENCIES
INTERIM TARGET **Have sustainability included as a core organisational capability and in our employee experience by FY30.**	• Ongoing development of the Sustainability Faculty in the IAG Academy, an internal learning and resources hub for employees. • Integrating sustainability into key touch points of our employee experience (e.g. onboarding, learning and development). • Tracking of sustainability measure in IAG's annual culture survey. • Sustained engagement and communications.	• Measured using a combination of two behavioural and two structural indicators to evidence capability uplift. • Structural indicators (core organisational capability and inclusion in the employee experience) are assessed using a qualitative, maturity-informed approach that considers progressive embedment over time. • Behavioural indicators (sustainability learning completion and culture survey response) are trend-based, assessed annually against an FY26 baseline, with performance defined as maintaining or increasing results over time.	**Internal** • Continued availability and maintenance of the IAG Academy and Sustainability Faculty. • Sustainability is formally defined as one of the six IAG core capabilities. • Continued inclusion of a sustainability question in our internal culture survey.

Educate (continued)

Engaging with our Customers

We recognise the opportunity to engage with our customers, including targeted commercial customers and those in high emitting sectors, to support their decarbonisation efforts. Our customer engagement strategies will evolve as we identify further actions we can take to educate customers.

We continue to support our customers through their transition. This includes through activities such as:

- Identifying and supporting customers at risk of financial exclusion
- Publishing primary and partnered research and thought leadership on various aspects of the transition including electric vehicles
- Building our capability to underwrite technologies to support the transition
- Engaging with our major customers in New Zealand on sustainability topics
- Providing education to our commercial fleet partners on safe and efficient driving behaviours
- Supporting agricultural customers through targeted programmes and partnerships
- Providing climate resilience information to our customers through initiatives such as NRMA Insurance HELP Nation and our Wild Weather Tracker.

Educate (continued)

Building Climate Resilience

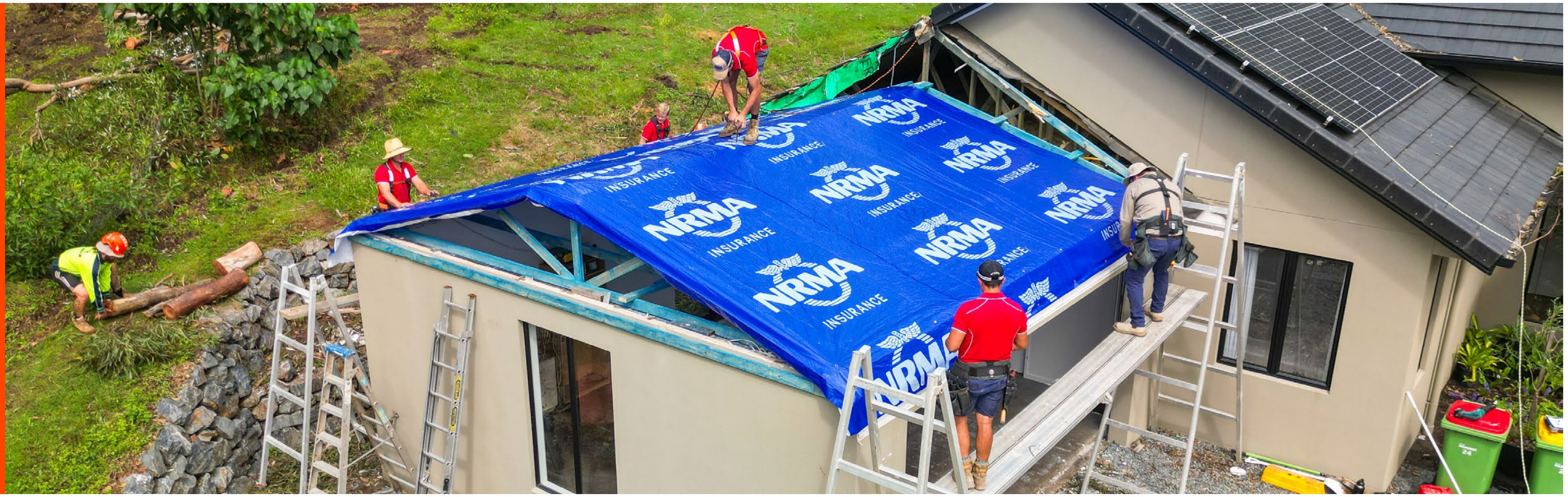
We support communities to build their climate resilience by helping them understand their risks, reduce emissions, and protect themselves against extreme weather events and other climate hazards.

Supply Chain

We are engaging with selected supply chain partners to raise awareness and help address supply chain emissions. This includes work to improve our data through supplier surveys and collaborative platforms. This engagement is helping identify opportunities including how we can support supply chain transition through information exchange, while also contributing to our own decarbonisation efforts.

TARGET	INITIATIVES	CONSIDERATIONS | ASSUMPTIONS	DEPENDENCIES
INTERIM TARGET **Support Australians and New Zealanders in taking 2 million actions to understand or mitigate their risk from natural hazards, by FY30.**	• NRMA Insurance preparedness programs. • Natural hazard risk education and awareness (e.g. sharing weather-related claims insights with customers and communities). • Further IAG Australia and New Zealand initiatives designed to accelerate resilience to natural hazards and encourage individuals to act. • Delivery through existing customer initiatives, communications and programs.	• An action is counted when an individual takes a step to improve their understanding of options to mitigate natural hazard risk, or to implement, enable or maintain an initiative that mitigates that risk. • Actions represent an active engagement or intervention, rather than passive exposure. • The same action performed over multiple years will be counted each year. • There are no RACQI led initiatives that will be counted towards this target. This may be revisited in future years.	**Internal** • Continued investment in initiatives, community partnerships and marketing amplification to scale. **External** • Community partners can deliver on programmes and initiatives.
INTERIM TARGET **Engage 220 of our strategic supply chain partners on climate action or transition planning, by FY30.**	• Communicate with suppliers on matters related to climate action or transition planning. • May include initiatives such as contract renewals sourcing events, sharing of education materials or information and/or participation in forums.	• Strategic suppliers are those identified through IAG's supply chain segmentation approach, considering governance and oversight of spend, geography of the supplier and their importance to our business operations. • Scope of the target includes select suppliers in the general procurement, motor and property claims supply chain. • RACQI claims supply chain has not been evaluated as part of the target set for this measure in FY26. This may be revisited in future years.	**External** • Progress may be influenced by market shifts, regulatory changes, changes to supplier arrangements and/or supplier business models.

Collaborate



Engage policymakers and inform communities to drive sustainable insurance markets and help build resilient communities.

By sharing our understanding of climate risks and opportunities and partnering with governments, industry and other organisations, we can help support systemic change and help build resilient communities.

Just Transition

Our Plan seeks to support a Just Transition by aiming to ensure our initiatives are inclusive, consider vulnerable communities, and address social and economic impacts of climate action.

Climate change can exacerbate financial vulnerability and disproportionately affects marginalised communities. In alignment with our Reconciliation Action Plan (RAP), He Rautaki Māori (IAG's Māori strategy), and our Australian Financial Inclusion Action Plan (FIAP), our Climate Action Plan seeks to support our most vulnerable customers and considers learnings from our Indigenous communities to support a just transition.

Our Indigenous Engagement Strategy, underpinned by our RAP and He Rautaki Māori, is a collective approach to how we support Aboriginal and Torres Strait Islander people in Australia and Māori in Aotearoa New Zealand. This guides us in building respectful relationships and creating meaningful opportunities through the strategic priorities of community, people and business. This also includes understanding and acknowledging the deep connection these communities have with the land and water, and how Indigenous culture and knowledge can support building climate resilience.

Our FIAP drives our efforts to enhance financial resilience and inclusion, especially for those facing financial hardship.

Partnerships and Collaboration

We have a history of championing the need for public policy which addresses the areas of disaster resilience, disaster mitigation funding, data sharing, land use planning and building codes across Australia and New Zealand. We further contribute through participation in Government-led inquiries and reviews and by commissioning evidence-based research.

We are active participants in the Hazards Insurance Partnership (HIP). The HIP is a partnership between the Australian Government, regulators, agencies, and the insurance industry, which allows for engagement on issues of disaster risk reduction and hazard insurance.

We are proud to collaborate across the industry within Australia through the Insurance Council of Australia (ICA) and Australian Sustainable Finance Institute (ASFI); within New Zealand through the Insurance Council of New Zealand (ICNZ) and the New Zealand Climate Leaders Coalition; as well as internationally through the United Nations Principles for Sustainable Insurance (UN PSI), United Nations Global Compact Network Australia (UNGCNA) and United Nations Environment Program Forum for Insurance Transition (UNEP FIT).

Collaborate (continued)

Community Partnerships

We prioritise and help manage climate change and disaster risk reduction by partnering with community organisations.

Our community partnerships include:

- **Australian Red Cross** – we work together to build community resilience and support people and businesses to prepare for, respond to and recover from extreme weather events. EmergencyRedi workshops help communities understand their risk(s) and get prepared.
- **Lifeline** – we have partnered to create online resilience resources to help people manage the mental health effects of extreme weather events.
- **SA SES** – we work together to deliver storm preparedness campaigns and targeted community engagement activity to raise awareness of how to better prepare for and respond to storms in South Australia.
- **Resilient Building Council** – we collaborate on several initiatives including contributing to the development of the star rating methodology that underpins the Bushfire Resilience Rating Home Self-Assessment App and the FORTIS House project aimed at providing resources for Australians wanting to build sustainable homes resilient to extreme climate events.
- **Aboriginal Carbon Foundation** – our partnership aligns with our Reconciliation Action Plan goal to enable Indigenous people, businesses and communities to take action to address climate change and disaster resilience.

Nature

We recognise that nature is closely linked to climate and that biodiversity loss, land use change and ecosystem degradation present potential risks and opportunities for our business, customers and communities. As we deliver on our Climate Action Plan, we are beginning to assess these nature-related dependencies and impacts, and how they can be incorporated into our strategy.

We have developed a three-year roadmap to inform our approach, aligned with emerging global standards. We are helping to shape industry approaches to nature through our involvement with the ICA's Net Zero Working Group and as part of the United Nations Environment Programme – Finance Initiative (UNEP FI) – Principles for Sustainable Insurance (PSI) Working Group for Nature.

Research Priorities

We continue to contribute to external research on climate change and insurance across Australia and New Zealand. Our research and insights are shared with stakeholders to help inform best practice management of climate change impacts. This includes informing public policy and interventions designed to build resilience and adapt to climate change impacts.

In 2025, IAG released the third edition of the "Severe Weather in a Changing Climate" report, developed in partnership with the U.S. National Science Foundation's National Center for Atmospheric Research. Building on two previous editions (2019 and 2020), the report draws on the latest national and international peer-reviewed scientific research to analyse how climate change is influencing weather patterns and what future conditions may look like in a warming world.

Glossary

AASB S2
AASB S2 Climate-related disclosures is the standard developed by the Australian Accounting Standards Board that sets out the requirements for an entity to disclose information about its climate-related risks and opportunities.

Aotearoa New Zealand Climate Standards
Standards issued by the External Reporting Board (XRB) that comprise the climate-related disclosure framework

Aspiration
A broad, overarching vision statement which acts as our guiding principle for action and sets the direction of our interim targets. It reflects IAG's long-term direction and ambition rather than a prediction, forecast or guarantee of outcome, and its achievement is subject to significant uncertainties and dependencies outside of IAG's control.

Carbon removal offsets
Tradable rights or certificates linked to activities that lower the amount of carbon dioxide (CO_2) in the atmosphere.

Climate change adaptation
Taking action to prepare for and adjust to the current and projected impacts of climate change.

Climate change
The long-term shift in global temperatures and weather patterns, mainly due to human activities.

Climate resilience
Ability to withstand and recover from climate-related impacts, while effectively managing vulnerabilities.

Climate-related risks
Climate-related risks refer to the potential negative effects of climate change on an entity. These risks are categorised as climate-related transition risks (including policy, legal, technological, market and reputational risks), and climate-related physical risks.

Climate risk
Risks that arise from climate change which can impact resilience and stability. Organisations face transition (related to policy changes and market shifts), physical (direct impacts of climate events) and liability (including greenwashing and failing to meet legislative requirements of climate-related reporting) climate risks.

Decarbonisation
The process of reducing carbon dioxide (CO_2) emissions through the implementation of initiatives such as energy efficiency, fleet transition, and using low-carbon or renewable power sources.

Engagement (supply chain)
To actively reach out and communicate with a stakeholder such as a supplier, customer or partner on matters related to climate action or transition planning. An engagement is counted for the purpose of our supply chain target when a stakeholder receives a targeted communication that relates to transitioning to a low carbon economy.

ESG (environment, social and governance)
A set of criteria used to measure an organisation's impact on environmental and social issues as well as governance practices.

Greenhouse gas (GHG) Protocol
The GHG Protocol Corporate Accounting and Reporting Standard and Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).

Greenhouse gases (GHGs)
The seven greenhouse gases listed in the Kyoto Protocol – carbon dioxide (CO_2); methane (CH_4); nitrous oxide (N_2O); hydrofluorocarbons (HFCs); nitrogen trifluoride (NF_3); perfluorocarbons (PFCs); and sulphur hexafluoride (SF_6).

Interim target
A specific, measurable and time-bound target to FY30 that supports our aspiration to work towards net zero emissions across all operations by 2050, subject to certain assumptions and/or dependencies.

Just Transition
The shift towards a low-carbon economy that is equitable and promotes sustainable development and social inclusion.

Net zero emissions [2050]
The balance between the amount of GHG emitted and the amount removed from the atmosphere, achieved by reducing Scope 1, 2 and all 15 categories of Scope 3 emissions (as defined by the GHG protocol), by at least 90% and implementing measures to offset remaining emissions through carbon removals.

Net zero Scope 1 and 2 (market-based) emissions
Reducing Scope 1 and 2 (market-based) emissions by 90%, with residual emissions being offset through carbon removals.

Normalised carbon footprint
Measures the carbon emissions, for which an investor is responsible, per USD million invested, by their equity ownership. Emissions are apportioned based on equity ownership (% market capitalisation).

Renewable energy
Energy created by solar, wind, bioenergy, geothermal, green hydrogen, hydro, or tidal technology, as well as non-fossil-fuel energy storage.

Scope 1, 2 and 3 emissions
Scope 1 covers direct greenhouse gas emissions from owned or controlled sources of a company. Scope 2 covers indirect greenhouse gas emissions from the generation of purchased electricity, steam, heating and cooling consumed by a company. Scope 3 includes all other indirect greenhouse gas emissions that occur in a company's value chain.

Select Scope 3 emissions
For the purposes of IAG's target setting, comprises emissions from employee air travel, mileage, taxi and rental cars (collectively known as business travel), electricity transmission and distribution losses and fleet fuel extraction and processing (collectively known as fuel and energy-related services), employee commuting and working from home, waste, office paper and print paper.

Transition
The strategic process of changing from current methods and models to more sustainable and resilient practices, particularly in response to climate change.

Transition plan
An aspect of an entity's strategy that lays out targets, actions or resources for the transition towards a lower emissions economy. This includes actions to reduce greenhouse gas emissions or adaptation activities to manage physical climate risks.