2025 Group Climate Disclosure Statement

nib

About this report

Our Climate-Related Disclosure covers the nib Group and its wholly owned subsidiaries (nib) for financial year 2025 (FY25). It sets out our approach to climate-related governance, strategy, risk management, metrics and targets and aligns with the Task Force on Climate-related Financial Disclosures (TCFD) framework.

nib continues to mature our approach to climate risk management and reporting. This year, our subsidiary, nib NZ limited, will publish its second disclosure under the External Reporting Board (XRB)'s Aotearoa New Zealand Climate Standards (NZ CS), as a climate reporting entity.

nib holdings limited is also a reporting entity under the Australian Sustainability Reporting Standards (ASRS) published by the Australian Accounting Standards Board (AASB). We will begin reporting in line with the ASRS from FY26 as a Group 1 climate reporting entity.

This FY25 disclosure has not been developed in alignment with either the NZ CS or ASRS.

FY25 highlights

- Re-certified as carbon neutral by Climate Active for our Australian business operations through 100% Australian Carbon Credit Units[1].
- Completed a new climate scenario analysis for the Group and New Zealand business
- Onboarded a new emissions consultancy to further mature our emissions inventory and underlying datasets
- Developed internal Decarbonisation Plan

1. FY25 Climate Active certification available at nib.com.au/sustainability

Message from the Managing Director & CEO

nib strives to deliver the better health and wellbeing of our customers every day.

We know that many factors affect wellness, including connections to community, housing, and the natural environment, which plays a significant part in our ability to thrive. Very hot days, poor air quality or diminished rainfall can all have a deleterious impact on the way we function, and our productivity.

nib has five sustainability pillars: population health; people, culture and employment; governance and leadership; community spirit and cohesion; and the natural environment. These pillars guide how we approach sustainability.

Our commitment to our natural environment reflects our pledge to better business processes, which help reduce our impact on the globe.

Our FY25 Climate-Related Disclosure outlines the work we've done and where we are heading.

Ed Close
Managing Director &
Chief Executive Officer
nib Group

Governance

Board and Executive oversight and decision-making on climate-related issues

The Chief Risk Officer and the Management Risk and Sustainability Committee (MRSC) provide management-level support to the Board in fulfilling its responsibilities. The MRSC monitors a range of social, environmental and governance initiatives, including climate risks and opportunities as well as our emissions footprint and progress against emissions targets.

The Board also has oversight of nib's Responsible Investment Policy which it reviews every two years to ensure it remains fit for purpose. The Board ensures investments align with nib's sustainability approach and responsible investing principles.

Sustainability governance structure

nib Board

The Board is responsible for monitoring the performance of sustainability initiatives and reporting of social, environmental and ethical impacts of nib's business practices on stakeholders, including, but not limited to, members, travellers, participants, employees and community.

Risk and Reputation Committee

The Risk and Reputation Committee assists and makes recommendations to the Board on:

- the appropriateness and effectiveness of nib's risk policy, risk management strategy and risk management framework;
- identification and assessment of material risks;
- nib's systems and procedures for compliance with applicable legal and regulatory requirements; and
- oversight forsocial, environmental and ethical practices (including responsibility for management of climate-related risks).

Management Risk and Sustainability Committee

nib's Management Risk and Sustainability Committee oversees the implementation and operational effectiveness of our sustainability pillars and initiatives.

This includes helping implement change across our business, enhancing our sustainability monitoring and exploring opportunities for improvement.

The Committee is chaired by the Chief Risk Officer and includes the Executive team and other key leaders from across the nib Group.

Group Executive – Legal and Chief Risk Officer

The Group Executive Legal and Chief Risk Officer is responsible for managing the Legal, Risk, Compliance and Governance functions across the nib Group.

This function also includes responsibility for community and sustainability including the management and delivery of our sustainability activities.

Business Units

The initiatives and targets of each of our sustainability pillars are supported by various business units across the nib Group. These teams develop and deliver our sustainability activities ensuring we meet our ESG commitments. Reporting on progress against our sustainability targets is provided to the Board and Management Risk and Sustainability Committee at least quarterly and includes monitoring of the market for emerging issues that should be escalated.

- Clinical
- Community
- Compliance & Governance
- Cybersecurity, IT Governance & Risk
- Marketing & Digital
- Data & AI
- Employee Experience, Capability & Wellbeing
- People & Culture – Business Partnering, Reward & Governance
- People & Culture – Business Partnering, Talent & Inclusion
- Procurement & Facilites
- Product & Partnerships
- Risk & Sustainability
- Strategy & Performance

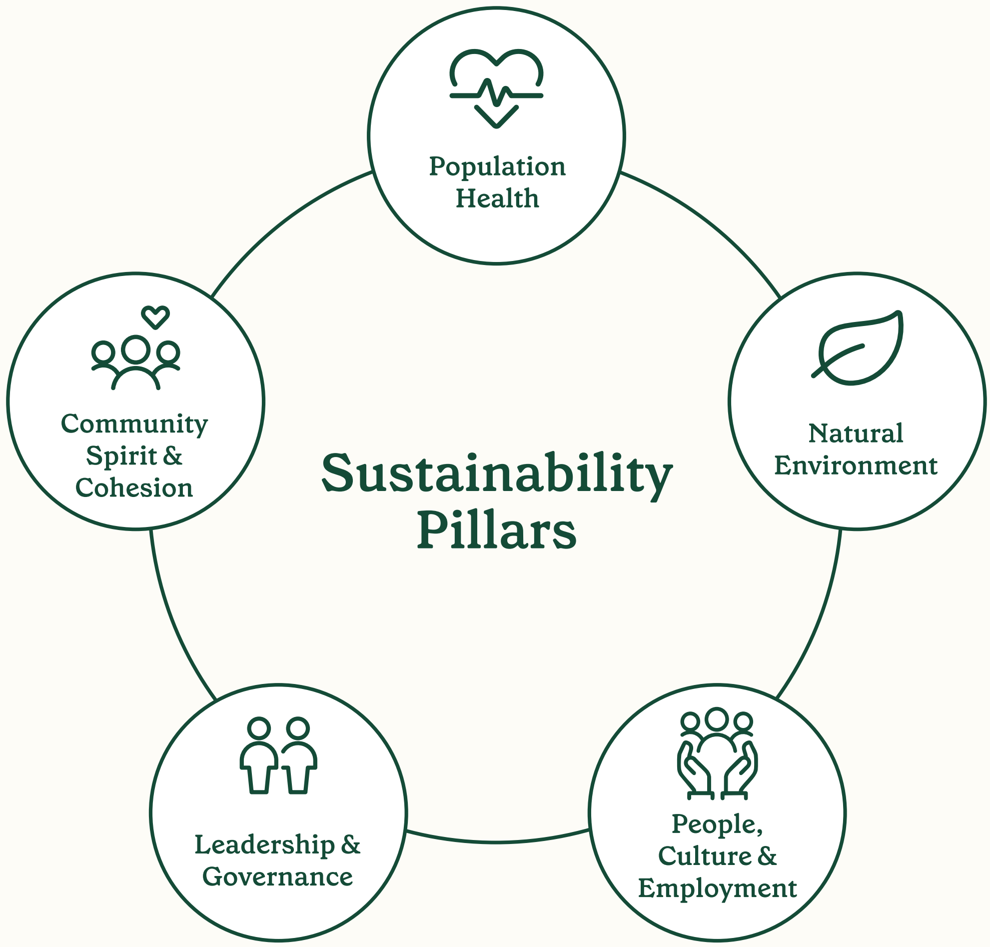
Strategy

Your better health and wellbeing

Our purpose is to support the better health and wellbeing of our members and customers, as well as the communities we serve.

We recognise that the health of our natural environment is influential on people's health and wellbeing. This relationship is articulated in the Natural Environment pillar of our approach to sustainability, which identifies the quality of air and water, biodiversity and climate stability as crucial for human health and wellbeing. This pillar also outlines our commitment to improving our business processes and using our influence to limit our own impact on the environment.

Our sustainability pillars guide our approach to sustainability strategy, governance, risk management, policy development, decision-making and disclosure.



Strategy continued

nib's climate journey

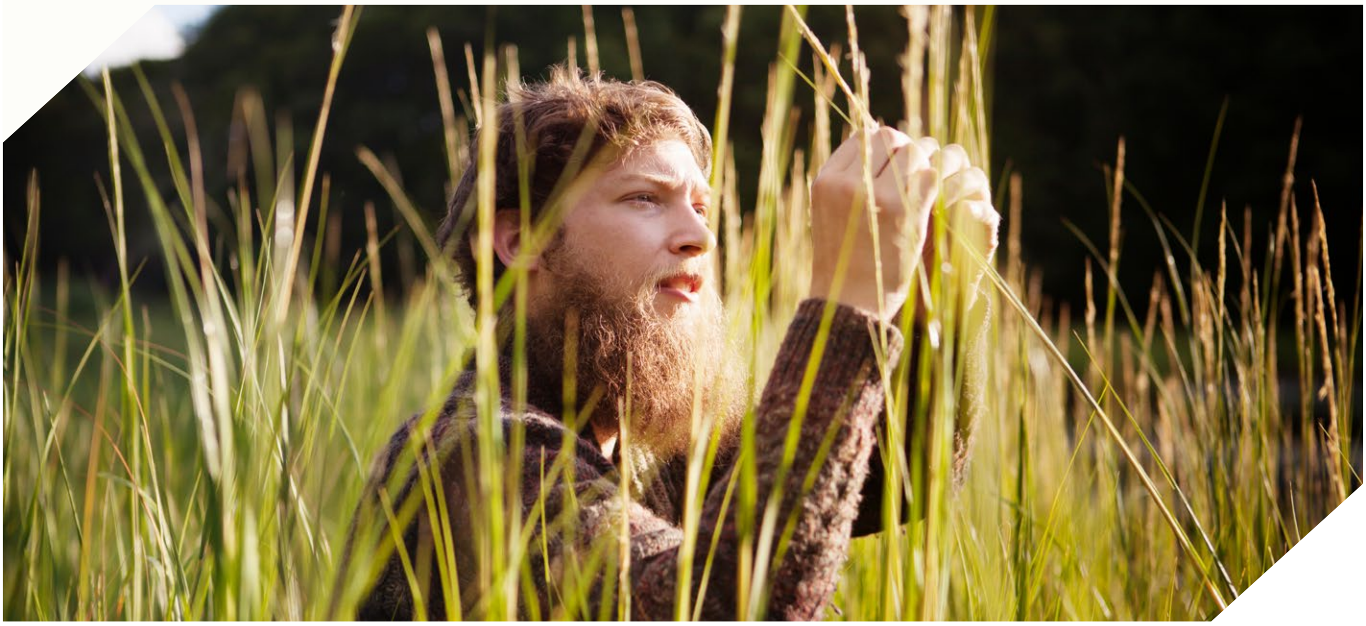
Through climate scenario analysis and supporting processes, we continue to develop our approach to identifying, assessing, and managing climate-related risks and opportunities.

In FY25, we completed a full end-to-end scenario analysis process, continued to evolve our internal Climate Action and Resilience Plan, and developed an internal Decarbonisation Plan.

In the upcoming year, FY26, we will continue to leverage this year's climate scenario analysis process and further integrate findings into our plans and operations.

These efforts, together with our voluntary climate disclosures aligned with the TCFD framework, provide a solid foundation for meeting the first year of mandatory climate reporting in Australia.

FY19	FY20	FY21	FY22	FY23	FY24	FY25
nib publicly discloses its emissions for the first time Climate change scenario analysis conducted	Divestment from carbon intensive fossil fuels	Launched Responsible Investment policy Transitioned to 100% renewable energy all nib controlled offices[1]	Certified carbon neutral by Climate Active for our Australian business operations through 100% Australian Carbon Credit Units[2] Committed to net zero targets by 2040 using science-based methodology. Inaugural TCFD report published	New climate change scenario analysis conducted	Developed internal Climate Action and Resilience Plan nib NZ began reporting under NZ Climate Standards Updated Responsible Investment Policy	New climate scenario analysis for nib Group and nib NZ Developed internal decarbonisation plan



1. nib-controlled locations are those which have a direct relationship with the electricity provider.
2. Certified Carbon neutral for Australian operations emissions occurring in FY21. Climate Active certification available at nib.com.au/docs/2022-climate-active-carbon-neutral-certificate

Climate-related risks and opportunities

Risks, opportunities and climate drivers were identified via nib's 2025 climate change scenario analysis and assessed within nib's enterprise risk framework.

Our climate-related risks and opportunities are assigned a time horizon based largely on their relationship and relevance to our business planning cycle (to 2030). We have therefore designated our risk and opportunity timeframes as follows:

- **Short term (now)** Risks and opportunities that are happening now or in the immediate future and are part of the existing market and risk profile.
- **Medium term (before 2030)** Risks and opportunities that may eventuate within the current long-term business planning cycle. They are not part of the current market or risk profile but may impact the current business plan.
- **Long term (after 2030)** Risks and opportunities that are not expected to eventuate within this business planning cycle but may impact nib Group's long-term prospects. These risks and opportunities are not part of the current market or risk profile but may impact the long-term business model and strategy.

Our climate-related risks

Scenario Driver	Business Risk Category	Risk description	Potential business impact	Time frame	Entity	Financial impact	Consequence type(s)
Physical risk type							
Acute	General economic	Damage from increased occurrence of acute climate events leads to pressure on household incomes.	Affordability – reduced discretionary consumer spending on items including health insurance.	Long	Australian and NZ Health Insurance	Revenue	Financial Reputation & Brand
Acute	Business disruption	More frequent and severe natural hazards may affect critical 3rd party services or infrastructure e.g. telecommunications networks.	Degraded ability to service customers given reliance on digital service models.	Medium	nib Group	Revenue	Financial Customers & stakeholders
Acute	Business disruption	Surges in claim volumes following a natural disaster impacting service levels.	Extended claims processing times, leading to customer, reputational and regulatory impacts.	Medium	nib Travel	Expenditure	Customers & stakeholders Regulatory Reputation & Brand
Acute Chronic	Claims inflation	Natural hazards and climate changes leading to higher service utilization i.e. rising frequency and severity of climate related events leading to more prevalent incidence of disease and/or health conditions.	Increased claims and resulting pressure on pricing.	Long	Australian and NZ Health Insurance International Inbound Health Insurance	Revenue	Financial Customers & stakeholders Reputation & Brand Regulatory

Strategy continued

Scenario Driver	Business Risk Category	Risk description	Potential business impact	Time frame	Entity	Financial impact	Consequence type(s)
Physical risk type continued							
Acute Chronic	Pricing	Geographic variance of climate hazards and resulting morbidity patterns increases insurance exposures.	Financial impacts arising from: Restricted ability to re-price insurance risk exposures (regulatory constraints). Inability to adapt historic actuarial models. Selection and/ or geographic concentration risks.	Long	Australian and NZ Health Insurance International Inbound Health Insurance	Expenditure	Financial Reputation & Brand Regulatory
Acute Chronic	Third party service	Acute and chronic natural hazard increases may cause more health issues than existing private healthcare providers can adequately service.	Increasing wait times and/or decreasing quality of care, leading to decrease in perceived value if members cannot utilise their cover. Potential shift in public vs private service demarcation.	Long	Australian and NZ Health Insurance	Revenue	Financial Customers & stakeholders Reputation & Brand Regulatory
Acute	Health, Safety & Wellbeing	Surges in claim volumes following a natural disaster leading to negative employee experience.	Less ability to scale up quickly or cross-skill employees due to technical training requirements in adjacent businesses. Impact on employee costs and turnover.	Short	nib Thrive nib Travel NZ Life	Expenditure	People & Culture Customers & stakeholders Reputation & Brand Financial
Transition risk type							
Policy	Claims inflation	Government policy changes in transition lead to increased business costs.	Government reforms such as carbon price (tax, tariff, or extension of SafeGuard Mechanism) increase costs across the economy. Impacts on claims costs, operating expenses and customer affordability.	Medium	nib Group	Expenditure Revenue	Financial Customers & stakeholders Regulatory

Scenario Driver	Business Risk Category	Risk description	Potential business impact	Time frame	Entity	Financial impact	Consequence type(s)
Transition risk type continued							
Market	Market	Government budget reductions for NDIS sector due to climate event damage costs and/or higher investment in adaptation policies.	Pressure on Government NDIS budgets, impacting spending on public health and NDIS. May impact the market for NDIS services.	Long	nib Thrive	Revenue	Customers & stakeholders
Legal/ Reputation	Compliance	Increased sustainability related regulation including risk of non-compliance and litigation.	Rising volume and complexity of climate regulation increases likelihood of non-compliance, regulatory issues and litigation. Reputational damage could impact brand.	Short-Medium	nib Group	Revenue	Regulatory Financial Customers & stakeholders
Opportunity type							
Products & Services	Insurance product design	Deepen integration between nib insurance, Midnight Health, and Honeysuckle Health offerings to create disaster support and remote healthcare offers.	Revenue increase. Improved brand reputation and trust.	Long	nib Group	Revenue	Financial Customers & stakeholders Reputation & Brand
Products & Services	Insurance product design	More frequent and severe natural disasters may increase demand for insurance related to human health (ultraviolet radiation, injury, mental health).	Revenue increase. Customer value.	Medium	Australian Health Insurance Midnight Health	Revenue	Financial Customers & stakeholders Reputation & Brand
Products & Services	Insurance product design	More frequent and severe natural disasters may increase demand for travel insurance from customers seeking additional coverage to mitigate heightened risk.	Revenue increase. Customer value.	Long	nib Travel	Revenue	Financial Customers & stakeholders Reputation & Brand
Markets	Market Growth & Selection	Shifting role of public and private healthcare.	High transition costs for government may put additional pressure on public health budgets, increasing the market opportunity for private health insurance.	Long	Australian and NZ Health Insurance	Revenue	Financial Reputation & Brand

Strategy continued

Climate scenario analysis

Our climate scenario analysis approach combined deep external research with internal engagement to create an assessment that is comparable, verifiable, relevant, timely, and a faithful representation of the potential impacts to nib Group under each scenario.

- In collaboration with our external partners, and with reference to previous climate risk assessments, we shortlisted the most relevant physical and transition climate hazards and developments for inclusion in the analysis.
- In accordance with guidance from AASB S2 and the NZ Climate-related Disclosure regime, among other sources, three scenarios were designed to be both challenging and plausible, with sufficient diversity of impacts relevant to nib Group.
- Scenario narratives – causal chains of events and consequences - were then created to serve as the descriptive backbone for each scenario. In line with the latest guidance, these narratives used to bring the abstract concepts of driving forces and risks into a more concrete and relatable form and to explore how uncertainty may emerge over time.
- Seven workshops were then organised across nib Group's business divisions, to focus on a specific element of our value chain and identify specific processes and potential impacts.

Finally, workshop outputs were summarised into a list of identified climate-related risks and opportunities, validated by participants, before then being assessed by our Risk function consistent with our Risk Management Framework.

Scenario parameters	Overview	Description	Risk type
SSP1-RCP2.6 **NGFS Net Zero 2050** **UN PRI Required Policy Response**	Ambitious transition	Collective action towards a low carbon global economy, with steady and constant societal changes related to technology, policy and behaviour to support the transition to a lower emissions economy. A steadily increasing carbon price reinforces low carbon behaviours. Long-term chronic impacts from historic greenhouse gas emissions still occur, although not severely.	Transition (medium) & Physical (low)
SSP2.RCP4.5 **NGFS Nationally Determined Contributions** **UN PRI Forecast Policy Response**	Too little too late	A misaligned and delayed transition to a low carbon economy, where some countries are early movers and others continue fossil fuel development through to the mid-point of the century. After that, global efforts begin to align, with large increases in carbon prices driving a rapid improvement in low emissions technology efficacy and uptake. Despite this concerted effort, the changes come too late to prevent wide ranging acute and chronic physical climate impacts.	Transition (high) & Physical (medium)
SSP5-RCP8.5 **NGFS Current Policies**	Hothouse scenario	This scenario represents minimal action towards a low carbon global transition, reflecting a continued and increasing level of fossil fuel use and increasing consumption and materialism. Globalisation remains intact. The impact of these activities continues to drive emissions higher throughout the remaining 21st century leading to significant materialisation of acute and chronic physical risks.	Physical (high) & Transition (low)

The resilience of nib's strategy

nib's strategic vision – centred on personalised health and wellbeing – is well positioned to address our key identified climate- related risks and opportunities.

Our business strategy supports the individual health needs of our members and also builds our resilience against the multifaceted challenges, some already emerging and others long-term, which climate change poses.

Despite this favourable positioning, nib is committed to strengthening its climate resilience further in the years ahead. Pathways for this include the execution of our internal Decarbonisation Plan, continued integration of climate-related issues into our strategic planning and decision making, as well as preparations for incoming mandatory climate disclosures in FY26.

Risk Management

How we identify and assess climate-related risks

Our approach to identifying and assessing climate-related risks is embedded within nib's enterprise risk framework and systems. Risks are identified through enterprise-wide risk assessment processes, most notably climate scenario analysis. They are also identified through divisional and team specific processes including risk and control self-assessments conducted within business units. All risks are assessed and managed in accordance with our enterprise Risk Management Framework (RMF).

How we manage climate-related risks

nib's RMF outlines our structured approach to managing material risks. It combines formal and informal elements, including risk management systems, structures, policies, processes and the people operating them. The RMF is reviewed annually to ensure its continued effectiveness and relevance. To effectively manage risk, nib has adopted the Three Lines of Defence model, which sets out the roles within the organisation that play a key part in managing risk.

nib's management of climate risks extends to the risks inherent in our investments. nib's Responsible Investment Policy reflects our belief that incorporating environmental, social and governance factors into our decision-making sustains investment returns while aligning with the interests of our communities, society and the natural environment.

How we integrate these processes into nib's overall risk management

The Board and Management complete regular identification and analysis of material or principal risks (and emerging risks) that the nib Group faces in delivering on our strategic and business objectives, including assessment of the effectiveness of the controls in place to manage these risks. Targeted risk analysis such as climate scenario analysis is integrated into existing processes and outcomes are reported to relevant risk governance forums, at both Board and Management levels.

Furthermore, we continue to consider the potential impacts of climate change within the broader scope of our operational risk profile and business continuity. This approach aligns with the recommendations provided by the Task Force on Climate-Related Financial Disclosures (TCFD) for our industry.

Metrics and Targets

Emissions reduction and transition

In FY25 we worked with external consultants to build on previous work started in our internal Climate Action and Resilience Plan (CARP) to develop our internal Decarbonisation Action Plan. The first step of this was a validation exercise with our internal Environmental Working Group to look at current and future decarbonisation activities.

Specific focus has been given to emissions hotspots in our value chain to ensure we are maximising the impact of our strategy.

It acknowledges that scope 3 emissions remain our largest area of impact, and that one of the key levers we have for decarbonisation is to use our sphere of influence to reduce emissions within our supply chain.

As such, we have started to introduce environmental performance-related conditions into new contractual agreements with strategic suppliers. These conditions require suppliers to provide actual emissions data (where available) to help us gain a better understanding of our environmental footprint and opportunities for improvement.

During the year, we also acquired another new business as part of our nib Thrive expansion.

Carbon neutrality

In FY25, we were certified as a carbon neutral business for the fourth year in a row by Climate Active for our Australian business operations. This was achieved through purchasing certified Australian Carbon Credit Units (ACCUs) to offset our emissions from the prior financial year[1].

One of the projects we support is through the Aboriginal Carbon Foundation. A portion of our Australian Carbon Credit Units (ACCUs) were sourced from the Wulburjubur Cultural Fire Project—an Indigenous-led initiative in Queensland that applies traditional fire practices to care for Country. By conducting low intensity burns early in the dry season, the project reduces the risk of large-scale bushfires and lowers greenhouse gas emissions, generating ACCUs as a result.

We also partnered with Greening Australia to purchase ACCUs linked to the South Australian Conservation Alliance. This land regeneration project, located in the Gawler region of South Australia, focuses on restoring native woodlands and shrublands through managed grazing and feral animal control. These efforts contribute to reversing land degradation, enhancing biodiversity, and sequestering carbon, thereby earning ACCUs.

1 Certified Carbon neutral by Climate Active for emissions occurring in FY24. Optionally included are emissions including electricity, associated with our overseas locations in New Zealand, Ireland, the UK and USA. Climate Active certification available at nib.com.au/sustainability.

Scope 1, 2 and 3 absolute emission targets

In FY22 nib established absolute emissions reduction targets for Scopes 1, 2, and 3 that were informed by the Science Based Targets initiative (SBTi) and aligned with the goals of the Paris Agreement, including limiting global temperature rise to well below 2°C and pursuing efforts to limit it to 1.5°C above pre-industrial levels.

- 50% Absolute emission reduction in Scope 1 & 2 by 2030 from a FY21 Baseline
- 25% Absolute emission reduction in Scope 3 by 2030 from a FY20 Baseline
- Achieve net zero by 2040.

These targets do not currently include financed emissions. They were established based on nib's operational profile and emissions inventory at the time of setting. Since establishing the targets, Scope 3 emissions increased due to business expansion and enhancements in reporting methodology, including the inclusion of additional categories. As a result, nib will re-baseline its emissions inventory in FY26 in line with the Greenhouse Gas (GHG) Protocol.

This re-baselining will support compliance with up-coming mandatory climate-related disclosure requirements and provide a more accurate foundation for assessing the relevance and achievability of existing targets. Further consideration will be given to whether adjustments are required to reflect nib's growth and evolving emissions profile.

Metrics[2]

(tonnes CO_2-e)[3]	FY20	FY21	FY22	FY23	FY24	FY25
Total emissions[4]	9,952.4	6,917.3	8,462.7	12,011.5	14,870.2	16,536.7
Scope						
Scope 1	27.0	23.8	0.9	25.3	27.1	59.7
Scope 2[5]	1,295.0	419.4	30.4	202.3	182.3	73.0
Scope 3	8,630.4	6,474.1	8,431.4	11,783.9	14,660.8	16,404.0
Region						
Australia	8,986.3	6,157.6	7,558.2	10,454.0	12,423.0	13,865.9
New Zealand[6]	824.1	543.7	866.2	1,399.0	2,034.6	2,630.3
Other[7]	142.0	216.1	38.3	158.5	412.6	40.5
Intensity						
Employee (FTE) (Scope 1 & 2)	0.878	0.383	0.023	0.121	0.114	0.070
Employee (FTE) (total emissions)	6.613	5.979	6.269	6.362	8.128	8.689
Customer[8] ('000) (Scope 1 & 2)	0.818	0.269	0.018	0.125	0.111	0.068
Customer[9] ('000) (total emissions)	6.158	4.205	4.934	6.622	7.91	8.464
Revenue ($m) (Scope 1 & 2)	0.528	0.172	0.011	0.074	0.063	0.037
Revenue ($m) (total emissions)	3.976	2.685	3.065	3.921	4.46	4.558

2. Independent assurance audit undertaken by GPP Audit Pty Limited. See external assurance report online at nib.com.au/sustainability.
3. nib measures its emissions in accordance with the ISO 14064-1:2018 and the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) (GHG Protocol). We use the operational control approach and the relevance test adapted from the GHG Protocol to determine the emission boundary for our organisation.
4. nib's emissions reporting has expanded from FY20-25 in terms of both emissions categories and reportable entities, and in the interest of continous improvement in data quality as part of GHG protocol requirements.
5. Scope 2 emissions are estimated using the market-based method for nib Group emissions reporting.
6. New Zealand location includes all nib Group businesses that are based in New Zealand, which includes nib nz, Orbit Protect and nNZil.
7. Other locations include United States of America and United Kingdom.
8. Number of persons covered by a health insurance policy.

Metrics and Targets continued

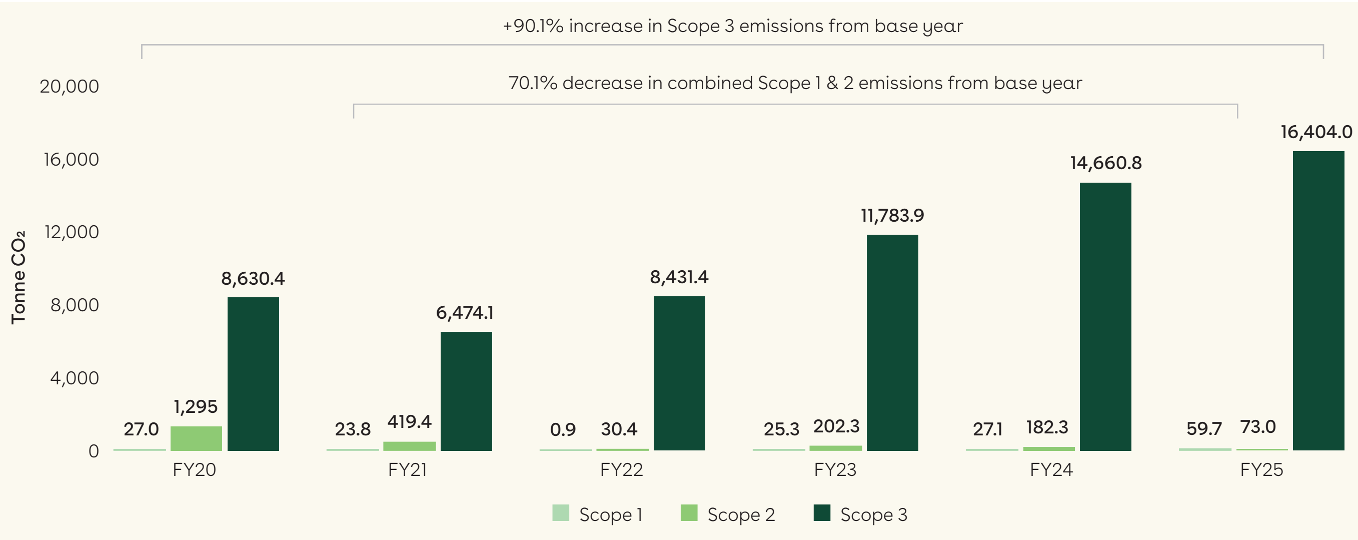
Progress

In FY25, our emissions footprint rose by 11%, driven primarily by a 12% increase in Scope 3 emissions. This growth reflects expanded reporting boundaries, including the acquisition of Honeysuckle Health, the evolution of our reporting methodology and the addition of previously unreported categories.

While Scope 1 emissions increased due to the inclusion of refrigerants and fuel used in fleet vehicles, we achieved a 37% reduction in combined Scope 1 & 2 emissions from FY24—largely due to the progress in our transition to renewable electricity under Scope 2.

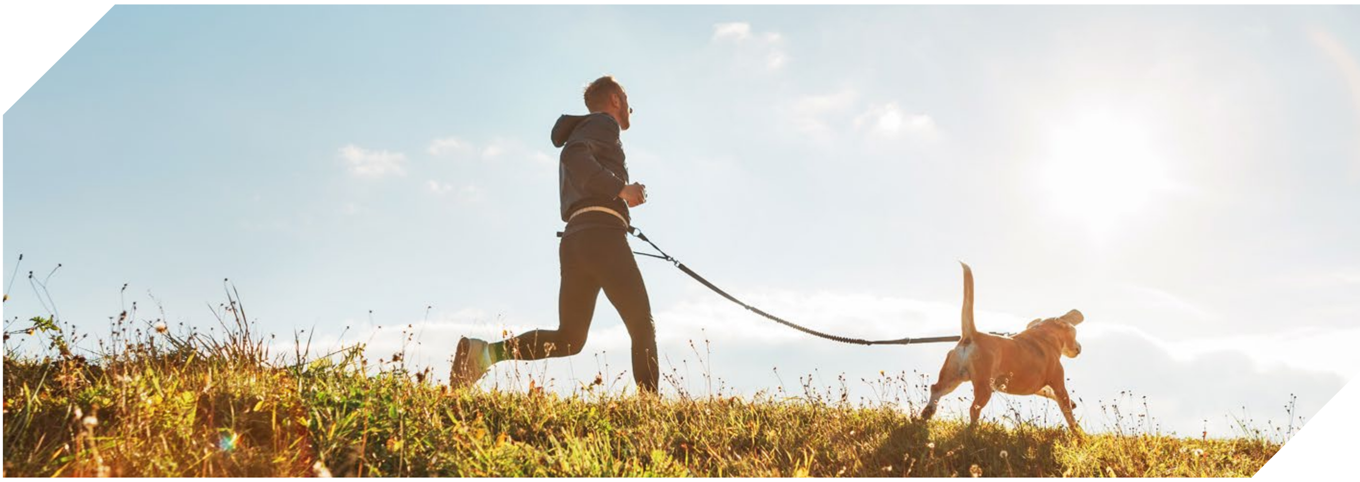
During the year, we transitioned to a new emissions consultancy and refined our inventory in line with GHG Protocol categories. These changes improved data insights and coverage, which we will continue to build upon. Since setting baseline Scope 3 emissions as FY20, nib has grown, including through acquisitions, which has contributed to our Scope 3 emissions increase.

Overall progress against targets as at FY25 includes a 70.1% decrease in Scope 1+2 emissions from a 2021 baseline and 90.1% increase in scope 3 emissions from the 2020 baseline.



Investment target

As a financial institution, we recognise the role our investments can play in the transition to a low carbon future. In alignment with the principles set out in our Responsible Investments policy, we are considering our emissions reduction strategies for our investment portfolio.



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