Climate Report

For the year ended 31 December 2025

CCB 中国建设银行（新西兰）
China Construction Bank (New Zealand)

Contents

Glossary

Term	Definition
ALCO	Asset and Liability Committee
BARC	Board Audit, Risk and Compliance Committee
Board	CCB NZL Board of Directors
CC	Credit Committee
CCB or CCBG	China Construction Bank Corporation
CCB NZB	China Construction Bank Corporation New Zealand Branch
CCB NZBG or CCB NZ or the Bank	China Construction Bank Corporation New Zealand Banking Group
CCB NZL	China Construction Bank (New Zealand) Limited
CCC	Climate Change Commission
CRO	Chief Risk Officer
ELT	Executive leadership team
GHG	Green House Gas
ICAAP	Internal Capital Adequacy Assessment Process
ICCC	CCB NZBG Internal Controls and Compliance Committee
NGFS	Network for Greening the Financial System
NZBA	New Zealand Banking Association
PCAF	Partnership for Carbon Accounting Financials
RAS	Risk Appetite Statement
RBNZ	Reserve Bank of New Zealand
RCP	Representative Concentration Pathways
RMC	CCB NZBG Risk Management Committee
SBTi	Science Based Targets intitiative
TCFD	Task Force on Climate-Related Financial Disclosures
XRB	External Reporting Board
Green Lending	Green Lending definition under the CCB Corporation methodologies
CRE	Climate Reporting Entity
tCO2e	Tonnes of carbon dioxide equivalent

Cover image: Huka Fall, Taupo, New Zealand

Tane Mahuta – God of the Forest, Northland , New Zealand

Statement of Compliance

China Construction Bank New Zealand Banking Group is a climate reporting entity and is required to prepare annual climate disclosures under the Financial Markets Conduct Act 2013. This Climate Report is for China Construction Bank New Zealand Banking Group for the year ended 31 December 2025 and complies with the three Aotearoa New Zealand Climate Standards (NZ CS):

- *NZ CS 1:* Climate-related Disclosures
- *NZ CS 2:* Adoption of Aotearoa New Zealand Climate Standards
- *NZ CS 3:* General Requirements for Climate-related Disclosures

Adoption Provisions

The Bank has elected to use the following adoption provisions[1] from NZ CS 2 Adoption of Aotearoa New Zealand Climate Standards in preparing the Climate Report:

- *Adoption Provision 2*: Anticipated financial impacts
- *Adoption Provision 4:* Scope 3 GHG emissions
- *Adoption Provision 8:* Scope 3 GHG emissions assurance

This Climate Report is approved and signed on behalf of the Board of Directors by:

Mr. Jinliang Zhang

CHAIRMAN & EXECUTIVE DIRECTOR

Dated: 27 March 2026

Mr. Yi Zhang

VICE CHAIRMAN & EXECUTIVE DIRECTOR

Dated: 27 March 2026

1 Refer to Appendix A5 for a summary of adoption provisions used, and the Bank's rationale for adopting them.

China Construction Bank NZ Banking Group's position on climate change

CCB NZBG continues to recognise that climate-related risks can materially affect the financial system and our business. As a responsible financial institution, we continue to maintain a disciplined, risk-based approach to understanding and managing those risks alongside the opportunities arising from climate change and the transition to a low-emissions, climate resilient economy.

Our approach to climate risk management is integrated into our Risk Appetite Statement (RAS), which outlines our commitments to:

- better understanding and mitigating the risks and impacts of climate change on CCB NZBG
- applying a risk-based approach to the management of climate-related risks and opportunities
- seeking to increase the resilience of our business to climate change
- reducing our own operational footprint (excluding financed emissions)

Our climate risk appetite is designed to ensure that we can effectively manage climate-related risks while supporting the needs of our customers, communities and other key stakeholders. This includes having clear processes to identify and assess the physical, transition and other climate-related risks across our business activities, and working with our customers in the area that will deliver better customer outcomes.

Operational Commitments: CCB NZBG is committed to prudently managing our operational carbon footprint and achieving targeted reductions. Since 2021, we have offset residual operational emissions to achieve carbon neutrality through the Toitū Envirocare Net Carbonzero programme. Offsets for unavoidable operational emissions are purchased following the finalisation and audit of each year's operational emissions. We intend to complete the purchase of carbon credits for 2025 emissions once reporting and auditing are finalised.

Climate Risk in Lending: In our lending activities, we remain committed to:

- properly assessing the climate-related risks prior to providing credit to high climate risk customers[2]
- prudently managing exposures to locations or sectors with elevated climate risk
- clearly defining sectors where the Bank has limited or no appetite for, and won't be actively targeting (e.g. coal mining)

Building Resilience and Capability: To enhance resilience to climate change, we continue to:

- improve Board, Management and staff awareness and capability around climate-related risks
- conduct periodic scenario analysis to better understand the risks and opportunities at both portfolio and Bank levels
- strengthen capability to measure and manage climate-related risk and emission profiles in our portfolios to support better decision making
  integrate climate risk considerations into our business practices, policies and procedures

In 2025, we have made further progress in our climate risk capability, including the further embedment of climate-related risk and opportunities discussions into our governance cadence and the refresh of our Environmental, Social and Governance (ESG) risk identification and assessment processes in our credit portfolio.

We also acknowledge the heightened transparency across the banking industry, with all New Zealand banks increasingly reporting deeper insights on climate-related impacts and resilience strategies as part of broader financial disclosures. We firmly see the benefit this delivers, including:

- incentivising better identification and management of climate-related risks and opportunities
- supporting more effective risk-based pricing, capital allocation and portfolio management mechanisms for climate-related risk impacts
- Promoting innovative and sustainable financial solutions through increased focus on climate-related opportunities

[2] High climate risk customers include, but are not restricted to, customers in high energy consumption sectors (e.g. metal, cement/concrete product manufacturing) and/or high emission sectors (e.g. electricity, gas, water and waste services)

01 About this report

- **About this report**
- **Status summary**

01. About this report

This is the third climate report for China Construction Bank New Zealand Banking Group. This report illustrates the Bank's journey and approach to managing its climate-related risks and opportuniites, and is based on the New Zealand climate-related disclosure standards (NZCS[3]), and follows the following structure:

- **Governance** – how CCB NZBG governs climate-related risks and opportunities.
- **Strategy** – the actual and potential impacts of climate-related risks and opportunities on CCB NZBG's business, strategy and financial planning.
- **Risk Management** – the processes used by CCB NZBG to identify, assess and manage climate-related risks.
- **Metrics and Targets** – the metrics and targets used by CCB NZBG to assess and manage relevant climate-related risks and opportunities.

As the content of this report shows, CCB NZBG has continued to make progress in integrating climate change risks and opportunities considerations into its day-to-day business and operations, but is still in the early phase of its journey. The status summary update on the next page summarises our progress to date. We aim to strengthen the quality of our disclosures in years to come, and to further develop the capability and expertise to disclose in line with the standards developed by the XRB. We see this as an iterative process as best practice will continue to evolve.

In May 2022, CCB NZL[4] became the first Chinese bank in New Zealand to become a Toitū Net Carbonzero Certified Organisation. External assurance has been obtained on CCB NZL's operational emissions calculation through our certification under that programme. Toitū Envirocare has provided reasonable assurance over the Bank's categories 1 and 2 emissions, and limited assurance for the emissions in the remaining categories for the reporting years of 2021 to 2023. EY has provided a reasonable assurance opinion over our Scope 1 and 2 location-based emissions and a limited assurance conclusion over reported Scope 3 operational GHG emissions for 2024 and 2025. The independent assurance opinion for 2025 can be found in Appendix A6.

Selective highlights

The Financial Markets Authority (FMA) has issued two Insights Reports following its review of the first year of climate-related disclosures. The reports note a number of positive observations, while highlighting areas for improvement, including clearer materiality assessments, stronger links to financial impacts, and greater transparency of assumptions and data limitations.

The Bank has commenced incorporating these findings to enhance the quality, comparability, and decision-usefulness of our disclosures, and will continue to embed them as our climate risk management practices mature.

[3] The design of NZCS was broadly based on the TCFD framework. International Financial Reporting Standards (IFRS) announced at the 26th United Nations Climate Change Conference (COP 26), the formation of the International Sustainability Standards Board (ISSB), into which TCFD will converge. The convergence was completed in 2023, with the issuance of ISSB IFRS S1 and S2.

[4] Measured for CCB NZL but represents the emission for CCB NZ Banking Group given the interconnected operating model between CCB NZL and CCB NZB

Status Summary

Our emissions

Certified Toitū Envirocare
Net carbonzero
since 2022

Achieved Scope 1 & 2 Operational emission target in 2024,
2 years in advance
due to the expedited transition to renewable electricity

Transitioned **100%**
of the Bank's network onto
renewable electricity

13% Reduction
In Air Travel, the largest category of operational emissions (excl. financed emissions)

Better utilisation of virtual technologies for training and meetings while
Air Travel
remains a necessity

Financed emissions at
0.0537
KtCO2e/ $m lent

Managing climate risk

Climate risk section incorporated into our
Board Quarterly Report

Modelled physical risk across security-backed portfolio
98.56%
of our Residential portfolio, &
95.68%
of our Non-residential portfolio

Current Climate-related Impacts remain **Minimal**

Completed scenario analysis on key sectors, covering
77.51%
of our lending portfolio

Climate skills and Culture uplift:
Annual Management & Board Deep-dive & training session

Financed emissions data quality remains
Stable & within appetite
at the score of 4.24

Supporting a green economy

Green loan[5] balance across CCB NZBG (NZD):
$806m

Sustainability linked loans (NZD), additional to the Green Loan categorised exposure:
$441m

[5] As measured using the Green Lending definition under the CCB Group methodologies

02 Governance

- Our approach to governance
- Board governance
- Management responsibilities
- Board and Management climate capability
- Executive remuneration

02. Governance

It is CCB's vision to strive to become a world-leading sustainable development bank. As such it has continued to strengthen its governance and delivered the necessary operating model to intensify its effort to manage and explore climate-related risks and opportunities. In May 2021, CCB became a supporter of the TCFD. This demonstrated CCB's commitment to continuously improve its governance and disclosure quality of environmental and climate-related information according to the common TCFD information disclosure framework, so as to better align itself with the information disclosure systems of international financial enterprises and investment institutions and enhance capital markets' and rating agencies' understanding and recognition of CCB's efforts in ESG and green finance. **Governance of Climate-Related Risk at the CCB Group level can be found in the Governance Section of the China Construction Bank's 2025 Sustainability Report.**

Implementation of Environment-Related Strategies

The Bank has established clear Group-wide structure to coordinate and promote the development of green initiatives. Each relevant departments are tasked with the implementation and advancement of specific environmental-related work (e.g. to promote environmental-related corporate business, retail business, capital market business, risk management, disclosure, public affairs, and carbon footprint management etc.), and to integrate green development requirements into the bank's daily operations and management. All CCB local and offshore entities continue to focus on the development of more green finance products and services based on each entities strategic focus and competitive advantage.

CCB's approach to governance in New Zealand

In addition to CCB Group governance, CCB NZBG's governance of climate-related risks involves the CCB NZL Board, NZ Banking Group senior management and the wider organisation. The chart below reflects the bank's current approach to governing climate risk alongside its other key risk.

CCB NZ Limited

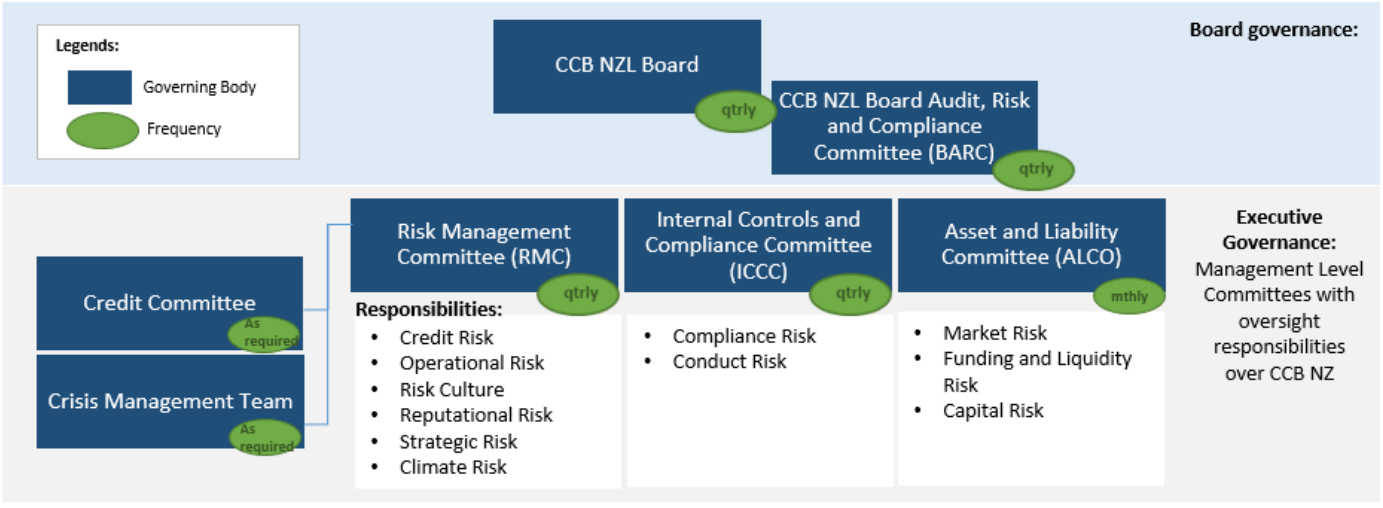


Figure 1a: CCB NZL Risk Governance Structure

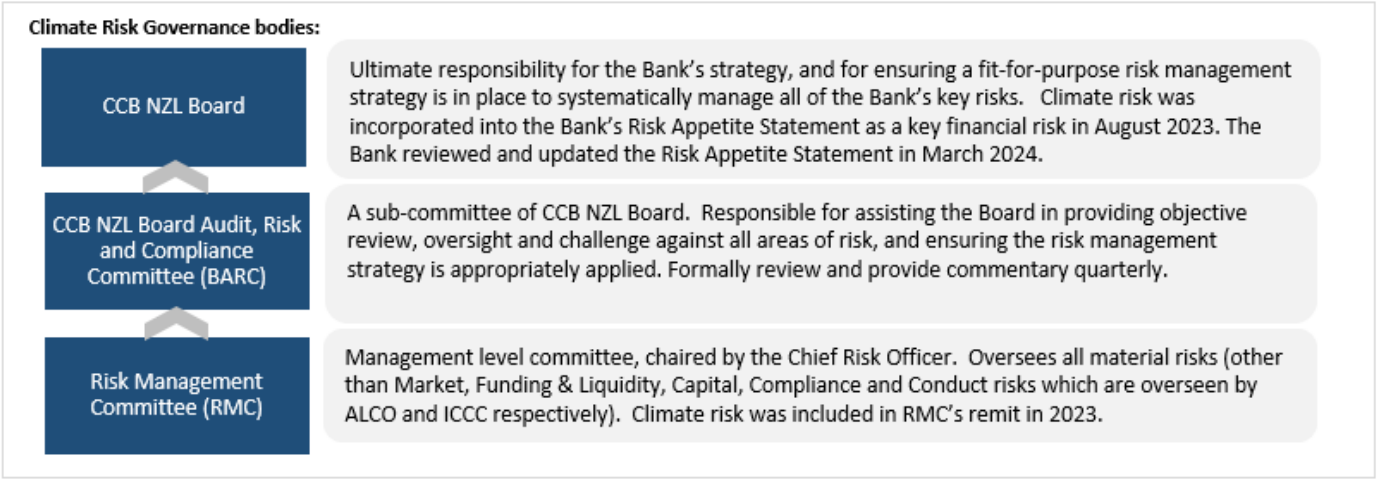


Figure 2: CCB NZL key governance structure for climate-related risks and opportunities

02. Governance

Board governance

The Board is ultimately responsible for overseeing the Bank's strategic direction, ensuring good governance and compliance, managing risks, and holding the Bank accountable for long-term and sustainable financial and operational performance. As such, it has the ultimate responsibility for ensuring the Bank has cohesive systems and processes in place to monitor and adequately control its material risks.

The Board is assisted by the BARC in fulfilling its oversight responsibilities to set the Bank's risk management strategy and risk appetite and ensure the integrity and effectiveness of the Bank's control frameworks, reporting systems and internal audit standards.

The Bank's risk management strategies, approaches and boundaries are articulated in its Risk Management Framework (RMF) and Risk Appetite Statement (RAS). The RMF provides guidance on the risk architecture, whilst the RAS is used to inform the boundaries for all the key frameworks.

Climate risk was formally incorporated as a key financial risk in the Bank's RAS with it being managed to the same level of cadence and discipline alongside its other material risks in 2023. This led to the designation of BARC and the Executive level Risk Management Committee (RMC) as the respective Board and Executive level governing bodies to oversee the management of climate-related risks and opportunities for the Bank. In 2024, a new standing section was introduced in the quarterly CRO report, replacing the quarterly memos previously provided through the Climate Disclosure workstream, to provide regular updates to the two committees on the Bank's key climate-related risk management developments and performance.

Management responsibilities

The BARC is supported by the RMC. RMC is a management committee that meets quarterly, and is responsible for overseeing material financial and non-financial risks across the Bank, including climate-related risk. RMC is chaired by the CCB NZL CRO, and attended by the senior management team and key risk representatives. RMC receives quarterly risk updates on key and emerging risk and regulatory matters that fall under its charter, which includes updates on climate-related risks.

Supporting governance: BARC is also supported by two other management-level sub-committees (Internal Controls and Compliance Committee (ICCC) and Asset and Liability Committee (ALCO)). Chaired by the Head of Compliance and the Chief Executive Officer respectively, and attended by the senior management team and key subject matter experts, these forums provide additional considerations of climate-related risks and opportunities where applicable to the respective areas of oversight under these committees.

BARC/Board are provided with quarterly updates on the key matters relating to climate-related risks reported to these committees, including providing opinions and approvals on key decisions supported by these committees. Additionally, the Bank has introduced an annual climate risk 'Deepdive' into its Board's and Management meeting cadence from 2024. The Deepdive provides an overview on climate risk in the Bank's portfolio, key internal and external developments (incl. in climate-risk disclosure), progress in advancing our climate-related business and risk strategy, and the current and future areas of focus.

The Bank also has established processes and requirements to carry out Climate and Environmental Assessment Processes prior to providing credit to any deemed high climate risk customers. Additionally, climate assessments are also required as part of the regular credit rating reviews for designated industry sectors. The Credit Committee (CC) oversees and provides oversight of these requirements and ensures climate-related credit risk considerations are appropriately applied at the transactional level.

02. Governance

CCB NZ Branch

Figure 1b: CCB NZB Risk Governance Structure

The governance of climate-related risk for CCB NZB follows the same approach as for CCB NZL. The Executive level committees are responsible for providing oversight in ensuring good governance and risk management practices to achieve long-term sustainable financial and operational performance, in line with CCB Group's strategic direction. Climate risk was formally incorporated into the NZ Banking Group Risk Appetite Statement as a key financial risk in August 2023. With the exception of CCB NZL's Board's involvement mentioned in the previous section, the management responsibilities and the governing bodies mentioned above (the RMC, ICCC, ALCO and the Credit Committee) remain largely similar across both CCB NZL and CCB NZB.

Board and Management climate capability

The Board's increasing involvement in directing the Bank's response to climate issues underscores the ongoing need to assess and enhance the awareness and capability of the Board, Management, and wider organisation in managing climate-related risks. Since 2022, BARC, as the primary body responsible for assisting the Board with oversight and governance of the Bank's material risks, has received formal quarterly presentations from Bank Management on the evolving climate-related landscape. To further uplift Board and Management's competency, the Bank has introduced an annual climate risk 'Deepdive' into its Board's and Management meeting cadence from 2024. The Deepdive provides an overview on climate risk in the Bank's portfolio, key internal and external developments (incl. in climate-risk disclosure), progress in advancing our climate-related business and risk strategy, and the current and future areas of focus.

The Bank also has processes and requirements to carry out Climate and Environment Assessment Processes prior to providing credit to any deemed high climate risk customers. Additionally, climate assessments are also required as part of the regular credit rating reviews for designated industry sectors. The Credit Committee (CC) oversees and provides oversight of these requirements and ensures climate-related credit risk considerations are appropriately applied at the transactional level. Complementing this, external education sessions were set up for Board and Management from time to time to support skill and awareness development. One session was set up in 2025.

Executive remuneration

Climate risk was incorporated as a key financial risk in the Bank's RAS in 2023, and embedded into Board quarterly reports. Progress on the management of climate risk and opportunities is currently measured by compliance with the spirit of the RAS and the furthering of CCB Green Financing Strategy. The achievement of GHG-related performance metrics is not currently incorporated into the management team's remuneration considerations. The management team progress on Green Financing, on the other hand, is currently captured in the Bank's scorecard, and is a determinant in the Bank's credit risk management performance.

Highlights

Competency uplift:
Climate Deep Dive & Training Continues

03 Strategy

- Our climate strategy
- Scenario analysis for CCB NZBG
- Climate-related risks and opportunities analysis
- Key strategic considerations
- Physical risk modelling
- Additional considerations on transition risk (impacting residential home loan borrowers)
- Opportunities (incl. the green finance focus areas)

03. Strategy

Our climate strategy

As a responsible financial institution, CCB NZBG is committed to **understanding** and **applying a disciplined, risk-based approach** to the management of the risks and opportunities associated with climate change.

This section discusses CCB NZBG's business model and outlines how climate change currently impacts the Bank and how it may do so in the future, and outlines the scenario analysis it has undertaken, the risks and opportunities identified, the anticipated impacts, and how the Bank will position itself as the global and domestic economy transitions towards a low-emissions, climate resilient future state. These are used to test the resiliency of the Bank's business model and strategy. `

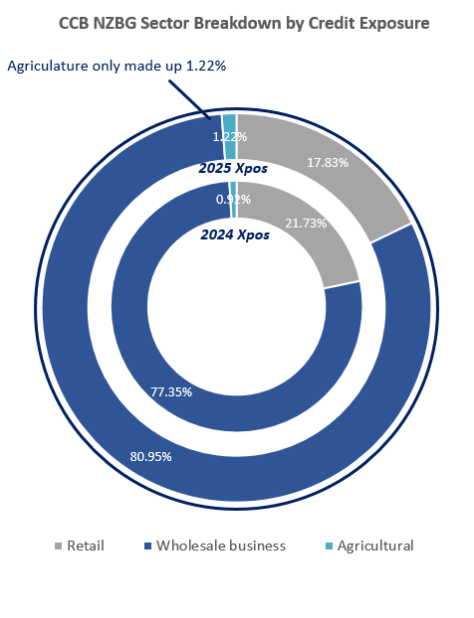


Figure 3: CCB NZBG Sector Breakdown

Our business model

CCB NZ Banking Group, made up of CCB NZ Branch and CCB NZ Limited, are the New Zealand operations of China Construction Bank (CCBG), one of the world's largest banking group. CCB NZBG provides banking products and services to retail, business, corporate and institutional customers, and limited agricultural exposure. The diagram above provided breakdown of loans and advances to customers in 2024 and 2025.

Impacts of climate risk

The diagram on the right summarises where the impacts of climate risks, opportunities and financial impacts manifest themselves. Climate risks are divided into physical and transition risk. These risks can impact a business's ability to operate effectively:

- **Physical risks** are manifested through the increased frequency and severity of acute weather events, or longer-term chronic shifts in climate patterns.
- **Transition risks** are a result of uncertainty created by a shift towards a more sustainable, low-emission economy, and include changes to regulatory landscape, consumer preferences, investor expectations etc.
- **Opportunities** present themselves in areas that drive improved resiliency, resource efficiencies, cost savings, new products and services developments, access to new markets etc.
- The **financial impacts** are manifested through changes in revenue/expenditure and assets/liabilities, which have further implications on a business's health and ability to deliver on its strategy and meet its obligations.

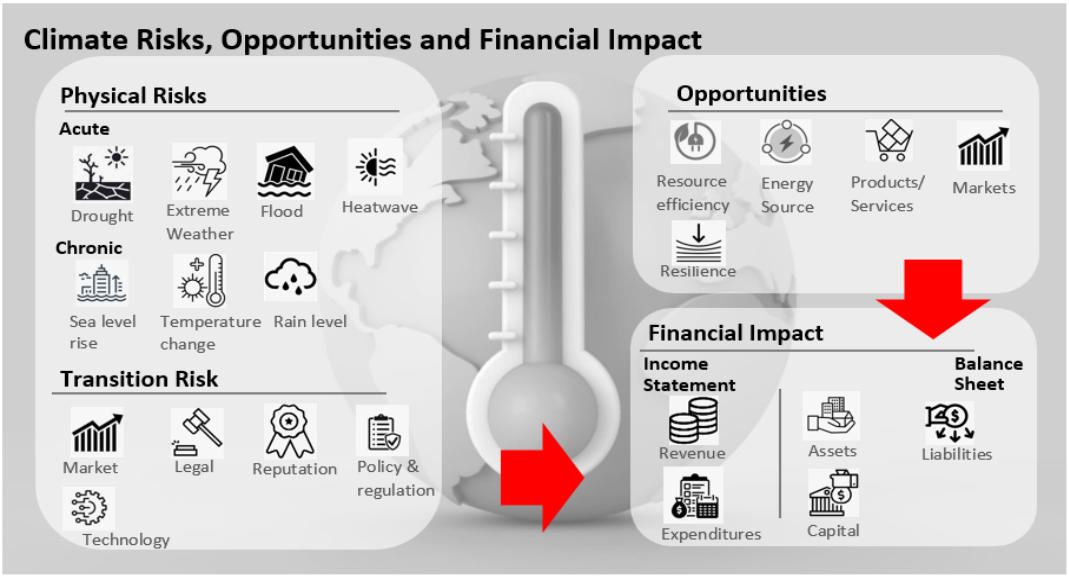


Figure 4: The impacts of climate risks, opportunities and financial impacts

03. Strategy

Current climate-related impacts

At an organisation level, the banking industry in general is exposed to different type of physical and transition risks (e.g. on their offices, branches and ATM networks etc.). These risks are, and have remained, relatively contained for CCB NZ, given the Bank's small footprint and an operating model that is not reliant on a branch network.

The Bank has a risk profile broadly consistent with its peers, with its primary climate-related operational risk arising from the extent of its customers' exposure to physical and transition risks. (Deloitte 2025 C-suite Sustainability Report, www.deloitte.com/global/en/issues/climate/c-suite-sustainability-report.html)

The Bank has no current material climate-related physical or transition impacts for the year ended 31st December 2025. Consequently, there were no material financial impacts for the period.

Physical Impacts (FY25)

CCB NZBG does not consider that it has experienced material physical impacts to its portfolio (both at the organisational and credit level) as a result of any climate-related events in 2025. Credit portfolio mitigating factors have been our insurance and equity requirements for our borrowers, and local and national governing policy.

There were a number of large weather events in New Zealand in 2025, including the a national-scale severe storm in May 2025, the South Island floods in June 2025, and the prolonged storm event in October 2025.

- **Lending portfolio:** No CCB NZBG customers were impacted by these events.
- **At the oragnisational level:** No CCB NZBG assets or operations were adversely impacted by these events.

Additionally, the Bank confirms that neither the bank, nor its customers, were materially impacted by the two 2023 large weather events affecting its main geographic markets, being the Auckland Anniversary Week flood and cyclone Gabrielle, and there are no lingering matters from those events that are still being worked through.

Transition Impacts (FY25)

CCB NZBG has not yet experienced any material adverse or positive credit and operational impacts from the transition to a low-emissions economy.

Widespread damage across Auckland in the 2023 Auckland Anniversary Flood.

03. Strategy

Scenario Analysis for CCB NZBG

The Bank has undertaken scenario analysis to identify and understand its climate change risk and opportunities, and test how the business strategy may need to be adapted against a series of plausible, but hypothetical events. To do this, the Bank has chosen to utilise the common sets of NZBA-commissioned banking sectorial narratives, developed alongside its banking peers in 2023, as the basis of its scenario analysis. The sector analysis is based on three climate reference scenarios published by the Network for Greening the Financial System (NGFS), tailored to New Zealand circumstances. High level details of the analysis provided below. Further detail of the scenarios and assumptions which underpin the sectorial analysis is set out in Appendix 1. Given the longer term nature of this risk, it is expected that the key assumptions and conclusions stated in the narratives remain appropriate for 2025.

NZBA-commissioned Climate Scenario Narratives for the Banking Sector

CCB NZBG has elected to use the sectorial narratives as the basis of our scenario analysis because it allows for better comparability and consistency of climate-related risk disclosures with our New Zealand banking peers, ultimately enabling primary users to be able to compare findings more readily. The final outputs of that report include:

- A common set of scenario narratives and horizons to be used in climate-related risk assessment and disclosures
- A high-level set of climate-related risks that banks should consider as part of their risk assessment with risks identified based on input from project stakeholders
- Organisational actions for climate disclosures on governance, strategy, risk management, and metrics and targets

CCB NZBG Scenario Analysis Processes

For the purpose of this disclosure, scenario analysis has been conducted as an in-house standalone exercise, with no external support.

Whilst quantitative output (including modelling) can be an input or a component of a climate-related scenario or scenario analysis, the Bank recognises the more exploratory nature of the scenario analysis, and the difficulties and complexities for some of the drivers to be accurately reflected in a single quantitative model at this stage. As such, the Bank's scenario analysis was completed through a series of internal assessments, supplemented by modelling where reliable data are available, with its management teams and Board. A high level overview of the key considerations are summarised in this section.

Our scenario analysis takes into account the key risk considerations most relevant to the Bank in the sector output, and assessed them for the materiality of impacts to our customers/ their sectors, the time horizon of these considerations, and the anticipated impact to CCB NZBG.

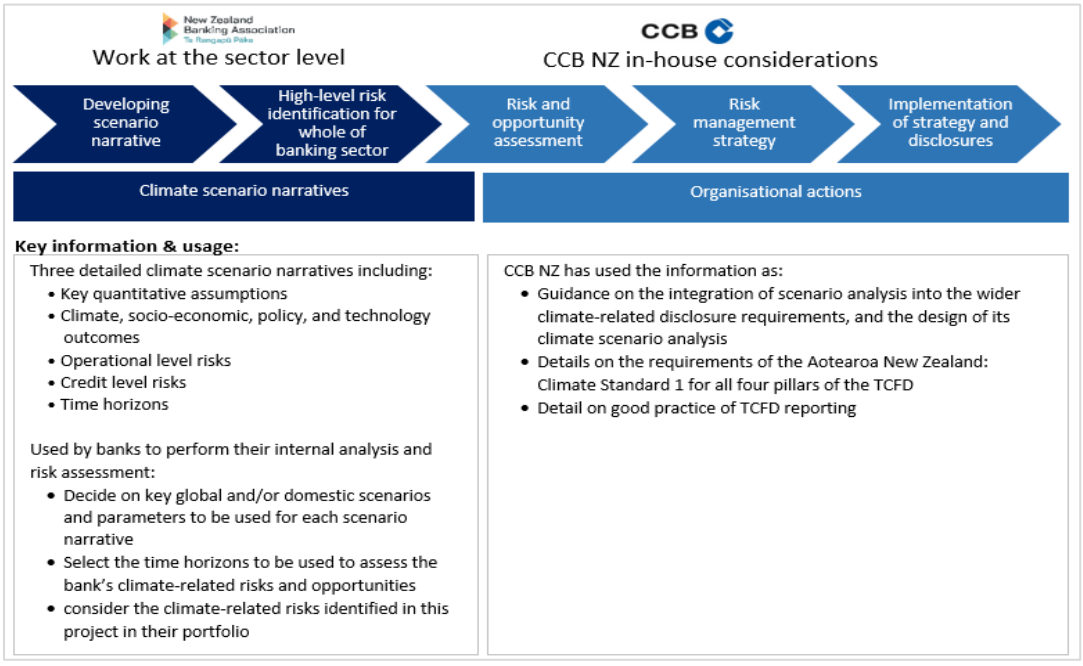


Figure 5: Work carried out at sectorial vs at the Bank's level

03. Strategy

The three climate reference scenarios, and the time horizons developed in the sector analysis and adopted in our scenario analysis are listed below. The alignment of the scenarios to the chosen scenario dimensions was done in accordance with the XRB's guidance on sector-level scenario analysis (External Reporting Board, 2022).

Rationale for the appropriateness of the time horizon to our in-house analysis is also listed below. Given the absence of current impact and the lower climate risk profile in the immediate term, we have not used the Immediate Term NZBA time horizon that was previously used.

Key scenarios

Scenario	Orderly (1.5°C)	Too Little Too Late (>2°C)	Hot House (>3°C)
Scenario overview	• A future world where collective, co-ordinated action is taken 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. • Changes are accompanied by increasing carbon price that incentivises low-carbon behaviour change. **[Outcome]** Actions prevent the worst predicted impacts but the long-term chronic physical impacts still likely to occur, although to a less severe extent.	• Scenario describes a misaligned and delayed transition to a low carbon economy between New Zealand and the rest of the world, with **Short-term** • New Zealand being a first mover on the transition to a low emissions economy, introducing policies that bring about net zero emissions by 2050, and • Limited action globally **Medium-term** • Global efforts to address climate change begin to align and may even exceed those in New Zealand. Large increases in carbon prices may drive a rapid improvement in low emissions technology efficacy and uptake. **[Outcome]** Despite medium term effort, the changes come too late to prevent wide-ranging acute and chronic physical climate impacts.	• Scenario represents a worst-case emissions trajectory with minimal ambition to transition towards a low carbon economy. • Despite widespread increase in severe weather events, and associated destabilisation of social, political and economic structures, low demand for carbon alternatives continues to slow the rate of development and uptake of emissions saving technology. **[Outcome]** Continued/ unabated expansion of emissions intensive industries exacerbating natural biophysical mechanisms that moderate global temperature, pushing them beyond operating thresholds, into a state of unprecedented climate volatility.
Global climate & socio-economic parameters	IPCC SSP1-1.9	IPCC SSP2-4.5	IPCC SSP5-8.5
Global energy and emission pathway parameters	NGFS Net Zero 2050 IEA Net Zero Emissions by 2050 (NZE)	NGFS Nationally Determined Contributions (NDC's) IEA Announced Pledges (APS)	NGFS Current Policies IEA Stated Policies (STEPS)
New Zealand-specific climate parameters	NIWA RCP2.6	NIWA RCP4.5	NIWA RCP8.5
New Zealand-specific transition pathway parameters	CCC 'Tailwinds'	CCC 'Headwinds'	CCC 'Current Policy Reference'

Table 1: Interplay between the transition-physical riwsk trade-off under the scenario dimensions chosen by New Zealand banking sector, and relevant international and domestic scenarios

03. Strategy

Time Horizon

	Short term	Medium term	Long term
Time horizon	10 years	30 years	50+ years
Year relative to 2022	2030	2050	2080+
NZBA rationale for selection	• Aligned with interim emissions reductions targets • Broadly aligned with average maturity profile of business loans	• Aligned with international emissions reductions targets • Aligned with international banking sector climate scenario guidance documents	• Aligned with further materialisation of physical risks, especially important to agriculture, property and segments of the energy sector due to the reliance on hydropower
CCB NZBG additional rationale for selection	• Broadly aligns with current longer term planning cycle • Broadly aligns with ICAAP horizon	• A reasonable time horizon that could fully capture impact from any structural economic transformation	• Allow the Bank to evaluate severe/ extreme but plausible outcomes • Provide sufficiently long timeframe to capture the full manifestation of climate risks (e.g. the impact of physical risk intensification over decades)
Trade-offs considerations between Physical and Transition Risk (Basis of our scenario analysis)	• Transition risks may dominate where aggressive policy action occurs	• Both transition and physical risks intensify	• Physical risks become structurally high if transition is delayed

Table 2: Time horizons chosen by New Zealand banking sector

03. Strategy

Anticipated impacts for CCB NZBG

The charts below provide an overview of the physical and transition risk levels over time for each of the three scenarios. These high-level climate-related risks were identified for the banking sector to support an increased understanding of physical and transition risks that may materialise over time, for each of the scenario narratives. Physical and transition risk determinations over the short, medium, and long-term are based on the general themes in the NIWA scenarios, literature reviews and stakeholder feedback.

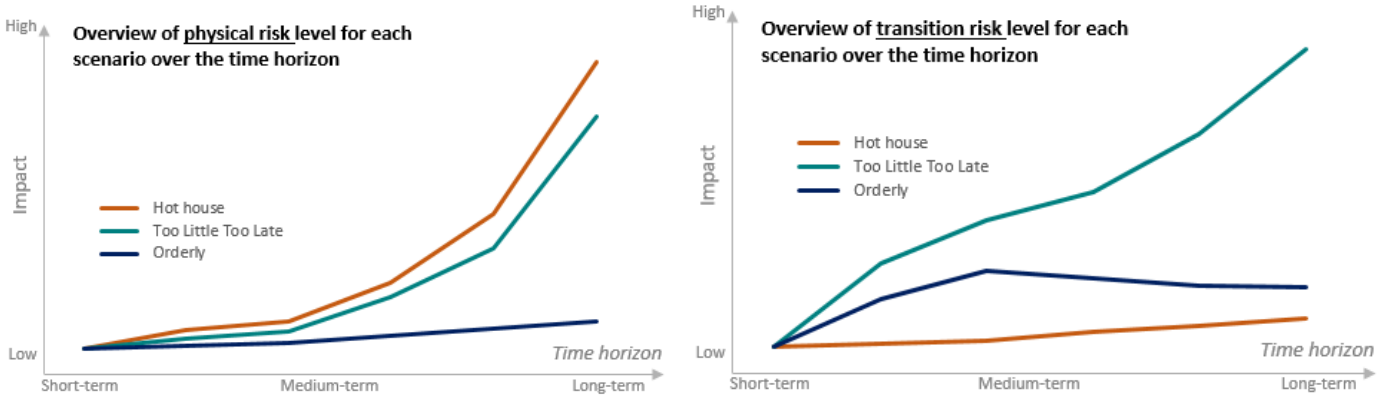


Figure 6: Physical and transition risk trade-offs

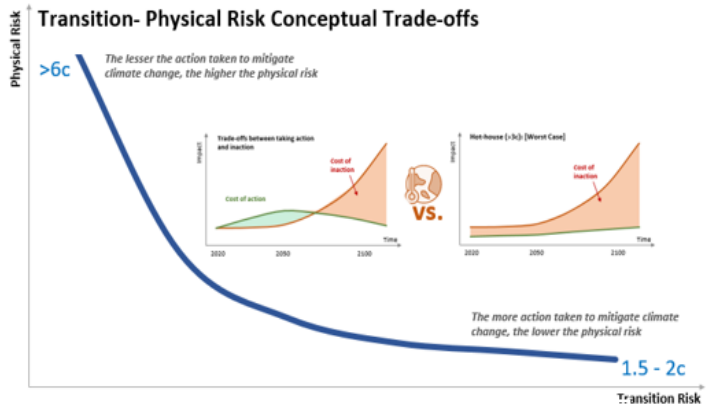


Figure 7: Transition-Physical Risk Conceptual Trade-offs

There is an inverse global relationship between the physical and transition risks of climate change. Taking aggressive action now involves significant short-term transition risks (rises in taxes or cost-of-living, job losses in high-polluting industries, adjustments in government spending etc.), but may have long-term benefits of substantially reducing more catastrophic physical risks in the future. On the other hand, not taking action in the short term may help contain transition risk in the short term but result in significant irreversible physical impacts down the track. *[Source: TCFD ADOPTION: BUY NOW OR PAY LATER; APRA Summerhayes, 2020]*

The Bank remains of the view that its medium and longer term climate-related risk is defined by its customers' level of exposure to physical and transition risk (i.e. in its credit portfolio), rather through its own operations, given the rationale provided in the prior chapter. **NOTE:** We have elected to use adoption provision 2, so have not disclosed anticipated impacts for the material climate-related risks and opportunities set out in this section.

Anticipated Organisational level physical and transition risks: Key considerations around potential climate-related risks at an organisation-level are considered alongside the Bank's day-to-day and contingency planning and given the non-materiality of this risk, they are not further elaborated on in this report.

The Bank has considered potential risk and opportunities tradeoffs against each of the five priority sectors referenced in the *NZBA Climate Scenarios Narratives for the Banking Sector* against the three scenarios (namely the Transport and Shipping, Energy, Manufacturing, Construction & Property and Agriculture sectors). For the purpose of this analysis, the risks and opportunities

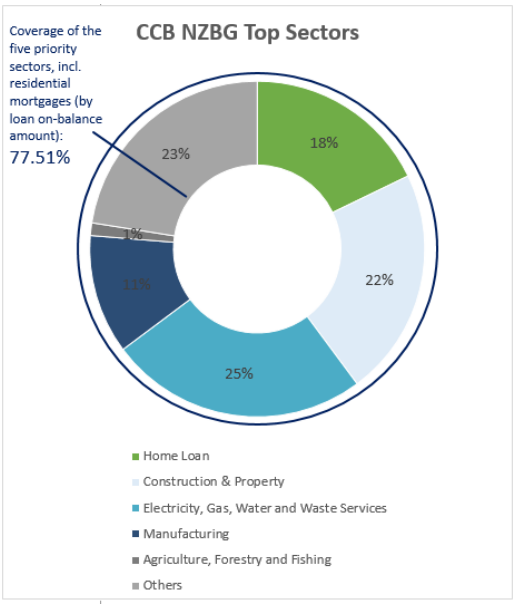


Figure 8: CCB NZBG Top Sectors Analysis

considerations on the residential home loan portfolios was considered alongside the property sector. A summary of the risks and opportunities by the key sector, adopted from the sector analysis, that helped inform our final output on anticipated risk are listed in Appendix 1. Additionally, given the immaterial exposure to the agricultural sector in the reporting period, the bank's has not incorporated it into its inscenario analysis.

Anticipacted Physical Risk Impacts (Credit level)

Key Physical Risk Driver	Industry Affected	Expected Impacts: Customer	Impact Materiality: Customer	Time Horizon	Anticipated impact to CCB NZBG
Extreme weather, flood, sea-level rise	Real Estate: Construction, Property, Residential Mortgages (40% of CCB NZBG exposure)	- Asset value reduction - Increased repair/write-offs - insurance cost escalation - loss of rental income - collateral value decline	High (direct asset impairment + collateral deterioration)	Medium–Long term (increasing severity over time)	Very low given the current profile (minimal coastal exposure, and low number of high physical risk collaterals). Medium, once factoring in future growth prospects, mitigated by current appetite that monitors the level of current collateral exposed to flooding risk. *Refer to Figure 9 Non-residential lending and Figure 10 residential lending portfolio physical risk key findings for 2025*
Insurability constraints in high-risk areas	Real Estate: Construction, Property, Residential Mortgages (40% of CCB NZBG exposure)	- Reduced collateral value - higher loss given default	High	Medium–Long term	Same rationale as above. Very low impact based on current profile, and medium impact once factoring in future growth prospects.
Drought, heatwave, extreme weather, precipitation change	Energy (25% of CCB NZBG exposure)	- Reduced generation capacity - plant shutdown risk - asset damage - margin compression	High (core revenue impairment)	Short–Medium term (acute events), intensifying Long term	Low - CCB NZBG's current exposures to this sector are to large scale, sophisticated operators which have robust measures in place to manage the acute and chonic physical risk, and transition risk. *Refer to Figure 8 CCB NZBG Top sector analysis*
Water scarcity / high rainfall variability	Energy (25% of CCB NZBG exposure)	- Volatility in electricity pricing - cost increases	Medium–High	Short–Medium term	Same as above. Anticipated impact is lost given the targeted clientele.
Extreme weather, drought, temperature change	Manufacturing (11% of CCB NZBG exposure)	- Raw material scarcity - asset damage - productivity loss - higher cooling/energy demand	Medium–High	Medium–Long term	Low - CCB NZBG's exposure to the manufacturing sector, whilst not immaterial in dollar exposure, are limited to a small group of large scale, sophisticated operators which have robust measures in place to manage the acute and chonic physical risk, and transition risk.
Asset damage and increased insurance premiums	Manufacturing (11% of CCB NZBG exposure)	- Increased operating costs - reduced collateral value	Medium	Medium term	Low - CCB NZBG's exposure to the manufacturing sector, whilst not immaterial in dollar exposure, are limited to a small group of large scale, sophisticated operators which have robust measures in place to manage the acute and chonic physical risk, and transition risk. *Refer to Figure 11 CCB NZBG Loan tenor*

Table 3: Anticipated physical risk impacts analysis

03. Strategy

Physical Risk Vulnerability in the Credit Portfolio: The bank's physical risk vulnerability assessment is currently cover flood risk and (non-climate related) earthquake risk, but does not yet capture slip risk. Assessment of slip risk will be considered once more reliable data becomes available.

Physical risk for non-residential lending portfolio: The Bank has completed physical risk modelling on 95.68% of its non-residential (security-backed) portfolio using RMS Moody's data (EFP and Climate Conditioning Flood Data ~ Refer to Appendix A1 for an overview of the methodology). A property is considered high risk if the expected mean damage ratio is greater than 20% as modelled in the RMS Moody's dataset . The analysis based on an RCP of 8.5 (which reflects the worst case "Too little too late" scenario) showed no high risk property currently and into the near future. The % of high risk property increases to 0.02% in 2080. The current and projected numbers are consistently lower than the internal threshold of not having more than 5% of the Bank's non-residential mortgage portfolio in high risk locations.

Non-Residential Lending Portfolio: key findings

Projection based on RCP8.5 scenario (the worst case: 'Too Little Too Late' scenario)

Year	Low Risk	Moderate Risk	High Risk
2025	99.78%	0.22%	0.00%
2030	99.78%	0.22%	0.00%
2050	99.70%	0.30%	0.00%
2080	99.68%	0.30%	0.02%

% of property modelled: 95.68%

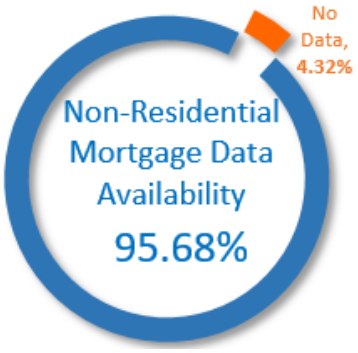


Figure 9: CCB NZBG Non-residential lending portfolio

Physical risk for residential lending portfolio: The Bank is of the view that the predominant climate-related risk on its residential mortgage portfolio stems from the physical risk of the collaterised securities.

The Bank has completed physical risk modelling on 98.56% of its residential (security-backed) portfolio using RMS Moody's data (EFP and Climate Conditioning Flood Data ~ Refer to Appendix A1 for an overview of the methodology). The analysis based on an RCP of 8.5 (which reflects the worst case "Too little too late" scenario) showed only 0.49% of the Bank's residential mortgage portfolio was in the high risk locations across all time horizons up to the year 2080. The current and projected numbers are consistently lower than the internal threshold of not having more than 5% of the Bank's residential mortgage portfolio in high risk location.

This level of risk is considered manageable and within appetite particularly when key mitigants like the Bank's insurance and equity requirements for borrowers are taken into consideration.

Residential Lending Portfolio: key findings

Projection based on RCP8.5 scenario (the worst case: 'Too Little Too Late' scenario)

Year	Low Risk	Moderate Risk	High Risk
2025	99.32%	0.36%	0.31%
2030	99.32%	0.36%	0.31%
2050	99.32%	0.22%	0.46%
2080	99.32%	0.19%	0.49%

% of property modelled: 98.56%

Figure 10: CCB NZBG Residential lending portfolio

03. Strategy

Anticipacted Transition Risk Impacts (Credit level)

Key Transition Risk Driver	Industry Affected	Expected Impacts	Materiality	Time Horizon	Anticipated impact to CCB NZBG
Regulatory tightening & building standards	Real Estate: Construction, Property, Residential Mortgages (40% of CCB NZBG exposure)	- Forced upgrades - managed retreat - compliance costs - fines/penalties	High	Short–Medium term (policy-driven)	Medium, but relatively contained given the shorter loan tenor. Refer to the tenor analysis below. This however do pose the risk of refinancibility for the affected customers.
Customer preference for sustainable buildings	Real Estate: Construction, Property, Residential Mortgages (40% of CCB NZBG exposure)	- Value shift away from non-compliant assets	High	Medium term	Medium, but relatively contained given the shorter loan tenor. Current ESG process could help pick up potential warning signs and worrying trends at an early stage.
Carbon price pass-through (materials, distribution)	Real Estate: Construction, Property, Residential Mortgages (40% of CCB NZBG exposure)	- Increased operating and construction costs	Medium–High	Short–Medium term	Medium, but relatively contained given the shorter loan tenor which will allow for timely assessment/ reassessment of customers profiles.
Regulatory impacts & stakeholder pressures	Energy (25% of CCB NZBG exposure)	- Asset devaluation - plant shutdowns - reduced investor confidence	High	Short–Medium term	Low - CCB NZBG's current exposures to this sector are to large scale, sophisticated operators which have robust strategires in place to manage key transition risks in their businesses.
Changing consumer demand for low-emissions energy	Energy (25% of CCB NZBG exposure)	- Capital expenditure pressure - competitiveness risks	High	Medium term	Low - CCB NZBG's current exposures to this sector are to large scale, sophisticated operators which have robust strategires in place to manage key transition risks in their businesses.
Supply chain constraints (renewables technology)	Energy (25% of CCB NZBG exposure)	- Construction delays - capital overruns	Medium–High	Short–Medium term	Low - CCB NZBG's current exposures to this sector are to large scale, sophisticated operators which have robust strategires in place to manage key transition risks in their businesses.
Customer behaviour change (low-emission preference)	Manufacturing (11% of CCB NZBG exposure)	- Reduced competitiveness if transition lags	Medium–High	Medium term	Low - CCB NZBG's exposure to the manufacturing sector, whilst not immaterial in dollar exposure, are only limited to a small group of large scale, sophisticated operators which have robust strategires in place to manage key transition risks in their businesses.
Increased raw material costs due to carbon pricing	Manufacturing (11% of CCB NZBG exposure)	- Margin compression - reduced profitability	Medium–High	Short–Medium term	Low - CCB NZBG's exposure to the manufacturing sector, whilst not immaterial in dollar exposure, are only limited to a small group of large scale, sophisticated operators which have robust strategires in place to manage key transition risks in their businesses.
Stricter climate regulation affecting exports	Manufacturing (11% of CCB NZBG exposure)	- International competitiveness risk	Medium–High	Medium term	Low - CCB NZBG's exposure to the manufacturing sector, whilst not immaterial in dollar exposure, are only limited to a small group of large scale, sophisticated operators which have robust strategires in place to manage key transition risks in their businesses.

Table 4: Anticipated transition risk impacts analysis

03. Strategy

Loan tenor for non-residential lending portfolio:

The Bank's analysis shows that the maturity profile of the non-residential exposures is markedly short at an average of less than 2 years, with 80% having a tenor of less than 3 years (see Figure 11). The short maturity tenor profile in the non-residential portfolio allows the Bank to more easily manage the climate risk profile within that portfolio through the more timely pivoting and readjustment of its business strategy. Conversely, climate risk may bring on strategic challenges in growth volume and direction, particularly given the shorter tenor profile. The Bank will continue to explore this trade-off between managing the potential impacts from climate risk within its credit portfolio and the strategic challenges brought on by future operating conditions, business landscape and evolving appetite.

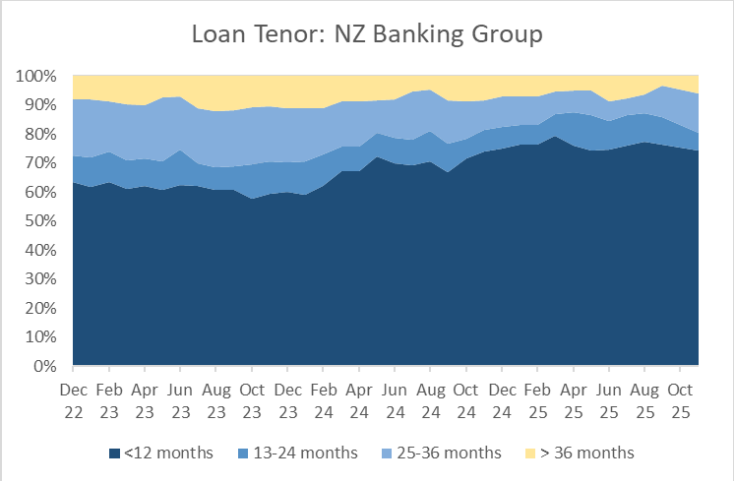


Figure 11: CCB NZBG Loan Tenor

Opportunities

Opportunity Theme	Industry Affected	Opportunity Description	Materiality	Time Horizon	Anticipated impact to CCB NZBG
Green building & sustainable property demand	Real Estate	Higher-value compliant assets; financing for sustainable retrofits	Medium–High	Medium–Long term	Increased revenue and market penetration. A strategic focus for the Bank.
New generation development financing	Energy	Increased demand for renewable generation funding	High	Short–Medium term	Increased revenue and market penetration.
Sustainability-linked transactions	Energy	Transition finance products; evolving operating models	High	Short–Medium term	Increased revenue and market penetration. A strategic focus for the Bank.
Low-emission product demand	Manufacturing	Growth in sustainable products and services	Medium–High	Medium term	Increased revenue and market penetration.
Shift to lower emission-intensive practices	Manufacturing	Financing for process improvements and energy efficiency	Medium	Medium–Long term	Increased revenue and market penetration.

Table 5: CCB NZBG opportunities analysis

Green Finance

CCB continues to place a strong emphasis on the development of green finance opportunities. CCB has identified the following as key focus areas of its Green Finance strategy (refer to Table 6 on page 24). CCB NZBG is excited to play a part in supporting this strategy. A breakdown of the green lending is summarised in the diagrams to the right. Given the nature of the business involved (which tends to be of larger scale and complexity), the exposures are currently predominantly booked on the CCB NZB balance sheet.

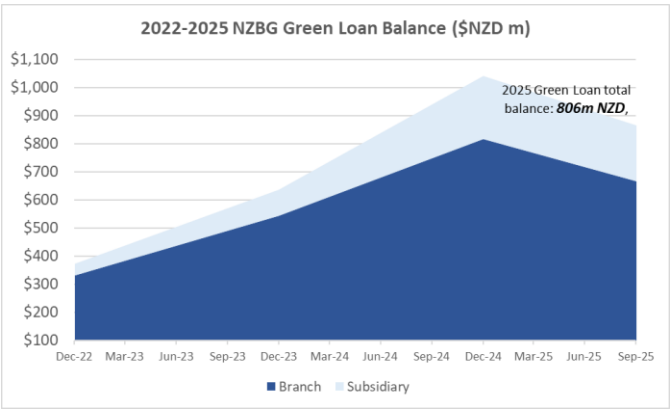


Figure 12a: Green lending on & off balance sheet

03. Strategy

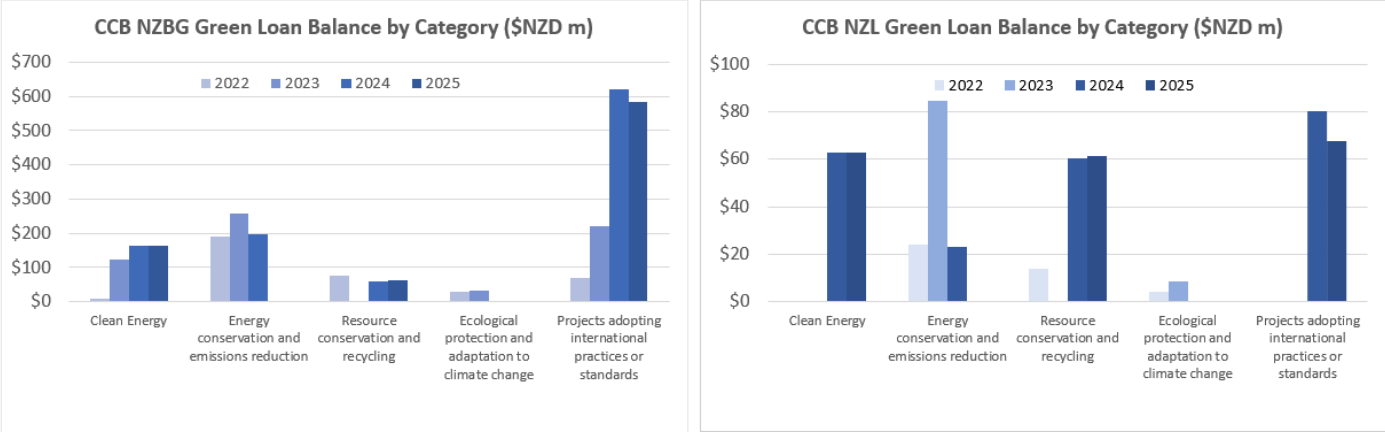


Figure 12b: Green lending analysis for CCB NZBG and CCB NZL

Capital Deployment

Some of the ways we are channelling our capital investment in pursuit of better understanding, exploration, and management of our climate risks and opportunities are:

- the emphasis on the development of green finance opportunities
- participation in transactions that drive positive climate actions for our customers (e.g. sustainability-linked loans)
- the drive to improve internal awareness and capabilities around climate-related risks
- sponsorship, partnership and involvement in conferences and business forums (e.g. business matchmaking conferences that explore green opportunities and solutions between our NZ customers and the other offshore markets the Bank operates in)
- investment in tools and data to better inform the Bank's climate risks and finance emission profiles
- the measurement and reduction of our carbon footprint through the Toitū Envirocare Carbonzero Programme
- the incorporation of climate risk considerations (e.g. scenario analysis and ICAAP stress test etc) into the Bank's strategy setting

More explicitly, operating and capital expenditure relating to climate-related risks and opportunities includes expenditure associated with maintaining our Toitū Envirocare certification, procurement of carbon offsets, development and enhancement of climate risk modelling capabilities, greenhouse gas (GHG) measurement and data management systems, and independent emissions assurance. These investments support the Bank's ongoing efforts to strengthen the quality, reliability and transparency of its climate-related risk assessment and disclosures, and to ensure that its operational footprint is appropriately measured and managed. The amounts captured through these processes reflect direct operating and capital expenditure only and do not include internal costs, such as staff time and broader organisational resources allocated to climate-related initiativeswhich form an embedded component of the Bank's ongoing business operations.

	FY24	FY25	Comments
Captured expense related to climate-related risk assessment and disclosure	$104,596	$105,584	Include expenditures for Toitū accreditation, assurance, RMS data and financed emission model

03. Strategy

Transition Plan

Based on our current assessment, the Bank's climate risk profile and projected trajectory indicate a relatively low level of impact across both physical and transition risk channels, reflecting the nature of our portfolio and geographic footprint. Accordingly, the Bank does not at this stage maintain an explicit, standalone transition plan for managing physical and transition climate risks. Our present focus is on strengthening foundational capabilities, including the collation of high-quality, decision-useful data, enhancement of risk identification and measurement methodologies, and the continued maturation of scenario analysis to better understand potential future pathways. As regulatory expectations and risk insights evolve, and where our risk profile warrants, the Bank will formalise a proportionate transition plan to support the prudent management of climate-related risks and opportunities.

Notwithstanding the absence of a formal transition plan, the Bank has taken targeted steps to manage its own operational footprint, including setting a reduction target for its operational emissions under the Toitu Envirocare programme (refer to Section 05)

Selective highlights

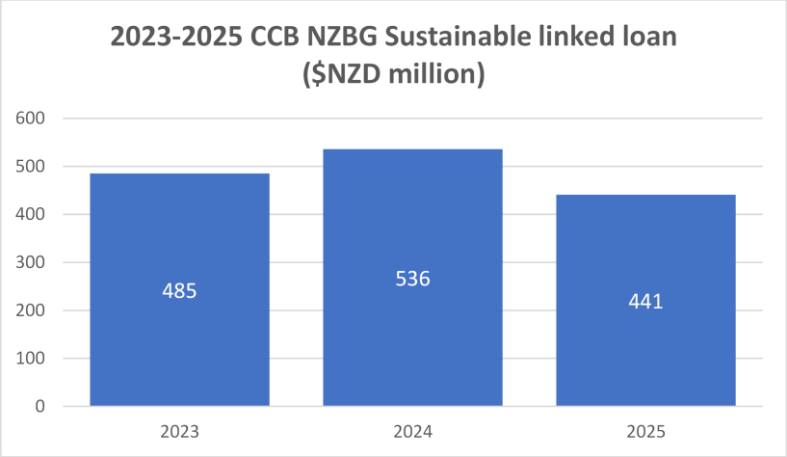


Figure 13: 2023-2025 CCB NZBG SLL Analysis

The Bank continues to offer Sustainable Linked Loan (SLL)product to support the transition to a more sustainable and resilient economy. The SLL product aligns financing structures with measurable sustainability targets, as means to encourage clients to transition toward lower-carbon and more resilient business models.

03. Strategy

Areas of focus & potential areas of opportunities		
1. Clean energy • Wind power generation • Solar photovoltaic power generation • Smart power grid and energy Internet • Distributed energy • Solar heat utilization • Hydropower generation • Biomass energy projects • Clean energy promotion projects • Utilization of other new energy sources	**2. Clean transport** • Railway transport • Urban rail transit • urban and rural road transport - public passenger transport • Waterway transport • Clean fuel oil • New energy vehicles • Internet applications in transport • Transport-related environmental protection projects	**3. Energy conservation and emissions reduction** • Industrial energy conservation • Sustainable buildings • Energy management centres • Construction of energy-efficient urban and rural infrastructures • Reduction of discharge of pollutants • Prevention and control of occupational diseases
4. Energy conservation and environmental protection services • Energy conservation services • Environmental protection services • Water conservation services • Circular economy (resource recycling) services	**5. Resource conservation and recycling** • Water conservation and unconventional water source utilization • Redevelopment and integrated utilization of tailings and associated ores • Industrial solid waste, waste gas and waste fluid recycling and reuse • Recycling, processing and reuse of renewable resources • Remanufacturing of mechanical and electrical products • Biomass resource recovery and utilization	**6. Ecological protection and adaptation to climate change** • Natural ecological protection and protective development of tourism resources • Eco-friendly farming, animal husbandry and fishery • Forestry development • Disaster/emergency prevention and control
7. Pollution prevention and control • Pollution prevention and control • Environmental rehabilitation projects • Clean utilization of coal	**8. Projects adopting international practices or standards** • Projects adopting international practices or standards	**9. Energy-efficient and Low-carbon parks** • Energy-efficient and Low-carbon parks

Table 6: CCB NZBG Green Finance Areas of Focus

04 Risk Management

- **Overview**
- **Identification and assessment of climate-related risks**
- **Management of climate-related risks**

04. Risk Management

Overview

Since 2023, CCB NZBG incorporated climate-related risk into its existing risk management framework to ensure the risk is given the appropriate focus, and ensuring it is managed to the same level of cadence and discipline alongside its other material risks. In 2024, the Bank has embedded climate-related risk into the CRO report, with quarterly presentation to the Board.

CCB NZL

The BARC and the Executive level RMC were designated as the two governing bodies to oversee the management of climate-related risks and opportunities for the Bank. Future consideration may be given to establishing separate dedicated climate risk oversight bodies when warranted by the scale and complexity of the Bank's operations.

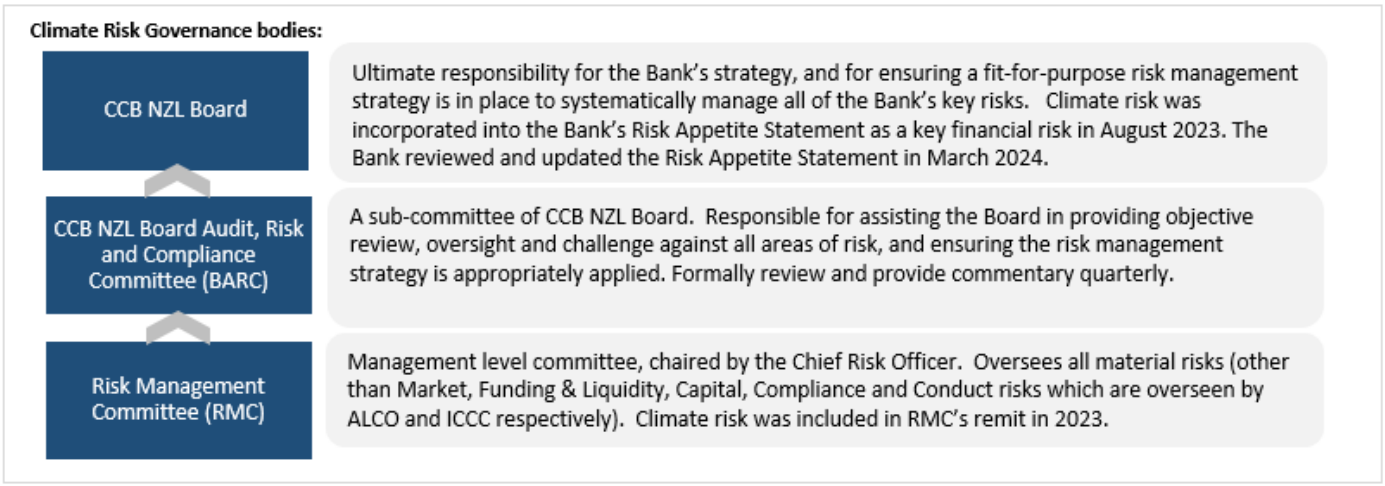


Figure14 (same as Figure 2): CCB NZBG key governance structure for climate-related risks and opportunities

CCB NZB

The governance of climate-related risk for CCB NZB follows the same approach as for CCB NZL. The Executive level committees are responsible for providing oversight in ensuring good governance and risk management practices to achieve long-term sustainable financial and operational performance, in line with CCB's strategic direction. With the exception of CCB NZL's Board involvement mentioned in the previous section, the management responsibilities and the governing bodies mentioned above (the RMC, ICCC, ALCO and the Credit Committee) remains largely similar across both CCB NZL and CCB NZB.

The diagram below illustrates the key components of how the strategic and risk appetite considerations are integrated into CCB NZBG's identification, assessment and management of climate risk.

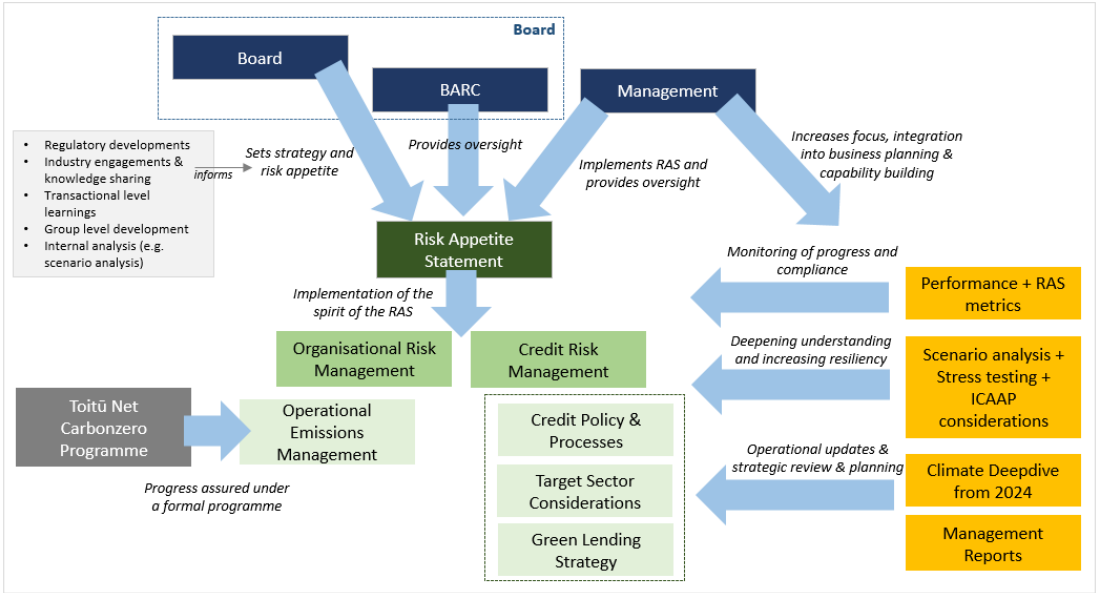


Figure15: CCB NZBG Climate Risk Management Overview

04. Risk Management

Identification and assessment of climate-related risks

i. Regulatory developments

CCB NZBG proactively scans the horizon to ensure it stays on top of its regulatory obligations and emerging risks. This helps inform key developments and the prioritisation of appropriate actions in identifying and managing risks. The horizon-scanning outputs are regular updates at Board and Management forums, and form a key basis of the Bank's risk operating rhythm.

CCB NZBG is committed to staying apprised of regulatory changes and evolving industry practices related to climate risk management.

ii. Industry engagements & knowledge sharing

CCB NZBG engages with the relevant industry and regulatory bodies to remain informed about climate risk standards and guidance. Ongoing dialogue with these key stakeholders, as well as our internal review processes, helps evolve our understanding of climate risks and in determining the appropriate responses.

iii. Transactional level trends and observations

The Bank has processes to assess climate and environmental risks prior to providing credit to any high climate risk customers. Additional processes are also in place to reassess the risk in the lifecycle of those relationships. Key trends of emerging risk factors picked up from these processes helps inform any required adjustments to the Bank's strategy. This iterative process allows for continuous improvement, enabling the Bank to refine its approach, optimise resource allocation, and adapt to changing market conditions.

iv. Group level development

CCB NZBG has the ability to tap into its parent company's established systems, technologies, and market intelligence in regards to the work around climate-related risks. CCB is a supporter of the TCFD framework and was the first major Chinese Bank to produce TCFD climate reports (in 2021). CCB NZBG is linked in with the wider CCB operations when it comes to exploring green opportunities, with key initiatives like MatchPlus (a CCB business matchmaking initiative) being used to create cross border green opportunities for its customers.

v. Internal analysis

The Bank has taken steps to build up its internal capability to better collate and integrate climate risk data-points into its risk management toolkit. In 2023, the Bank procured climate data (on physical risk on its collaterals, emission data etc.) from third party vendors to supplement its internal data and to deliver more timely and forward looking climate risk insights.

Management of climate-related risks

i. Risk Appetite Statement

The RAS is part of the Risk Management Framework (RMF), which sets out CCB NZBG's approach to management of all material risk classes across CCB NZBG, including appropriate internal capabilities, resources, risk and control and assurance activities. The RAS is intended to be used as guidance to ensure that CCB NZBG's strategic decisions, priorities and risk settings meet customer needs, while maintaining strong risk management and performance disciplines in line with the strategic direction. In August 2023, CCB NZBG incorporated climate-related risk into its RAS to ensure the risk is given the appropriate focus and that it is managed to the same level of cadence and discipline alongside its other material risks.

ii. Credit processes, target sector considerations and green lending strategy

Since September 2021, the Bank has implemented processes and requirements to carry out Climate and Environment Assessment Processes prior to providing credit to any high climate risk customers. Additionally, climate assessments are also required as part of the regular credit rating review for designated industry sectors. Trends and observations from the credit processes are progressively used to inform and help refine the Bank's risk management approaches, including its management of climate risk.

iii. Setting metrics and tracking

The risk appetite metrics reflect the Board's expectations, and provide specific parameters within which the Bank must operate. A risk appetite limit represents the maximum level of risk that the Board is willing to accept for the specific metric. A number of new risk appetite metrics have been adopted. A selection of risk appetite metrics are also included in the metrics and targets section of this report. This is an iterative process. More specific quantification and appetite setting will be considered once the necessary data becomes available.

iv. Setting metrics and tracking

The risk appetite metrics reflect the Board's expectations, and provide specific parameters within which the Bank must operate. A risk appetite limit represents the maximum level of risk that the Board is willing to accept for the specific metric. A number of new risk appetite metrics have been adopted. A selection of risk appetite metrics are also included in the metrics and targets section of this report. This is an iterative process. More specific quantification and appetite setting will be considered once the necessary data becomes available.

v. Deep dive and management report

Since 2021, the Bank has undertaken regular research and analysis into a number of climate-related topics, as it builds up its internal capability to improve its understanding and resilience in this area. With the increased maturity and the incorporation of climate-related risk into its RAS, future analysis will be covered in a more structured risk management cadence, including regular updates in key management reports and more comprehensive deep dives that critically analyse the Bank's performance and resilience at a strategic level.

vi. Scenario analysis, stress testing and ICAAP considerations

Stress testing is a critical component of a robust risk management framework that helps identify and quantify potential risk and assess the Bank's resilience under stressed scenarios. The stress test results and learnings are shared with the Board, and are used to inform any potential necessary actions and help shape business direction and decisions.

With the increasing number of extreme weather events (as experienced in New Zealand at the start of 2023), the Bank has started incorporating these more acute climate risk factors into its risk modelling. The Bank incorporated a large weather event scenario into its 2023 ICAAP to assess the quantum of the flow-on impacts, and the Bank's ability to weather such an event. Whilst all analysis to date pointed to the absence of any immediate and/or drastic climate risk impact both at the organisational and the credit level, the Bank is intending to build further capability to better model out its climate risk, particularly over a lengthened horizon and with the increase in scale and complexity of the business. Given the minimum current and expected climate-related impact mentioned above, the Bank has not included climate risk in its 2024 and 2025 stress test scenarios.

Scenario analysis is a strategic tool where the Bank considers and constructs plausible pathways (instead of forecasts) leading to different future scenarios, and analyses how resilient its current business model and strategy would be if it was placed within those scenarios. It is similar to a stress test in many respects (and are used to supplement the considerations behind), and in the context of planning around climate-related risk, provides an exploratory approach for considering significant uncertainties, and the scale and speed that physical and transitional climate-related impacts are likely to play out in the future. In 2022, CCB NZBG utilised the common sets of narratives developed alongside its banking peers as the basis of its scenario analysis. The work to compile the narratives was commissioned by the NZBA on behalf of its members. The narratives were adapted into our scenario analysis to identify key risk considerations most relevant to the Bank based on the materiality of impacts to our customers/ their sectors and the Bank, against the considered the time horizons.

05 Metrics & targets

- **Climate risk metrics and targets**
- **Operational emissions: FY25 progress**
- **Financed GHG emissions**

05. Metrics & targets

Climate risk metrics and targets

Initiatives Grouping	Metrics	Target setting (where applicable)	2022	2023	2024	2025	Comments
Reducing emissions in our operations*	Reduce total Scope 1 and 2 market-based GHG emissions	18%, from the 2021 base year to 13.73 tCO2e by FY2026	27.5 tCO2e	20.8 tCO2e	8.6 tCO2e	7.2 tCO2e	Target set in consultation with Toitū Envirocare. Target achieved in 2024, 2 years in advance, with the full switch to renewable electricity sources being a key driver.
** Measured for CCB NZL but represents the emission for CCB NZ Banking Group given the interconnected operating model between CCB NZL and CCB NZB*	Source renewable electricity equivalent to meet 100% of our electricity needs	*100%*	0%	25%	100%	100%	The Bank has expedited the switch to renewable renewable electricity sources, and has successfully migrated 100% of its network in 2024.
	Maintain Toitū Envirocare net carbonzero certification	*Maintain certification*	Certified	Certified	Certified	Certified	Certified in May 2022. The first Chinese bank in New Zealand to become a Toitū Net Carbonzero Certified Organisation
Culture & capability	Board training/discussion sessions on climate risk	*No threshold*	4 sessions	4 sessions	4 sessions	5 sessions	
	Frontline & management training/ discussion sessions on climate risk	*No threshold*	N/A	5 sessions	5 sessions	4 sessions	
	Climate deep dive to RMC and Board (from FY24)	*At least annually*	N/A	N/A	Completed	Completed	
Managing climate risk	Lending exposure to business clients in coal mining	*No threshold*	$0	$0	$0	$0	
	Maintain % of residential mortgage portfolio in high risk location (based on available data)	*<5%*	N/A	0.62%	0.70%	0.31%	
	Maintain % of non-residential mortgage portfolio in high risk location (based on available data)	*<5%*	N/A	0.24%	0.00%	0.00%	
	Quality of financed emission reporting. Measured by GHG emissions data quality score. Target score as per PCAF definition (5 being the least, and 1 the best)	*< 4.50*	N/A	4.24	4.23	4.24	
Supporting green initiatives	Green lending[6]	*No threshold*	$370m	$634m	$975m	$806m	
	Sustainability Linked Loans	*No threshold*	$232m	$485m	$536m	$441m	

[6] As measured using the Green Lending definition under the CCB methodologies

05. Metrics & targets

Summary: Total emissions

Similar to the emissions profile of other banking industry peers in New Zealand, financed emissions are the most significant source of emissions associated with the Bank's business activities, well exceeding its direct operational emissions.

	(tCO2e)			% of Total Emissions		
Emissions Type	**2023**	**2024**	**2025**	**2023**	**2024**	**2025**
Direct Operational Emissions (Scope 1,2,and 3 excluding financed emissions)	164	250	230	0.09%	0.13%	0.13%
Financed Emissions (Scope 3)	184,857	190,804	173,430	99.91%	99.87%	99.87%

Table76: CCB NZBG Total emission trend

Further detail on the Bank's direct operational emissions and financed emissions are provided in the sections below.

Direct Operational emissions (excluding financed emissions)

CCB NZL was certified Toitū Net Carbonzero in May 2022. CCB NZL was the first Chinese bank in New Zealand to become a Toitū Net Carbonzero Certified Organisation, which demonstrates our efforts to set a positive example in the banking industry and help facilitate New Zealand's transition to a low carbon economy. This is also in line with the robust long-term Green Finance Strategy implemented by CCB which stands at the forefront in promoting sustainable finance. The Bank's operational emissions, whilst measured against CCB NZL, represents the emission for CCB NZ Banking Group given the interconnected operating model between CCB NZL and CCB NZB. Details on methodologies, key assumptions and limitations on the calculations of operational emissions (excluding financed emissions) are included in Appendix A3.

Scopes	Emission (tCO2e)				
	2021	**2022**	**2023**	**2024**	**2025**
Scope 1	2	6	8	7	7
Scope 2 (Location based approach[7])	17	21	13	13	17
Scope 2 (Market based approach[8]): *used for target setting purposes, but is not assured for FY2025*	*17*	*21*	*13*	*2*	-
Selected Scope 3 (refer to Appendix A3)	29	52	143	231	206
Total	48	79	164	250	230

Table 8: Operational Emission by Scope

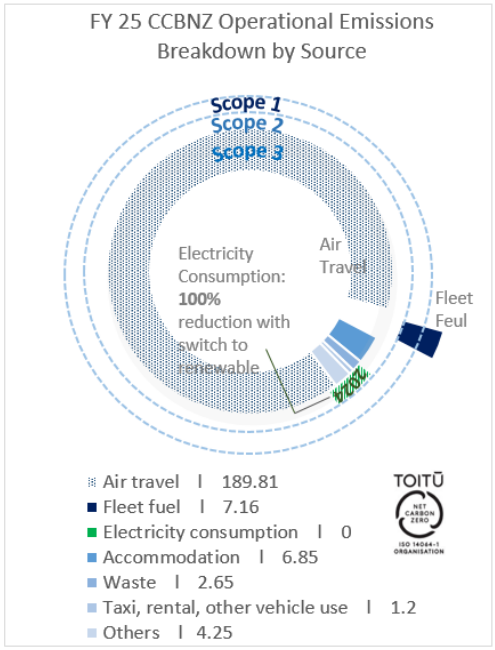


Figure 16: Operational Emission Breakdown

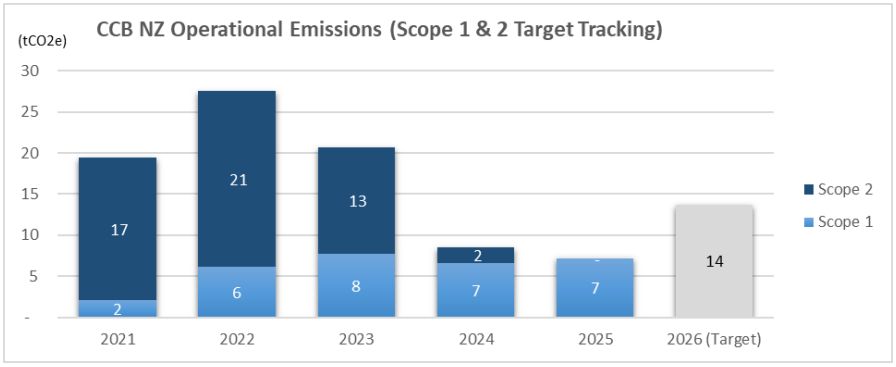


Figure 17: Operational Emission Progress (2021-2025)

[7] The Scope 2 emission estimated using the location-based approach is calculated using the Toitu platform.

[8] The Scope 2 emission estimated using the market-based approach is calculated using the same Toitu platform, but is not in the assurance scope for FY25.

05. Metrics & targets

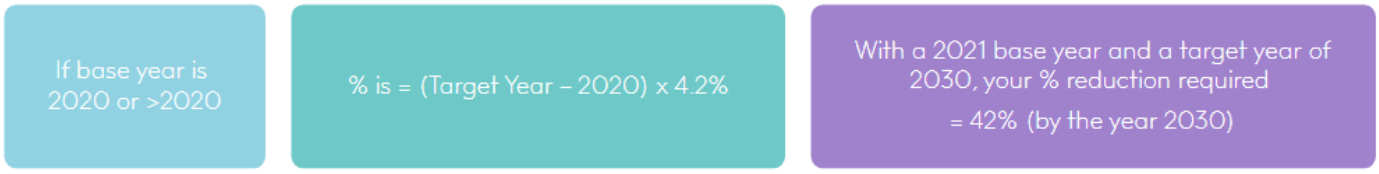
The accomplishment of the Toitū Net Carbonzero Organisation Certification represents CCB NZ's commitment to positively contribute to the sustainability of the environment through:

- actively measuring, managing and reducing the carbon footprint in accordance with the requirements; and
- fully offsetting the remaining operational emissions with high-quality carbon credits sourced from sustainable projects in New Zealand and China. Refer to Appendix A3 for a summary of the sources of carbon credit purchased, which outlines the full offset of the remaining unavoidable direct operational emissions (excluding financed emissions) since 2022. The purchases to offset the remaining unavoidable emissions take place in the new financial year, upon the finalisation of the Bank's previous years operational emissions figures. The bank has yet to purchase the necessary carbon credits to offset its unavoidable emissions for 2025, but is fully intending to do so upon the finalisation of its operational emission reporting and audit process.

The Bank is committed to managing and reducing its emissions in accordance with the programme requirements, which includes setting forth the reduction targets in line with the Paris Agreement for continuously reducing the carbon footprints and achieving the strategic goal of being carbon neutral in its operations. The first phase of The Bank 's reduction plan focused on the emissions from sources that the Bank owns or has direct control over (Scope1) and emissions that the Bank incurs indirectly from the energy it purchased (Scope 2). The Bank's Scope 3 emissions currently reflect the categories for which reliable data is available, and the reporting boundary remains consistent with the prior year. The current emissions reduction target period concludes at the end of 2026, and the Bank will reassess the operation emission target.

The Bank has set an absolute target to reduce its Scope 1 and Scope 2 emissions (as measured using the market-based approach) by 18%, from the 2021 base year, by 2026. Absolute targets are aimed at reducing GHG emissions by a set amount, as opposed to intensity targets which are normalised metrics that set an organisation's emissions target relative to an economic or operational variable. The target is set with reference to average historical expense activities data from 2019 to 2021. For clarity, the Bank is required to disclose its Scope 2 emissions using a location-based approach. The target setting under the Toitu accreditation programme is however set using a market based approach. The location-based approach reflects the average emissions intensity of grids on which the energy consumption occurs, whilst the market-based approach reflects emissions from the electricity that companies have purposefully chosen. The Scope 2 emission estimation using the market-based approach is calculated using the same Toitu platform, but is not in the assurance scope for FY25.

It is important to note that whilst the Bank's target is reviewed against the science-based ambition[9] levels as part of the Toitū Net Carbonzero certification programme, it is not considered officially validated by the Science Based Targets intiative (SBTi), as the Bank has not made a submission to the SBTi separately for the targets to be validated and reviewed. Additionally, targets are considered 'science aligned' if the below ambition is met.



The Bank's current target mentioned above is set to 2026. Using this methodology, this translates to a reduction target of 21% by 2026 if it were to be considered in line with the science-based level. In 2025, the Bank's Scope 1 and 2 emissions (market-based approach) were 7.16 tCO2e, a reduction of approximately 65% compared with the base year. The Bank will review its targets in the future to align with the 1.5C pathway for Scope 1,2,3.

[9] Ambition levels are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement of limiting global warming to well below 2c above pre-industrial levels and pursuing efforts to limit warming to 1.5c.

05. Metrics & targets

The reduction in our Scope 1 and 2 operational emissions from 2025 has seen the Bank achieving its 2026 operational emission target in advance. The most significant reduction is from switching the Bank's full network onto renewable electricity, which saw an 100% reduction in our Scope 2 emission. Emission from air travel has decreased by 13% in 2025, which reflects changes in how cross-border engagement and training activities were conducted. In particular, there was an increase in visits by Head Office (based delegations) travelling to New Zealand, which reduced the need for our local management and staff to travel for in-person reporting and meetings; and the frequency of overseas in-person training sessions was reduced, with a greater reliance on virtual and online delivery formats during 2025.

The assurance over the Bank's 2025 operational emissions is carried out by EY, with the assurance report provided in Appendix A6. Toitū Envirocare will conduct the verification and certification for 2025 reported operational emissions after the publication of this report.

Financed GHG emissions

Financed emissions are indirect greenhouse gas emissions attributed to the Bank's lending activity. These emissions are categorised by the GHG Protocol as Scope 3, Category 15: Investments. The Aotearoa New Zealand Climate-related Disclosures Standards require reporting entities to report on all material Scope 3 emissions, including financed emissions. Financed emissions can be calculated in two main ways:

1) at the portfolio level (for the entire portfolio); or
2) the sector level (for sectors where significant emissions from investments arise).

Financed emissions are the most significant source of emissions associated with the Bank's business activities, well exceeding its direct operational emissions. The Bank continued to report financed GHG emission for 2024, but applied Adoption Provision 8 for assurance.

Emission methodologies overview

In 2025, The Bank continued to partner with third party vendors, Generate Zero and Data Insight, to begin modelling the financed emissions in its business lending portfolio, covering and reporting absolute Scope 1 and 2 financed emissions associated with lending to the top three asset classes in its portfolio, namely:

- Residential mortgage loans
- Commercial real estate loans
- Business lending

The Bank measures its financed emissions in accordance with the Greenhouse Gas Protocal: A Corporate Value Chain (Scope 3) Accounting and Reporting Standard CCB NZBG and references the Partnership for Carbon Accounting Financials (PCAF), 2025, third edition to guide how to measure these financed emissions. PCAF is a global partnership of financial institutions who have come together to develop and implement a harmonised approach to assessment and disclosure of GHG emissions associated with loans and investments, and is recommended by TCFD. Additionally, PCAF is a contributing body to the International Sustainability Standards Board (ISSB).

It is however key to note that the PCAF standards require the disclosure of Scope 3 emissions on financed emissions from 2025. **The model currently employed by the Bank calculates Scope 1 and 2 for financed emissions only. The Bank's current approach does not fully align with the methodology recommended by PCAF, because the Bank does not include Scope 3 emissions for certain asset classes as company emissions related data is currently not available. (refer to Appendix A2)** The Bank continues to monitor regulatory expectation and industry practices, and assess potential enhancements to its financed emissions methodology over time.

05. Metrics & targets

The high level PCAF methodologies used to calculate the GHG emissions of these sectors are as follows:

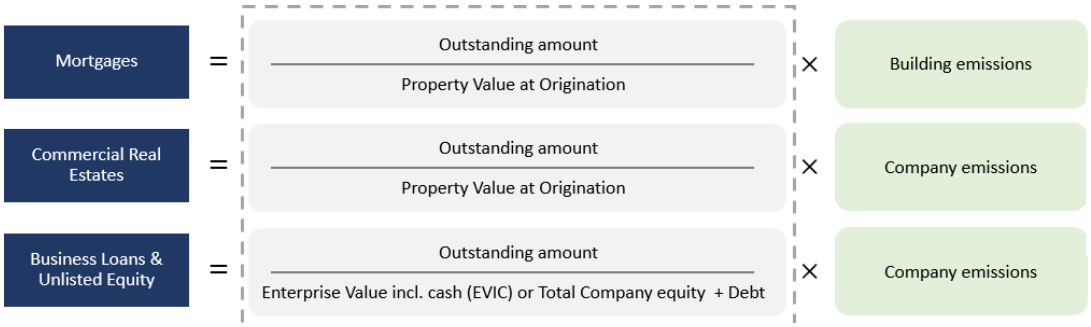


Figure18: Calculation method for financed emissions

PCAF's methodologies are dependent on the asset class of the lending, and the level of client-specific emissions and financial data available. Key considerations for the banking sector when accounting for financed emissions are:

- Data quality and reliance on sector-level emission factors: Data quality is a major limitation for organisations wanting to calculate their financed emissions, as client-specific data is often not easily accessible. PCAF endorses the use of certain sector-level emissions factors. However, these emission factors are calculated at a global level, leading to potential impact on their accuracy due to New Zealand's unique emissions profile and a large proportional use of renewable electricity. Consequently, the use of these global emissions factors may skew calculations of financed emissions. To date, there are no publicly available sources of revenue-based, sector-level emission factors for New Zealand, however organisations might choose to develop emission factors based on Stats NZ's publicly available data.
- Embedding financed emissions into internal systems: Embedding financed emissions data into internal systems will be pivotal to enable organisations to more accurately monitor year on year change in their total financed emissions, and to support more accurate calculations. Organisations should consider carefully how to best support the capture, storage and extraction of client-specific emissions and financial data within its systems.
- Due to the complexity of the accounting approaches, required data sources and the range of impacted stakeholders, strong governance is key to developing robust financed emissions accounting processes, ensuring clear accountability of financed emissions calculations, and minimising risk of calculation errors and misinterpretation of data.

We calculate the combined financed emissions across these three asset classes to be around 173.43ktCO2e. The first two asset classes, Residential Mortgages and Commercial Real Estate, represent 39% of the Bank's exposure by drawn amount but only account for 1.27% of the Bank's financed emissions. Conversely, the two sectors with the highest emissions intensity, Agriculture and Public administration and safety which accounted for 28.12% of the Bank's financed emissions, only makes up 3% of the Bank's exposure by drawn amount.

Asset Class	FY24					FY25				
	Scope 1 and 2 Financed Emissions (tCO2e)	% CCB NZL Scope 1 and 2 Financed Emissions	FY24 Emissions Intensity (tCO2e/$ m Lent)	FY24 % of CCB NZL Lending (on-balance $)	PCAF Data Quality Score	Scope 1 and 2 Financed Emissions (tCO2e)	% CCB NZL Scope 1 and 2 Financed Emissions	FY25 Emissions Intensity (tCO2e/$ m Lent)	FY25 % of CCB NZL Lending (on-balance $)	PCAF Data Quality Score
3.15 Health care and social assistance	86	0.04%	0	7%	4.00	164	0.09%	1	8%	4.15
3.14 Education and training	168	0.09%	2	2%	4.00	101	0.06%	1	2%	4.00
3.13 Public administration and safety						37,613	21.69%	683	2%	5.00
3.12 Rental, hiring, and real estate services	60	0.03%	1	2%	4.00					
3.11 Financial and insurance services	0	0.00%	0	0%	4.10	0	0.00%	0	0%	4.10
3.10 Information media and telecommunication	15	0.01%	0	2%	5.00					
3.9 Transport, postal, and warehousing	3,840	2.01%	20	5%	4.00	1,717	0.99%	8	7%	4.00
3.8 Accommodation and food services	30	0.02%	2	0%	4.00	25	0.01%	2	0%	4.00
3.7 Retail trade	343	0.18%	5	2%	4.00	827	0.48%	6	4%	4.00
3.6 Wholesale trade	531	0.28%	13	1%	5.00	408	0.24%	10	1%	5.00
3.5 Construction	7,351	3.85%	29	7%	4.92	5,306	3.06%	27	6%	4.87
3.4 Electricity, gas, water, and waste services	112,456	58.94%	204	15%	4.32	80,721	46.54%	149	17%	4.29
3.3 Manufacturing	43,628	22.87%	70	17%	4.00	33,183	19.13%	85	12%	4.00
3.2 Mining	7,401	3.88%	250	1%	4.00					
3.1 Agriculture, forestry, and fishing	12,549	6.58%	333	1%	4.00	11,154	6.43%	244	1%	4.00
2. Commercial Real Estate	**1,794**	**0.94%**	**3**	16%	**4.77**	**1,531**	**0.88%**	**3**	14%	**4.91**
1. Residential Mortgages	**551**	**0.29%**	**1**	23%	**4.03**	**680**	**0.39%**	**1**	25%	**4.03**
Total Attributed Financed Emissions:	**190,804**			**Average PCAF Score:**	**4.23**	**173,430**			**Average PCAF Score:**	**4.24**

Table 9: Financed Emission Summary

05. Metrics & targets

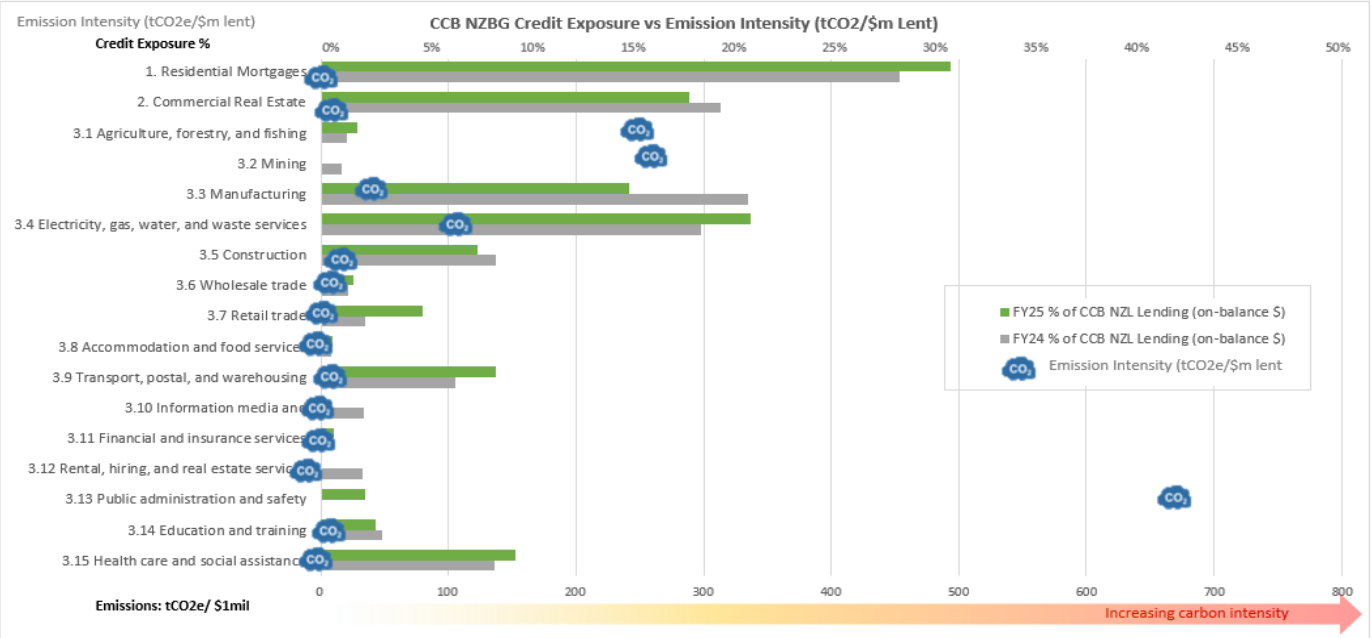
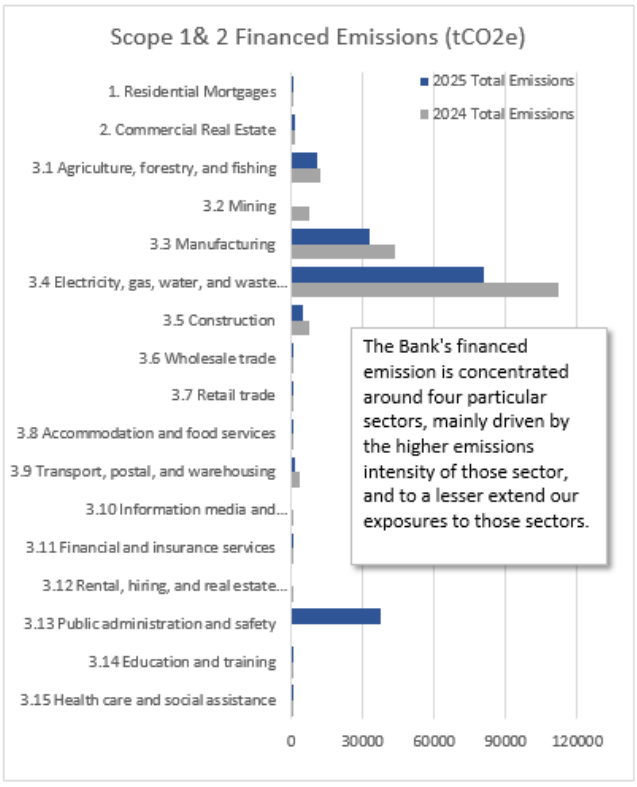
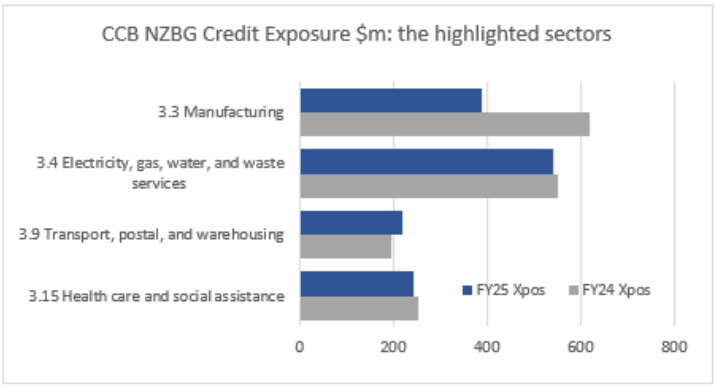


Figure 19: Credit Exposure vs Emission Intensity

Year-on-year Comparison





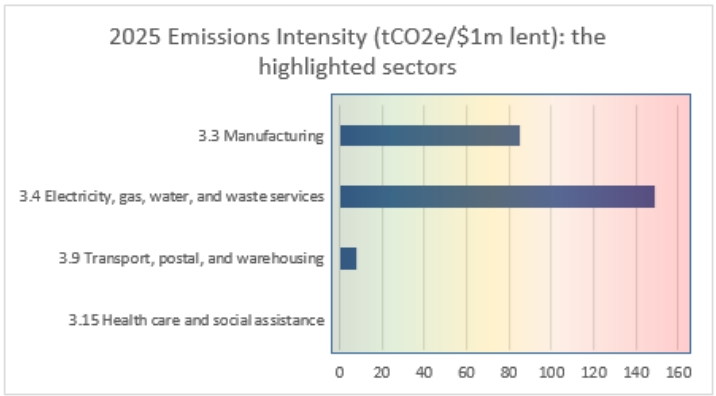


Figure 20: CCB NZBG financed emissions YoY Comparasion

05. Metrics & targets

Data quality: The Bank also follows the PCAF guidance for estimating the emissions data quality we used for calculating financed emissions. A score of one is best and reflects verified and disclosed emissions. This is our first disclosed measurement of our financed emissions. Whilst our current PCAF data quality score is high (averaging 4.24), the reporting of our financed emissions provides a step forward for the Bank to better identify and manage its climate-related risks and emissions, outside of our direct operational emissions.

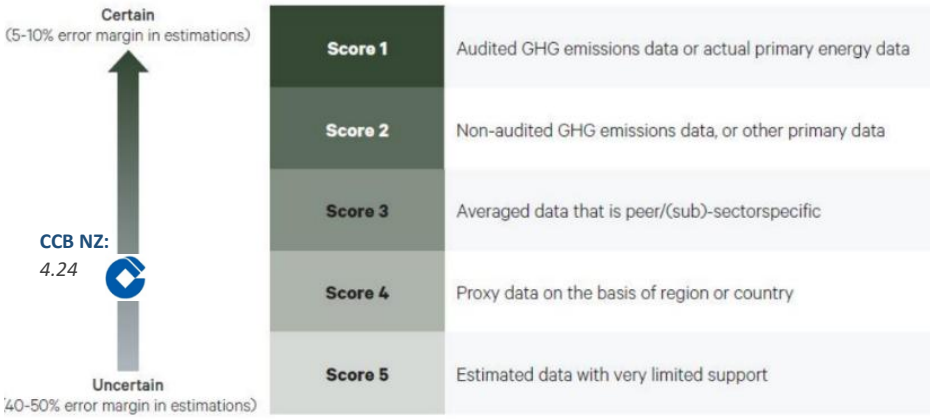


Figure 21: CCB NZBG's Data Quality Score and the General description for the data

Emissions data, calculation methodologies and disclosure standards are evolving rapidly. CCB NZBG will keep abreast of key developments and work with its selected data partners to ensure it can evolve its approach as new requirements and better fitting methodologies emerge.

Refer to *Appendix A2* for a more detailed overview of the methodologies for the three asset classes.

Appendix

- A1. Strategy Methodology and Assumptions for Scenario Analysis
- A2. Financed emissions methodologies overview
- A3. Operational emissions and managing residual emissions
- A4. Developments at CCB Corporation Group Level
- A5. Adoption Provisions
- A6. Independent Assurance Report

A1. Strategy Methodology and Assumptions for Scenario Analysis

This appendix provides the information in relation to the approach for integrating climate-related risk into the strategy and decision making. The Bank outlines the scenario analysis it has undertaken, the risks and opportunities identified, the anticipated impacts, and how the Bank will position itself as the global and domestic economy transitions towards a low-emissions, climate resilient future state. These are used to test the resiliency of the Bank's business model and strategy.

The Bank has utilised the common sets of narratives developed alongside its banking peers as the basis of its scenario analysis.
The work to compile the narratives was commissioned by the NZBA on behalf of its members, and developed by EY. The aim is to develop a common set of narratives to support a better understanding/assessment of climate-related risks and the reporting expectations against the TCFD recommendations and the Standards. The final outputs of that report include:

- A common set of scenario narratives and horizons to be used in climate-related risk assessment and disclosures
- A high-level set of climate-related risks that banks should consider as part of their risk assessment with risks identified based on input from project stakeholders
- Organisational actions for climate disclosures on governance, strategy, risk management, and metrics and targets

These three elements are designed to improve the comparability and consistency of climate-related risk disclosures in the banking sector, ultimately enabling primary users to be able to compare findings more readily. Three scenario narratives and four time horizons were developed to promote alignment of climate-related scenario analysis and risk disclosures across Aotearoa New Zealand's banking sector. The alignment of the scenarios to the chosen scenario dimensions was done in accordance with the XRB's guidance on sector-level scenario analysis (External Reporting Board, 2022).

The figures below summarise the framework used to develop the scenario narratives at a sectorial level, and how that was further incorporated into the Bank's own analysis.

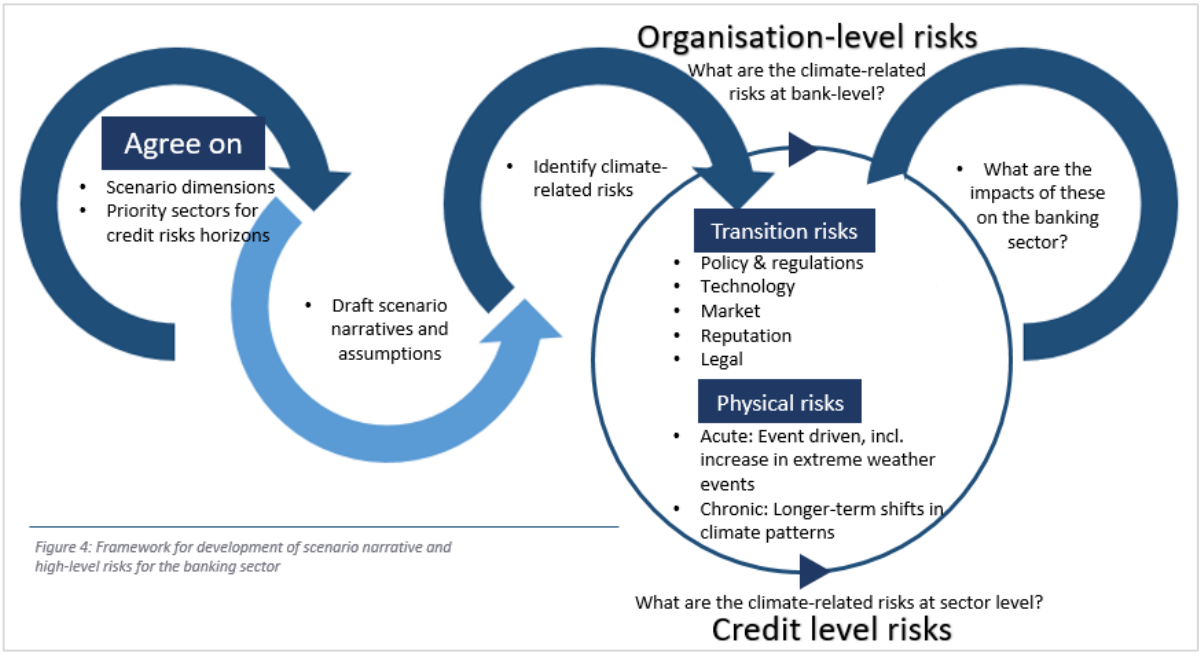


Figure 4: Framework for development of scenario narrative and high-level risks for the banking sector

Figure 22a: Work carried out at sectorial vs at the Bank's level

A1. Strategy Methodology and Assumptions for Scenario Analysis

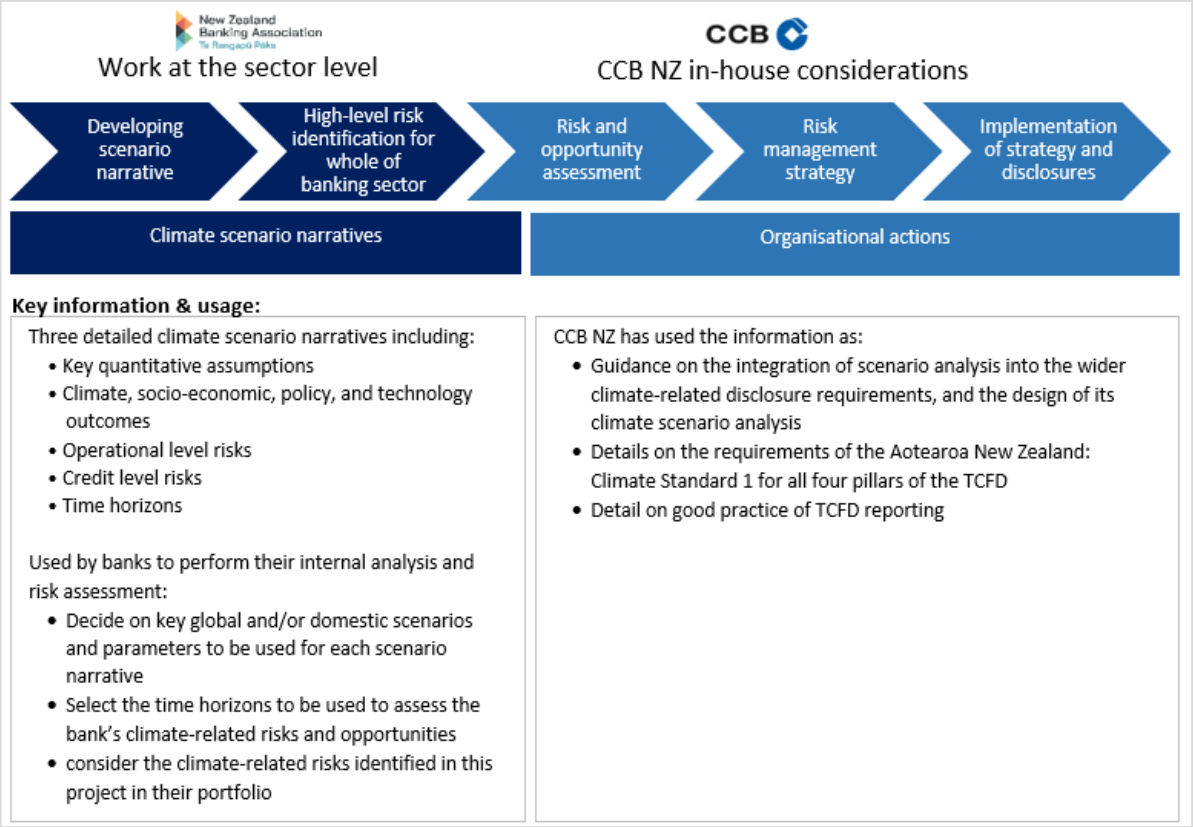


Figure 22b (same as Figure 5): Work carried out at sectorial vs at the Bank's level

A1. Strategy Methodology and Assumptions for Scenario Analysis

Scenario Analyis: Risk and opportunities by key sectors

This section summarises CCB NZBG's key risk and opportunity considerations undertaken for the top four sectors (excl. the Agriculture sector) under its scenario analysis. Analysis of the Agriculture sector is not reported separately given the small representation (c1.22%) in the whole credit portfolio. Additional information on the Bank's areas of focus in regards to green lending is provided on page 12.

Top four sectors by business lending exposures	Key potential implications for the sector and CCB NZBG		
	Physical Risks	**Transition Risks**	**Opportunities**
Real-estate Rental: Commercial & Residential *;* ***Residential Mortgages*** *– These sectors share a level of commonality in the risks and opportunities profiles*	**Key Risk: Extreme weather, flood, sea-level rise** • Increased extreme weather-induced damages drastically reduce asset values. • Significant increase in repair/ maintenance/ write-offs and early retirement of assets. • Disruptions from weather events, the loss of appeal for assets in flood-prone areas, and inability to meet new compliance standards resulting in loss of operational/ rental income. • Insurability/significant rise in insurance cost in high risk areas, impacting the value of collateral. **Flow-on implications:** 1. Impact on loan repayments from increased operational cost (e.g. repair, compliance and insurance cost) and disrupted income streams 2. Insurability diminishes the value of existing collaterals resulting in drops in credit mitigants, and increasing the loss incurred in the event of defaults.	**Key Risk: Customer behaviour change/regulatory impacts/increased cost of raw materials** • Shifting preference for high quality sustainable building standards may impact value/ impact of properties and lands • Efforts to meet the shifting preference and new regulatory requirements (including potential forced upgrades, managed retreats etc.) increasing uncertainty and operational cost. • Increase operating cost due to the passing of carbon price through the value chain (raw materials, resources, distribution etc.). **Flow-on implications:** 1. Impact on loan repayments from increased operational cost to meet the shifting preference and higher building standards, or fines and penalties for those who can't comply. 2. Diminishing land value restricts new amount that can be borrowed and increases the loss incurred on existing exposures in the event of defaults.	Increased demand for products and services **supporting energy, efficiency, sustainability** and **resilience** (e.g. the healthy homes requirements, adaptation measures in certain areas)

Construction	**Key Risk: Extreme weather, flood, sea level rise, heatwave**
	• Extreme weather impacting profitability in a sector that runs on relatively thin margins and tight cash-flows: e.g.
	  • Interruption to construction operations, causing damage, delays to project timelines, and disrupt logistics for delivery of supplies and removal of waste, and
	  • Increase in costs to repair and replace infrastructure.
	• Heatwaves increase health and safety considerations, and add to project delays.
	• Increased inundation and exposure to storm surges can devalue land.
	
	Flow-on implications:
	1. Impact on loan repayments from increased operational cost and delays in project completions.
	2. Project delays increasing the rate of settlement default risk, particularly in a downward trending market, impacting loan repayments.
		Key Risk: Customer behaviour change/ regulatory impacts/increased costs of raw materials
		• Regulatory requirements to use low emissions technologies/ alternatives in buildings increasing the overall cost of construction.
		• Flow-on impacts and operating costs for existing properties where retrofits are required to meet new building requirements.
		• Emissions pricing and emissions reduction requirements may increase overall operational and supply chain costs (e.g. on cement and steel, due to the high level of emissions associated with their manufacturing).
		
		Flow-on implications:
		1. Decreased profitability may cause an inability to meet loan repayments.
			Increased demand for projects that incorporate more **sustainable design features**, and have **lower GHG emission profiles** as a result of regulatory change and consumer preference.

A1. Strategy Methodology and Assumptions for Scenario Analysis

Energy	**Key Risk: Drought, heatwave, extreme weather/flood, precipitation change, sea level rise** • High demand for water during drought periods may increase cost of power usage and reduce margin. Conversely, high rainfall can drive down market price due to abundant supply. • Heatwaves may impair energy production or risk of failure, with the risk of complete plant shutdown incurring extensive losses to the entity. • Extreme weather events (floods, high winds, storm surges) can lead to physical damage to generation assets resulting in increase to repair cost and loss of revenue. **Flow-on implications:** 1. Added costs and reduced revenue may impact ability to repay loan. 2. Reduced lifespan of assets due to more rapid degradation can significantly reduce entity values, and alter long term business operations resulting in increased repayment risk.	**Key Risk: Customer behaviour change/ regulatory impacts/ stakeholder relations/ litigation risks/reputation impact** • Failing to adhere to changing regulation may impact revenue and reputation. • Imbalanced government settings can result in a decline in electricity demand growth and/or a loss of investor confidence in the sector, and/or delayed development of renewable electricity generation capacity. • Asset devaluation and plant shutdowns and falling investment due to entity failure to meet regulation will significantly affect revenue and/or devalue entity. • Changing consumer behaviour may increase preference for low emissions alternatives, leading to increased costs in order to maintain competiveness. • Supply chain constraints on renewable generation technology (e.g. wind turbines and solar panels) may cause construction delays and capital cost overruns. **Flow-on implications:** 1. Significant and rapid reduction in revenue and increase in operating and capital expenditure can impact loan repayments and damage reputation. 2. Divestment and failed investments can impact loan repayment. 3. Reputation risks can impact entity values and increase financial risks.	Increased demand to support **new generation development**, **changing operating model** and **sustainability linked transactions**.
Manufacturing - CCB NZBG's exposure in this sector is related to the primary sector and viticulture, and therefore share a level of commonalities in risks and opportunities with those sectors	**Key Risk: Drought, extreme weather/ flood, heatwave, precipitation change, temperature change, sea level rise** • Extreme weather and prolonged periods of drought may damage customers' /suppliers' assets or create resource pressure and reduce availability of raw material. • Extreme heat may reduce productivity and increase energy demand to keep products chilled. **Flow-on implications:** 1. Decreased sales and profitability and increased operational costs may lead to inability to repay loan. 2. Damaged assets (resulting in diminishing collateral value), and increased repair and maintenance costs and insurance premiums may further impact repayment ability.	**Key Risk: Customer behaviour change/ regulatory impacts/increased costs of raw materials** • Customer consumption trends may be influenced by environmental awareness. • Increasingly stringent climate change regulations may create additional processes and costs. This may lead to reduced competitiveness, particularly in international markets, as resources are directed towards meeting new requirements. • Raw materials, resources and transport/distribution may increase in cost due to carbon price. **Flow-on implications:** Increased operational costs and reduced revenue may lead to an inability to repay loans and discourage new market entrants, thereby reducing demand for new loans.	Increased demand for products and services that supports the shift to **lower emission-intensive practices**.

Table 10: Key risk and opportunity considerations undertaken for the top four sectors

A1. Strategy Methodology and Assumptions for Scenario Analysis

The matrices below provide a more detailed summary of these potential risk trade-offs, and the likelihood assessment against each of the five priority sectors referenced below against the three scenarios. **Note:** The risk to the residential home loans portfolio is considered alongside the property sectors in this analysis.

The Bank's analysis showed that **77.51%** of CCB NZBG's credit portfolio[10] (by drawn balance) is covered under these priority sectors (whilst noting there is minimal exposure to the Agriculture sector). Additionally, it is noted that the coverage increased to **95.03%** by customer count.

ORDERLY (1.5c)

Category	Risk driver Numbered	Agriculture	Transport & Shipping	Energy	Manufacturing	Construction & Property
Physical	P1. Drought					
	P2. Extreme weather					
	P3. Flood					
	P4. Heatwave					
	P5. Precipitation change					
	P6. Temperature change					
	P7. Sea level rise					
	P8. Biodiversity loss					
Transition	T1. Customer behaviour change					
	T2. Increased costs of raw materials					
	T3. Regulatory impacts					
	T4. Emissions reduction requirements					
	T5. Litigation risk					
	T6. Emissions pricing					
	T7. Reputation impacts					
	T8. Lower emissions substitutes					
	T9. Emerging technologies					
	T10. Unsuccessful investment					
	T11. Stakeholder relations					

TOO LITTLE TOO LATE (>2c)

Category	Risk driver Numbered	Agriculture	Transport & Shipping	Energy	Manufacturing	Construction & Property
Physical	P1. Drought					
	P2. Extreme weather					
	P3. Flood					
	P4. Heatwave					
	P5. Precipitation change					
	P6. Temperature change					
	P7. Sea level rise					
	P8. Biodiversity loss					
Transition	T1. Customer behaviour change					
	T2. Increased costs of raw materials					
	T3. Regulatory impacts					
	T4. Emissions reduction requirements					
	T5. Litigation risk					
	T6. Emissions pricing					
	T7. Reputation impacts					
	T8. Lower emissions substitutes					
	T9. Emerging technologies					
	T10. Unsuccessful investment					
	T11. Stakeholder relations					

Hothouse (>3c)

Category	Risk driver Numbered	Agriculture	Transport & Shipping	Energy	Manufacturing	Construction & Property
Physical	P1. Drought					
	P2. Extreme weather					
	P3. Flood					
	P4. Heatwave					
	P5. Precipitation change					
	P6. Temperature change					
	P7. Sea level rise					
	P8. Biodiversity loss					
Transition	T1. Customer behaviour change					
	T2. Increased costs of raw materials					
	T3. Regulatory impacts					
	T4. Emissions reduction requirements					
	T5. Litigation risk					
	T6. Emissions pricing					
	T7. Reputation impacts					
	T8. Lower emissions substitutes					
	T9. Emerging technologies					
	T10. Unsuccessful investment					
	T11. Stakeholder relations					

Legends:

- Not likely
- Likely
- Very Likely

Source: Matrices summarised from the output of the NZBA Climate Scenario Narratives for the Banking Sector (2023)

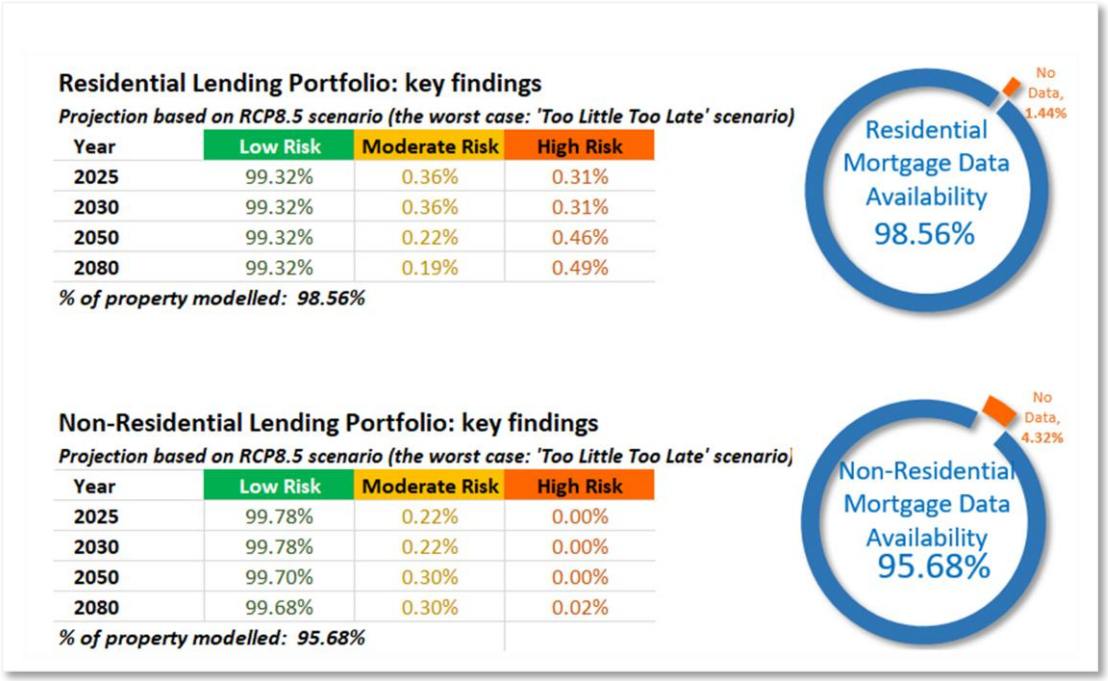
Figure 23: Potential risk trade-offs analysis for Top five priority sectors

[10] Sectors in the remaining 15.25% not captured in the 2024 scenario analysis are Wholesale/ Retail Trade, Accommodation and Food Services, Information Media and Telecommunications, Financial and Insurance Services, Transport, Post and Warehousing.

A1. Strategy Methodology and Assumptions for Scenario Analysis

Physical risk modelling and additional consideration on transition risk

Physical risk modelling was completed on CCB NZBG's portfolio using RMS Moody's data (EFP and Climate Conditioning Flood Data ~ Refer to Appendix A1 for an overview of the methodology). Based on an RCP of 8.5 (which reflects the worst case scenario), the profiles are as follow:



Residential Lending Portfolio: key findings

Projection based on RCP8.5 scenario (the worst case: 'Too Little Too Late' scenario)

Year	Low Risk	Moderate Risk	High Risk
2025	99.32%	0.36%	0.31%
2030	99.32%	0.36%	0.31%
2050	99.32%	0.22%	0.46%
2080	99.32%	0.19%	0.49%

% of property modelled: 98.56%

Non-Residential Lending Portfolio: key findings

Projection based on RCP8.5 scenario (the worst case: 'Too Little Too Late' scenario)

Year	Low Risk	Moderate Risk	High Risk
2025	99.78%	0.22%	0.00%
2030	99.78%	0.22%	0.00%
2050	99.70%	0.30%	0.00%
2080	99.68%	0.30%	0.02%

% of property modelled: 95.68%

Figure 24: Physical risk modelling key findings

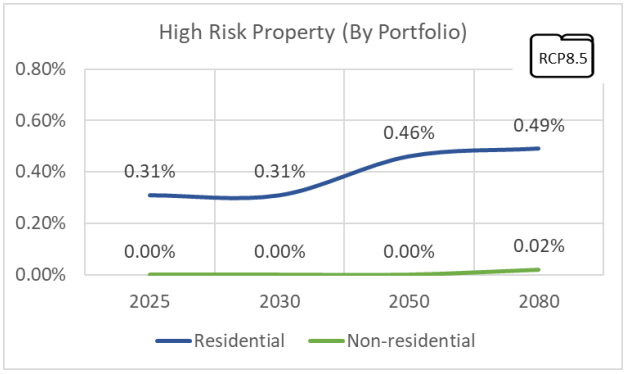


Figure 25: High risk property by portfolio

Our analysis showed that 0.31% of residential properties, and almost zero non-residential properties may be at high risk currently. This increases to 0.49% and 0.02% by 2080, under the worst-case scenario of RCP8.5. (Refer to *Figure 25*) A property is considered high risk if the expected mean damage ratio is greater than 20% as modelled in the RMS Moody's dataset[11].

Whilst the maturity profile of the residential mortgages in CCB NZBG can extend up to 30 years, the maturity profile of the non-residential exposures is significantly shorter at an average of less than 2 years. The shorter profile in the non-residential portfolio allows the Bank to more easily manage the climate risk profile of that portfolio through the adjustment of its business strategy.

[11] Refer to Appendix A1 for the rating classification definitions

A1. Strategy Methodology and Assumptions for Scenario Analysis

Additional considerations on transition risk (impacting residential home loan borrowers)
Consideration was also given to the potential impacts on salaried employee borrowers, who may be affected by a transition to a low emissions economy, resulting in financial difficulties in meeting their loan obligations to the Bank.

Recent analysis made by MBIE indicates an evolution in focus from assessing discrete economic “shork” impacts towards manaing a just and orderly transition, recognising that decarbonisationm, techinological change, and global market adjustments represent an ongoing process of ecbonomic adaptation rather than a one-off disruption. Consistent with earlier findings, regions with higher concentration of emissions-intesive activities are expected to experience more pronounced adjustment pressures.

The Bank’s lending exposure remains predominately concentrated in metropolitan areas, particularly Auckland, where employment is more diversified and less reliant on emission-intensive sectors. Urban labour markets are genrally assessed as more adaptable to structural economic change, supported by broader industry compostion and greater access to re-skliing opportunities. (resulting in greater barriers to finding equivalent employment opportunities because of the transition).

A1. Strategy Methodology and Assumptions for Scenario Analysis

Physical risk analysis methodologies overview

Flood is the second highest insured loss in New Zealand, and the Insurance Council of New Zealand (ICNZ) data shows that since 1968 flood accounted for more than 50 percent of all loss events, and damage from heavy precipitation or river flooding represented 60 percent of weather related losses.

In the North Island (where CCB NZBG's exposures are predominantly located), flooding is often triggered by heavy rainfall brought by transitioned tropical cyclones. Prominent examples are Tropical Cyclone Debbie in 2017 and Tropical Cyclone Gabrielle in 2023. The El Niño Southern Oscillation (ENSO) markedly influences precipitation patterns across the country.

These extreme weather patterns are expected to become more frequent and intense as the climate changes.

CCB NZ has partnered with third party vendors, Valocity and Moody's RMS, to obtain better modelling of the flood risk on its real estate collaterals. The Moody's RMS Inland Flood Model is a fully probabilistic flood model built with data obtained from local organisations and institutions, including the National Institute of Water and Atmospheric Research (NIWA), Land Information New Zealand (LINZ), local regional councils and ICNZ. The model is based on 50,000 years of continuous simulation of the entire precipitation cycle capturing the spatial and temporal correlations of flood risk, and all sources of flood (pluvial and fluvial), resulting in a catalog of 350,000 simulated events[12].

The analysis obtained covered earthquake, flood and other property risk under current climatic conditions, and flood climate risk conditioned for future climate scenarios based on the scenarios dimensions and time horizons used in the Bank's scenario analysis.

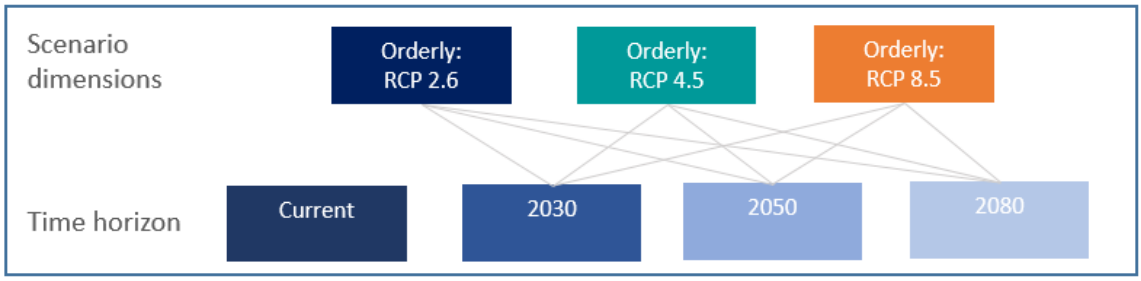


Figure 26: Scenario Dimensions

More specifically, the flood data contains a series of flood risk indicators including flood depth, elevation and distance to the coast against a 100, 250 and 500 years return events probability, conditioned by the time and scenario dimensions mentioned above.

Flood risk gradings are further derived for all real estate collaterals based on these risk indicators. The risk grading in the raw flood data are grouped by the different level of risk severity. Below are the further groupings that CCB NZBG utilised in the Physical Risk summary in this report.

Raw Data Rating	Rating Used in the Physical Risk Summary in this report	Expected Mean Damage Ratio
Extremely Low Risk	Low Risk	0 - 10%
Very Low Risk		
Low Risk		
Low to Moderate Risk		
Moderate Risk	Medium Risk	10 - 20%
Moderate to High Risk		
High Risk	High Risk	20 - 100%
High to Very High Risk		
Very High Risk		
Extremely High Risk		

Table 11: Physical risk rating used in this report

[12] Source: https://www.rms.com/blog/2021/05/04/rms-launches-new-zealand-inland-flood-hd-model-a-new-era-for-catastrophe-modeling

A2. Financed emissions methodologies overview

Financed emissions are indirect greenhouse gas emissions attributed to the Bank's lending activity. These emissions are categorised by the GHG Protocol as Scope 3, Category 15: Investments. Whilst not a member of PCAF (Partnership for Carbon Accounting Financials), CCB NZBG uses the PCAF guidance to calculate its financed emissions. (Refer to Section 5 of this report)

The PCAF methodology prescribes specific asset classes for inclusion as appropriate in financed emission estimations made by financial institutions. In 2022, CCB NZBG partnered with third party vendors, Generate Zero and Data Insight, to begin modelling the financed emissions using estimation approach in its business lending portfolio, covering the Scope 1 & Scope 2 financed emissions associated with lending to the top three asset classes in its portfolio, namely:

- Residential mortgage loans
- Commercial real estate loans
- Business lending

Relevant asset classes specified in the PCAF standard that are excluded from the Bank's financed emissions estimations due to data availability limitations are sovereign debt, and listed equity and corporate bonds. Motor vehicle loans and project finance are included in business lending.

Detailed Methodologies

Residential Mortgages

All residential mortgages on-balance sheet loans for the financing of residential property are included in the financed emissions calculation of the residential mortgages asset class.

The financed emission is calculated by multiplying the attribution factor by the emissions of the building as follows:

$$Financed\ emissions = \sum_{b} Attribution\ factor_b \times Building\ emissions_b$$

$$(with\ b = building)$$

PCAF (2022). The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition. (p.96)

The emissions of buildings are calculated as the product of a building's energy consumption and specific emission factors for each source of energy consumed. The total energy use of the building includes the energy consumed by the building's occupants. The equation below is the result.

$$Financed\ emissions = \sum_{b,e} \frac{Outstanding\ amount_b}{Property\ value\ at\ origination_b} \times Energy\ consumption_{b,e} \times Emission\ factor_e$$

$$(with\ b = building\ and\ e = energy\ source\ )$$

PCAF (2022). The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition. (p.96)

Data required: Actual building energy consumption is preferred but are not widely available. In the absence of metered data, energy use can be estimated based on building characteristics and publicly available data. The PCAF data quality, using the different options, are ranked from actual reported consumption (highest quality), energy labels data (mid-high quality), regional / floor area data (mid-lower quality) to regional / building number data (lowest quality).

(score 1 = highest data quality; score 5 = lowest data quality)

Data Quality	Options to estimate the financed emissions		When to use each option
Score 1	Option 1: Actual building emissions	1a	Primary data on **actual building energy consumption** (i.e., metered data) is available. Emissions are calculated using actual building energy consumption and **supplier-specific emission factors**[144] specific to the respective energy source.
Score 2		1b	Primary data on **actual building energy consumption** (i.e., metered data) is available. Emissions are calculated using actual building energy consumption and **average emission factors** specific to the respective energy source.
Score 3	Option 2: Estimated building emissions based on floor area	2a	**Estimated building energy consumption per floor area based on official building energy labels AND the floor area** are available. Emissions are calculated using estimated building energy consumption and **average emission factors** specific to the respective energy source.
Score 4		2b	**Estimated building energy consumption per floor area based on building type and location-specific statistical data AND the floor area** are available. Emissions are calculated using estimated building energy consumption and **average emission factors** specific to the respective energy source.
Score 5	Option 3: Estimated building emissions based on number of buildings	3	**Estimated building energy consumption per building based on building type and location-specific statistical data AND the number of buildings** are available. Emissions are calculated using estimated building energy consumption and **average emission factors** specific to the respective energy source.

Table 12: General description of the data quality score for the Residential Mortgages asset class

PCAF The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition. (p.98)

A2. Financed emissions methodologies overview

The Bank adopts **option *2b: Estimated building energy consumption per floor area based on building type and location specific statistical data and the floor area,*** in its emission calculation, where floor area information is available; and ***option 3: Estimated building energy consumption per building based on building type and location specific statistical data*** where floor area information is unavailable.

For both options, the emissions are calculated using estimated building energy consumption and average emission factors specific to the respective energy source. Key external data sources relied upon for these options are:

- Ministry for the Environment emissions factors 2024
- Electricity authority regional electricity consumption data
- Stats NZ heating and cooling data by region
- Property floor area data

The Bank has been able to predominantly adopt option 2b for its calculation given the availability of the floor area information for the majority of the Bank's residential mortgage exposures. The PCAF data quality score, as a result, is 4.03. The approach for residential mortgages remains unchanged in 2025.

Commercial Real Estate

All commercial real estate on-balance sheet lendings are included in the financed emissions calculation for the Commercial Real Estate asset class.

Similar to the Residential Mortgages asset class, the PCAF model for the Commercial Real Estate asset class is calculated by multiplying the attribution factor by the emissions of the building as follows:

$$Financed\ emissions = \sum_{b} Attribution\ factor_b \times Building\ emissions_b$$

$(with\ b = building)$

PCAF The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition. (p.91)

The emissions of buildings are calculated as the product of a building's energy consumption and specific emission factors for each source of energy consumed. The total energy use of the building includes the energy consumed by the occupants of the building. The equation below is the result.

$$Financed\ emissions = \sum_{b,e} \frac{Outstanding\ amount_b}{Property\ value\ at\ origination_b} \times Energy\ consumption_{b,e} \times Emission\ factor_e$$

$(with\ b = building\ and\ e = energy\ source)$

Data required: Similar to the Residential Mortgages asset class, actual building energy consumption is preferred but data is not widely available. In the absence of metered data, energy use can be estimated based on building characteristics and publicly available data. The PCAF data quality using the different options are ranked from actual reported consumption (highest quality), energy labels data (mid-high quality), regional / floor area data (mid-lower quality) to regional / building number data (lowest quality).

A2. Financed emissions methodologies overview

(score 1 = highest data quality; score 5 = lowest data quality)

Data Quality	Options to estimate the financed emissions		When to use each option
Score 1	Option 1: Actual building emissions	1a	Primary data on **actual building energy consumption** (i.e., metered data) is available. Emissions are calculated using actual building energy consumption and **supplier-specific emission factors**[144] specific to the respective energy source.
Score 2		1b	Primary data on **actual building energy consumption** (i.e., metered data) is available. Emissions are calculated using actual building energy consumption and **average emission factors** specific to the respective energy source.
Score 3	Option 2: Estimated building emissions based on floor area	2a	**Estimated building energy consumption per floor area based on official building energy labels AND the floor area** are available. Emissions are calculated using estimated building energy consumption and **average emission factors** specific to the respective energy source.
Score 4		2b	**Estimated building energy consumption per floor area based on building type and location-specific statistical data AND the floor area** are available. Emissions are calculated using estimated building energy consumption and **average emission factors** specific to the respective energy source.
Score 5	Option 3: Estimated building emissions based on number of buildings	3	**Estimated building energy consumption per building based on building type and location-specific statistical data AND the number of buildings** are available. Emissions are calculated using estimated building energy consumption and **average emission factors** specific to the respective energy source.

Table 13: General description of the data quality score for the Commercial Real Estate asset class

PCAF The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition. (p.92)

Actual building energy consumption is preferred but data is not widely available in the absence of metered data, energy use can be estimated based on building characteristics and publicly available data. The latest methodology also required that property land use is provided for improved quality.

The Bank adopts **option 2: Estimated building energy consumption per floor area based on building type (commercial offices, non-commercial offices) and location-specific statistical data AND the floor area** (table 11). Emissions factors were calculated by multiplying the average electricity (Table 12) and average gas consumption (Table 13) (MJ./m^2) by the appropriate New Zealand Emissions Factors to get estimated emissions per m^2. Emission factors for gas and electricity have been updated to reflect the Ministry for the Environment 2024 publication, and computed using the acquired average emissions factors in conjunction with the corresponding floor area.

$$Financed\ emissions = \sum_{b,e} \frac{Outstanding\ amount_b}{Property\ value\ at\ origination_b} \times Estimated\ energy\ consumption\ from\ statistics_{b,e} \times Floor\ area_b \times Average\ emission\ factor_e$$

$$(with\ b = building\ and\ e = energy\ source)$$

Key external data sources relied upon for this option are:

- Ministry for the Environment factors for emissions per unit of activity for gas and electricity for emission factors
- Building Energy end use study 2014 (BEE,2014)
- Property floor area data

The Bank adopts **option 3: Estimated building energy consumption per floor area based on estimated floor area.**(table 11). All other buildings (both offices and non-commercial offices) are grouped rather than specific to estimated floor area, leading to a score of 5 due to the data limitation.

The approach for Commercial Real Estate has some updates applied to the methodology to align more closely with GHG standard and audit. The methodology has been revised to a more local model, using performance indicators from the Building Energy end use study 2014 (BEES, 2014). This is the approach more consistently adopted by other banks. This study provides a stronger representation of the New Zealand building stock.

As a result, there are fewer performance indicators by building type, and the data is now 10 years old, with no updated study available.

- Commercial office buildings: Performance indicators are broken down by size stratum. Offices with actual floor area data available are scored at 4.

- All other buildings: Performance indicators are grouped rather than specific to building use, leading to a score of 5 due to the lack of building-type-specific data.

With the majority of Commercial Real Estate exposure being attributed to non-commercial offices, the actual average PCAF score comes in at 4.90.

Business Lending

All on-balance sheet business lending is included in the calculation of the business lending asset class except:

- residential mortgages
- business lending that meets the definition of the Commercial Real Estate asset class (covered in the previous section)
- lending to Government and Sovereign debt
- corporate bonds
- intra-group lending between CCB entities
- lending (including nostro account balances) to other financial institutions for Treasury management purposes

The following classification has been used to map business records to the respective industries:

Industry	Industry ANZSIC Short Code
Agriculture, forestry, and fishing	A
Mining	B
Manufacturing	C
Electricity, gas, water, and waste services	D
Construction	E
Wholesale trade	F
Retail trade	G
Accommodation and food services	H
Transport, postal, and warehousing	I
Information media and telecommunications	J
Financial and insurance services	K
Rental, hiring, and real estate services	L
Professional, scientific, and technical services	M
Administrative and support services	N
Public administration and safety	O
Education and training	P
Health care and social assistance	Q
Arts and recreation services	R
Other services	S
Not Elsewhere Included	T

Table 14: Industry mapping against 2024 ANZSIC classifications

The financed emissions from business loans and unlisted equity are calculated by multiplying the attribution factor by the emissions of the borrower or investee company and then taking the sum of these emissions:

$$Financed\ emissions = \sum_{c} \frac{Outstanding\ amount_c}{Total\ equity + debt_c} \times Company\ emissions_c$$

PCAF The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition. (p. 71)

The financed emissions from business loans and unlisted equity can be calculated in different ways depending on the availability of financial and emissions data specific to the borrower or investee. Overall, PCAF distinguishes three different options to calculate the financed emissions from business loans and unlisted equity depending on the emissions data used.

A2. Financed emissions methodologies overview

(score 1 = highest data quality; score 5 = lowest data quality)

Data Quality	Options to estimate the financed emissions		When to use each option
Score 1	Option 1: Reported emissions	1a	Outstanding amount in the company and total company equity plus debt are known. **Verified emissions** of the company are available.
Score 2	Option 1: Reported emissions	1b	Outstanding amount in the company and total company equity plus debt are known. **Unverified emissions** calculated by the company are available.
Score 2	Option 2: Physical activity-based emissions	2a[102]	Outstanding amount in the company and total company equity plus debt are known. Reported company emissions are not known. Emissions are calculated using primary physical activity data for the company's energy **consumption** and emission factors[103] specific to that primary data. Relevant process emissions are added.
Score 3	Option 2: Physical activity-based emissions	2b	Outstanding amount in the company and total company equity plus debt are known. Reported company emissions are not known. Emissions are calculated using primary physical activity data for the company's **production** and emission factors specific to that primary data.
Score 4	Option 3: Economic activity-based emissions	3a	Outstanding amount in the company, total company equity plus debt, and the **company's revenue**[104] are known. Emission factors for the sector per unit of revenue are known (e.g., tCO_2e per euro or dollar of revenue earned in a sector).
Score 5	Option 3: Economic activity-based emissions	3b	Outstanding amount in the company is known. Emission factors for the sector per unit of asset (e.g., tCO_2e per euro or dollar of asset in a sector) are known.
Score 5	Option 3: Economic activity-based emissions	3c	Outstanding amount in the company is known. Emission factors for the sector per unit of revenue (e.g., tCO_2e per euro or dollar of revenue earned in a sector) and **asset turnover ratios** for the sector are known.

Table 15: General description of the data quality score for the Business Lending asset class PCAF (2022). The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition. (p.73)

The Bank adopts **option 3: Economic activity-based emissions** in calculating its emissions for business lending.

Where the information on total company equity plus debt, and the company's revenue are known, the Bank adopts **option 3a**.

$$Financed\ emissions = \sum_{c} \frac{Outstanding\ amount_c}{Total\ equity + debt_c} \times Revenue_c \times \frac{GHG\ emissions_s}{Revenue_s}$$

(with c = company and s = sector)

Where the company's revenue and total company equity plus debt information are not available or incomplete, the Bank adopts **option 3b**.

$$Financed\ emissions = \sum_{c} Outstanding\ Amount_c \times \frac{GHG\ emissions_s}{Assets_s}$$

(with c = company and s = sector)

Calculation results under option 3a attract a PCAF quality score of 4.00 whilst option 3b attracts a score of 5.00. Considering the variance in data quality across the different sectors within this specific asset class, the data quality score is calculated using the weighted average by outstanding loan value for each sector within the asset class using the following equation:

$$PCAF\ quality\ score = \frac{\sum_c Outstanding\ Amount_c \times Data\ Quality\ Score_c}{\sum_c Outstanding\ Amount_c}$$

(with c = company)

The percentage of business lending (by on-balance sheet outstanding loan value) calculated using the two sub-options are as follows. This has resulted in an average PCAF data quality score of 4.32 for the business lending asset class.

Key external data sources relied upon for this option are:

- Stats NZ industry data (Emissions, Financials)

A3. Operational emissions and managing residual emissions

Operational emissions methodology and reporting approach

Operational emissions are associated with the day-to-day running of our business. CCB NZBG currently reports its Scope 1 and 2 operational emissions, and selected Scope 3 operational emissions sources. The Bank's operational Scope 3 reporting boundary remains consistent with the prior reporting period and reflects categories for which reliable data is available. The Bank will review its Scope 3 boundary and methodology as part of the next emissions reduction target refresh, due at the end of 2026.

EY has issued a reasonable assurance opinion over our scope 1 and 2 location-based emissions and a limited assurance conclusion over some of our Scope 3 operational GHG emissions for 2025. The Scope 3 emission sources subject to EY's limited assurance conclusion are included in the following table. We have not obtained assurance over our financed emissions or the operational emissions which are not included within our emission inventory for 2025. EY's assurance report is included in Appendix A6. Our operational emissions have also been certified by Toitū Net Carbon Zero Programme Technical Requirements.

We have measured our operational emissions in accordance with the Greenhouse Gas Protocol standards, The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition) and the Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (together, the GHG Protocol). An operational control consolidation approach was used to account for emissions. Organisational boundaries were set in alignment to the methodology described in the GHG Protocol standards. We have applied an operational control consolidation approach, which aligns with the direct operational footprint of all our business in Aotearoa New Zealand. CCB NZBG does not hold any interest or share in other organizations. CCB NZBG operates through eleven departments and teams as of the reporting period under the same umbrella and the emissions produced from the operation are consolidated in the reporting of CCB NZBG.

GHG emission sources and methods specified in the table below are subject to uncertainties and we have applied for the adoption provison to not report certain Scope 3 emissions sources. (Refer to Appendix A5 for the adoption provison applied for 2025) .

Scope	Category	Reported / Excluded
Scope 1	Stationary combustion	Nothing to report
	Transport Energy (company owned vehicles)	Reported
	Leakage of refrigerants	Reported
Scope 2	Electricity consumption	Reported
Scope 3	1. Purchased goods and services	Reported: Office paper. Excluded: Remaining purchased goods and services excluded using applied Adoption Provision 4.
	2. Capital goods	Not reported, Adoption Provision 4 applied
	3. Fuel and energy related activities (that are not included in Scope 1 or 2)	Reported
	4. Upstream transportation and distribution	Not reported, Adoption Provision 4 applied
	5. Waste generated in operations	Reported
	6. Business travel	Reported
	7. Employee commuting	Not reported, Adoption Provision 4 applied
	8. Upstream leased assets	Not reported, Adoption Provision 4 applied
	9. Downstream transportation and distribution	Reported
	10. Processing of sold products	Excluded: Not applicable
	11. Use of sold products	Excluded: Not applicable
	12. End-of-life treatment of sold products	Excluded: Not applicable
	13. Downstream leased assets	Excluded: Not applicable
	14. Franchises	Excluded: Not applicable
	15. Investments	Reported: See financed emissions section (but not assured for 2025, Adoption Provision 8 applied)

Table 16: CCB NZBG GHG emission reporting approach

A3. Operational emissions and managing residual emissions

Reports, invoices and data are received from the relevant data sources and the relevant emission factors are applied to calculate the emissions. A calculation methodology has been used for quantifying the emissions inventory based on the following calculation approach:

Emissions = activity data x emissions factor

Emissions were calculated using Toitû emanage software.The emission factors and global warming potential (GWP) rates that have been used to measure the emissions are:

- MfE Measuring Emissions: A guide for organisations – 2025, Emission Factor Workbook (MfE). The GWPs used are those from the IPCC, 2014, Fifth Assessment Report;
- UK Department for Business, Energy and Industrial Strategy, Government greenhouse gas conversion factors for company reporting (DESNZ 2025). The GWPs used are those from the IPCC, 2014, Fifth Assessment Report; and
- Market Economics Limited, Consumption Emissions Modelling, report prepared for Auckland Council (MEL 2023). The GWPs used are those from the IPCC, 2007, Fourth Assessment Report.

Scope	Category	Overview of activity	Data source	Emission factors source	Units	Key assumptions and limitations that may involve uncertainty
Scope 1	Transport Energy (company owned vehicles)	Consumption of liquid petrol premium and diesel for transport purpose by fleet vehicles owned by CCB NZ.	Fuel activity data is based on monthly statements provided by the supplier and invoices.	MfE	Litre	It is assumed the data sources are complete and accurate. The fuel consumption source data is obtained from supplier customer activity data.
Scope 2	Electricity consumption	Electricity used at both business office and BCP office.	Electricity activity data is based on the supplier invoices.	MfE	kWh	It is assumed the data sources are complete and accurate. The electricity source data is obtained from supplier customer activity data.
Scope 3	Business travel and transport (non-company owned vehicles)	Indirect Scope 3 emission from air travel, rail travel, rental car, taxi, private car and accommodation undertaken by CCB NZ employees for business purposes.	Business travel and transport activity data is based on invoices provided by supplier, employee mileage reimbursement and taxi spend from our finance records. The largest contributing item in this category is air travel, which is measured using the data from financial records to understand the flight details and performed online searches to obtain the distance in km between airports.	MfE DESNZ	Km(Air travel, Rail travel, Rental car, Private car) Room Nights (Accommodation) $ (Taxi)	It is assumed the data sources are complete and accurate. All air travel, rail travel, rental car, taxi and accommodation source data is obtained from supplier customer activity data.

Scope	Category	Overview of activity	Data source	Emission factors source	Units	Key assumptions and limitations that may involve uncertainty
	Downstream transportation and distribution	Main source being the indirect Scope 3 emission from freight and courier provided by freight transport agencies and other supporting transport services for business purposes.	Freight and courier activity data is based on supplier invoices.	MEL	$	It is assumed the data sources are complete and accurate. The freight and courier source data is obtained from finance ledgers.
	Purchased goods and services	Indirect Scope 3 emission from paper consumption (100% recycled).	Paper consumption activity data is based on invoice records provided by supplier.	DESNZ	Tonne	It is assumed the data sources are complete and accurate. The paper consumption source data is obtained from supplier customer activity data.
	Disposal of solid waste - Landfilled	Indirect Scope 3 emission from landfilled waste at CCB NZ office.	The waste to landfill is estimated based on the measured volume record over a fornight.	MfE	Tonne	It is assumed the data sources are complete and accurate. The landfilled waste source data is based on supplier records under instruction.
	Transmission of energy (T&D losses)	Indirect Scope 3 emission from electricity losses that is attributed to the transmission and distribution (T&D) of electricity, which is calculated using a location-based methodology.	Electricity activity data is based on the suppliers' invoices.	MfE	kWh	It is assumed the data sources are complete and accurate. The electricity T&D loss is estimated based on supplier customer activity data.

Table 17: CCB NZBG Reported operational emission scope 1,2,3 emissions source methods

A3. Operational emissions and managing residual emissions

Managing residual emissions
[Note: this is not part of the assurance scope of the operational emissions in 2025]
Source: the background information are adapted from Toitū Envirocare Carbon Programmes & Certification webpage: https://www.toitu.co.nz/what-we-offer/carbon-management/mitigate

The use of carbon credits also plays a key role in the transition to a low carbon economy. On the path to better measurement and reduction of its carbon footprint under the Toitū Envirocare Net Carbonzero certification, the Bank is committed to offsetting the remaining unavoidable emissions with high quality carbon credits[13].

Carbon credits are awarded to defined projects that **store**, **avoid** or **reduce** GHG emissions in the atmosphere.

- Store: These are usually forestry projects – land specifically set aside for reforestation with strict covenants to ensure the forest remains permanent and is not harvested
- Avoid: These are usually energy generation projects that use renewable energy instead of fossil-fuels, such as wind farms
- Reduce: These are usually a form of technology that reduces the usual amount of emissions produced, for example efficient solar cook stoves that replace inefficient fossil-fuel burning stoves

Carbon credits are issued by an appropriate authority that has confirmed the project meets the requirements of their standard. Examples of common requirements, or principles, of the standards include additionality, permanence, verification, and leakage. It is important to ensure that good quality credits are used as claims of carbon neutrality based on offsets that do not meet the requirements of recognised standards may be subject to investigation by regulators of advertising standards or consumer protection laws.

All credits used by Toitū Envirocare Carbonzero programme members must meet the following sets of principles[14]:

- Issued under a voluntary or compliance standard recognised by the programme
- Generated by a project that has been assessed and approved as being suitable for offsetting by the programme
- Issued in a recognised registry
- Retired, cancelled or otherwise taken out of circulation in the programme's account in the relevant registry

Toitū Envirocare carbonzero programme members can purchase carbon credits from a portfolio sourced by Toitū Envirocare from:

- a range of compliance and voluntary standards including Gold Standard (and Fair Trade Gold Standard), Clean Development Mechanism (CDM), and New Zealand's Permanent Forest Sink Initiative (PFSI)[15]
- a range of countries including New Zealand, China, Thailand, India, Chile, and others
- a range of project types (e.g. renewable energy generation, forest sequestration, landfill methane capture)

From 2022 to 2025[16], the Bank has purchased carbon credits sourced from the following projects:

2022 (46 units to offset 45.3tCO2e of operational GHG emission, weighted average cost per unit: NZ$33.69. It is key to note that there was a revision of Toitū's emission calculation methodology which resulted in the revision of the emissions from the 45.3tCO2e to the 48.35tCO2e in 2023. Toitu has confirmed that no top-up in carbon credit is required to cater for the changes resulting from this revision.)

- *[Toitū Envirocare's International Portfolio]* Wenchang Rural Methane Digesters Project in Hainan Province, China
- *[Toitū Envirocare's NZ Permanent Forest Sink Initiative Porftolio]* Coatbridge

2023 (80 units to offset 79.18 tCO2e of operational GHG emission, weighted average cost per unit: NZ$16.78)

[13] A carbon credit is a financial instrument that represents a unit of greenhouse gases (measured in carbon dioxide equivalents or CO2e). One carbon credit is equal to 1 tonne of CO2e.

[14] Toitū Envirocare consider a range of international regulations, recognised standards, and the best practice principles of International Carbon Reduction and Offset Alliance (ICROA), in the development of its assessment process.

[15] In November 2023, Toitū Envirocare has announced a move away from accepting carbon credits from New Zealand forests under its programme, citing a shift to better align with global standards. Going forward, only credits that are certified by the Integrity Council of the Voluntary Carbon Market, will be recognized under the programme.

[16] The purchases are to offset the remaining unavoidable emission from the year before (e.g. the purchase in 2023 is to offset the remaining unavoidable emission from 2022).

A3. Operational emissions and managing residual emissions

- *[Toitū Envirocare's International Portfolio]* Wenchang Rural Methane Digesters Project in Hainan Province, China
- *[Toitū Envirocare's NZ Permanent Forest Sink Initiative Portfolio]* Spraypoint

2024 (165 units to offset 164.18 tCO2e of operational GHG emission, weighted average cost per unit: NZ$19.84)

- *[Toitū Envirocare's International Portfolio]* Geothermal Energy Project in Taishan , China

2025 (239 units to offset 238.39 tCO2e of operational GHG emission, weighted average cost per unit: NZ$20.88)

- *[Toitū Envirocare's International Portfolio]* Coastal Kenya Borehole Rehabilitation Project in Kenya

2026 (yet to be finalized to offset the 2025 operational emissions)

- The credits purchase will be determined based on the market-based reporting values as the emission from electricity consumption has been pre-offset after transferring to Ecotricity, which is excluded from the annual offset requirements.

A4. Developments at CCB Corporation Group Level

In September 2020, China announced the goal to peak carbon dioxide (CO2) emissions before the year 2030 and achieve carbon neutrality by 2060. Given China's scale, and the need to balance economic development and emission reductions, the transition to net zero faces significant challenges. Although being a late starter, China has adopted serious environmental and climate policies.

In February 2012, the China Banking Regulatory Commission (now, the National Administration of Financial Regulation, NAFR) issued the Guidelines on Green Credit, which provides specific requirements on the environmental and social risk management of financial institutions' green credit operations. In August 2016, the People's Bank of China (PBOC), Ministry of Finance, National Development and Reform Commission (NDRC), Ministry of Environmental Protection (now, Ministry of Ecology and Environment), CBIRC (now, NAFR) and the China Securities Regulatory Commission (CSRC) jointly issued the Guidance Opinions on Building a Green Financial System, taking the lead in building the green financial system.

In July 2021, the PBOC, based on the experience of the pilot institutions, and drawing on the international mainstream methodology for climate and environmental information disclosure and in light of the characteristics of Chinese financial institutions, issued the Guidelines on Environmental Information Disclosure of Financial Institutions, which requires financial institutions to disclose their own environmental information, both quantitative and qualitative. According to the Guidelines on Environmental Information Disclosure of Financial Institutions, qualitative information includes environmental strategy, governance structure, environmental risk management strategy, and identification of major issues; and quantitative environmental information includes environmental benefits and environmental stress tests of their own operations and investment and financing activities.

It is CCB's vision to become a world-leading sustainable development bank. As such it has continued to strengthen its governance and delivered the necessary operating model to intensify its effort to manage and explore climate-related risks and opportunities.

In May 2021, CCB became a supporter of the TCFD. This demonstrated CCB's commitment to continuously improve its governance and disclosure quality of environmental and climate-related information according to the common TCFD information disclosure framework, so as to better align itself with the information disclosure systems of international financial enterprises and investment institutions and enhance capital markets' and rating agencies' understanding and recognition of CCB's efforts in ESG and green finance.

A high level summary of CCB Group's Governance can be found in the Governance Section of the 2025 CCB NZ Banking Group Climate Report.

A5. Adoption Provisions

In recognition that it may take time to develop the capability to produce high-quality climate-related disclosures, and that some disclosure requirements, by their nature, may require an exemption, NZ CS 2 Adoption of Aotearoa New Zealand Climate Standards provides a limited number of adoption provisions from the disclosure requirements in Aotearoa New Zealand Climate Standards.

The Bank has elected to use Adoption provision 4 and 8.

Name	Standard, section, and paragraph	CCB NZBG's Commentary
Adoption provision 2: Anticipated financial impacts	NZ CS 1 Anticipated financial impacts [Paragraph 15]	This exempts the Bank from disclosure requirement for the anticipated financial impacts of climate related risks and opportunities. Refer to strategy section for physical risk analysis and scenario analysis
Adoption provision 4: Scope 3 GHG emissions for selected categories	NZ CS 1 Metric categories [Paragraph 22]	Refer to Appendix 3 for the selected Scope 3 operational emissions sources that are not reported in 2025. This exemption is adopted for the purpose of full transparency, as the non-disclosed Scope 3 operational emissions are not expected to be material, given operational emissions makes up only 0.13% of the Bank's total emissions disclosed in 2025.
Adoption provision 8: Scope 3 GHG emissions assurance	NZ CS 1 [Paragraph 25] [Paragraph 26]	This exempts the Bank from obtaining assurance over its Scope 3 GHG emissions. The Bank has obtained reasonable assurance over its Scope 1 and 2 location-based operational GHG emissions and a limited assurance over some of its Scope 3 operational GHG emissions for 2025. No assurance was obtained on its Scope 3 financed emissions, disclosed in this report, for 2025.

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Independent assurance report to China Construction Bank Corporation

China Construction Bank Corporation New Zealand Banking Group (the "Group") comprises the New Zealand business of the China Construction Bank Corporation (incorporated in China and trading as China Construction Bank Corporation New Zealand Branch) and China Construction Bank (New Zealand) Limited.

Limited assurance conclusion Scope 3 GHG emissions (excluding Scope 3 Financed 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 the Group's consolidated gross scope 3 Greenhouse Gas ("GHG") emissions (excluding financed 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) included in the Climate Report for the year ended 31 December 2025 ("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).

Reasonable assurance opinion Scope 1 and Scope 2 (location-based only) GHG emissions

In our opinion, the Group's consolidated gross scope 1 and 2 (location-based only) GHG emissions, related additional required disclosures of gross GHG emissions and gross GHG emissions methods, assumptions and estimation uncertainty, within the scope of our reasonable assurance engagement (as outlined below) included within the Climate Statement for the year ended 31 December 2025, are fairly presented and prepared, in all material respects, in accordance with NZ CS issued by the XRB.

Scope

Ernst & Young Limited ("EY") has undertaken an assurance engagement, to issue a:

Limited assurance report on the Group's:
- Consolidated gross GHG emissions Scope 3 (excluding financed emissions) on page 32;
- Related additional requirements for the disclosure of consolidated GHG emissions on pages 52 to 54;
- Related GHG emissions methods, assumptions and estimation uncertainty on pages 52 to 54.

To issue a reasonable report on the Group's:
- Consolidated Gross GHG emissions:
  - Scope 1 on page 32;
  - Scope 2 (location-based but not market-based) on page 32;
- Related additional requirements for the disclosure of consolidated GHG emissions on pages 52 to 54;
- Related GHG emissions methods, assumptions and estimation uncertainty on pages 52 to 54.

included in the Climate Statement for the year ended 31 December 2025 (the "Subject Matter" or "GHG disclosures").

Our assurance engagement does not extend to any other information included, or referred to, in the Climate Statement on pages 1 to 51, 55 to 58 and page 62. We have not performed any assurance procedures with respect to the excluded information and, therefore, no conclusion is expressed on it.

Criteria applied by China Construction Bank Corporation New Zealand Banking Group

In preparing the GHG disclosures, the Group applied NZ CS (the "Criteria"). In applying the Criteria the methods and assumptions used are described on pages 52 to 54 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.

Directors of China Construction Bank Corporation responsibility

The Directors of China Construction Bank Corporation are responsible, on behalf of the Group for the preparation and fair presentation of the GHG disclosures in accordance with NZ CS. This responsibility includes establishing

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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 an 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 or reasonable 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 assurance conclusions.

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 financial statement and supplementary information audit and interim review services and other assurance related services to the Group. Partners and employees of our firm may deal with Group on normal terms within the ordinary course of trading activities of the business of 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

We have performed an engagement including both limited and reasonable assurance. 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 obtained in a reasonable assurance engagement. Our limited assurance procedures were designed to obtain a lower 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. Our limited assurance 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 limited assurance procedures included:

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- Obtaining, through inquiries, an understanding of Group'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 Group '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 Group 's estimates;
- Performing analytical procedures on particular emission categories by comparing the expected GHGs emitted to actual 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.

A reasonable assurance engagement involves performing procedures to obtain a higher level of evidence about the quantification of emissions and related information in the GHG disclosures. A reasonable assurance engagement also includes:

- Considering internal controls relevant to Group's preparation of the GHG disclosures.
- Assessing the suitability in the circumstances of Group's use of the Criteria;
- Evaluating the appropriateness of quantification methods and reporting policies used, and the reasonableness of estimates made by Group; and
- Evaluating the overall presentation 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 assurance 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 related to the periods ended 31 December 2021, 31 December 2022 and 31 December 2023 have not been subject to assurance.

Use of our assurance report

We disclaim any assumption of responsibility for any reliance on this assurance report to any persons other than Group, 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 Pip Best.

Ernst & Young Limited

Ernst & Young Limited
EY Building, 2 Takutai Square, Britomart, Auckland 1010
30 March 2026

Disclaimer

This report contains CCB NZBG's current assessment of the future climate-related risks and opportunities affecting parts of its business, as well as its current planning to address these risks. This process necessarily involves estimates, projections and assumptions about the future, which are inherently uncertain and are not forecasts of future performance. Forward-looking statements and commitments are based on CCB NZBG's reasonable understanding as at 31 December 2025 but incorporate limitations and assumptions that mean that future performance and actions may differ materially from this report. If CCB NZBG changes its assessment of the future climate-related risks and opportunities, it will not update this report, but will instead incorporate updates in future reports. This report provides early and indicative assessments that will improve over time as relevant data, including greenhouse gas emissions data, climate risk data, and customer data becomes available. Similarly, climate-related risk modelling and metrics are subject to a number of methodological and data-related limitations. As a result, readers should make their own assessments and not place undue reliance on this report. While CCB NZBG has taken all due care in preparing this report, it is necessarily limited in coverage and a summary only.


CCB
中国建设银行（新西兰）
China Construction Bank (New Zealand) Ltd.