

Sustainability Statement

ABOUT THIS STATEMENT

The financial year ended 31 March 2022 (“FY2022”) was another unprecedented period due to the ongoing COVID-19 pandemic, mitigated by the various schemes of vaccinations and boosters and challenged by several and stronger mutations of the virus. Despite this, we chose to focus on the positive aspects of life in the new normal as we transitioned to endemicity.

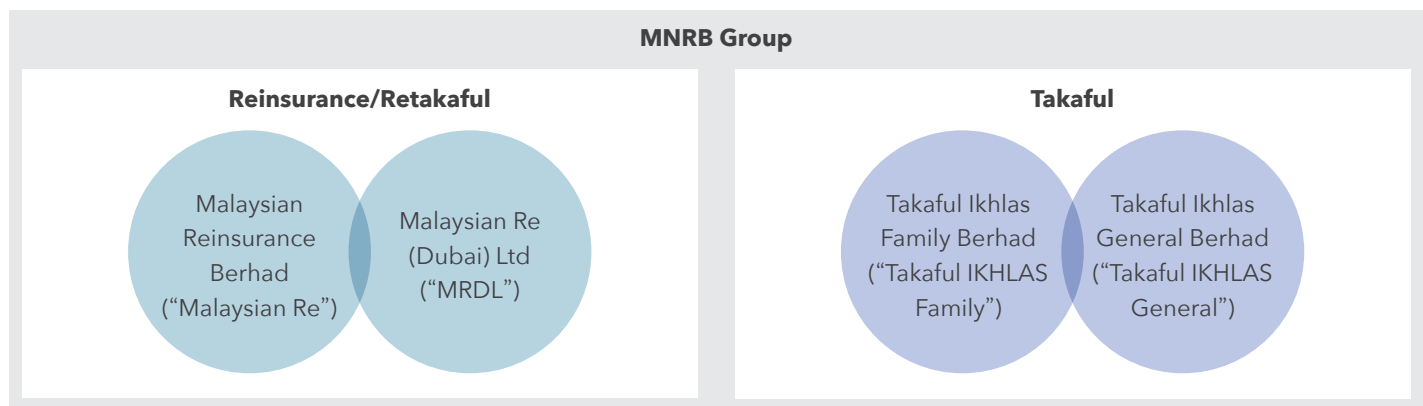
FY2022 also saw an increase in natural disasters, including the great Malaysian flood in December 2021 and several other events related to climate change. These resulted in casualties, displacements and damage that affected the lives and livelihoods of many.

The potential endemicity and increasing climate-related events have changed the landscape of many industries, including (re) insurance and (re)takaful. Thus, the MNRB Group aspires to continue seizing the opportunity to build a healthier, greener and more resilient economy and society. In continuing with our sustainability journey, the Group remains committed to balancing our economic performance with responsible environmental and social considerations across our entities. Our aim in our sustainability journey is to deliver sustainable performance and good stakeholder value while ensuring long-term value creation.

Scope

Our Sustainability Statement (“Statement”) serves to disclose the progress of our sustainability initiatives, performance and achievements in FY2022, centred on the sustainability matters that we determined to be important through an extensive materiality assessment exercise.

This Statement covers the operations of MNRB Holdings Berhad and its subsidiaries (collectively referred to as the “MNRB Group” or “we” or “our” or “us”). Our sustainability policy and reporting approach are guided by the Sustainability Reporting Guidelines and tool kits issued by Bursa Malaysia Securities Berhad (“Bursa Malaysia”). Where applicable, comparable information from previous years has been included.



The MNRB Group is in the business of providing financial protection and risk management solutions to our customers so that they can return to their lives and livelihoods, as well as their health and wealth, after experiencing adversity and calamity. As an extension of the economy, we seek to balance social responsibility with the aspiration of sustainable prosperity.

Sustainability Statement

The MNRB Group is involved largely with Shariah-compliant business through the Malaysian Re Retakaful Department (“MRRD”), the retakaful window within Malaysian Re, and the two Takaful IKHLAS entities. As a Shariah-compliant entity, the Group aligns our objectives with the Maqasid al-Shariah as we strive to deliver products and services that uphold *maslahah* (benefits) for and prevent *mafsadah* (harms) to all our stakeholders through our sustainability approach.

The term ‘Maqasid Shariah’ refers to the objectives and goals underlying the principles of Islam. The intended outcome of Maqasid Shariah is to provide a holistic perspective in the pursuit of universal well-being and the avoidance of harm. In simpler terms, Maqasid Shariah promotes the welfare of all humankind and prevents harm by preserving the Essentials of Shariah.

The Essentials of Shariah are deemed to be basic human rights and are necessary for each human being to live a decent life. The Essentials are the interests of each human being, and these interests are firmly protected by Islamic law. Anything threatening the interests of the Essentials should be avoided at all costs. There are five Essentials of Shariah:

<p>1 Protection of Faith</p>	<p>Safeguarding the fundamentals of faith that regulate people’s relationship with God Almighty and their relationships with each other. This includes upholding Islam as the official religion in Malaysia while allowing the practice of other religions, faiths and beliefs.</p>
<p>2 Protection of Life</p>	<p>Responsibility to protect, preserve and appreciate all living beings’ right to live, including society, flora and fauna.</p>
<p>3 Protection of Lineage</p>	<p>Protection of lineage includes safeguarding the right to develop a proper and safe environment for the protection of our offspring and to enable them to be raised in a noble and respectful manner.</p>
<p>4 Protection of Mind</p>	<p>Preserving the human intellect (mentally and spiritually) from all that is harmful to ensure the harmony of every living being, whereas an unsound mind is the source of afflictions and ailments.</p>
<p>5 Protection of Wealth</p>	<p>Ensuring the steps to acquire, accumulate, preserve, purify and distribute wealth are legal and beneficial to all, without oppression and persecution.</p>

Sustainability Statement

Sustainability Highlights

The following snapshots illustrate the highlights of our achievements during FY2022 as the MNRB Group pursued its sustainability journey.



ASEAN Green Energy Pool

- Malaysian Re led the ASEAN Reinsurance Working Committee (“ARWC”) to propose a key Sustainability initiative on Wind-farm/Green Energy Pool.
- The proposal is envisioned to draw participation from all ASEAN national reinsurers in the Wind-farm/ Green Energy Pool.



Protégé and Community Empowerment Initiatives

- Protégé-Employability programme for fresh graduates. The Group employed 40 trainees onboard by December 2021.
- MNRB Scholarship Fund – an ongoing contribution to community, currently providing financial assistance to our scholars.



Perlindungan Tenang (“PT”)

- Malaysian Re manages the Perlindungan Tenang Voucher (“PTV”) initiative to increase the insurance/ takaful inclusion particularly among B40 Group.
- Takaful IKHLAS had introduced our PT products and will expand the coverages to benefit more participants under the VBI offerings.



Customer Experience- Customer Journey Mapping (“CJM”)

- The CJM process identifies pain-points of customers engagement with Takaful IKHLAS and implement resolutions to the issues to improve customer experience.
- Good customer experience encourages continuous participation and ensure Financial Resilience of customers upon adverse event and business sustainability.



MNRB in FTSE4Good

- Sustainability investing elements via FTSE Russell’s methodology had embedded Biodiversity, Climate Change, Pollution & Resources, Supply Chain and Water Use in the Environment assessment.
- MNRB Holdings was added into F4GBM Index in June 2021.



IKHLAS Barakah House (“IBH”)

- IBH is a Shariah compliant platform to pool funds from various sources and to deliver positive and sustainable impact through impactful initiatives that benefit the society.
- IBH is a transition from the original IKHLAS Charity Fund, established in sync with the Value-Based Intermediation for Takaful (“VBiT”) initiatives.



Group Office Transformation (“GOT”)

- Malaysian Re undertakes the GOT with a pilot initiative for the relocation of Takaful IKHLAS General to newly-designed office which promotes environmental and economic sustainability.
- The Hybrid Working Arrangement (HWA) which supports the GOT initiative promotes employees’ life-work balance towards enhanced productivity.



Digital and Innovation Initiatives

- Digital and Innovation strengthen digital ecosystem towards more environmentally friendly results – reduce printing and paper usage, improve connectivity and collaborations, etc.
- Reflects good governance and customer experience with data reliability and info accuracy.
- Enhance staff empowerment in reducing manual work and ensuring seamless process.

Additionally, in FY2022, despite the challenges posed by the pandemic, there was a 3.0% increase in the total of in-force participants who contributed to the Family and General Takaful funds compared to the previous year. Of the total participants, 78.0% were contributors to the General Takaful fund and the balance were contributors to the Family Takaful funds.

Sustainability Statement

Over the same period, our takaful participants cooperated with and assisted their fellow participants who were in need. Takaful IKHLAS facilitated the settlement of the various claims that benefited our affected participants and enabled them to return to their normal lives and livelihoods and recover from the adversities they faced. These included:

- **Death & PA Claims:** In FY2022, Takaful IKHLAS paid an amount of RM171.7 million for death claims, assisting 6,888 families in recovering from the loss of loved ones.
- **Motor Claims:** During the year, Takaful IKHLAS settled an amount of RM144.9 million to alleviate the hardships of 33,000 participants involved in motor vehicle accidents.
- **Fire Claims:** During the same period, an amount of RM51.1 million was disbursed to 4,305 participants, which helped business owners and individuals to recover from fire and flood losses.

We also shared a portion of the surplus arising from the positive balance of our Takaful Risk Funds with eligible participants, based on the provisions of our Surplus Management Policy. Takaful IKHLAS General provided RM5.7 million of surplus distribution to 210,238 participants in FY2020 and RM5.1 million to 198,253 participants in FY2021. Meanwhile, Takaful IKHLAS Family distributed RM6.8 million of surplus to 854,948 eligible certificate holders in FY2020.

CONTINUING OUR SUSTAINABILITY JOURNEY

We believe that the sustainability of our business also contributes to our ability to identify and address environmental, social, governance and economic sustainability issues, which represent the risks and opportunities relevant to our business. During FY2022, we further transformed our sustainability journey to include the value-based intermediation agenda as propagated by Bank Negara Malaysia (“BNM”) and Malaysian Takaful Association (“MTA”).

Our enhanced Group Sustainability Policy further embeds references to relevant guidelines, guidance notes and good practices, including the update to the Malaysian Code on Corporate Governance (“MCCG”), which enhances Board leadership and oversight towards the integration of sustainability considerations.

We continue to adopt the United Nations’ Sustainable Development Goals (“UN SDGs”) as a guide for our Sustainability Approach, as we implement our sustainability agenda around the key themes of:

1 ‘Embracing a Sustainable Future’ through:

- Fortifying the financial resilience of our stakeholders and strengthening our self-governance;
- Understanding our customer’s expectations and facilitating excellent customer experience;
- Adapting technological innovation to enhance operational efficiency, strengthen business analytics, boost the reliability of our products and services and enrich customer experience;
- Providing specialised products and services for various segments of the market;
- Building long-term and mutually beneficial collaborations with valuable partners to expand our takaful outreach and ensuring the sustainability of the insurance and takaful ecosystem;
- Strengthening IT systems and protecting the confidential information of our stakeholders; and
- Upholding best practice corporate governance across the MNRB Group.

2 ‘Empowering Our People’ via:

- Engaging with and nurturing our talents through continuous training, professional development and succession planning programmes; and
- Fostering the growth and professionalism of the local insurance and takaful industry through market training and scholarship programmes.

3 ‘Enriching Our Community’ by:

- Contributing to the enhancement of the well-being of our communities through corporate social responsibility and value-based intermediation programmes; and
- Continuously mitigating environmental impacts arising from our business operations.

Sustainability Statement

Sustainability Approach

The MNRB Group approaches our sustainability roadmap in alignment with the recommendations of the UN SDGs, BNM's Value-Based Intermediation and MTA's Value-Based Intermediation for Takaful Framework.

Value-Based Intermediation ("VBI") is an intermediation function that aims **to deliver the intended outcomes of Shariah** through practices, conduct and offerings that generate positive and sustainable impacts on the economy, community and environment, consistent with shareholders' sustainable returns and long-term interests. The VBI's intended outcomes of Shariah focus on the enhancement of the well-being of the people through the preservation of wealth, faith, lives, posterity and intellect. In the context of Islamic financial business, the preservation of wealth goes beyond its literal meaning since it includes encouragement to generate, accumulate and distribute the wealth in a just and fair manner.

Value-Based Intermediation for Takaful ("VBiT") aims **to deliver the intended objectives of Shariah** through best practices, conduct and offerings that generate positive and sustainable impacts on the economy, the community and the environment, consistent with shareholders' sustainable returns and long-term interests. The ultimate intended outcome of implementing the VBiT agenda is to achieve Maqasid Shariah, within the ideals of economy, community and environment.



Sustainability Underpinning Thrusts

The MNRB Group has committed to the following underpinning thrusts to guide sustainability adoption across the Group to create positive value and sustainable impacts for our stakeholders.

UNDERPINNING THRUSTS			
<p>Financial Resilience</p> <p>We are in the business of facilitating customers to be financially resilient, to withstand events that impact individual or business income and/or the value of assets or properties.</p> <p>The sustainability agenda is critical to ensure that the long-term financial stability and prosperity objectives are achieved.</p>	<p>Community Empowerment</p> <p>We focus on empowering our employees via capability-building and talent upskilling to enhance their professionalism and resilience in managing their roles and responsibilities, at work, at home and in their community. We extend this to the industry's talents as part of ensuring the sustainability of the industry.</p> <p>Our sustainability agenda extends the support to elevate community empowerment via relevant products and value-based offerings to individuals within the communities, which will improve socio-economic positions.</p>	<p>Good Self-Governance</p> <p>We embrace good self-governance practices with the ability to effectively exercise all necessary functions of regulation without dependence on intervention by any external authority.</p>	<p>Best Conduct</p> <p>We aspire to adopt best conduct practices based on a set of prescribed guidelines or ethical principles that represent the prudent and effective course of action in any given situation with the clear purpose of bringing value to all our stakeholders.</p> <p>The best conduct practices shall be guided by the principle of doing the right thing, in the right way, with the right people, which will then lead to the best results.</p>

Sustainability Statement

Implementation Strategy and Practices

The MNRB Group aligns our sustainability implementation approach with the United Nations Environment Programme Finance Initiative Principles of Sustainable Insurance (“UNEP PSI”), whereby all activities in the takaful and reinsurance/retakaful value chain, including interactions with stakeholders, are conducted in a responsible and forward-looking manner by identifying, assessing, managing and monitoring risks and opportunities associated with environmental, social and governance issues. This aims to reduce risk, develop innovative solutions, improve business performance and contribute to environmental, social and economic sustainability.

We portray our commitment to delivering sustainability propositions in our corporate and business activities through the Corporate Value Intent (“CVI”). The CVI integrates the sustainability underpinning thrusts into our business operations, practices, conduct and offerings. This forms the basis for the formulation of all business strategies, operational models and corresponding policies established for managing the business.

Sustainability Roadmap

Our Sustainability Roadmap demonstrates the ongoing progress of our sustainability implementation action plan. For FY2022, the following actions were undertaken:

Group Sustainability Policy

The Group Sustainability Policy was enhanced to integrate considerations and implementation approaches recommended by several guidelines and best practice documents.

The Policy highlights the Group’s recognition of the sustainability impacts of our business operations and thus focuses our activities on four key impact areas, namely Environment, Social, Governance and Economic sustainability.

The Policy adopts four underpinning thrusts, namely Financial Resilience, Community Empowerment, Good Self-Governance and Best Conduct, to guide sustainability adoption across the Group to create positive value and sustainable impacts for our respective stakeholders.

Integration of Sustainability Guidelines and Practices

During FY2022, the MNRB Group commenced the integration of sustainability initiatives into corporate and business operation activities. For this, we mainly aligned the integration with the recommendations of the UNEP PSI, summarised as follows:

- Principle 1:** We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.
- Principle 2:** We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risks and develop solutions.
- Principle 3:** We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.
- Principle 4:** We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.

In FY2022, the focus of the sustainability integration activities was on Principle 1, and this will be an ongoing objective of our sustainability journey.

Moving forward, we aspire to capture further integration based on the UNEP PSI recommendations and to enhance our sustainability disclosures in alignment with the recommendations of the VBiT and the Task Force on Climate-Related Financial Disclosures (“TCFD”).

Sustainability Statement

SUSTAINABILITY GOVERNANCE

The MNRB Group’s sustainability strategy and performance are continuously overseen by the Board of Directors and reinforced by the Risk Management Committee of the Board (“RMCB”), the Group Shariah Committee (“GSC”), the Group Management for Risk and Compliance Committee (“GMRCC”) and the Sustainability Working Group (“SWG”). The membership and responsibilities of the SWG are set out in our SWG Terms of Reference.

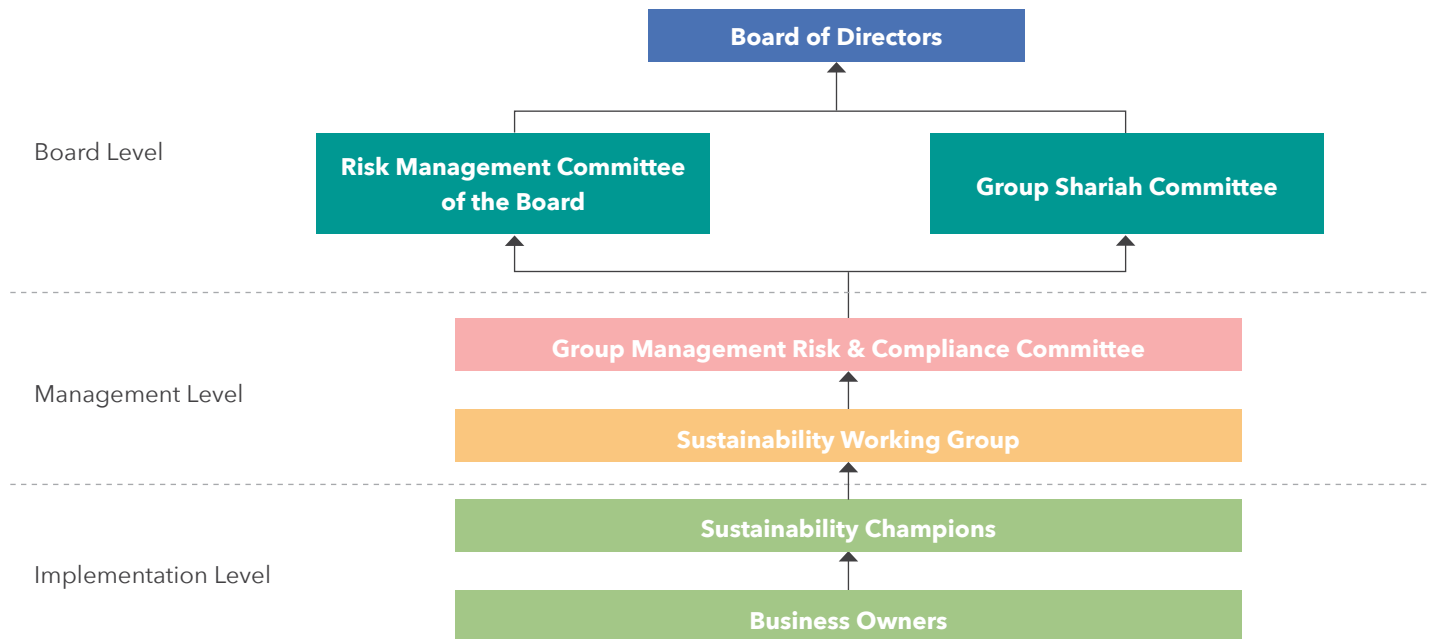


Diagram 1: Sustainability Governance

Roles and Responsibilities

Board of Directors

Accountable for the overall management of our corporate strategy and performance, considering the EES impacts relating to business operations.

Risk Management Committee of the Board

Oversees the delegation of duties by the Board relating to the implementation of strategies and overall management of sustainability matters.

Group Shariah Committee

Oversees the delegation of duties by the Board relating to the Shariah aspects of the implementation of strategies.

Group Management Risk & Compliance Committee

Assists the RMCB and Board in monitoring the implementation of strategies and oversees the process of identification, monitoring and management of sustainability matters.

Sustainability Working Group

Responsible for the identification of material sustainability matters, as well as for monitoring and reporting relevant measures and indicators, based on support provided by sustainability champions across various departments. The SWG provides progress updates on sustainability performance to the GMRCC and RMCB periodically.

Sustainability Champions

Identified catalysts of the sustainability integration effort, to align and coordinate commercial and operational activities with sustainability objectives.

Sustainability Statement

SUSTAINABILITY MATERIALITY ASSESSMENT

The Group continues to adopt a structured approach to sustainability materiality assessment as recommended by the Bursa Malaysia Sustainability Reporting Guide. Over the course of FY2022, we performed an annual evaluation of our business conditions and reviewed our sustainability materiality assessment.

Our four-step approach to harmonising business needs with stakeholders' interests is summarised in **Diagram 2** below. Our aim is to annually evaluate our business conditions and decide whether to review our materiality assessment process.

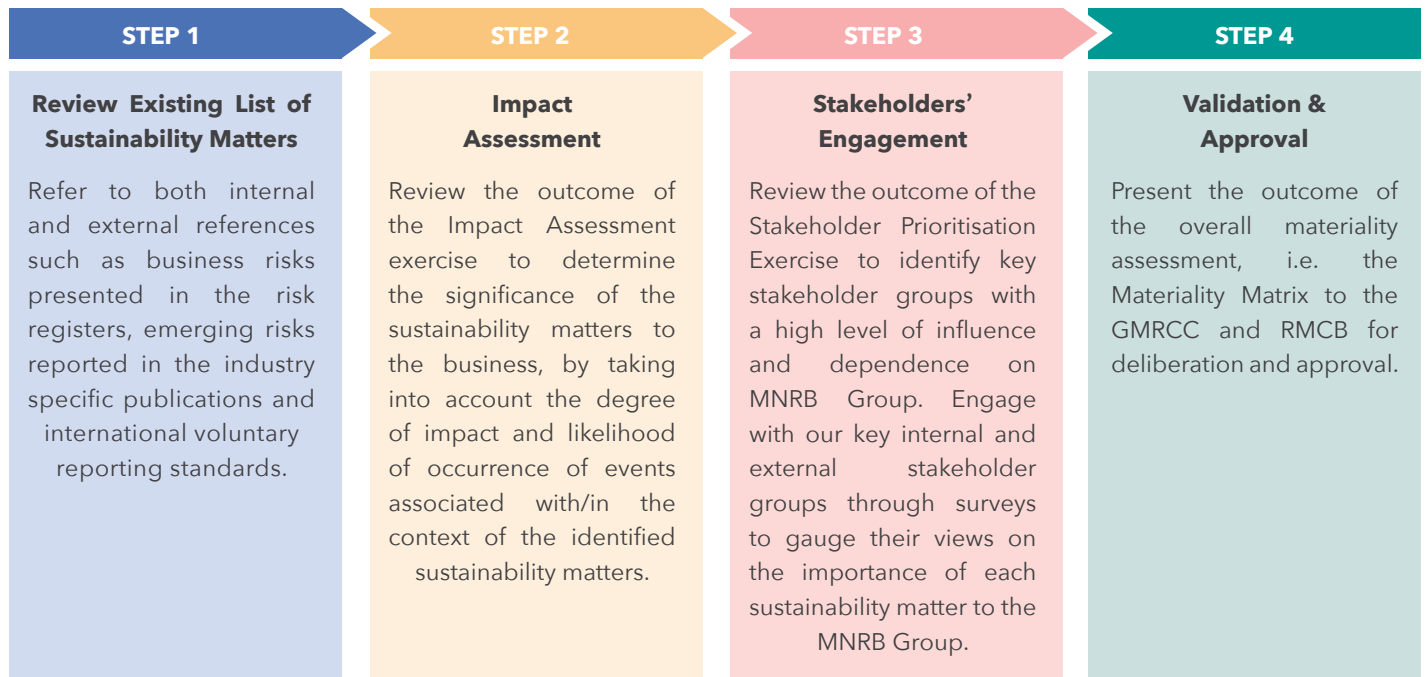


Diagram 2: Materiality Assessment Process

Stakeholder Prioritisation

The MNRB Group identified 11 key stakeholder groups that influence and are influenced by our value creation activities. The consideration of key stakeholder groups is reviewed every two to three years or upon significant changes to our business strategies. The last stakeholder prioritisation exercise was conducted in FY2021, and we decided to maintain the current stakeholder groups as their influence is still relevant to our current business position.

Sustainability Statement

The stakeholder prioritisation is as portrayed in the matrix in **Diagram 3** below. The Board of Directors, Regulators/Government Bodies, Investors/Shareholders, Agents, Employees and Clients are perceived as key stakeholder groups with a high level of influence and dependence on the MNRB Group.

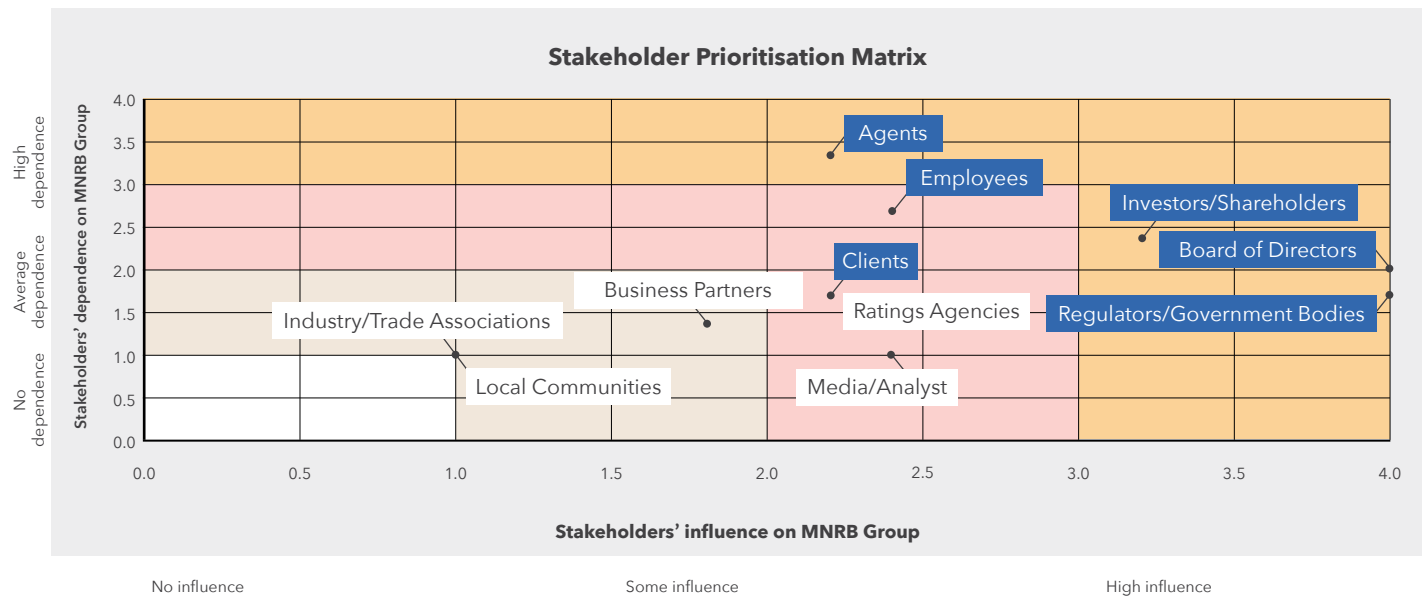


Diagram 3: Stakeholder Prioritisation Matrix

Sustainability Materiality Assessment

For FY2022, we maintained the prevailing 10 sustainability matters as they were still relevant. These were considered in the review of our materiality assessment, which resulted in several changes as illustrated in the table below.

CURRENT	RANK	PREVIOUS
Customer Satisfaction	1	Customer Satisfaction
Developing Talents	2	Technological Innovation
Responsible Products & Services	3	Responsible Products & Services
Business Ethics & Corporate Governance	4	Value-Based Collaboration
Technological Innovation	5	Developing Talents
Cybersecurity	6	Cybersecurity
Responsible Investment	7	Business Ethics & Corporate Governance
Value-Based Collaboration	8	Environmental Management
Environmental Management	9	Responsible Investment
Community Development	10	Community Development

Sustainability Statement

Diagram 4 below illustrates our Materiality Matrix. **Customer Satisfaction, Developing Talents, Responsible Products & Services, Business Ethics & Corporate Governance, Technological Innovation, Cybersecurity and Responsible Investment** are our top seven material sustainability matters that are of high importance to our stakeholders and business. The efforts to manage and monitor the MNRB Group’s performance in these areas are discussed in the subsequent sections of our Statement.

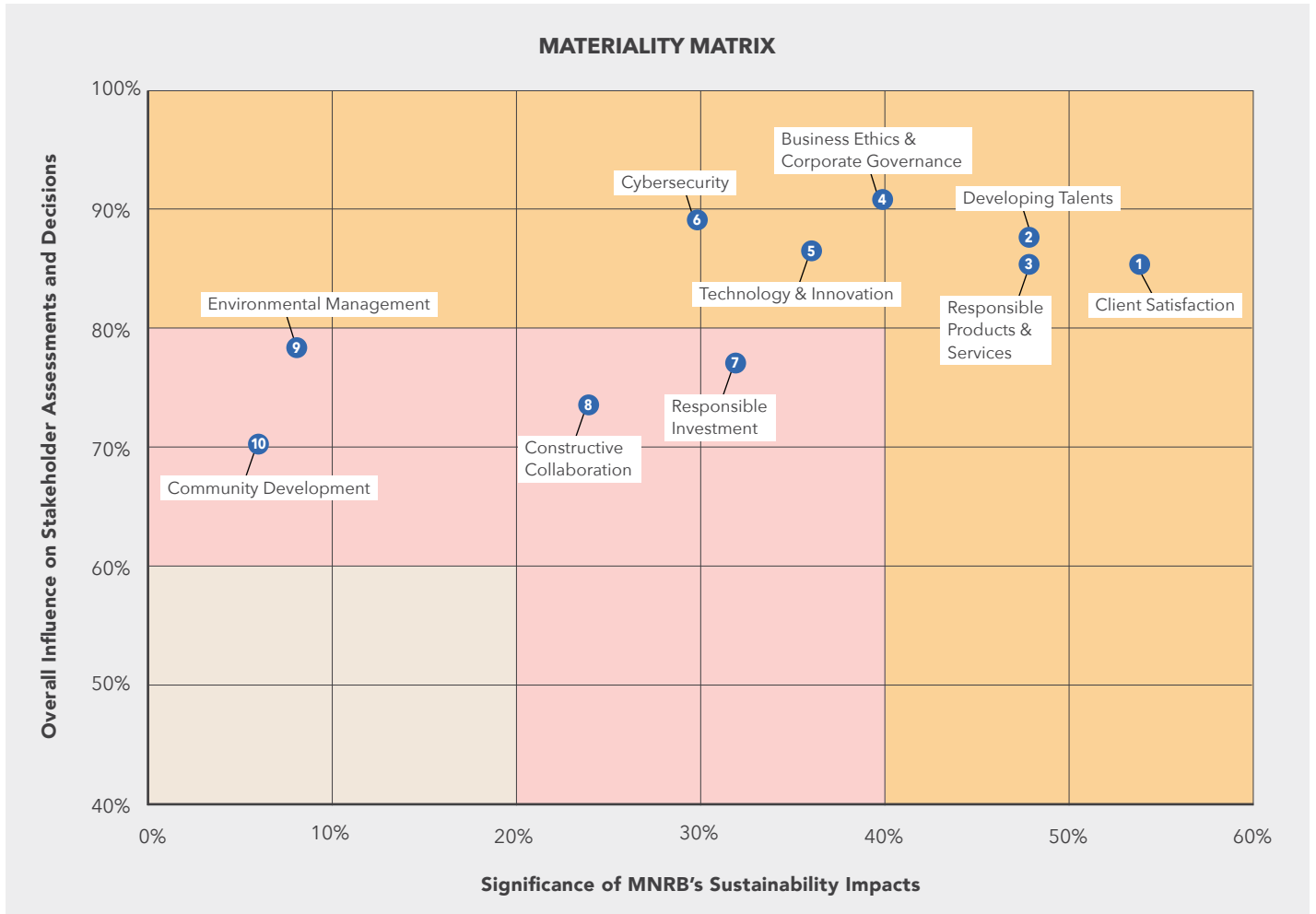
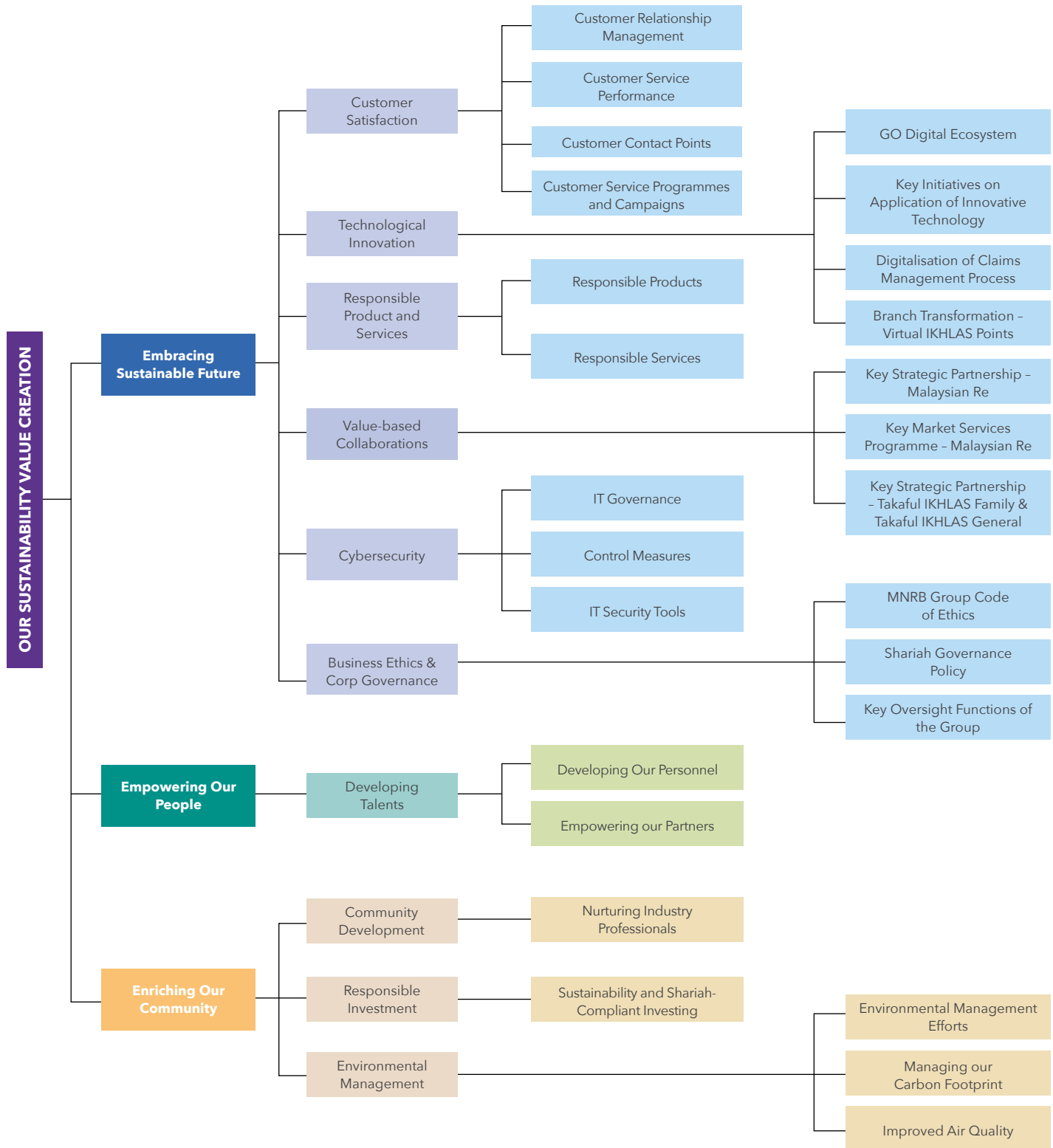


Diagram 4: Materiality Matrix

Sustainability Statement

OUR SUSTAINABILITY VALUE CREATION

The overall view of our Sustainability Value Creation is illustrated below:



EMBRACING A SUSTAINABLE FUTURE

1 Customer Satisfaction



People



Process



Platform



We strive to deliver an excellent customer experience as we progress with our business growth and long-term sustainability objectives. We endeavour to continue to be responsible and responsive in providing solutions that cater to our customers’ specific needs, including enhancing the value of the products and services we provide to our customers.

Customer Relationship Management

We treat customer satisfaction as an essential business factor via a dedicated Customer Relationship Management (“CRM”) function within Malaysian Re and Takaful IKHLAS to attend to our customers’ needs. For Takaful IKHLAS, enriching our customer experience is further strengthened by a single Customer Experience Management (“CXM”) platform that provides an omni-brand experience at common customer touchpoints. We engage with our customers and stakeholders to better understand their expectations and improve customer experience.

Client touch-points across the MNRB Group



Branch Offices



Customer Call Center



Email & Social Media

Other technological solutions used to enhance client interaction

Malaysian Re - Customer Relationship Management System

A centralised customer management system deployed in Malaysian Re to facilitate customer data management while enabling the company to identify and address clients’ needs in a more targeted manner.

At Malaysian Re, the Customer Relationship Management (“CRM”) system has enabled the company to centralise its management of customer information and track customer relationship interactions relating to business development since its implementation a few years ago. It fosters strong relationships with customers and a better understanding of their needs on a broader basis.

Takaful IKHLAS - Online Customer Account (“OCA”) & Call Management System (“CMS”)

An improved customer engagement system that helps Takaful IKHLAS to increase its touchpoints for client interaction.

At Takaful IKHLAS, our Customer Service Charter serves as key guidance in building lifelong relationships with our customers through positive customer experience. We endeavour to provide the requisite updates to enquiries and promptly address any complaints within our targeted turnaround time. Our complaints handling procedure is based on BNM’s Complaints Handling Guideline.

Sustainability Statement

We continued our efforts to implement relevant awareness programmes for internal stakeholders and takaful participants, in line with BNM's Policy Document on Fair Treatment of Financial Consumers ("FTFC"). We aim to continuously uphold the FTFC's objectives to inculcate high standards of responsibility and professionalism in our business conduct, promote a culture where the interests of financial consumers are an integral part of our business strategies and operations, effectively manage our risk and provide confidence that we will always act fairly in our dealings with our customers.

Over the years, we have continued to incorporate our customers' feedback into the enhancement of our offerings to provide solutions that meet their needs. We believe that seamless customer experience is the main motivation that will drive customer loyalty and ultimately, purchasing decisions.

Customer Service Performance

- i) The following table highlights the performance outcomes relating to the effectiveness of customer service at Takaful IKHLAS over the three-year financial period from FY2020 to FY2022.

COMPANY	ACTUAL TURNAROUND TIME ("TAT")			CORRECTIVE MEASURES TAKEN			REMARKS
	FY2020	FY2021	FY2022	FY2020	FY2021	FY2022	
Takaful IKHLAS Family	14 Days	14 Days	14 Days	15 Days	14 Days	13 Days	Close monitoring and follow-up with complaint handlers contributed towards better TAT
Takaful IKHLAS General	14 Days	14 Days	14 Days	5 Days	4 Days	4 Days	

Note:

The 12-month reporting period covered the months of April to March.

- ii) The following table highlights the number of customer complaints received and resolved at Takaful IKHLAS over the three-year financial period from FY2020 to FY2022.

COMPANY	NUMBER OF COMPLAINTS RECEIVED			NUMBER OF COMPLAINTS RESOLVED			REMARKS
	FY2020	FY2021	FY2022	FY2020	FY2021	FY2022	
Takaful IKHLAS Family	105	143	62	100% resolved	100% resolved	100% resolved	We started to record First Contact Resolution ("FCR") complaints cases with effect from January 2020, hence the significant increase of complaints recorded in FY2021 as compared to FY2020.
Takaful IKHLAS General	61	61	29	100% resolved	100% resolved	100% resolved	A significant reduction in the number of complaints cases in FY2022 as the result of an improved complaints handling process and close monitoring by the oversight team and Senior Management.

Notes:

a. The 12-month reporting period covered the months of April to March.

b. Customer complaints were recorded during the reporting period and resolved within the TAT.

Sustainability Statement

Customer Contact Points

During the year under review, as everyone adjusted to the routine of the Movement Control Order (“MCO”), Takaful IKHLAS continued reaching out to customers and the public, mainly via frequent updates on our enhanced website and social media platforms. Information on Takaful IKHLAS’ products and services are available at www.takaful-ikhlas.com.my and we are accessible anytime via email at ikhlascare@takaful-ikhlas.com.my. These platforms also provide public service announcements on safety, health and well-being promotions to encourage customers to perform online transactions, as well as customer touchpoints and support. As we enhance our web functionalities, we expand our customer outreach and enable a smoother and more efficient customer journey. These form part of our endeavours towards creating better customer experiences.

In enhancing accessibility to our contact centres, Takaful IKHLAS has deployed a softphone capability to enhance our contact centre personnel’s mobility while managing our service continuity. This capability is integrated into our hybrid working policy. Meanwhile, for branch counter services, our key branches remained open throughout the various phases of the MCO, albeit with reduced capacity at times, to manage business accessibility and continuity while protecting the safety and health of our branch personnel. We also enhanced the Financial Process Exchange (“FPX”) for Business-to-Business (“B2B”) payment gateway, enabling corporate customers to make contribution payments online.

Furthermore, Takaful IKHLAS Family continued to provide Online Customer Account (“OCA”) facilities to its participants, enabling them to access their certificate information at their convenience. The OCA includes Investment-Linked Takaful Statements that have been made available online for reference or enquiry.

Customer Service Programmes and Campaigns

In addition, during the period under review, various programmes and campaigns were initiated as forms of relief measures for customers affected by the pandemic. These included:

- **Takaful IKHLAS Relief: #weprotecteveryone campaign**, which extended complimentary death benefits to all IKHLAS Motor Takaful, Fire Takaful and Personal Accident (“PA”) Takaful participants, including Group PA Takaful participants, during the period 1 February 2021 to 31 July 2021. Benefits were valid for all claims lodged with the company by 31 January 2022.

- **COVID-19 Takaful Contribution Deferment Programme** for Family Takaful, Medical and Investment-linked certificates, which has been further extended to 31 December 2022.

Additionally, Takaful IKHLAS General embarked on the Virtual Interactive Process (“VIP”) in managing flood claims that arose during the monsoon season from November 2021 to March 2022. The VIP allowed the assessment of claims for House Owner/Householder and Home Protect Takaful certificates to be made via a virtual platform. An adjuster was assigned and a claim assessment was made within 24 hours from notification and immediate approval could be granted for cases up to RM10,000. Takaful IKHLAS General customers were able to get their flood claims paid within three days. The fast and fair claims services for our customers after a natural disaster helped to provide a form of financial relief in facing adversity and distress.

Takaful IKHLAS General further extended its assistance to customers affected by the flood through the Bantuan IKHLAS Supreme (“BIS”) programme. Customers who subscribed to the BIS programme are entitled to claim an Inconvenience Allowance of RM500, for flood damage suffered to the covered vehicle.

Sustainability Statement

2 Technological Innovation



The MNRB Group recognises that digitalisation provides a powerful impetus to achieving our sustainability goals. Despite the challenges in balancing both approaches, digital transformation can bring us not only commercial gains, but also contribute to positive social and environmental impacts.

Our commitment is reflected via the establishment of the Digital and Innovation Department, which is responsible for delivering Group-wide digital and innovative solutions to increase our revenue, optimise our expenses and enhance our customers' and partners' experiences, as well as our digital branding.

Continuous efforts have been undertaken for the implementation of digital applications across web and mobile platforms for our customers and partners, including the enhancement of our Web Transactional Portal ("WTP") and the development of the Partners Application Programming Interface ("API") Portal.

We continue to work on various Robotic Process Automation ("RPA") projects to further improve our back-office operational efficiency, including our claims management and operation processes.

We are also intensifying our efforts to increase access to our product offerings via online channels and mobile applications,

supported by comprehensive security measures to ensure that our customers are fairly treated and appropriately protected.

GO Digital Ecosystem

In line with our increasing digitalisation efforts, the Digital and Innovation team successfully built a digital ecosystem to enhance the connectivity of our takaful offerings. The digital ecosystem, known as GO by Takaful IKHLAS, was launched in 2021 to enable the introduction of new bionic agents to and the digitalisation of products for the in-house-built API-based applications.

GO by Takaful IKHLAS was built with a focus on five functions:

- GO Partner, to enable functionalities for digital agents;
- GO Serve, for online customers' and agents' services, including claims management and payments;
- GO Direct, to serve online takaful participants;
- GO Connect, which is an open API platform for integration with digital partners; and
- GO Financial, which is a digital platform to serve our bancatakaful sales and services.

Key Initiatives in the Application of Innovative Technology

Key initiatives to improve operational efficiency through the application of innovative technology include:

MNRB GROUP

Robotic Process Automation ("RPA")

So far, more than 20 RPA projects have been implemented across the Group.

This business process automation technology has managed to improve our employees' productivity, increase efficiency and reduce turnaround times, which in turn have enhanced customer experience.

Corporate Websites Revamp

The MNRB and Malaysian Re corporate websites underwent a complete revamp in November 2021. The new look provides a more relevant and comprehensive website layout, with content to better serve the target audience of the companies.

This was followed by a revamp of the Takaful IKHLAS website, with the aim of providing a better customer experience relating to comprehensive product information, straight-through online processing, e-Claims functionalities, a chatbot, etc. The website's modern and fresh look and feel will increase appeal and access to Takaful IKHLAS' products and services.

Ready Skill Programme ("RSP")

As technology skills are increasingly critical, this ongoing technology capability enhancement programme will empower our employees through the use of digital tools, subsequently boosting their performance and customer service.

Sustainability Statement

MALAYSIAN RE:

AIR Worldwide CAT Modelling Tool	<p>Implemented in September 2021, this internal real-time tool to track catastrophe risk exposures allows the company to have its own view of catastrophe risk instead of relying on brokers' results.</p> <p>Its ability to identify the amount of exposure contributed by each cedant allows the underwriters to better manage their portfolios.</p>
Business-to-Business Integration with Global Reinsurance & Large Commercial ("GRLC") Standards	<p>Implemented in March 2022, this initiative will improve the company's premium recognition and claims management, indirectly helping to attract key brokers.</p> <p>The digitalised integration will also improve communication and smoothen the transaction flow between Malaysian Re and brokers' integration, at the same time increasing its operational efficiency and reducing turnaround times</p> <p>As part of our efforts to further improve our premium recognition, claims management and data quality, this initiative aims to expand our presence in the industry as a Digital Reinsurer with ACORD Standards, while increasing our efficiency in resource management and being more client-focused via mitigated reconciliation.</p>
RPA for Claims Management	<p>The digitalisation of the Claims Management Process Workflow was implemented in October 2021.</p> <p>The RPA enables automatic updates of outstanding loss reserves received via the Claims Management Unit to the core system. This will relieve staff from handling manual work and ensure data accuracy.</p>

TAKAFUL IKHLAS FAMILY:

GO Prime Mobile Application for e-Submission	<p>GO Prime is the replacement for the current Takaful IKHLAS' i-Smart front-end application, aimed at enhancing the ability of the company's agents and bancatakaful distributors to leverage mobile platforms to facilitate paperless new business sales and the submission process.</p> <p>The application, which is equipped with online payment functionality, will maximise the intermediaries' mobility by enabling the generation of quotations and sales illustrations via direct e-submission at the point of sale.</p> <p>GO Prime is also integrated with our back-office system, which will improve the turnaround time of the certificate acceptance process.</p>
Partners Portal Enhancement	<p>In addition to its current function, i.e. to monitor proposal submissions, manage certificate contributions and act as a medium of communication with our agents, this newly enhanced self-service portal is now more user-friendly.</p> <p>It provides a direct linkage to quotations and sales illustrations, generates sales analyses, income tax statements and correspondence and enables online underwriting and approvals.</p>

Sustainability Statement

TAKAFUL IKHLAS GENERAL:

General Takaful System Re-engineering (“GTSR”)	<p>The GTSR programme completed Phase 1 of its implementation in February 2022 and is continuing with Phase 2.</p> <p>Upon completion, the programme will improve Takaful IKHLAS General’s overall core system performance with additional functionalities to support the operations and marketing teams in being more agile in expanding the business. The embedded process automation will expedite the management of their day-to-day operational activities.</p>
Intermediary Digital Suite	<p>The Intermediary Digital Suite was implemented in October 2021. These all-in-one digital applications will enhance the service level of Takaful IKHLAS General’s agents by facilitating their business process, from creating quotations to providing digital claims services to their customers.</p>
Partners API Portal	<p>This first open API portal for the Takaful industry in Malaysia provides easy access to digital partners to distribute Takaful IKHLAS’ products and services within their platforms using API integration.</p> <p>Implemented in October 2021, the portal offers hassle-free digital partners’ onboarding and API integration within a single web platform.</p>

Additionally, during the year, we initiated the first phase of Machine Learning in Pricing for a better understanding of customer behaviour, which will lead to better pricing and product offerings. Further efforts in Machine Learning for Reserving were also undertaken to improve reserving accuracy and efficiency. This has also equipped our talents with enhanced skill sets.

Digitalisation of Claims Management Process

Our claims departments at Takaful IKHLAS General and Takaful IKHLAS Family have also embarked on RPA for Windscreen, Own Damage Vehicles and Hospitalisation Income Benefit claims. This end-to-end automation has improved our claims settlement process and turnaround time (“TAT”), subsequently improving customer satisfaction as well as staff productivity and efficiency.

At Takaful IKHLAS Family, the TAT of its claims settlement process has been reduced from 10 working days to 48 hours. This has improved Takaful IKHLAS Family’s Net Promoter Score (“NPS”) and contributed to an increasing trend in the customer satisfaction index. More than 80.0% of Takaful IKHLAS Family customers have rated the claims process as ‘Good to Excellent’.

At Takaful IKHLAS General, the implementation of RPA has reduced the claim approval process for Windscreen and Own

Damage claims with estimates not exceeding RM5,000 from three working days to 24 hours. The RPA for the Flood Virtual Interactive Process (“VIP”) for cases below RM10,000 has reduced the normal TAT of seven days to 24 hours. This has resulted in:

- 96.0% of Windscreen claims being approved within 24 hours
- 88.0% of Own Damage claims with estimates not exceeding RM5,000 being approved within 24 hours
- 97.0% of Flood-VIP claims being approved within 24 hours.

Branch Transformation - Virtual IKHLAS Points

During the year, under the Branch Transformation project, Takaful IKHLAS General embarked on virtual branch expansion. The establishment of Virtual IKHLAS Points expanded our outreach to agents and customers via non-physical branches. Currently, our Virtual IKHLAS Points are located in Temerloh in Pahang, Penang and Manjung in Perak, as well as Batu Pahat and Segamat in Johor. This digital presence provides flexibility that will improve the accessibility and personalised experience of our customers.

We will continue our journey towards delivering positive impacts to our community and environment via technological innovation by embracing new technologies such as cloud computing, machine learning and artificial intelligence for both our front-end applications and back-end operations.

Sustainability Statement

3 Responsible Products and Services



People



Process



Platform



In line with our Vision of 'We Protect Everyone', we continue to provide reinsurance, retakaful and takaful solutions that protect our customers against emerging economic, environmental and social risks. From a sustainability perspective, emphasis is given to risks that relate to climate change and the financial protection of underserved and unserved groups. We view responsible products and services as takaful, reinsurance and retakaful solutions that effectively tackle the economic, environmental and social challenges faced by our stakeholders.

Responsible Products

Our comprehensive Underwriting Guidelines and Product Management Framework serve as the standards in the design and development of our products and services, including the offerings that address economic and environmental impacts

on various stakeholders, especially those on underserved and unserved segments of the population.

Our Product Pricing Policy provides a comprehensive guideline to ensure fairness to our participants in the pricing of our products and considers the updates in actual exposures and experience. We monitor the actual experience of the takaful funds using the mechanism of the Tabarru' Utilisation Ratio ("TUR"), which measures the utilisation of takaful funds towards the settlement of claims and benefits. The TUR indicates that the pricing of products is commensurate with the risks shared by the pool of participants in the takaful funds while ensuring the solvency and sustainability of funds to continuously serve the participants in times of need.

Our efforts in providing products of value include:

AFFORDABLE TAKAFUL PRODUCTS

1. **Agro Madani:**
Affordable Group Term Takaful ("GTT") and Group Personal Accident ("GPA"), specifically for Agrobank customers.
2. **Takaful Prihatin:**
Affordable GTT for business owners.
3. **Takaful Amani Plus:**
Affordable GTT and GPA, specifically for Bank Rakyat customers.
4. **IKHLAS Basic Term Takaful:**
Affordable Term Takaful.
5. **IKHLAS Value Term Takaful:**
Affordable Term Takaful.
6. **IKHLAS Motor Comprehensive Plus Takaful:**
An affordable and comprehensive motor takaful plan.
7. **IKHLAS Home Protect Takaful:**
Affordable and comprehensive coverage designed for homeowners.

PRODUCTS FOR SPECIALISED COMMUNITIES

8. **Agro Mabru-i:**
A GTT product that provides coverage for the underserved segment qualified under Perlindungan Tenang.
9. **IKHLAS Bus Safe Ride:**
Provides travel protection for bus passengers during their journey.
10. **Agro Nurani:**
GTT and GPA products that provide coverage for disabled individuals registered with the Social Welfare Department.
11. **Agricultural Reinsurance:**
A programme that protects against damage to crops and livestock.
12. **IKHLAS PTP Plus Takaful:**
Private car comprehensive coverage specially designed for Perodua vehicles.
13. **IKHLAS Wanita Elegance Takaful:**
A protection and financial assistance plan designed specifically for female illnesses and cancers, including childbearing risks.
14. **IKHLAS Link Lady Secure Takaful Rider:**
A protection plan specially designed for female participants to ease their financial burden upon contraction of female-related illnesses.
15. **Long Term Houseowner for Government Employees:**
A plan that protects government employees' residential properties during periods of financing.
16. **Long-Term Fire for Government Employees:**
A plan exclusively designed for civil servants in the public sector.
17. **Takaful Kasih Plus:**
Affordable Personal Accident coverage designed for Agrobank customers.
18. **IKHLAS E-Hailing Takaful:**
Provides motor vehicle coverage for e-hailing drivers.

Sustainability Statement

PRODUCTS TO ADDRESS CLIMATE-RELATED RISKS

19. Property & Engineering Reinsurance (Treaty & Facultative):

Reinsurance that protects property against natural disaster risks.

Additionally, for Takaful IKHLAS Family, we have received approval from Bank Negara Malaysia for a new package of Perlindungan Tenang products distributed by our bank partners, beginning in February 2022. The Perlindungan Tenang products are planned to be distributed via our digital platform as well.

Furthermore, Malaysian Re, in collaboration with a takaful operator, is providing two specialised products for the underserved market segment - a micro-takaful coverage plan via a digital distribution channel to close the protection gap in the B40 segment, and a takaful cover plan for parents with children with learning disabilities. These products will be distributed via Jabatan Kebajikan Masyarakat (“JKM”) and the National Autism Society of Malaysia.

Meanwhile, Takaful IKHLAS General had earlier initiated a collaboration with a local university by providing a research grant for the development of the Crop Micro Takaful Scheme. The research aims to determine a feasible structure for the provision of the Crop Micro Takaful Scheme to smallholder farmers in Malaysia. Continuing with the sustainability product integration initiative, the company further expanded the collaboration with the Universiti Sultan Zainal Abidin (“UniSZA”) to jointly develop the Crop Micro Takaful Scheme for paddy farmers to provide financial resilience against weather-related risks impacting crop production. The scheme intends to cover paddy farmers against financial losses due to perils such as windstorms, tempests, floods, droughts and dry spells. The development of the IKHLAS Crop Micro Takaful Scheme aims to help smallholder farmers escape the poverty trap and protect their income and productive capacity, as well as provide financial disaster relief and a structured social safety net.

Responsible Services

On the conventional front, Malaysian Re is actively growing its support (capacity) for green initiatives. This includes a potential set-up to lead a Green Pool for ASEAN. The Green Pool initiative will provide insurance/takaful capacity and support for renewable energy products in ASEAN, with a particular focus on solar and wind energy.

Meanwhile, Takaful IKHLAS General continues to offer our value-based IKHLAS Waqf & Endowment (“IWE”) initiative for the community. The IWE provides complimentary Waqf and endowment benefits to individuals who participate in any of our general takaful plans. The IWE allocates RM1,000 for each general takaful certificate for subsequent donation to Waqf and endowment under the participant’s name upon their accidental demise. The Waqf and endowment go a long way towards benefitting the community and reflecting the good deeds of the named individuals.

For the commission on alternative energy, we are providing a

2.5%
Green Energy Incentives

on eligible general takaful risks.

In fostering initiatives towards addressing the issue of climate-related risks and their impacts on sustainability aspects, Takaful IKHLAS General has updated the Underwriting Guidelines. For commitment to alternative energy, we are providing a 2.5% Green Energy Incentive on eligible general takaful risks. We anticipate that this action will contribute to mitigating the effects of climate change from an underwriting perspective.

Overall, sustainability requires meaningful convergence between our long-term business interests and sustainability considerations. We aim to address our stakeholders’ need for responsible products and services as this is critical to our overall business sustainability, competitive market positioning and long-term financial viability.

As a reputable reinsurer and takaful and retakaful services provider, our reputation is built on the trust that our stakeholders have in us. This is highly dependent on the quality and credibility of our products and services, the advice and recommendations we provide to our customers and the personal conduct and capability of our intermediaries. We constantly ensure our products and services are promoted in a responsible manner and that our customers receive the appropriate information and advice on the coverage best suited to their needs.

For reinsurance and retakaful, Malaysian Re has adopted its licensed AIR Catastrophe Modelling Tool in underwriting, risk management and claims estimation, to support our corporate clients in assessing potential natural catastrophe events.

Sustainability Statement

4 Value-Based Collaborations



The MNRB Group continues to view collaboration with stakeholders through collective initiatives and industry bodies as a means to build capacity and amplify the effectiveness of our engagement activities.

The Group supports its employees by ensuring the right infrastructure is prepared and a working environment is created to enable a culture of collaboration. One of the approaches implemented is the Hybrid Working Arrangement. At MNRB Group, we are committed to creating a rewarding and flexible working experience to ensure that our employees are able to work together as one unit. We believe that collaboration enables employees to be more efficient and effective in performing their tasks, while also increasing their sense of responsibility, especially when working remotely.

The Group also recognises value-based collaboration through strategic partnerships with our brokers, cedants, intermediaries and service providers, including insurtech partners, as we harness new technologies in a discerning manner. We leverage our affiliations with industry players through active membership of and participation in trade associations' focus group discussions and activities, e.g. Persatuan Insurans Am Malaysia ("PIAM"), the Life Insurance Association of Malaysia ("LIAM") and the Malaysian Takaful Association ("MTA"). In today's rapidly changing and competitive environment, the need for new ideas, skills and opportunities has become more apparent. We believe constant and effective communication and cooperation with our stakeholders remain key to value creation and innovation.

Key Strategic Partnerships - Malaysian Re

At Malaysian Re, dedicated functions are tasked with overseeing the overall management of partnerships and collaborations. Business optimisation is sustained by increasing participation in profitable businesses, securing new potential and growing non-property lines. We proactively seek opportunities by exploring critical areas of development and distribution in specialised and non-conventional products, in line with our Business Remodelling plan.

Malaysian Re's business plan outlines the strategic direction, business priorities and financial forecasts for the FY2023 to FY2025 period with groundwork initiated in FY2022.

Malaysian Re has mapped out the next phase of growth with five key objectives, including diversification of non-VC business, accelerated growth of non-traditional segments, active capital management to support business growth, inorganic growth strategies and comprehensive human capital capacity building.

As the national reinsurer and a key reinsurance player in the Asian region, Malaysian Re also remains committed to enhancing market intelligence to ensure that the industry is kept abreast of the latest trends and developments. Apart from this, Malaysian Re leverages strategic partnerships to facilitate knowledge transfer on a global level. A summary of key strategic collaboration initiatives is illustrated in **Diagram 5** below.

Sustainability Statement

MALAYSIAN RE - OUR KEY STRATEGIC PARTNERSHIPS

Partnerships to promote industry-wide collaboration and transfer of knowledge to drive innovation, address skill needs and indirectly fortify the growth of the industry.

Partnership in research - ASEAN Insurance Pulse	<p>Malaysian Re’s continuous commitment to supporting the overall integration of the ASEAN marketplace culminated in the launch of the 5th edition of <i>ASEAN Insurance Pulse</i> in 2021.</p> <p>The annual publication is undertaken in collaboration with a Zurich-based research agency. This publication aims to inform policymakers, industry players and other stakeholders of the current state and future prospects of the ASEAN region’s non-life insurance markets, as well as discover ways in which to close the protection gap.</p> <p><i>ASEAN Insurance Pulse 2021</i> focuses on natural catastrophes and in particular, flood risk, as well as its impacts on the ASEAN economy and insurance market. <i>ASEAN Insurance Pulse 2021</i> explores the key trends driving the financial risk management of natural catastrophes and flooding in the region. In this context, the report also highlights the increasing importance of environmental, social and governance (sustainability) principles in the underwriting and asset management of insurers.</p>
Participation in industry-specific conferences	<p>Malaysian Re participates in industry-specific conferences/meetings annually, which allows us to learn from other industry players through open dialogue and knowledge-sharing platforms. This provides us with the opportunity to collaborate and find solutions to address industry-specific challenges.</p>
Partnership with Lloyd’s Syndicate	<p>Malaysian Re’s continued partnership with Lloyd’s Syndicate is a key component of our Value Creation Plan (“VCP”) Programme as we aspire to become a leading reinsurer in the region. This partnership enables us to drive innovation, increase market access, enhance customer value propositions in speciality product markets and address skill development needs.</p>
Partnership in research - Malaysian Insurance Highlights	<p>This annual publication, which commenced in December 2019, contains vital statistics and key trends relating to the domestic insurance and takaful industry, along with insights from industry executives and senior professionals.</p>
Partnership with a Managing General Agent (“MGA”)	<p>Malaysian Re’s partnership with Rockstone Underwriting sees Malaysian Re providing capacity in exchange for underwriting specialists with the aim of ensuring revenue diversification, expansion of the company’s geographical reach and resource optimisation.</p>
Partnership with a reputable foreign reinsurer	<p>Malaysian Re’s partnership with a reputable foreign reinsurer enables collaboration in the provision of quotations and the capacity to underwrite engineering risks in Malaysia.</p>
Collaboration with regional national reinsurers	<p>Malaysian Re collaborates with regional national reinsurers to garner reciprocal business while efficiently managing risks through aggregate optimisation and revenue diversification.</p>

Diagram 5: Key Strategic Partnerships of Malaysian Re

Sustainability Statement

MALAYSIAN RE - OUR KEY STRATEGIC PARTNERSHIPS

Malaysian Re Retakaful Division's ("MRRD") partnership with Pacific Life Re	Malaysian Re's partnership with a reputable life reinsurer for the expansion of its family retakaful business enhances the Malaysian Re Retakaful Division's, or MRRD's, offering of sustainable family retakaful solutions to family takaful operators. At the same time, the life reinsurer provides assistance via underwriting technical pricing and product development, as well as global insights and experience analysis. The capability of MRRD to write both Family and General retakaful business strengthens Malaysian Re's ability to diversify its income streams in addition to the conventional general reinsurance business.
COVID-19 Test Fund ("CTF")	Malaysian Re, as the fund administrator, collaborates with industry associations to support the Ministry of Health's ("MOH") efforts to conduct more COVID-19 testing for the benefit of medical insurance policyholders and takaful certificate holders.
Malaysian Re Foresights	This publication by Malaysian Re staff contains domestic and overseas insurance and takaful industry insights that serve as knowledge sources for the insurance and takaful industry.
Asian (Re)Insurance Market Report	The Asian (Re)Insurance Market Report highlights statistics and data from countries across the Asian region. Among the information covered in this Report are gross premiums comprising non-life, life and micro-insurance; the number of insurance entities and the market share of total non-life insurance premiums; and insurance industry growth trends.

Key Market Services Programme - Malaysian Re

We also collaborate with the local reinsurance and retakaful industry through a series of new and existing market services programmes, as presented in **Diagram 6** below.

KEY MARKET SERVICES PROGRAMMES

ASEAN Reinsurance Working Council ("ARWC")	We are a co-founder of the council, the membership of which comprises national reinsurers in the ASEAN region. The council serves as a platform for the national reinsurers to exchange ideas and promote the harmonisation of regional regulations, as well as identify mutually beneficial business opportunities.
ASEAN Sustainability Initiative/Scheme	We are a member of the ASEAN Reinsurance Working Committee ("ARWC") planning to propose a pool for Green Power/Energy in the ASEAN region. We jointly work with GC and Market Pools on this.
COVID-19 Test Fund ("CTF")	We were appointed as the administrator of the CTF, jointly set up by LIAM, PIAM & MTA to support the MOH's efforts to urgently expand COVID-19 test availability for Malaysians.
Fund administrator of Perlindungan Tenang	We were appointed by BNM to undertake services on behalf of the government of Malaysia, to administer the Perlindungan Tenang voucher programme, which is intended to spur micro-insurance schemes for B40 Malaysians (8 million potential recipients).
PIAM CSR Flood Relief Fund	We were appointed by PIAM as the fund administrator of the CSR Flood Relief Fund and project management office ("PMO") to administer and manage the CSR Flood Relief Fund.
Central Administration Bureau ("CAB")	We facilitate efficient administration of underwriting accounting and claims, as well as simplify settlements for facultative and coinsurance businesses, to ensure efficient monthly settlements of net balances (i.e. premiums and claims).

Diagram 6: Key Market Services Programmes of Malaysian Re

Sustainability Statement

KEY MARKET SERVICES PROGRAMMES

Malaysian Motor Insurance Pool (“MMIP”) services	We serve as an Administration Manager that manages a high-risk insurance pool that provides motor insurance to vehicle owners who face difficulty in obtaining motor insurance from the commercial insurance market.
Manager of Scheme for Insurance of Large and Specialised Risks (“SILSR”)	We were appointed as the Scheme Manager by BNM to develop technical expertise and professionalism within the industry, facilitate favourable coverage at competitive terms and promote optimum retention within the country.
Secretariat of the Rating Committee	We were appointed by PIAM to set a fair rate for Fire and Industrial All Risks (“IAR”) insurance that qualifies for a special rating as prescribed under the Revised Fire Tariff. We also streamline and control premium charges and policy wording to improve the quality of products and services at competitive prices, while ensuring compliance with Intercompany Agreements on General Insurance Businesses.
Secretariat of the Malaysian Energy Risks Consortium (“MERIC”)	We develop underwriting skills and promote knowledge and skill sharing within the energy business in Malaysia with a view to optimising national retention.
Manager of the Malaysian Aviation Pool (“MAP”)	We provide underwriting services and insurance quotations to the general aviation business in Malaysia (this is also for knowledge and skill sharing.)

Key Strategic Partnerships - Takaful IKHLAS

Over the years, Takaful IKHLAS has been involved in strategic collaborations with leading financial institutions and government agencies to promote takaful products and services to the public, as well as targeted stakeholder groups. These stakeholder groups comprise people with disabilities, farmers, small and medium-sized enterprises (“SMEs”) and members of the lower-income B40 community. These partnerships signify the collaboration between financial institutions and government agencies to provide all components of society, including the unserved and underserved communities, with better access to affordable takaful products.

The abovementioned collaborations enable Takaful IKHLAS to expand its reach within various market segments as well as help create broader awareness of the importance of having takaful protection. This in turn enables Malaysians to realise the multiple benefits of being protected and encourages them to get the protection needed for themselves and their loved ones.

Apart from that, these collaborations allow companies to offer solutions better suited to their clients and the community, hence providing needed protection safety nets and contributing to long-term business growth.

The following are the highlights of the collaborations that we continued pursuing throughout 2022.

Sustainability Statement

TAKAFUL IKHLAS FAMILY	TAKAFUL IKHLAS GENERAL
<p>Partnerships with financial institutions</p> <p>Takaful IKHLAS Family collaborates with selected financial institutions to distribute its family takaful products.</p> <p>These partnerships enable the company to leverage its banking partners' network of branches to expand its outreach in the distribution of takaful products nationwide and expand takaful penetration. The partnerships aim to increase Takaful IKHLAS' brand position in the market and enhance business turnover.</p> <p>The family takaful products mentioned above include:</p> <ul style="list-style-type: none"> i) IKHLAS Mortgage Reducing Term Takaful ("MRTT"), a home financing protection plan. ii) IKHLAS Group Credit Term Takaful ("GCTT"), a personal financing and hire purchase financing protection plan. iii) Takaful Amani Didik & M-Edu Takaful, an education takaful plan with the objective of encouraging people to save money for their children's education. Takaful lends assistance to ensure the objective is met. iv) M-Kasih Amal & Agro Fatih-i, an endowment product that offers coverage due to death, total permanent disability and critical illness, as well as medical coverage. v) Agro Nurani, a takaful protection plan specifically for persons with disabilities ("PWDs"). It aims to increase the takaful penetration rate among PWDs and is designed to be affordable with convenient claim processes. vi) Agro Madani, M-Kasih Prihatin and Takaful Amani Plus, a hybrid product with a combination of Group Term Takaful and Group Personal Accident. The product offers coverage against natural and accidental events at affordable prices. vii) Agro Maburur-i Plus and IKHLAS Perlindungan Tenang, affordable, accessible and easily understandable insurance and takaful products aimed at low-income groups. 	<p>Partnerships with financial institutions</p> <p>Takaful IKHLAS General currently collaborates with various financial institutions to distribute its range of general takaful products.</p> <p>These partnerships enable the company to expand its outreach in the distribution of takaful products nationwide and expand takaful penetration. The partnerships aim to increase Takaful IKHLAS' brand position in the market and enhance business turnover.</p> <p>These bancatakaful arrangements also provide customers with competitive products and risk management expertise, as well as simplified and improved transaction processes via a one-stop centre for new business, renewals and claims.</p>
<p>Partnerships with government bodies</p>	
<p>Takaful IKHLAS collaborates with Lembaga Pembiayaan Perumahan Sektor Awam ("LPPSA") to provide the IKHLAS Mortgage Reducing Term Takaful, a home financing protection plan to government servants. It offers competitive pricing that enables government servants to reduce the cost of owning a home.</p>	

Sustainability Statement

TAKAFUL IKHLAS FAMILY	TAKAFUL IKHLAS GENERAL
<p>Partnership with government bodies</p> <p>Takaful IKHLAS Family collaborates with several 'community-based' organisations to develop asnaf (zakat recipients) into takaful entrepreneurs (takaful agents). The Asnaf Entrepreneurship Programme equips them with the knowledge and skills to generate their own income in a sustainable manner.</p>	<p>Partnership in insurtech</p> <p>Takaful IKHLAS General's collaboration with an insurtech company (since 2019) has enabled the distribution of affordable Personal Accident ("PA") coverage for travel.</p> <p>This collaboration bridges the gap between the fast-paced innovation of insurtech companies and the risk management and risk transfer capabilities of Takaful IKHLAS General. Currently, Takaful IKHLAS General provides short-term PA coverage for bus commuters.</p> <p>Takaful IKHLAS General is also looking into working with other insurtech companies.</p>
<p>Other partnerships</p> <p>There are several collaborations with various institutions and agencies, such as the Idaman Scheme, a takaful protection scheme, via monthly contribution deductions for members and employees up to their retirement age. The scheme serves as added protection and provides savings for members (mostly in the B40 category) as they work until their retirement.</p>	

Diagram 7: Takaful IKHLAS Family and General - Key Strategic Partnerships

As outlined in the aforementioned objectives and projects, our value-based collaboration strategy encompasses more than just mere collaborations with our agents, business partners and service providers and feedback gathered from our clients. It also entails developing a common vision, mutual respect and deep understanding with our stakeholders to ensure we deliver top-notch customer experiences as well as achieve commendable performance for the Group as a whole.

Moving forward, the Group remains optimistic about further enhancements in our collaborative efforts within our reinsurance, retakaful and takaful ecosystem, while anticipating the eventual return of a more predictable market environment. Further collaboration with other strategic partners may be undertaken to expand our contribution as a value-driven solution and value-added service provider to our stakeholders, especially in promoting our sustainability value perspective.

We will continue to educate the public about the importance of takaful and reach out to a broader segment of the population via constant engagements through digital and technological platforms. Apart from bridging the gap between our business and the general public, digitalisation will reduce our carbon footprint and hence promote environmental sustainability while we continue to operate our business.

Sustainability Statement

5 Cybersecurity



At the MNRB Group, we manage cybersecurity as part of our sustainability strategy. We invest in cybersecurity-related measures to protect our technology, assets and critical information, as well as our reputation, and protect the Group from any loss resulting from unauthorised access to our systems and data.



IT Governance

Our robust IT governance is essential for our IT security strategy. We have clear IT policies and procedures to ensure strong technical, operational and administrative control measures are put in place to lower the risk of security breaches and mitigate possible damage. These include data loss prevention solutions, data encryption, annual penetration tests, IT audits, periodic evaluation of user access rights, social engineering tests and our incident response and disaster recovery plan, as well as ongoing awareness and training programmes on cybersecurity for all our employees.



Control Measures

These existing comprehensive preventive, detective and reactive control measures are further strengthened by the implementation of new initiatives such as the Compromise Assessment exercise. This initiative has been implemented to evaluate the security of our IT Infrastructure and validate the efficacy of defensive mechanisms put in place. This is to ensure the security of our IT infrastructure against any unknown or dormant endpoints that have been compromised.

Takaful IKHLAS has also expanded its security monitoring (SIEM monitoring by SOC) of the servers and network appliances at its disaster recovery site to monitor cybersecurity threats to protect the company’s infrastructure environment, subsequently also protecting customer data and the company’s assets.

Our internal Cyber Emergency Response Team (“CERT”), which is well versed in the cyber incident response plan and handling procedures, is always contactable to ensure fast and full recovery of any possible intrusions or damage.



IT Security Tools

We also maintain this holistic IT infrastructure with up-to-date hardware and software to mitigate any security gaps and potential security risks. The relocation of our Tier-3 Data Centre is an example of our commitment to ensuring a resilient, secure and scalable network infrastructure.

Security Tools Deployed to Ensure Data Protection and Privacy

Hybrid Security Operations Centre (“SOC”)
Web Application Firewall (“WAF”) and Load Balancer
Multi-factor Authentication (“MFA”)
Distributed Denial of Services (“DDoS”) Services
Privileged Access Management
Data Loss Prevention (“DLP”) Solution
Advanced Persistent Threat Solution
Web Gateway
Endpoint Protection Security Software Suite

Sustainability Statement

6 Business Ethics and Corporate Governance



Process



Communication



The MNRB Group employs a stringent approach towards conducting its business in compliance with ethical standards and applicable regulatory requirements. We uphold the values of integrity, collaboration and expertise in all our dealings, thus safeguarding the interests of our stakeholders. The Group's internal policies and procedures address issues related to bribery, corruption and money laundering, and are regularly communicated to all employees. By adopting these policies and procedures, we aim to ensure that the Group and our employees consistently carry out our business ethically and faithfully.

Pursuant to Section 17A of the Malaysian Anti-Corruption Commission ("MACC") (Amendment) Act 2018 on Corporate Liability, as well as the Companies Act 2016 and Malaysian Code on Corporate Governance ("MCCG") 2021, there is a growing demand for strengthened board oversight and integration of sustainability considerations into the strategy and operations of companies. The Group has set the tone from the top in our stance against bribery and corruption to safeguard our businesses and ensure all commercial activities are carried out in an environment that is free of infringement.

MNRB Group Code of Ethics

The MNRB Group Code of Ethics ("Code of Ethics"), which was recently approved by the Board of Directors, provides general guidance on the underlying Group policies and procedures that offer specific ethical and legal guidance to assist the Group in making business decisions professionally, prudently and legitimately. Among others, it outlines the following principles:

The foundations of how we do business as a Group

The Group's stance against corruption

Dealing with stakeholders

Personal responsibility and guidance

Shariah Governance Policy

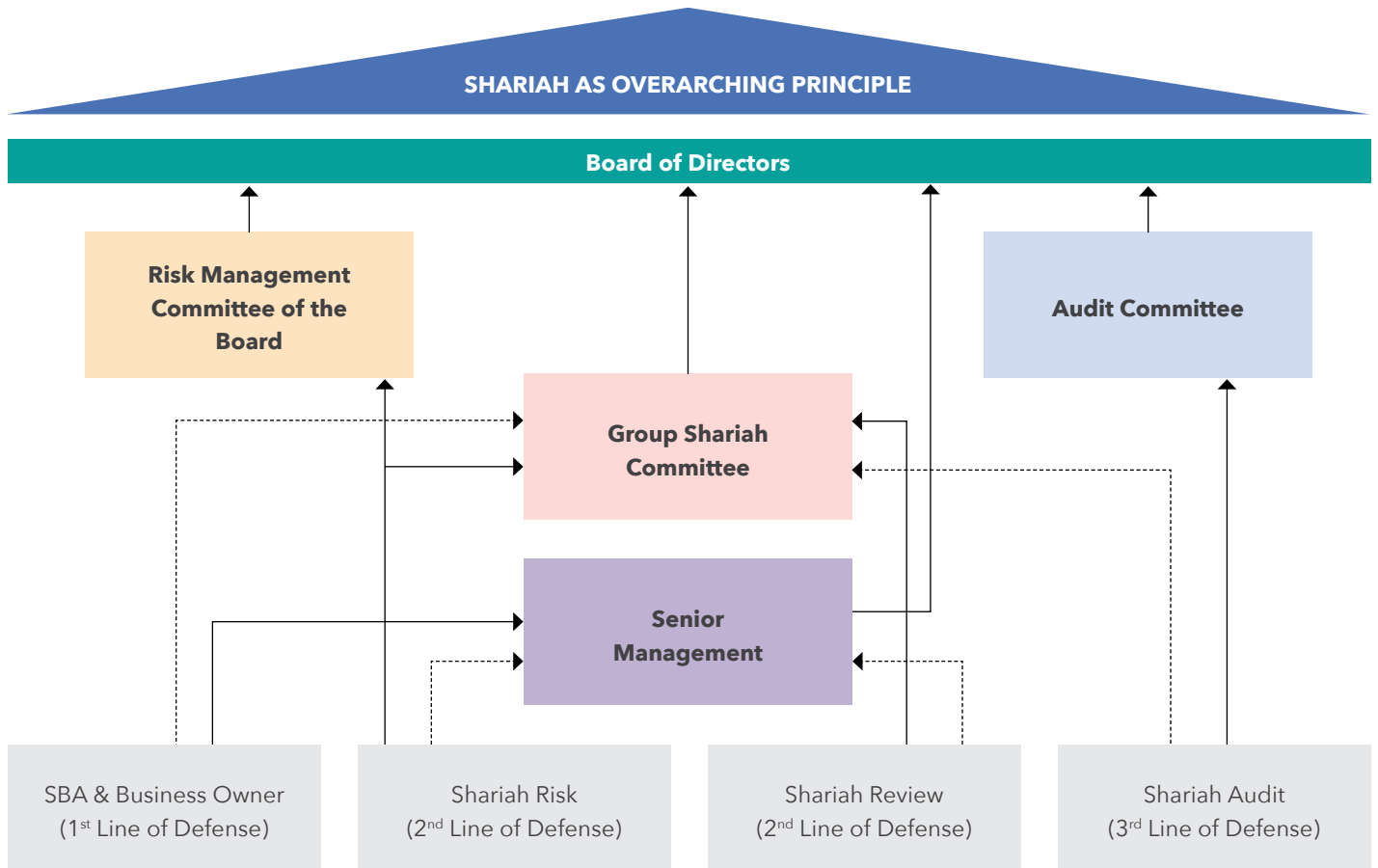
In addition to the Code of Ethics, we have established a Shariah Governance Policy specifically for our takaful and retakaful businesses, with the primary objective of strengthening the effectiveness of Shariah governance arrangements that are well integrated within our business and risk strategies. The Policy outlines Shariah as the overarching principle that sets out the oversight, accountability and responsibility of the Board, the Group Shariah Committee and the Management in the implementation of Shariah governance.

In addition, the Policy emphasises the control mechanisms to be implemented in all aspects of our takaful business operations to ensure that all our activities are Shariah-compliant. This is illustrated by implementing the following key functions:

- a) Shariah Risk Management function, which systematically identifies, measures, monitors and reports Shariah non-compliance risks in the operations, business affairs and activities of the entities;
- b) Shariah Review function, which conducts regular assessments on the compliance of the operations, business, affairs and activities of the entities with Shariah requirements;
- c) Shariah Audit function, which provides an independent assessment of the quality and effectiveness of the entity's internal control and risk management systems and governance processes, as well as the overall compliance of the entity's operations, business, affairs and activities with Shariah; and
- d) Shariah and Business Advisory department ("SBAD"), which as the Shariah subject matter expert, shall provide Shariah advisory services to the respective business owners as the first line of defence in ensuring compliance with Shariah principles in the areas of products, processes, services and others in accordance with Shariah requirements, as well as assist the business units in establishing Shariah compliance controls. The SBAD is also responsible for training and raising awareness on Shariah requirements as well as instilling and promoting behaviours aligned with Shariah in the company's objectives and operations, business, affairs and activities.

Sustainability Statement

This comprehensive Shariah Governance Structure is illustrated below:-



Key Oversight Functions of the Group

Our oversight functions, the Group Compliance Management Department (“GCMD”) and Group Management Risk & Compliance Committee (“GMRCC”), are responsible for ensuring the mitigation of financial and reputational risks arising from regulatory non-compliance in accordance with our Group Enterprise Risk Management and Compliance Management Frameworks. To strengthen our integrity and governance within the Group, we established a Group Integrity & Governance Unit (“GIGU”) in 2020 to identify and validate corruption-related incidents.

The MNRB Group’s compliance with Shariah principles is guided by the Shariah Governance Policy and operationalised by our Shariah and Business Advisory Department (“SBAD”) and overseen by the Group Shariah Committee, which was established particularly to ensure our takaful and retakaful business operations, affairs and activities are in compliance with Shariah requirements. The Shariah compliance and risk reviews

are performed by the oversight functions, i.e. the Compliance Management and Risk Management departments, respectively, on top of the independent Shariah Audit function.

The GCMD collaborates with the Group Risk Management Department (“GRMD”), GIGU and SBAD to organise a series of compliance and risk management awareness programmes, namely ‘i-Aware’. The objective of these programmes is to enhance our employees’ awareness of compliance, risk management and corporate governance matters.

The Group has implemented a number of other mechanisms to ensure transparent and compliant operations. These include the dissemination of applicable regulatory guidelines to all Management-level employees, awareness briefings on the latest regulatory developments and attestation by the Heads of Departments (“HODs”) via a compliance checklist for departmental self-assessment on processes and compliance monitoring mechanisms.

Sustainability Statement

In line with these fundamentals and the Group's Outsourcing Framework, Procurement Policy and Procedures and Anti-Bribery and Corruption Policy, we carefully assess our associated counterparties and business partners. This involves ensuring the necessary due diligence processes are in place to assess the counterparty's or service provider's background and qualifications prior to their appointment and/or renewal of contracts. Examples of assessment criteria used include financial background, compliance with regulatory requirements (e.g. in the areas of fraud, bribery & corruption and money laundering), suppliers' experience and capabilities in relation to the subject matter and the quality of their work.

The Group remains committed to instilling trust and confidence, as well as allowing informed investment decisions by our shareholders. Therefore, we disclose fair and balanced information of relevance, including the MNRB Group Corporate Governance Report, via the MNRB Group Corporate website (www.mnrb.com.my).

KEY INITIATIVES TO PRESERVE BUSINESS ETHICS AND COMPLIANCE

MNRB Group Code of Ethics

The Code of Ethics stipulates, among others, that all staff must conform to the regulatory rules and regulations as well as the underlying Group internal policies and procedures.

Group Anti-Bribery and Corruption Policy

The Group Anti-Bribery and Corruption Policy communicates our commitment to preventing bribery and corruption.

Group Whistleblowing Policy

The Group Whistleblowing Policy is an avenue for employees and members of the public to disclose any improper conduct in accordance with the procedures as provided under the policy. It provides protection to employees and members of the public so they can report such allegations without fear of reprisal.

Shariah Governance Policy

In accordance with the regulatory Shariah Governance Framework, this policy is to ensure the Group's operations and business activities are in accordance with Shariah principles. The policy sets out the oversight accountabilities of the Board, GSC and Management, as well as other functions responsible for Shariah governance.

Compliance Reporting Process

All compliance matters, including non-compliance issues, are reported to the Group Management Risk & Compliance Committee and subsequently to the Audit Committees.

ICE Portal

An easily accessible website for all internal and external Standard Operating Procedures and guidelines as part of the Group's awareness initiatives.

Anti-Money Laundering/Counter Financing of Terrorism and Targeted Financial Sanctions ("AML/CFTTFS")

Awareness and refresher programmes are conducted regularly for all employees and agents. These are offered via e-Learning modules to all staff and as part of the induction programme for new employees.

AML/CFTTFS Screening

Screening and monitoring to protect the Group from any illegal activities and illicit fund flows, in line with BNM's Policy Document on Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions for Financial Institutions.

EMPOWERING OUR PEOPLE

7 Developing Talents



The growth and development of people is the highest calling of leadership.

Harvey S. Firestone - Founder of Firestone Tire & Rubber Company



The MNRB Group recognises that the growth and development of our people are crucial to the success of our business, and we are committed to enhancing their capabilities. We believe continuous learning and development are essential to equip our people with the right skills, knowledge and competencies. This is embodied in our talent development framework and is necessary to support our business as we grow.

Talent Development

The Group continued its efforts to strengthen our talent management practices and promote a High-Performance Culture through the implementation of the following initiatives:

1. Talent classification and demographic standing - Identifying talent gaps in the Group;
2. Talent Planning - Planning and analysis that address initiatives to close talent gaps;

3. Talent Interventions - Interventions to address competency and performance;
4. Talent Performance & Reward - To address accountability, responsibility and culture; and
5. Talent Engagement - Initiatives, programmes and activities to engage with employees and align with corporate objectives.

We endeavour to nurture a High-Performance Culture to generate growth and the sustainability of our business operations. Our comprehensive development plans provide opportunities for our personnel to further enhance their competencies and capabilities.

Talent Development Programmes

Our talent development programmes focus on the efficient management of human capital to advance our business and create value over the short, medium and long term. We will continue to nurture and develop our talents to complement our transformational agenda through internal development plans, including leadership programmes, career development initiatives and succession planning.

Sustainability Statement

KEY TALENT DEVELOPMENT PROGRAMMES

FY2021

Education Assistance Programme (“EAP”)

- A programme that allows employees to pursue insurance-related, actuarial-related or other professional qualifications (e.g. Fellow of Institute and Faculty of Actuaries (“IFOA”), Associate of the Malaysian Insurance Institutes (“AMII”), Fellow of the Society of Actuaries (“FSA”)).
- This includes promoting the EAP and its provisions to the workforce and inviting educational institutions to advocate for certifications/qualifications offered.
- Enhancing the EAP increment scheme to be competitive with the market, which is also taken as a retention strategy.
- 206 employees have enrolled in and are actively pursuing the EAP.

Leaders as Teachers (“LATs”)

A reinforcement programme promoting the internal transfer of knowledge and skills between leaders and subject matter experts. During FY2021, 1,272 employees enrolled in the programme.

FY2022

Education Assistance Programme (“EAP”)

- A programme that allows employees to pursue insurance-related, actuarial-related or other professional qualifications (e.g. Fellow of Institute and Faculty of Actuaries (“IFOA”), Associate of the Malaysian Insurance Institutes (“AMII”), Fellow of the Society of Actuaries (“FSA”)).
- Further enhancements to the programme were carried out to attract more employees to pursue professional qualifications, reward them equitably and bolster our retention strategy.
- 239 employees have enrolled in and are actively pursuing the EAP.

Ready Skills Programme (“RSP”)

The objective of the programme is to build the technology capability of the employees. The programme focuses on six areas that are known as the 6 Ready-Skill Pillars, as follows:

1. Agility
2. Intelligent Automation
3. Advanced Analytics
4. Digital Strategy
5. Human-Centred Design
6. Cyber Risk.

To ensure the employees are able to develop their digital skills structurally, they have to undergo the programme in three phases in the following manner:

- **Phase 1: Tech-Awareness**

Briefing & e-Learning Modules (compulsory for all employees).

- **Phase 2: Tech-Foundation**

Choose one pillar and attend two programmes, i.e. Basic and Application.

- **Phase 3: Tech-Capability**

Sign up for Digital Boot Camp: Upskilling Programme Application, Assignment & Project.

Sustainability Statement

Group Talent Programme

The Group has established the Group Talent Programme (“GTP”), an initiative to ensure that our pool of talent is well developed. Candidates for the talent pool undergo a rigorous identification and selection process prior to being accepted into the programme. To continue with the GTP, it is essential for talents to tailor their own Individual Development Plans (“IDPs”) and attend the various development programmes.

Under the GTP, the IDP is designed to prepare identified key talents for higher managerial positions. In FY2022, some of our Career Development Programme initiatives included:

1. Promotion as Head of Division

As part of their development, two successors have been appointed as acting heads and have successfully taken up the roles upon completing the probation period. They are:

- The Chief Business Operations Officer, Takaful Ikhlas Family Berhad; and
- The Chief Underwriting Officer, Malaysian Reinsurance Berhad.

2. Talent Mobility

19 talents have been rotated or mobilised to gain experience and skills in new responsibilities.

3. Performance & Development Intervention

In FY2022, the intervention plan was further intensified with more project assignments, shadowing, coaching and mentoring.

The Group further identified successors for our Mission Critical Positions (“MCP”) and Operational Critical Positions (“OCP”) from the GTP talent pool. The progress of the initiatives is given below.

SUCCESSION PLANNING INITIATIVES	DESCRIPTION	NO. OF EMPLOYEES ENROLLED			NO. OF INTERNALLY FILLED MCP & OCP		
		FY2020	FY2021	FY2022	FY2020	FY2021	FY2022
Individual Development Plan (“IDP”)	Designed to hand-pick key talents and prepare them for managerial positions.	-	115	90	10	4	2

Additionally, the Group provides training and development opportunities to local graduates in terms of practical experience in technical and soft skills competencies through our Protégé & Internship programmes.

INITIATIVE	DESCRIPTION	NO. OF PARTICIPANTS		
		FY2020	FY2021	FY2022
Protégé (previously known as SL1M Programme)	For local graduates to obtain technical knowledge and soft skills such as analytical, problem-solving and professional communication skills.	3	-	67
Internship Placements	For university students to gain hands-on working experience and skills to complement their classroom learning.	21	19	36

The Group recognises that the sustainability of our business is correlated to the well-being of our employees. To this end, we maintain a conducive work environment and offer competitive remuneration and benefits to our employees, as well as embrace the diversity of our people in the areas of gender, age, skills and experience. This indirectly enables us to steadily attract and retain a pool of top talents.

Sustainability Statement

KEY TRAINING PROGRAMMES

FY2021

- | | |
|---|---|
| <ol style="list-style-type: none"> 1. Leading & Thriving through Challenging Times 2. COVID-19 - Identifying Hidden Opportunities and Navigating Our Business for Insurance Sales and Marketers 3. Coronavirus in a Connected and Digital World - Exploring the Implications for the Insurance Industry 4. Webinar Series for Sales Team - Topic #1: Entrepreneur's Mind at Work 5. Work from Home Enablement with G Suite.
G Suite is the Google Workspace application store. The training is about learning how to work from home remotely using Google Workspace. The benefits of using G Suite are cost-effectiveness and work efficiency. 6. Stress Management 7. Webinar Series for Sales Team - Topic #2: Selling in Turbulence Masterclass | <ol style="list-style-type: none"> 8. Shariah Audit and Assurance: Fieldwork Procedure & Reporting 9. Webinar on Cybersecurity in a Remote Working Environment 10. PowerPoint Slide Design: Impactful Slide Design Master Class 11. Webinar on Building & Reporting a Culture of Integrity 12. The Power of Emotional Intelligence 13. Social Media Training 14. Introduction to Reinsurance 15. Preparing for the Post-Pandemic World 16. Extraordinary Productivity in Extraordinary Challenging Times 17. Professional Skills Training Webinar 18. The 6 Critical Practices for Leading a Team: Everyone Deserves a Great Manager |
|---|---|

FY2022

- | | |
|--|--|
| <ol style="list-style-type: none"> 1. Agile Leadership Awareness 2. Professional Certificate in Digital Leadership 3. Effective People Management Skills 4. Young Emergent Leadership Showcase 2021 ("YouLead!") 5. Digital & Innovation: RPA Automation Workshop 6. In-House Training on Google Analytics 7. It Security Awareness Talk: Wash Your Digital Hands, Practice Good Cyber Hygiene 8. Succession Planning & Talent Management 9. Transformational Leadership with EQ 10. A Motor Fleet Risk Model from Public Data: An Insurtech's Perspective | <ol style="list-style-type: none"> 11. Agile and Scrum Fundamental Bootcamp 12. Blockchain Technology to Prevent Corruption in COVID-19 Response: How Can It Help Overcome Risks? 13. Connect to Customers on YouTube 14. COVID-19 Impact on Impairment, Financial Instruments and Going Concerns 15. Cybersecurity, IT Assurance & Governance Virtual Conference 16. Damage Investigation & Third-Party Property Damage 17. Data Scientist Nanodegree Programme 18. Deferred Tax Workshop 19. Deloitte Taxmax - The 47th Series 20. Fundamentals of Project Management |
|--|--|

The Group further supports internal job rotation and attachment programmes as the diverse knowledge and skills of our employees can foster creativity and strengthen our problem-solving acumen.

Sustainability Statement

Employee Profile

Our Recruitment Policy governs all aspects of our employment practices. We recognise the value of having diverse talents across different gender and age groups, thereby enabling us to leverage the wealth and breadth of experience and industry exposure of the more experienced talents and the more creatively inclined mindsets of younger personnel.

Diagram 8 illustrates our current employee profile. Our initiatives to support the development of local talents underscore our commitment to strengthening the Malaysian economy and fortifying the growth of the local reinsurance and takaful industry.

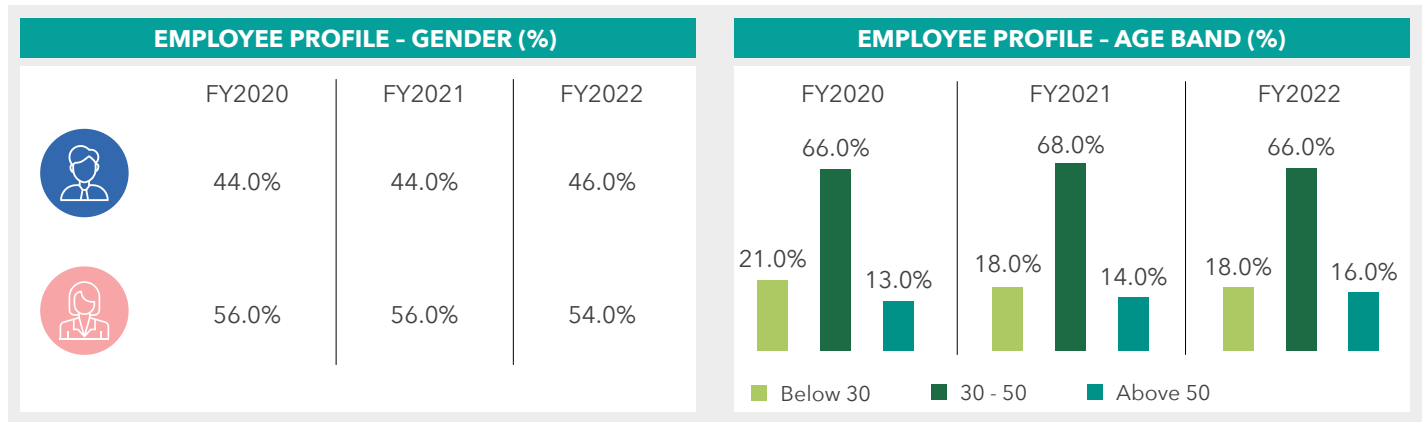


Diagram 8: Employee Profile

Employee Well-Being

As a responsible employer, we are committed to continuously protecting our employees by providing a safe and conducive working environment. This includes being mindful of their health and well-being. Our key initiatives to maintain a healthy and conducive workplace are presented below.

KEY WELL-BEING INITIATIVES

FY2021	FY2022
<p>Long Service Awards Awards to recognise employees' contributions over 10, 20 and 30 years.</p>	<p>Long Service Awards</p> <ul style="list-style-type: none"> To recognise employees' contributions over 10, 20 and 30 years. 55 employees were recognised in FY2022.
<p>Nursing Room Made available for nursing mothers.</p>	<p>Nursing Room Made available for female employees.</p>
<p>Flexible Working Hours ("FWH") & Arrangement ("FWA") During the MCO period, the Group continued to prioritise the health and well-being of our employees. In attempting to contain the spread of the COVID-19 virus, employees were encouraged to work from home ("WFH") unless required to work in the office ("WIO") in the performance of their jobs. From time to time, based on the directives from the government, the Group issued updates on the working arrangement, including a split-team structure and reduced work hours for those who were WIO.</p> <p>Regardless, during normal periods, all employees can subscribe to flexible working hours whereby they can commence work at any time between 7.30 a.m. and 10.00 a.m.</p>	<p>Hybrid Working Policy ("HWP") The Management decided to formally provide employees with a Hybrid Working Arrangement ("HWA"). The aim of the HWP is to set out the principles and practical guidance in relation to hybrid working for the employees of the MNRB Group. The nature and extent of the hybrid working arrangement, however, will depend on the roles of the job and the requirements of the Management. The Management shall consider each situation on its own merits, applying the principles of fairness and consistency while ensuring the ability to meet business needs and employee welfare.</p>

Sustainability Statement

KEY WELL-BEING INITIATIVES

FY2021	FY2022
 <p>Education Assistance Programme (“EAP”) The EAP supports our employees’ academic programmes that directly relate to the business. The EAP provides full education assistance including:</p> <ul style="list-style-type: none"> • Examinations/course/tuition fees; • Increments and incentives upon successful completion of study or examinations; and • Study leave and/or exam leave. 	<p>Education Assistance Programme (“EAP”) The EAP supports employees’ academic activities that directly relate to business needs. The EAP provides full education assistance including:</p> <ul style="list-style-type: none"> • Examinations/course/tuition fees; • Increments and incentives upon successful completion of study or examinations; and • Study leave and/or exam leave.
 <p>Recreational Programmes Programmes to foster positive collaboration and strong esprit de corps among employees. Activities such as the train hunt, mall hunt, food hunt and bowling tournament have garnered overwhelmingly positive responses from employees.</p>	<p>Recreational Programmes Due to the COVID-19 pandemic, all the activities were put on hold. This was for the safety of the employees.</p>
 <p>Weekly/Monthly Sports Activities Activities to encourage employees to make changes towards healthier lifestyles. Activities such as Zumba, badminton and futsal were organised for interested employees.</p>	<p>Weekly/Monthly Sports Activities Due to the COVID-19 pandemic, all the activities were put on hold. This was for the safety of the employees.</p>
 <p>Occupational Safety & Health (“OSH”) OSH initiatives are intended to promote employees’ health and well-being. The OSH Committee organised relevant activities, including Basic Fireman and Firefighting training for Fire Marshals, First Aider Training and an Ergonomic & Internal Air Quality Assessment for Bangunan Malaysian Re.</p>	<p>Occupational Safety & Health (“OSH”) OSH initiatives are intended to promote employees’ health and well-being. The OSH Committee organised relevant activities, including Basic Fireman and Firefighting training for Fire Marshals, First Aider Training and an Ergonomic & Internal Air Quality Assessment for Bangunan Malaysian Re.</p>
	 <p>Employee Well-Being Talks, Surveys & Counselling As part of the efforts to promote a healthy working environment, the Group periodically organised talks related to health and well-being, conducted surveys and provided a third-party professional counselling service.</p>

Sustainability Statement

Employee Engagement

We also recognise the importance of employee engagement in enhancing morale and productivity to sustain our business. The Group has established various channels to further promote employee engagement activities.

KEY EMPLOYEE ENGAGEMENT CHANNELS	
FY2021	FY2022
Quarterly town hall gatherings to provide updates on business performance and key developments, and avenues to receive feedback from our employees.	Quarterly Town Hall A session to provide information about the company's/ Group's performance and current events.
Allocation of engagement budget for HODs to conduct departmental engagement activities.	Amber the AI Chatbot Amber is an artificial intelligence-enabled chatbot that helps GHCM teams manage employee engagement, predict attrition and measure company culture in real-time. It is an NLP-enabled engagement bot that has relevant conversations with employees and proactively predicts those who are disengaged or about to leave. Unlike one-for-all engagement surveys once every quarter/year, Amber asks employees meaningful questions at different intervals about issues that matter to them.
Regular formal written communication from the desk of the President & GCEO to communicate business performance and key developments to all employees.	Engagement Budget An allocation for HODs to organise their own engagement activities.
Focus group discussions to identify and understand employees' concerns and issues.	Protect4u A platform for employees to communicate, contribute ideas, provide feedback and share their problems, which include physical, mental, emotional or other issues that employees discuss with a GHCM representative in order for them to receive assistance.
Bimonthly one-on-one sessions between supervisors and subordinates to understand challenges and align and track performance.	Fit-for-Growth Individual Development Plan ("IDP") Monitoring of the plan to ensure equal development opportunities and that staff are effectively developed.
Enforcement of a minimum of 16 Training Hours per employee to ensure equal development opportunities for all staff.	
Merdeka and Malaysia Day celebrations were held to promote collaboration, a sense of fun at work and foster the spirit of 1Malaysia. Among the activities were the distribution of Unity Ribbons and the Staff Merdeka Video & Photo Celebration.	

The Group believes that an enhanced sense of well-being motivates employees to further contribute towards organisational success. To this end, we undertake an annual survey to gauge employee satisfaction levels. For FY2021, after taking into consideration the changes in the business environment and the need to have a more objective tool that can identify the factors that drive employees to perform, the Management decided to review the current approach. A more effective approach was rolled out to link employee engagement to business performance and talent retention.

Sustainability Statement

COMPANY	EMPLOYEE ENGAGEMENT INDEX (“EEI”) RESULTS	
	FY2020	FY2021
MNRB	79.0%	
Malaysian Re	90.0%	
Takaful IKHLAS Family	85.0%	73.0%
Takaful IKHLAS General	86.0%	

The Employee Engagement Index (“EEI”) is a leading indicator of employee satisfaction, loyalty, advocacy and pride towards the company. The most recent survey to gauge the EEI for FY2021 was undertaken in FY2022, after the close of the year. It was deployed via a different platform, utilising a different approach and set of questions. This may have contributed to the lower overall EEI score for the year, and this will form a new baseline for our upcoming survey for FY2022.

Through the deployment of Amber the AI Chatbot, employee engagement has been taken to the next level, instead of conducting an annual employee engagement survey. Since engagement is a continuous effort, Amber asked employees meaningful questions at different intervals about issues that mattered to them. From the findings gathered by Amber, the GHCM analysed the results and took the necessary actions as per the key engagement activities highlighted in the ‘Key Employee Engagement Channels’ table. In addition to this, the GHCM also conducted sessions with employees who required one-on-one engagements.

Empowering Our Partners

We continuously ensure that our Takaful IKHLAS agents and other intermediaries are properly trained in sales conduct and product understanding. This responsibility is undertaken by our in-house training division, IKHLAS Academy, especially in managing training requirements for Takaful IKHLAS Family. A dedicated training programme, the Agency Training Roadmap, for intermediaries has been developed by the IKHLAS Academy.

During the year, as part of our initiative to increase competent agents and productivity, we introduced an e-Academy to provide e-training and management to the IKHLAS Family agency force. The training management system was made available to facilitate agents in attending our online training, managing their training schedules and preparing reports and analyses. We foresee that this will further enhance the percentage of our agents with completed Continuing Professional Development (“CPD”) hours and compulsory training, as required by the MTA.

	AGENCY TRAINING	AGENCY CODE OF ETHICS	BALANCED SCORE CARD
Objectives	Enhanced training focused on client service, marketing skills and product knowledge.	Sets standards on code of conduct as per industry and Malaysian Takaful Association (“MTA”) guidelines.	To encourage agents to consider consumers’ financial needs and circumstances, provide proper advice and ensure ethical and professional conduct.
Achievements	Boosts agency production. Dedicated agency training roadmap (see below).	Agents equipped with knowledge of advisory principles, disclosure of underwriting information and ethical market conduct.	We recorded growth in the Normal Performer and Upside Performer ratios by 6.5% and 5.6%, respectively, against last year’s results.

DEDICATED AGENCY TRAINING ROADMAP



New Recruitment

Rising Star
Wasilah Kesejahteraan



Existing Agents

Advanced Takaful Planning
Wasilah Kesejahteraan



Leaders

Leadership & Agency
Management Programme
Agency Business Survival
Coaching for Performance

ENRICHING OUR COMMUNITY

8 Community Development



People



4 QUALITY EDUCATION



11 SUSTAINABLE CITIES & COMMUNITIES



Nurturing Industry Professionals

As a market leader in the fields of reinsurance, retakaful and takaful, the MNRB Group remains committed to sustain the growth of the industry while contributing to the needs of society. We share the responsibility for nurturing the growth of the industry by preparing and equipping professionals with the right knowledge, skills and competencies.

Our goal is to ensure that we develop a pool of skilled young talents who are able to lead the industry in the near future. Although restrictions were imposed by the government to ensure the containment of the pandemic, the Group continued to make the most of technology to equip talents with the necessary industry knowledge. At the same time, we strive to assist in the development of the community's ability to transition to economic resilience. These objectives are achieved through the realisation of our programmes and events conducted throughout the year.

In addition, Malaysian Re continues to organise technical training courses for our corporate clients' underwriters to scale up their risk analytics capabilities. These courses are offered to both domestic and international clients.

Sustainability Statement

Our key market training programmes are listed below.

MARKET TRAINING PROGRAMMES	
Programme for Insurance Executive Development (“PIED”)	<p>This is designed for executives with at least two years of work experience in the insurance industry, as well as for those who are well versed in the knowledge of the four classes of insurance (i.e. Marine, Engineering, Fire & Property and Liability).</p> <p><i>Note: The programme was held virtually from 2 to 5 August 2021.</i></p>
Young Emergent Leadership Showcase (“YouLead!”)	<p>A leadership programme for young emerging managers with high potential that focuses on effective leadership fundamentals, deciphers key industry issues and provides knowledge-sharing/regulatory updates on the insurance industry by experts in their fields. A continuous support group is formed for each batch after the programme.</p> <p><i>Note: The programme was held virtually from 15 to 19 November 2021.</i></p>
Technical Courses in Fire Risk Assessment and Special/Self-Rating (“FRA”)	<p>A programme designed to educate underwriting and marketing professionals from insurance companies with at least two years of experience. Participants are expected to conduct fire risk surveys and have a good grasp of the special/self-rating rules and computation.</p> <p><i>Note: The annual FRA programmes for the industry were held virtually on the following dates: Session 1 (7 to 10 February 2022) Session 2 (7 to 10 March 2022).</i></p>

List of webinars and training conducted by Malaysian Re, attended by both local and international participants:

NO.	PROGRAMME	DATE	NUMBER OF PARTICIPANTS
1	Malaysian Re’s Webinar: ‘Reinsurance in Practice (Advanced)’	28 February to 2 March 2022	25 (Local)
2	Malaysian Re’s Webinar: ‘Reinsurance in Practice (Basic-Intermediate)’	21 to 25 February 2022	71 (Local & International)
3	MRRD’s Webinar: ‘Maqasid Al-Shariah & Sustainable Development of Takaful Industry’	26 January 2022	83 (Local & International)
4	SILSR’s Webinar: ‘Engineering Risk Management Aspect’	25 January 2022	40 (Local)
5	SILSR’s Webinar: ‘Property Risk Management Aspect’	11 January 2022	40 (Local)
6	MRRD’s Webinar: ‘Underwriting Consideration for Liability Risks’	25 November 2021	27 (Local)

Sustainability Statement

NO.	PROGRAMME	DATE	NUMBER OF PARTICIPANTS
7	MRRD's Webinar: 'Underwriting Consideration for Construction Risks'	24 November 2021	27 (Local)
8	Technical Course in Fire Risk Assessment & Special/Self Rating for RHB Insurance Berhad	1 to 3 November 2021	28 (Local)
9	MRDL's Webinar: 'Reinsurance Wordings'	18 October 2021	77 (Local & International)
10	MRDL's Webinar: 'Making Reinsurance Buying Decisions'	11 October 2021	81 (Local & International)
11	Malaysian Re's Webinar: 'Digitalisation of Marine Insurance as Game Changer: Leveraging Artificial Intelligence ("AI") and Big Data'	6 October 2021	125 (Local & International)
12	MRRD Virtual Forum: 'Sales Distribution Experience during COVID-19 - Navigating through the Unprecedented Times'	30 September 2021	50 (Local)
13	Malaysian Re's Webinar: 'Introduction to Probable Maximum Loss ("PML") Assessment'	6 to 7 September 2021	30 (Local)
14	Technical Course in Fire Risk Assessment & Special Rating/Self-Rating ("FRA") for Liberty Insurance Berhad	5 to 7 July 2021	25 (Local)
15	Technical Course in Fire Risk Assessment & Special Rating/Self-Rating ("FRA") for Lonpac Insurance Berhad	28 to 30 June 2021	25 (Local)
16	Malaysian Re's Cyber Symposium International	23 March 2022	81 (Local & International)

Sustainability Statement

9 Responsible Investment



Process



Investment will continue to be an important part of our business. We invest to maximise returns while balancing the risks, resulting in value creation for our stakeholders. The Group's investment management strategy focuses on capital preservation, liquidity management and return optimisation through a systematic and structured investment process.

The Board, through the Group Investment Committee, has oversight of the investment process, which also takes into consideration sustainability criteria.

Guided by our Investment Policy Statement ("IPS"), our Group Investment Department and Group Investment Management Committee ensure proper risk management by prudently monitoring existing investment portfolios and screening potential investment portfolios. The portfolios are safeguarded by the department by adhering to approved Strategic Asset Allocations that have been thoroughly discussed and approved by the Board.

Sustainability and Shariah-Compliant Investing

Through the inclusion of Sustainability Investing in our IPS, we uphold responsible investing practices that consider sustainability factors to better manage risk and generate sustainable long-term returns in the investments that we make. We constantly review the investment process to improve sustainability investing as we are committed to supporting a more sustainable future. As a result, efforts were made to develop the Responsible Investment Roadmap that targets a certain level of sustainability compliance by a certain period.

All investments must also adhere to permissible instruments and avoid exposure to impermissible sectors, such as gaming and alcohol-related sectors, which violate our commitment to responsible investment. Investments are only made with approved counterparties who meet the appropriate rating and other relevant criteria within approved credit limits, as stipulated in the investment policies and guidelines.

Furthermore, the department ensures that our investments conform to Shariah principles as per the requirements of our takaful funds. The takaful contributions received are strictly invested in Shariah-compliant instruments. These are regularly verified for compliance by the Compliance Management Department (Shariah Review) and are reported to the Group Shariah Committee.

In addition, all financial assets are assessed at each reporting date to determine whether there is any objective evidence of impairment due to any significant event having an impact on the estimated future cash flows of the asset.

Sustainability Statement

10 Environmental Management



Environmental Management Efforts

The MNRB Group’s current environmental management initiatives, and those in the pipeline, include, but are not limited to, the following:

CURRENT INITIATIVES	IN PROGRESS/FUTURE INITIATIVES
1 Sustainable Investing	
Responsible Investment Roadmap: Integration of ESG Criteria. As at 31 January 2022, Listed Equities comprise 86.0% ESG criteria, whereas Bonds comprise 46.0% ESG criteria.	Gradually increasing the exposure in tandem with the number of companies being assessed by the third-party data provider. From FY2022 to FY2023, we expect: Listed Equities - above 80.0%; ESG Bonds - above 45.0%.
2 Malaysian Insurance Directory	
The Directory is now published in digital form and can be downloaded from the Malaysian Re website.	
3 New e-Submission (GO Prime)	E-Recruitment in GO Prime
Replaced i-Smart with a new e-submission platform with new features such as a payment gateway and remote sales (50.0%).	To have an e-recruitment module in the current GO Prime system for Agency Leaders to recruit new agents. All documents will be uploaded onto GO Prime instead of printing & filling up physical forms & submitting them via email. Targeted to be implemented by end-June 2022.
	Agency
	To have a Partner Portal module in the current GO Prime system for the agency force to manage (monitoring production, etc.) the business with a single sign-in. Targeted to be implemented by end-April 2022.
4 Reduction of Paper Usage for Agent Registration	
Agent Application Forms are received via email from the agents, and printouts are no longer viable as most are stored in a Shared Folder (95.0%).	
5 Online Training for Family Takaful Agents	
Conducting online training and utilising softcopy materials. Reducing the usage of paper by utilising online methods (90.0%).	The Learning Management System & Training Management System (“LMS & TMS”) will be introduced to provide all training management & modules to the agency force; hence, all reports or materials can be retrieved & downloaded when needed. Targeted to be implemented by March 2022.

Sustainability Statement

CURRENT INITIATIVES

IN PROGRESS/FUTURE INITIATIVES

6 Electronic Submission

At the end of year 2020, Takaful IKHLAS Family started the functionalities for New Business Applications, Renewal & Endorsement for GTT & GHS and providing softcopies of billings/invoices and Master Certificate issuance.

Previously, Marketing submitted hardcopy forms/documents and Group Operations provided hardcopy billings/invoices and Master Certificates for distribution. With this initiative, all submissions and documents are managed via email except for special requests on hardcopies (if any). This is currently in progress towards full implementation.

7 Electronic Distribution of Renewal Notices

Takaful IKHLAS General has embarked on electronic distribution of renewal notices since March 2020. This has resulted in cost savings as well as the reduction of our carbon footprint, contributing to a significant reduction in printing and savings in man-hours spent on manual processing of documents and trips to the post office for physical mailings.

8 Merimen e-Claims

Electronic claims processing via the Merimen e-Claims system:

- Almost 100.0% of Own Damage and Windscreen claims are processed in the Merimen e-Claims system.
- About 20.0% to 70.0% of claims for all other classes are processed in the Merimen e-Claims system.
- Efforts are being made to convert physical claims processing to e-claims for all classes within the next three years.

Claims notification and submission of documents for motor Takaful is now available online via the Takaful IKHLAS GO Serve website.

9 e-Certificates for Motor, Fire, Personal Accident and Travel PA

System-generated e-certificates are delivered via email to customers upon subscribing to our Motor, Fire, Personal Accident or Travel PA.

This has improved the speed of certificate delivery and resulted in savings in printing expenses of more than 50.0%.

e-Certificates for Other Products

There are plans to introduce more products on the digital platform for ease of transaction, monitoring of payments and production. This will increase the number of products that can be issued in digital format and reduce dependence on physical documents, hence reducing printing and the cost of delivery of certificates.

More information, such as production reports, can be made available through the platform and further reduce the need to print and deliver hardcopy reports to intermediaries.

Thus, this will contribute to reducing carbon footprints for paper, ink, electricity and fossil fuel (transportation).

Targeted to be implemented by December 2022.

Sustainability Statement

For general takaful, we allow a 2.5% Green Energy Incentive discount for eligible risks, i.e. for:

- A** Manufacturing risk with Sum Covered (“SC”) above RM50 million where alternative or renewable energy is produced from green initiatives such as solar, hydropower, etc, the risk may enjoy a discount of up to 2.5% off the rates, subject to the overall assessment of the risk by the Underwriting Department.
- B** Non-manufacturing risk with SC above RM50 million that employs similar alternative energy, the allowable discount granted is subject to the Underwriter’s risk assessment.

Managing Our Carbon Footprint

The Group’s internal environmental management efforts involve minimising environmental impacts by managing our carbon footprint while conserving depletable resources such as water and electricity.

Hybrid Working Arrangement

At the onset of the pandemic and the resulting MCO in FY2021, the Group adopted a flexible/hybrid working arrangement that significantly reduced the number of employees working in the office (“WIO”). The hybrid working arrangement continued in FY2022 with a gradual increase of staff WIO, particularly our frontliners, in tandem with customer needs.

The Group’s virtual meeting tools and web-based conferencing facilities continued to facilitate online local and cross-border meetings with our business partners and brokers, as well as with our Dubai office, thus significantly reducing the need for physical travelling, which contributed to minimising the carbon footprint of our daily business operations.

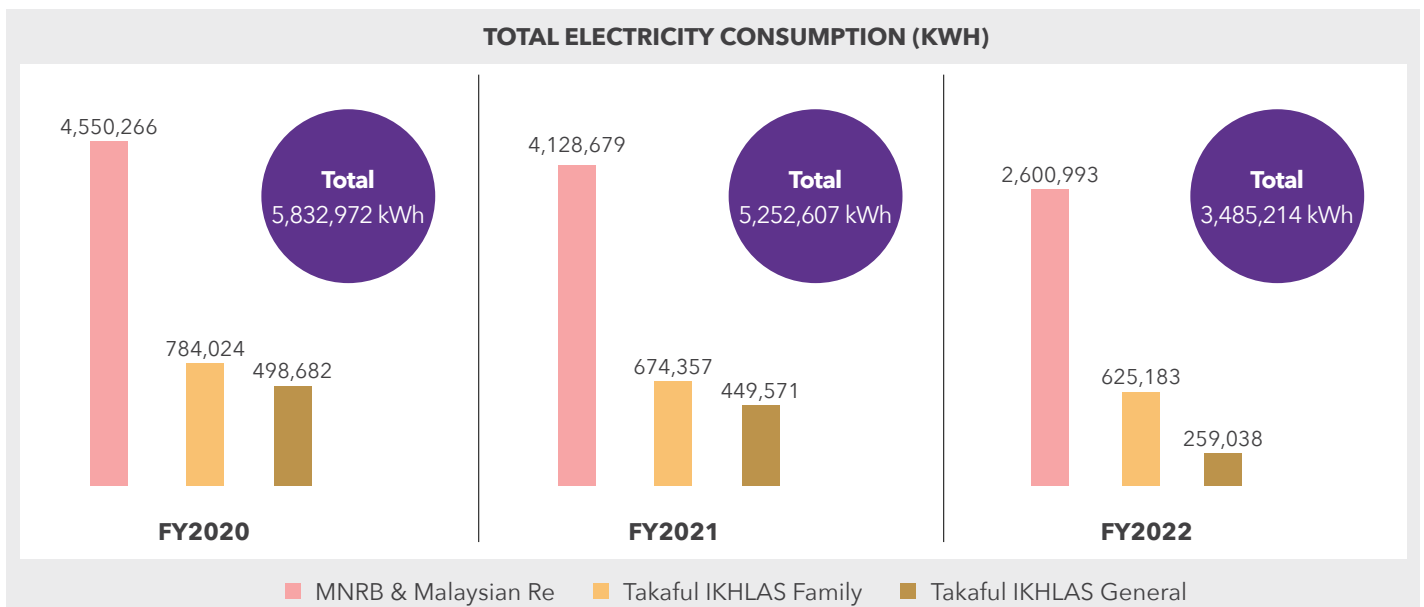
At Bangunan Malaysian Re, to encourage staff, tenants as well as visitors to use electric vehicles (EVs), three locations have been earmarked for the installation of charging bays for EVs.

Paper-saving

The Group has prioritised the development of digital databases and digital takaful transaction platforms to meet operational needs and facilitate more convenient transactions for our customers. These include the digitisation into softcopy of documentation archives, report submissions and meeting papers. There are also continuous awareness campaigns to encourage all staff to use recycled paper if printing is necessary.

Conserving Electricity

With a majority of our employees working from home (“WFH”), we continued to experience a reduction in total electricity consumption over the period under review. Ongoing energy efficiency efforts include the switch to LED energy-saving light bulbs throughout the building, currently at 80.0%. The zonal light switches installed in the corporate areas also worked well, with the limited presence of staff in the office during the pandemic.



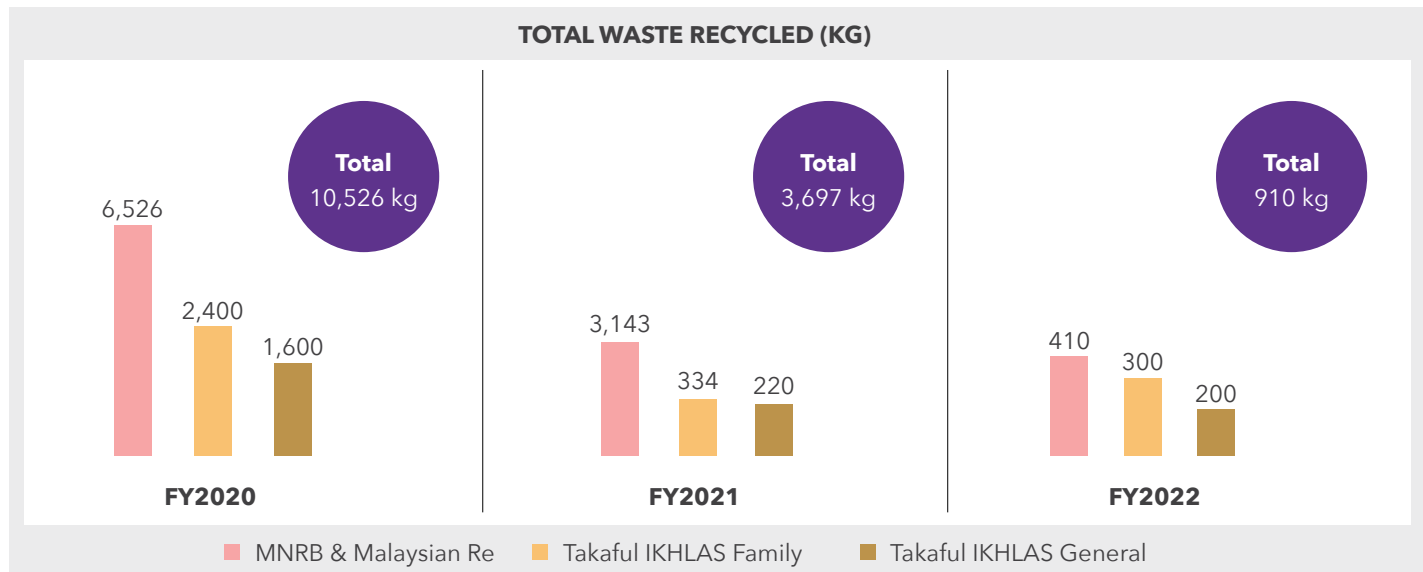
Note: FY2021: 10.0% reduction | FY2022: 34.0% reduction.

Sustainability Statement

Waste Recycling

We have in place a proper waste management programme to handle recyclable materials. During the period under review, we continued to observe lower waste disposal in the office as many employees were still working from home.

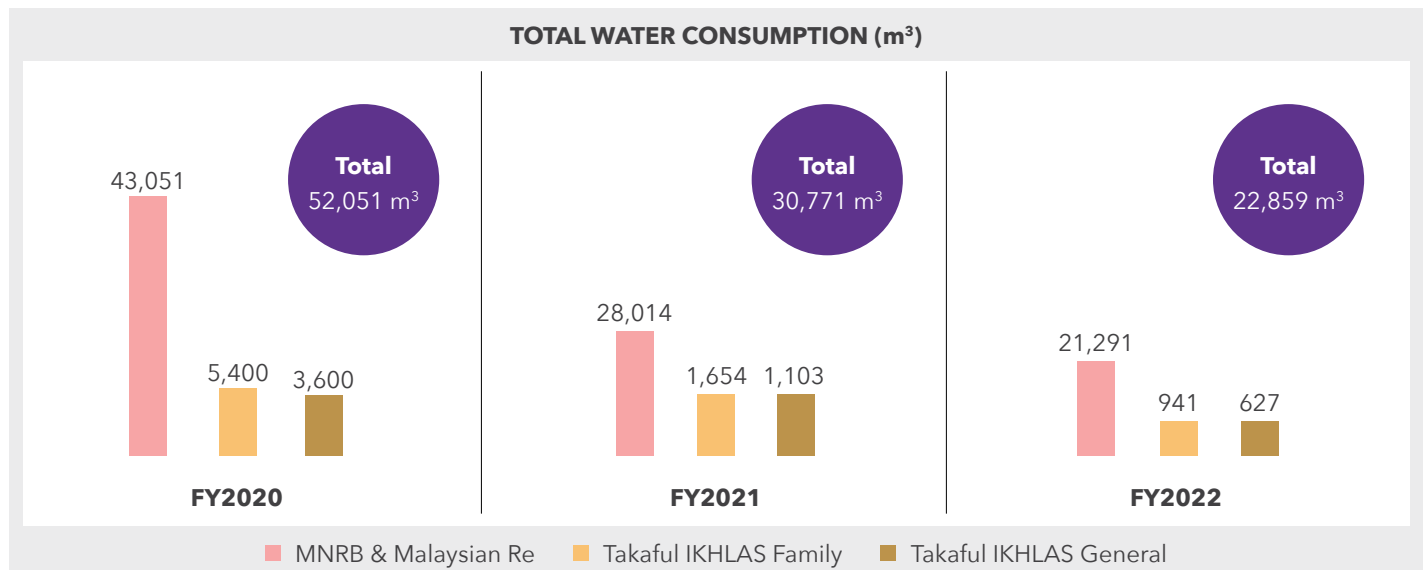
We are also in the process of installing waste recycling compartments at Bangunan Malaysian Re and IKHLAS Point by August 2022.



Note: FY2021: 65.0% reduction | FY2022: 75.0% reduction.

Water Management

Water is utilised for operational purposes, including drinking, hygiene, ablutions and sanitation. Efficient washroom fixtures have been installed in the washrooms in the building to better manage water consumption. We continued to observe a reduction in the total water consumption due to fewer employees working in the office during the year.



Note: FY2021: 41.0% reduction | FY2022: 26.0% reduction.

Sustainability Statement

Improved Air Quality

During the past financial year, we improved the indoor air quality (“IAQ”) at our building by upgrading the air-conditioning system. As one of the mitigation measures against the pandemic, an air-conditioning filtering system was also installed for cleaner air circulation within the building.

Our Value-Based Intermediation Programme

The MNRB Group seeks to create impactful initiatives benefitting society through good governance and prudent fund management. In this regard, we have established the IKHLAS Barakah House, which is a Shariah-compliant platform to pool funds from various sources to be distributed through prudent processes according to Shariah principles. The programmes and initiatives carried out through IBH focus on five main pillars, namely health, education, community enrichment, economic empowerment and the environment.

IKHLAS Barakah House

The IKHLAS Barakah House (“IBH”) has been newly established in line with Value-Based Intermediation for Takaful (“VBIT”). The objective is to deliver positive and sustainable impacts through good governance and prudent fund management in support of impactful initiatives that benefit society.

IBH distribution focus areas comprise:

Health: Access to healthcare treatment and services.

Education: Access to quality education.

Community enrichment: Access to an enriched quality of life.

Economic empowerment: Access to training and skills development for economic empowerment.

Environment: Access to preserved natural resources and renewable energy.

IBH DISTRIBUTION



Health

- COVID-19 related expenses.
- 200 units of Personal Protection Equipment (“PPE”) distributed to frontliners.
- Portable showers rental fee for Klinik Kesihatan Kuala Lumpur.
- IWE Waqf handover of wheelchairs to Hospital Universiti Kebangsaan Malaysia.
- Ventilator contribution - Mercy Malaysia.
- Financial assistance and food packs for stranded students at three local universities.
- IWE Waqf handover of health equipment, e.g. ECG machine and pillows and mattress contribution to Hospital Ampang, Kuala Lumpur.
- MTA - Special COVID-19 fund contribution.



Education

- Donation to Tabung CERDIK initiative - Benefitting 10 schools by providing complete sets of laptops, data packets and dongles.
- Grant research for developing Crop Micro Takaful Scheme - UNISZA.
- Sponsorship of Shariah Law Journal Research - Universiti Malaya.
- Zakat Financial Aid to MNRB scholars.



Community enrichment

- IKHLAS Barakah Box (Ramadhan) - Distributed to three Program Perumahan Rakyat (“PPR”) in the Klang Valley.
- IKHLAS Kongsi Ramadhan in collaboration with Pusat Pungutan Zakat (“PPZ”) and FoodPanda.
- Flood relief donations of cooking utensils - Raub, Pahang, in collaboration with Sahabat I Care Resources.
- IKHLAS Kongsi Ramadhan Syawal Financial assistance and food banks for six mosques.
- IKHLAS Barakah Box food banks.
- Financial assistance - Emergency Disaster Relief.
- MNRB Group Staff Welfare Financial Assistance.



Economic empowerment

- ASNAF Entrepreneurship Programme (“AEP”) - Agency Training and Recruitment.
- Protégé - To support the government’s mission to cultivate youth potential.

Sustainability Statement

MNRB Scholarship Fund

The MNRB Scholarship Fund aims to assist in the development of the Malaysian insurance and takaful industries by enabling promising students to have access to quality education, to produce quality insurance and takaful professionals.

In collaboration with the Malaysian Insurance Institute (“MII”), the Fund assists employees of the local insurance industry to pursue part-time studies for the Associateship of the Malaysian Insurance Institute (“AMII”) Level 1 and the Associateship of the Malaysian Insurance Institute (“AMII”) Level 2 certifications at the MII.

The fields of study include, among others, Actuarial Science, Insurance/Risk Management, Accounting/ACCA, Shariah and Information Technology.

The total investment since the MNRB Scholarship Fund’s inception in 1998 is more than RM18,071,039 (as at March 2022). The total contributions to the Fund over the past five years are as depicted below:

YEAR	CONTRIBUTION (RM)	TOTAL NUMBER OF SCHOLARS
FY2018	1.2 million	85
FY2019	0.9 million	51
FY2020	0.4 million	40
FY2021	0.5 million	42
FY2022	0.6 million	75 (existing scholars)

The Group keeps track of the development of our scholars and acknowledges their success. A recent record was the notable achievement of our scholar, Hoh Jia Da, who, together with his team, emerged as the champion in the AHAckathon organised by the ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management (“AHA Centre”). The team created an application-based solution using artificial intelligence to solve disaster-relief logistics challenges commonly faced by ASEAN governments.

IKHLAS Waqf & Endowment (“IWE”) Programme

This programme provides complimentary Waqf and endowment benefits to all individuals who participate in any of our general takaful plans. The Waqf and endowment benefit will be channelled to the relevant Waqf or endowment recipients in the name of the participant upon his/her accidental demise.

Since its inaugural launch in April 2019, the IWE programme has contributed RM24,000 to three Waqf and endowment bodies in the name of 20 of our participants. There were 2,430,172 individual certificates eligible for IWE benefits as at March 2022.

INITIATIVES	NO. OF INDIVIDUAL CERTIFICATES
A total of RM3,000 was paid to UM AWQAF in December 2019 for three participants.	699,621 (as at March 2020)
Another RM8,000 was distributed to Hospital Canselor Tuanku Muhriz UKM in December 2020 for six participants (two of them had two certificates each).	1,535,411 (as at March 2021)
On 20 September 2021, RM13,000 was distributed to Hospital Ampang Kuala Lumpur as part of donations of health equipment/necessities for COVID-19 treatment purposes. This distribution involved 13 certificates with 11 participants.	2,430,172 (as at March 2022)

Sustainability Statement

IKHLAS Waqf Facility

The Waqf facility by Takaful IKHLAS was established to facilitate arrangements for the settlement of Family Takaful death benefits assigned for Waqf. Currently, we have arrangements with Waqf institutions such as Perbadanan Wakaf Selangor, Yayasan Wakaf Malaysia and JCorp Waqaf Annur for the settlements.

Our Key Corporate Responsibility Programmes

The MNRB Group continues to focus its corporate responsibility efforts on education. We believe that education has the transformational power to strengthen communities and build their resilience in a sustainable manner. Our initiatives under corporate responsibility are intended to elevate the quality of life for the underserved and unserved communities while promoting the social inclusion of communities in general.

Minggu Saham Amanah Malaysia (“MSAM”)

MSAM is an annual integrated investment education programme organised by Permodalan Nasional Berhad (“PNB”) to increase awareness among Malaysians on the importance of investment and financial planning. The MNRB Group has been one of the partners for MSAM since the inception of this event in 2000 and has been supporting its objectives through financial literacy and corporate social responsibility programmes.

After two decades of physical MSAM events, in 2020, due to the COVID-19 outbreak, MSAM was replaced and rebranded with a digital adaptation, Minggu Saham Digital (“MSD”). The MNRB Group continued our participation in MSD and highlighted the importance of takaful protection through online engagement activities.

For MSD 2021, the activities held online included Takaful IKHLAS’ sharing sessions on the importance of takaful, hibah and waqf through two virtual talk shows that were broadcast live via MSD online broadcast channels. Takaful IKHLAS also organised various engagement activities via its social media platforms to further amplify the message of takaful awareness to the public as well as to promote agent recruitment.

Apart from this, Takaful IKHLAS enhanced its product promotions during the duration of MSD to encourage the nation to sign up for its takaful products for the financial security of themselves and their loved ones during times of need.

Disbursements of Business Zakat

Universiti Malaya

Malaysian Re Retakaful Division (“MRRD”), on 14 September 2021, transferred business zakat amounting to RM36,690 to Bahagian Hal Ehwal Pelajar, Universiti Malaya. Universiti Malaya disbursed the amount to 145 asnaf students from Program Asasi Pengajian Islam dan Asasi Sains.

PPZ-MAIWP

Takaful IKHLAS General and Takaful IKHLAS Family, on 2 December 2021, presented business zakat amounting to RM185,556.60 and RM261,278.40, respectively, at a handover ceremony held in Kuala Lumpur.

During this ceremony, Encik Zaharudin Daud, President & Group Chief Executive Officer of MNRB Holdings Berhad, representing Takaful IKHLAS Family, and Dato’ Rudy Rodzila Che Lamin, President & Chief Executive Officer of Takaful IKHLAS General, presented the zakat to Yang Berhormat Senator Datuk Ustaz Haji Idris Ahmad, Minister of Religious Affairs.

Majlis Agama Islam and Adat Melayu Terengganu

Takaful IKHLAS General, on 23 January 2022, presented business zakat amounting to RM174,185.60 to Majlis Agama Islam dan Adat Melayu Terengganu (“MAIDAM”) at a handover ceremony held in Kuala Terengganu.

During this ceremony, Dato’ Rudy Rodzila Che Lamin, President & Chief Executive Officer of Takaful IKHLAS General, presented the zakat to Yang Dipertua MAIDAM, Dato’ Haji Shaikh Harun bin Shaikh Ismail. The zakat handover was expected to help ease the burden of those in need.

Zakat Melaka

Takaful IKHLAS Family, on 25 January 2022, presented business zakat to Zakat Melaka in a ceremony held at Zakat Melaka Headquarters.

Takaful IKHLAS Family was represented by Ustaz Shahrir Sofian, our Group Shariah Committee member, who handed over the zakat contribution amounting to RM123,704.40 to Encik Zuhri Iskandar A. Rahman, Deputy Chief Executive Officer of Zakat Melaka.

The zakat contribution was part of Takaful IKHLAS’ initiatives to help communities in need through its #IKHLASKongsi campaign.

Sustainability Statement

Ramadan Aid to Asnaf in Kelantan

Takaful IKHLAS General, in collaboration with Majlis Orang-Orang Besar Diraja Kelantan, organised a Ramadan assistance programme for selected asnaf in the state of Kelantan.

Through this programme, Takaful IKHLAS General contributed RM40,000 from its zakat wakalah to help 150 less fortunate families in 10 selected areas in Kelantan to prepare for their needs during the fasting month.

Dato' Rudy Rodzila Che Lamin, President and Chief Executive Officer of Takaful Ikhlas General Berhad, presented the contribution to YB Dato' Kaya Setia Dato' Haji Nazran Muhammad, the Kelantan State Secretary, during the handover ceremony held at Pejabat Tanah dan Jajahan Kuala Krai, Kelantan on 27 March 2022.

LOOKING AHEAD

The MNRB Group aspires to continue our journey towards achieving growth that is sustainable and meaningful for all our stakeholders. In the effort to create a positive socio-economic impact, the Group remains dedicated to integrating our sustainability and value-based agenda into our business and operation strategies by refining our internal processes and bolstering our capabilities to create sustainable value for our business, our stakeholders and society as a whole.

Supporting Carbon-neutral and Renewable Energy Development

In the immediate future, the MNRB Group anticipates firming up our commitments to reducing our carbon footprint, supporting our cedants and participants in their transition to carbon-neutral positions and strengthening our product and service offerings towards 'net zero' carbon emission in the coming years. A key element in this area will be to strengthen our capacity and product offerings to support the development of renewable energy, particularly energy sourced from wind, hydro and solar. We continue to chart our path with our involvement in the proposed ASEAN Green Energy Pool and initiatives to expand the coverage for solar panels and electric vehicles.

Inclusive and Sustainable Takaful to Strengthen Financial Resilience

The Group will further persevere with our social and value-based agenda to expand and provide adequate coverage to our participants so that they are financially resilient upon facing adversities, including those triggered by climate-related risks. The prevalence of extreme weather events triggered by environmental-related events such as frequent floods and droughts will cause not only property, crop and livestock damage, but will also affect human health in the long run. This entails education and awareness programmes to inculcate responsible behaviour and motivate people to participate in takaful solutions to ensure financial resilience.

Integrating Sustainability into Business Practices

Moving forward, the MNRB Group is strengthening the integration of our Sustainability Roadmap into our business practices, in alignment with our overall business strategy and stakeholders' expectations. We believe that this can be achieved by increasing our internal and external stakeholders' awareness and involvement in Environmental, Social and Governance ("ESG") matters and acknowledging everyone's contributions towards achieving our sustainability ambitions.