

SUSTAINABILITY STATEMENT

TOWARDS RESILIENT RECOVERY

At the commencement of the MNRB Group's financial year in April 2023, Malaysia's economic landscape was exhibiting resilience and continued recovery, with the expected expansionary momentum. As the nation steadfastly emerged from the severe impacts of the pandemic and ongoing geopolitical and socio-economic uncertainties, the insurance and takaful industry experienced growth, driven by a renewed emphasis on sustainability and climate change matters. In line with this, there was heightened demand for products and services addressing environmental and social risks across various sectors.



Today, the insurance and takaful industry is increasingly aligning with global and local sustainability goals and regulations, integrating sustainability ideals within business practices and operational activities. This strategic shift aims to enhance the relevance and value proposition of insurance and takaful offerings, positioning the industry as a key contributor to tackling the impacts of climate-related and societal challenges while advancing sustainable development.

Recognising the MNRB Group's pivotal role in fostering resilience and mitigating risks associated with sustainability matters including climate-related risks, the Group remains committed to initiatives focused on customer-centricity, digital transformation, and sustainable development. This approach not only aligns with broader economic trends, but also enhances growth opportunities within our operational sphere while contributing to broader societal and business interests.

ABOUT THIS STATEMENT

Reporting Scope and Boundary

This Sustainability Statement ("Statement") focuses on MNRB Holdings Berhad and its subsidiaries, branches and premises, as well as business and operating activities (collectively referred to as "the MNRB Group" or "MNRB" or "the Group" or "we" or "our" or "us"). It covers the reporting period from 1 April 2023 to 31 March 2024 or Financial Year 2024 ("FY2024"), unless specified otherwise.

This Statement attempts to address all material issues that are important to the MNRB Group, determining the scope based on the significant impact of our operations on the economy, environment, and community. To ensure clarity and avoid redundancy, our focus will be on highlighting the latest developments in our sustainability-related policies, governance, and initiatives during the reporting period.

Assurance Statement

This Sustainability Statement has not been subjected to an assurance process. The Group is currently in the process of establishing an internal review process for the Sustainability Statement to strengthen its credibility. As part of this effort, we will consider seeking external assurance to reinforce our commitment to transparency and accountability in sustainability reporting.

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Alignment with Reporting Standards and Sustainability Frameworks

This Statement has been prepared in accordance to the guidelines outlined in Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition). It also aligns with globally recognised sustainability reporting best practices, including the Global Reporting Initiative (“GRI”) Standards and the United Nations Sustainable Development Goals (“UN SDG”) Framework. This ensures that our sustainability efforts are in line with industry benchmarks and contribute positively towards global sustainability objectives.

We continue to ensure that our sustainability efforts are in accordance with the United Nations Environment Programme Finance Initiative Principles of Sustainable Insurance (“UNEP FI PSI”), which underscores the importance of responsible financial practices that foster environmental and social well-being. In addition, we are guided by Bank Negara Malaysia or BNM’s Value-Based Intermediation Framework (“VBIF”) and the Malaysian Takaful Association’s Value-Based Intermediation for Takaful Framework (“VBIT”), ensuring ethical and inclusive practices in our operations. These frameworks complement our commitment to sustainability and contribute to the overarching objectives of promoting financial sector resilience, inclusivity, and environmental stewardship.

OUR APPROACH TO SUSTAINABILITY

This Statement has been prepared with care and forethought to provide our stakeholders with a comprehensive and objective view of our economic, environmental, social and governance performance. The MNRB Group aims to present the information in a transparent and easy-to-understand manner, ensuring clarity and accessibility for all stakeholders.

WE PROTECT EVERYONE

The MNRB Group is driven by our core purpose of “We Protect Everyone”, which is consistent with our operational and commercial activities in the takaful, reinsurance and retakaful sector. This purpose further demonstrates our commitment to Maqasid Shariah objectives, particularly in fostering social and economic justice within the space in which we operate. The principles of Maqasid Shariah propagate promotion of well-being and prevention of harm for all stakeholders, which is in harmony with our core purpose.

Through our reinsurance/retakaful and takaful subsidiaries, we deliver financial protection and risk management solutions to a wide spectrum of clients, including corporate entities and retail customers respectively. We provide a diverse range of reinsurance/retakaful and takaful offerings, tailoring solutions to meet the specific needs of each client. This approach underscores our ongoing commitment to their financial well-being and broader societal impact.

Our primary goal is to assist affected parties in recovering from adversity and catastrophic events by helping them regain a sense of normality in their lives and livelihoods. We strive to facilitate their journey back to stability, demonstrating our dedication to protecting individuals and businesses and empowering them to be resilient through challenging times.

Through our IKHLAS Barakah House or IBH programme, we undertake social initiatives that focus on building sustainable communities. Through IBH, we are continuously embarking on activities to provide access to quality education, healthcare services, skills development for economic empowerment, and initiatives to enhance the quality of life while preserving natural resources. In line with our commitment to customer centricity, we are dedicated to enhancing our digital touchpoints and mobile apps to enable convenient access to our takaful services, thereby improving the overall customer experience.

As we embark on this sustainability journey with a greater sense of purpose, we will continue to gather feedback from our customers and stakeholders. This feedback loop ensures that we can effectively uphold our purpose of protecting everyone within our operating space.

SUSTAINABILITY @ MNRB

Our Sustainability Aspirations

At MNRB, we strive to be a responsible and caring corporate citizen, by creating meaningful impact and generating long-term value that safeguards the environment, society, and communities we serve. We are deeply committed to balancing our good economic performance with positive environmental stewardship and social considerations, while also delivering sustainable financial outcomes and fostering good stakeholder relations.

We continuously integrate sound environmental, social, and governance (“ESG”) considerations into our business and operations, alongside providing retakaful and reinsurance solutions, and undertaking responsible investment. We focus on executing the initiatives in our Group Sustainability Roadmap and refining our strategies as needed throughout the year.

Recognising the rise in climate-related events, the MNRB Group, as a key reinsurance and retakaful player within the industry, acknowledges the significance of our contribution to the advancement of the sustainability agenda. Our goal is to work towards mitigating climate change and to achieving Net Zero carbon emissions by 2050 by reducing our carbon footprint and greenhouse gas (“GHG”) emissions.

“Our goal is to work towards mitigating climate change and to achieving Net Zero carbon emissions by 2050 by reducing our carbon footprint and greenhouse gas (“GHG”) emissions”

We are also cognisant of our responsibility to create positive social impact, particularly for communities and their related stakeholders. We acknowledge that our activities can significantly influence the well-being of not just our customers, but also our employees, partners, suppliers, and communities. Thus, we aim to consistently foster a culture of inclusivity and diversity, while adhering to ethical business practices that prioritise the welfare of all relevant stakeholders.

Our sustainability commitments are outlined in the subsequent section, categorised under the respective ESG pillars. These pillars represent our aspirations and guide our actions towards a more sustainable future.



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Our Sustainability Commitments

ENVIRONMENT	SOCIAL	GOVERNANCE
<p>Net Zero Carbon Enterprise by 2030</p> <hr/> <p>Net Zero Carbon Investment Portfolio by 2050</p> <hr/> <p>Net Zero Carbon Business Portfolio by 2050</p>	<p>People-centric Workplace</p> <hr/> <p>Giving Back to Society</p> <hr/> <p>Responsible Products & Services</p>	<p>Effective Sustainability Management</p> <hr/> <p>TCFD-aligned Disclosures*</p> <hr/> <p>Intensified Awareness & Advocacy</p>
<p>Transitioning to A Green Economy</p>	<p>Empowering Our People and Enhancing Society Well-being</p>	<p>Advancing a Good Governance Culture</p>
<p>Given the urgent need to address climate change, the Group acknowledges that we can play a significant role in supporting the transition to a green economy by:</p> <ul style="list-style-type: none"> • Minimising the impact of carbon emissions arising from our business activities and supply chain as we move towards our Net Zero targets; • Promoting the alignment of our current underwriting and investment activities with the Net Zero pathway, thereby encouraging efforts to mitigate climate change as we transition to a low-carbon economy; and • Developing products that contribute positively to the environment throughout their entire life cycle. 	<p>Recognising that the well-being and development of our employees and communities are fundamental to our sustainability approach, the Group remains focussed on:</p> <ul style="list-style-type: none"> • Supporting the physical and mental health and well-being of our workforce, intermediaries and larger communities; • Encouraging a culture of continuous learning and professional development across all aspects of our business, ensuring our people are equipped with the knowledge and skills to thrive in a rapidly changing world; and • Upholding our tradition of creating positive social impact through meaningful initiatives and partnerships, contributing to the overall well-being of society. 	<p>In delivering sustainable economic value to safeguard the interest of our stakeholders, we recognise that it is imperative to uphold the highest standards of corporate governance and transparency. Therefore, we are committed to championing excellence in governance by:</p> <ul style="list-style-type: none"> • Continuously practicing sound governance principles in all aspects of our business operations; • Communicating our governance policies and strategies to both internal and external stakeholders in a clear and concise manner; and • Implementing robust monitoring mechanisms and ensuring transparent disclosure to demonstrate the effectiveness and integrity of our governance framework.

Note:

* The Task Force on Climate-related Financial Disclosures ("TCFD") is an organisation established by the Financial Stability Board ("FSB") to develop recommendations for more effective climate-related disclosures that could promote better informed investment, credit, and insurance underwriting decisions.

The Group's Sustainability Commitments will continue to evolve and be refined as and when necessary. They will be reviewed periodically to ensure seamless alignment with our business strategy and associated risk mitigation efforts. They will serve as guidelines to help reinforce our commitment to championing long-term sustainability and strengthening stakeholder confidence in MNRB.

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SUSTAINABILITY GOVERNANCE

Governance Structure

The MNRB Group is committed to upholding robust sustainability governance standards through a comprehensive governance framework that includes our Board of Directors (“the Board”), Senior Management, Sustainability Champions, and the respective business units, comprising multifunctional experts from various departments across all operating entities.

The Group’s sustainability strategy and performance are continuously monitored by the Board and are further supported by key committees such as the Risk Management Committee of the Board (“RMCB”), Group Shariah Committee (“GSC”), Group Management for Risk and Compliance Committee (“GMRCC”) and the Sustainability Working Group (“SWG”).

During the reporting year, we made significant progress in our sustainability efforts with the establishment of a dedicated Group Sustainability Management Department (“GSMD”) in October 2023. This strategic move underscores the Group’s heightened awareness of the pressing need to address sustainability matters more effectively.

With the establishment of the GSMD, the Group aims to enhance sustainability awareness within the workforce, bridge knowledge gaps and equip our workforce with the essential competencies required to meet evolving sustainability demands. This includes adhering to regulatory policies, conducting accurate impact measurements, meeting stakeholders’ expectations and staying abreast of industry developments, thereby ensuring our ability to capitalise on relevant opportunities and maintain a competitive edge.

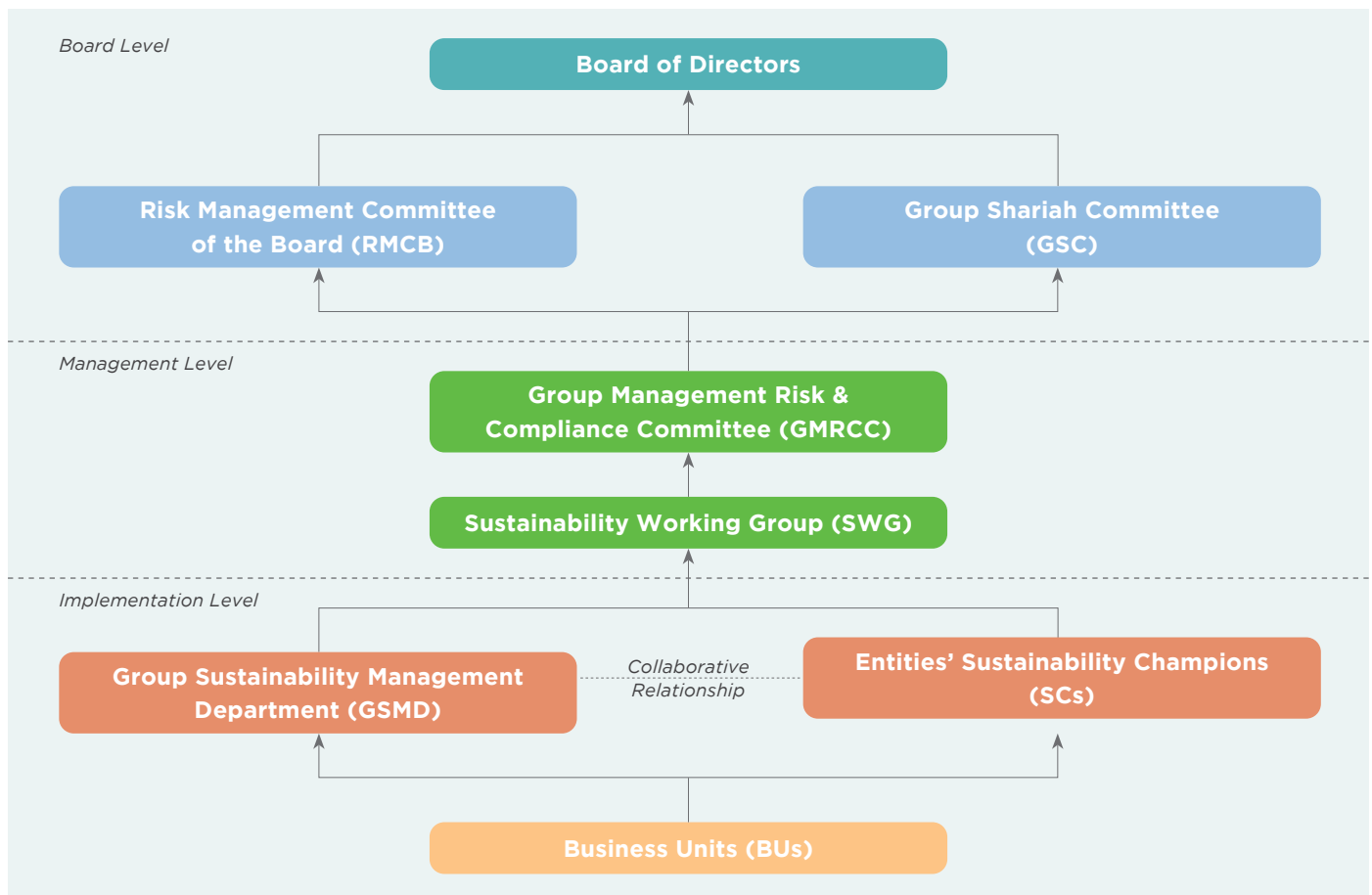


Diagram 1: Sustainability Governance

Roles and Responsibilities

Board of Directors

The Board's key responsibilities include effectively overseeing the MNRB Group's operations and ensuring alignment with the best interests of the Group and its stakeholders. This oversight is exercised through compliance with all relevant Acts and Regulations, including the adoption of principles and best practices as outlined in the Malaysian Code on Corporate Governance ("MCCG"), the Main Market Listing Requirements ("MMLR"), and the Bank Negara Malaysia Policy Document on Corporate Governance ("BNM PD CG"). The Board is also tasked with deliberating and resolving key matters such as the approval of quarterly and annual results, major acquisitions and disposals, significant capital expenditures, budgets, business plans, and succession planning for top management.

In line with the updated Board Charter as of November 2023, the Board has expanded its responsibilities to address sustainability matters and climate-related risks. The Board is now actively involved in developing sustainability strategies and engaging in regular discussions on these critical issues. This proactive approach underscores the Board's commitment to understanding and addressing relevant sustainability matters, including climate-related risks and opportunities.

Furthermore, the Board continuously enhances its knowledge relating to sustainability management through periodic capacity-building programmes. These programmes ensure that Board members remain well-informed about emerging sustainability trends, best practices in sustainability reporting, and strategies for integrating sustainability into the Group's long-term strategic planning. This ongoing education empowers the Board to make informed decisions that drive sustainable growth and value creation for all stakeholders.

Risk Management Committee of the Board ("RMCB")

The RMCB is a board-level committee that meets on a regular basis, at least once every quarter to fulfil the responsibilities delegated to it by the Board, which are mainly related to effective risk and compliance oversight.

The RMCB reports to the Board to keep it abreast of RMCB activities, key deliberations and decisions regarding matters delegated to the RMCB. One of the primary responsibilities of the RMCB is to assist the Board in providing effective oversight in addressing sustainability risks and opportunities, including the management of climate-related risks to safeguard the Group from the adverse impacts of climate change.

The respective Head of Risk Management at each of the operating entities provides the RMCB with quarterly updates on risk assessments and monitoring, including potential catastrophic and climate change events that may affect the Group and its operating entities' financial performance.

Group Shariah Committee ("GSC")

The GSC is responsible for overseeing the delegation of duties by the Board relating to the implementation of Shariah-related strategies. In March 2024, the MNRB Board approved an enhanced GSC Charter which incorporates the GSC's responsibility for overseeing the delegation of duties by the Board relating to the implementation of the Shariah aspects within the Group's sustainability strategies. For the Group's takaful entities, the GSC ensures that the Group Sustainability Policy aligns with the Shariah Governance Framework and advances the intended objectives under Maqasid Shariah.

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Group Management Risk & Compliance Committee (“GMRCC”)

In fulfilling its oversight responsibilities related to the risk and opportunities associated with the Group’s strategy and strategic decision making, the GMRCC assists the RMCB on risk management-related matters.

The GMRCC is tasked with conducting at least four (4) meetings annually. One of the primary responsibilities of the GMRCC is sustainability risk management, in which it provides effective oversight in addressing sustainability risk and opportunities, including the management of climate-related risks to safeguard the Group from the adverse impacts of climate change.

The Group Risk Management function routinely reports to the GMRCC on key trends and developments in major risk areas, such as the trend of catastrophe losses, which have a substantial impact on MNRB’s financial performance.

Sustainability Working Group (“SWG”)

The SWG, chaired by the Group Chief Strategy Officer, is responsible for the development and implementation of the Group’s Sustainability Roadmap and initiatives to address the Group’s Sustainability Matters. This includes integrating sustainability considerations into our business and operations to effectively mitigate pertinent risks and capitalise on opportunities.

Furthermore, the SWG oversees the implementation of the Sustainability Roadmap action plans by the Sustainability Champions and respective Business Units to ensure seamless integration and ongoing commitment. The progress and achievements of the action plans are reviewed during the quarterly SWG meetings. Key decisions are presented to the GMRCC and subsequently to the RMCB for approval or notation, thereby ensuring rigorous oversight and alignment with our sustainability objectives.

Group Sustainability Management Department (“GSMD”)

The GSMD was established in October 2023 with the primary objective of centralising and effectively managing all sustainability-related matters within the Group. This includes developing medium-term and long-term sustainability strategies, managing the implementation of the Sustainability Roadmap action plans and working towards our commitment to becoming a Net Zero carbon organisation by 2050.

The GSMD facilitates a focused and dedicated approach to pursuing and achieving these critical deliverables. It reflects the Group’s unwavering commitment to comprehensive sustainability management, encompassing activities such as raising awareness, fostering knowledge development, cultivating a sustainability mindset among the workforce, engaging stakeholders for insights and continuous knowledge sharing, developing structured monitoring mechanisms, and ensuring regulatory compliance. This underscores the Group’s proactive stance towards sustainability, ensuring alignment with global best practices and stakeholder expectations while driving positive impact across the organisation and beyond.

Sustainability Champions (“SCs”)

The SCs are represented by dedicated Subject Matter Experts from Malaysian Reinsurance Berhad (“Malaysian Re), Takaful Ikhlas Family Berhad (“Takaful IKHLAS Family”) and Takaful Ikhlas General Berhad (“Takaful IKHLAS General”). They are permanent members of the SWG and are responsible for aligning and coordinating the comprehensive integration of sustainability efforts into the commercial and operational activities of their respective entities, in line with the Group’s sustainability strategy.

Their responsibilities include providing regular reports and updates on the latest sustainability initiatives and accomplishments of the respective entities. Additionally, they play a crucial role in providing up-to-date data and information for the Group’s Sustainability Statement.

Furthermore, the SCs are encouraged to actively participate in various sustainability capacity-building programmes to enhance their knowledge and understanding of sustainability topics, particularly focusing on climate-related risks and other pertinent sustainability matters and developments.

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MATERIALITY

At MNRB, we are deeply committed to performing our role as a sustainability-driven financial holding company. We prioritise considering and assessing the environmental and social implications of our day-to-day business operations, all whilst upholding good governance practices. This approach is especially crucial considering the emerging climate-related challenges the world is currently facing.

Back in FY2023, we conducted a group-wide materiality assessment to identify and prioritise our stakeholders' key sustainability concerns. Building on this foundation, a limited-scale materiality review was conducted in FY2024, reaffirming that the material matters identified in the previous year remained highly relevant to both the Group and our stakeholders. By implementing an ongoing materiality assessment process, we are ensuring that MNRB remains connected with the evolving sustainability landscape, is able to responsibly manage the risks associated with our business operations, and is able to prudently leverage opportunities through our sustainability initiatives.

Materiality Assessment Process

Our materiality assessment process plays a crucial role in helping us identify and prioritise the sustainability matters that are significant to us and our stakeholders. This ensures that our sustainability management efforts are focused on key areas that drive value and meaningful impact. The process also adheres to Bursa's Sustainability Reporting Guide 2022. This allows us to conduct a thorough review of materiality matters biennially while continually enhancing our disclosures each year.

Materiality Matrix

Following the FY2023 materiality assessment exercise, we pinpointed nine material matters that were crucial to our sustainability journey, as reflected in our materiality matrix. We have maintained consistency in our approach this year, with no significant changes made during the review process. These results were validated through deliberations with SWG members and correspondingly approved by the GMRCC and the RMCB.

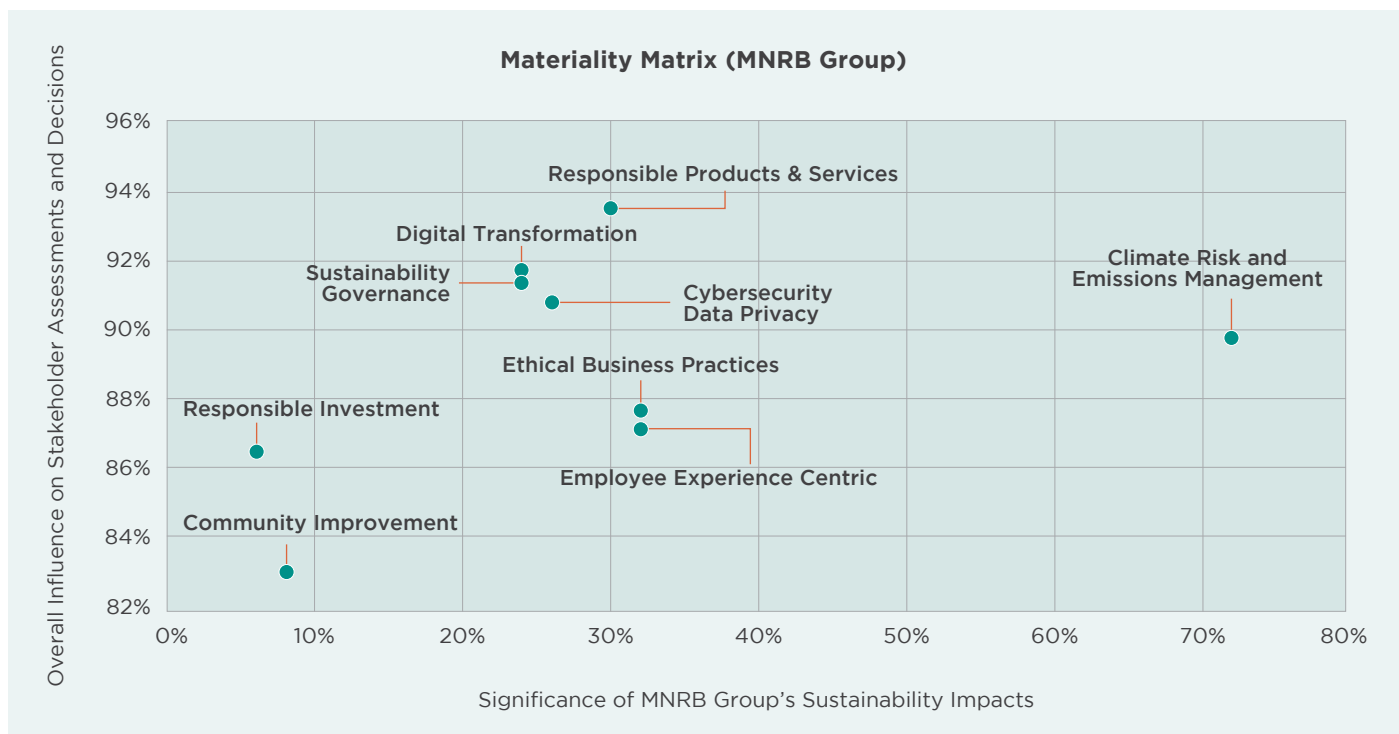


Diagram 2: Sustainability Materiality Matrix

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Stakeholder Engagement

As part of our commitment to championing sustainability, we prioritise creating shared value with our stakeholders. Our approach to stakeholder engagement emphasises continuous improvement, where we actively identify, engage, and integrate our sustainability value with our key stakeholders. This ongoing engagement occurs through various business activities and touchpoints, ensuring a two-way communication process built on mutual trust and good faith.

We are mindful of potential barriers such as gender, cultural differences, and social status, and we are proactively working to eliminate them from the engagement process. Our goal is to foster meaningful and inclusive interactions with our stakeholders, valuing their interests, concerns, and ideas. We believe that our stakeholders are our key partners who will help us deliver on our mandate of “protecting everyone”.

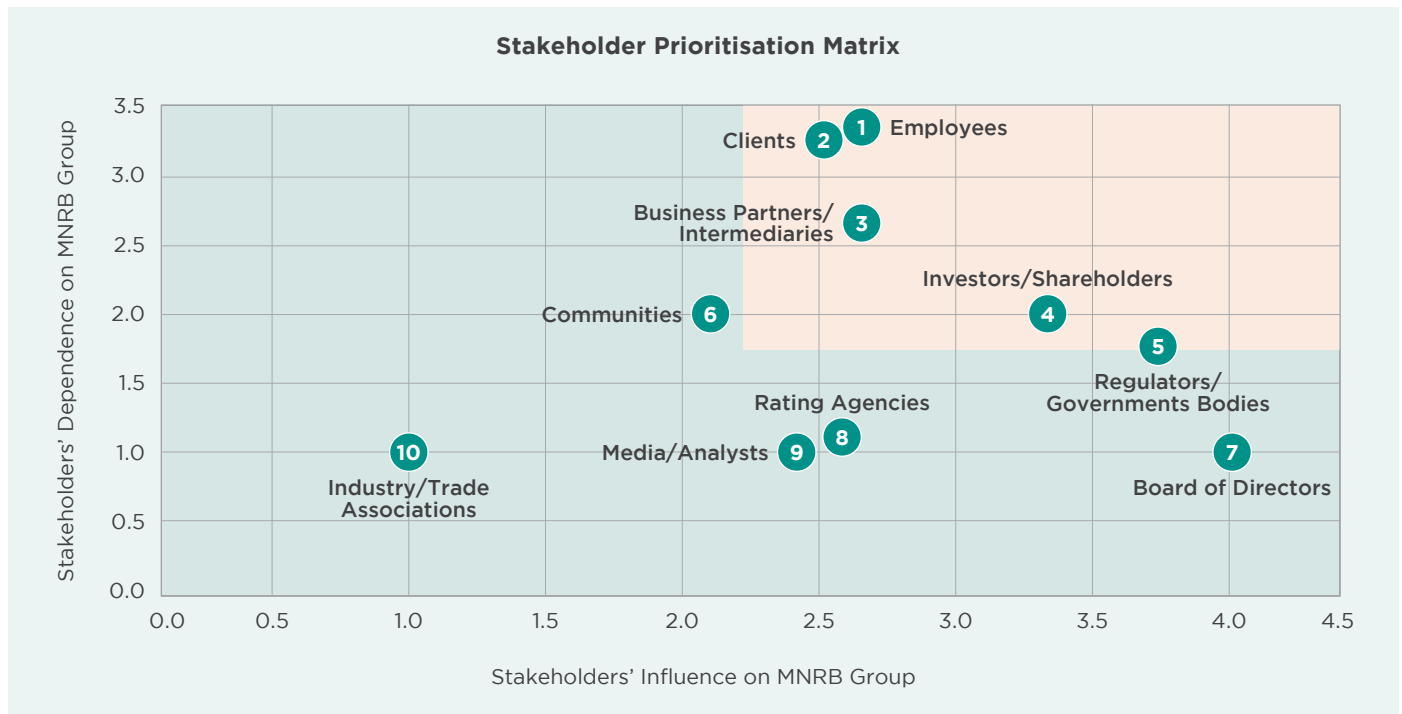












Diagram 3: Stakeholder Prioritisation Matrix

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Stakeholder Engagement

Our Key Stakeholders	How We Engage with Them	Areas of Interest	Our Responses
<p>1</p>  <p>Employees</p>	<ul style="list-style-type: none"> • Quarterly Townhalls • Internal portal (ICEbox) • Emails (Sustainability Buzz) • Engagement activities and surveys • Training sessions • Meetings • Performance reviews 	<ul style="list-style-type: none"> • Company working culture • Employee compensation and benefits • Career development • Occupational safety and health (OSH) 	<ul style="list-style-type: none"> • Promoting work-life balance • Training and development • OSH Committee
<p>2</p>  <p>Clients</p>	<ul style="list-style-type: none"> • Corporate websites • IKHLAS GO ecosystem • Social media platforms • Customer service hotline and email 	<ul style="list-style-type: none"> • High-quality services • A new line of products • Digitalisation • Protection of clients' privacy and personal data 	<ul style="list-style-type: none"> • Enhancing the customer experience • Digital transformation through the IKHLAS GO Ecosystem • New products and services • Cybersecurity and data privacy
<p>3</p>  <p>Business Partners/ Intermediaries</p>	<ul style="list-style-type: none"> • Meetings 	<ul style="list-style-type: none"> • Responsible sourcing practices 	<ul style="list-style-type: none"> • Enhanced procurement process
<p>4</p>  <p>Investors/ Shareholders</p>	<ul style="list-style-type: none"> • Annual General Meeting • Analyst briefing • Media releases • Corporate website 	<ul style="list-style-type: none"> • Financial performance • Market outlook • Responsible investing 	<ul style="list-style-type: none"> • Strengthening sustainability governance
<p>5</p>  <p>Regulators/ Government Bodies</p>	<ul style="list-style-type: none"> • Conferences • Working groups • Meetings • Seminars/workshops and webinars 	<ul style="list-style-type: none"> • Compliance with laws and regulations 	<ul style="list-style-type: none"> • Best practices in corporate governance and compliance to meet regulatory requirements • A strong compliance culture within the Group • The promotion of financial inclusion

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Our Key Stakeholders	How We Engage with Them	Areas of Interest	Our Responses
<p>6</p>  <p>Communities</p>	<ul style="list-style-type: none"> • Volunteering activities • CSR and VBIT activities 	<ul style="list-style-type: none"> • Involvement in community development activities • Opportunities for grants and scholarships 	<ul style="list-style-type: none"> • IKHLAS Barakah House (IBH) • IKHLAS Waqf and Endowment (IWE) • Program Lestari Cemerlang • MNRB Scholarship
<p>7</p>  <p>Board of Directors</p>	<ul style="list-style-type: none"> • Meetings • Training sessions 	<ul style="list-style-type: none"> • Financial performance • Sustainability-related performance • Compliance with laws and regulations 	<ul style="list-style-type: none"> • Best practices in corporate governance and compliance to meet regulatory requirements • Regular updates at Board meetings
<p>8</p>  <p>Rating Agencies</p>	<ul style="list-style-type: none"> • Meetings 	<ul style="list-style-type: none"> • Financial performance • Company sustainability-related performance • Sustainability disclosures 	<ul style="list-style-type: none"> • Annual Report • Sustainability Statement
<p>9</p>  <p>Media/Analysts</p>	<ul style="list-style-type: none"> • Corporate websites • Events • Media releases • Interviews 	<ul style="list-style-type: none"> • Company financial performance • Company sustainability-related performance 	<ul style="list-style-type: none"> • Regular engagement with media, e.g. press conferences, press releases and special interviews
<p>10</p>  <p>Industry/Trade Associations</p>	<ul style="list-style-type: none"> • Conferences • Working group • Meetings • Seminars/workshops and webinars 	<ul style="list-style-type: none"> • Advocacy for new policies and regulatory requirements • Industry-wide collaboration 	<ul style="list-style-type: none"> • Industry participation • Enhanced sustainability-related policies and processes

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Materiality Matters

The principle of materiality, as demonstrated through our materiality assessment process, enables us to identify the current nine materiality matters crucial to the Group and our key stakeholders. These materiality matters represent issues that we collectively prioritise due to their significant impact on our business and the value delivered to our stakeholders. In our sustainability reporting, we focus on these identified matters, outlining our strategies for managing them effectively. Our approach includes setting suitable targets aligned to each material issue, reflecting our commitment to achieve tangible goals that drive sustainable outcomes.








Diagram 4: Sustainability Matters FY2024

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Risks and Opportunities for Each Material Matter

In today’s challenging business environment, MNRB actively engages with our stakeholders to identify and manage risks while leveraging on opportunities. This forward-looking approach is crucial in enhancing our value proposition, ensuring the protection of all stakeholders, and realising our long-term goal of becoming a Net Zero carbon organisation by 2050.

	Risks	Opportunities
 <p>Climate Risk & Emissions Management</p>	<p>Exposure to climate-related events such as floods, storms, or wildfires may lead to increased insurance, takaful claims and operational disruptions.</p>	<p>An opportunity to develop climate-resilient insurance and takaful products and implement emission-reduction strategies to mitigate risks and attract sustainability conscious clients.</p>
 <p>Responsible Investment</p>	<p>Investment in environmentally or socially controversial sectors may lead to reputational damage and financial losses.</p>	<p>An opportunity to implement responsible investment practices that consider ESG factors to generate sustainable returns and support ethical businesses.</p>
 <p>Digital Transformation</p>	<p>Failure to adapt to new digital trends and technologies may lead to loss of market competitiveness and operational inefficiencies.</p>	<p>An opportunity to embrace the latest digital enhancements to improve the customer experience, streamline operations, and develop innovative digital insurance and takaful solutions.</p>
 <p>Employee Experience Centric</p>	<p>A poor employee satisfaction engagement index, low morale, and high turnover rates may impact productivity, customer service, and our company culture.</p>	<p>An opportunity to prioritise employee well-being, career development, customised benefits and empowerment to foster a positive work environment and enhance employee engagement.</p>
 <p>Community Improvement</p>	<p>Negative community impact from business operations may lead to reputational damage and stakeholder distrust.</p>	<p>An opportunity to engage in community development initiatives and stakeholder dialogue to create positive social impact and build strong community relationships.</p>

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	Risks	Opportunities
 <p>Responsible Products & Services</p>	Offering products or services with negative social or environmental impacts may lead to customer dissatisfaction and reputational harm.	An opportunity to develop responsible products and services that meet stakeholders needs while aligning with sustainability principles and Maqasid Shariah.
 <p>Sustainability Governance</p>	Inadequate governance structures and processes may lead to non-compliance, ethical breaches, and stakeholder distrust.	An opportunity to strengthen sustainability governance frameworks, policies, and accountability mechanisms to ensure compliance, transparency, and stakeholder engagement.
 <p>Cybersecurity & Data Privacy</p>	Cyberattacks, data breaches, and privacy violations may lead to financial losses, reputational damage, and regulatory penalties.	An opportunity to invest in robust cybersecurity measures and data privacy protocols to protect sensitive information, safeguard customer trust, and comply with data protection regulations.
 <p>Ethical Business Practices</p>	Engaging in unethical conduct such as bribery, corruption, or unfair business practices may lead to legal liabilities, reputational damage, and loss of stakeholder trust.	An opportunity to embed ethical principles into business operations, fostering a culture of integrity, and adhering to ethical codes of conduct.



ENVIRONMENT

TANGIBLE STRIDES IN ENVIRONMENTAL STEWARDSHIP

In an era defined by unprecedented environmental challenges, the MNRB Group recognises the critical role we must play in mitigating these rapidly evolving issues. We are committed to embarking on a journey of consistently showcasing our concerted efforts to preserve the environment. Acknowledging the dynamic business landscape, we acknowledge the need to not only adapt but also lead in adopting sustainable practices.

This section serves as a testament to our unwavering dedication to environmental stewardship, highlighting key initiatives across the Group. From tree planting campaigns and energy efficiency improvements to waste management strategies and digital innovation, each initiative aims underscores our focus on environmental consciousness as we progress towards our long-term goal of achieving Net Zero emissions by 2050.

By integrating sustainability into our everyday operations, we manage our risks while capitalising on opportunities to drive innovation, efficiency, and organisational resilience. Through these initiatives, we aspire to position MNRB as the leader in environmental stewardship within the industry, demonstrating our commitment to a sustainable future for all.

Reducing Carbon Footprint through Operational Excellence

Sustainability Commitment:	Net Zero Carbon Enterprise by 2030 and Net Zero Carbon Business Portfolio by 2050
Materiality Matter:	Climate Risk & Emissions Management

The MNRB Group is committed to minimising the environmental impact of our business operations while upholding operational excellence. The Group has embarked on a strategic initiative to reduce our carbon footprint through innovative measures that are consistent with our sustainability goals and benefit our stakeholders, including integrating sustainability into our business-as-usual practices.

A focal point of this initiative is the adoption of electronic certificates (“e-certs”) in our takaful and reinsurance/retakaful operations. The transition from the traditional paper-based certifications to e-certs has significantly reduced paper consumption and printing needs, allowing us to capitalise on the environmental benefits of digital documentation.

Notably, we have delivered 100% of our motor takaful certificates electronically, marking a substantial reduction in paper usage. In the area of family takaful, we provide e-certs during customer onboarding, while allowing customers the option of hardcopy reprints, ensuring flexibility without compromising sustainability. Our ongoing objective is to fully digitise all certificates, further decreasing paper dependency and our overall environmental impact.

Concurrently, our implementation of electronic claims processing via the Merimen e-Claims system has enhanced operational efficiency and improved customer satisfaction. Currently, 100% of claims are routed through Merimen, resulting in considerable paper reduction and

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cost savings, manifesting our efforts to ensure sustainable practices. Annually, this initiative has generated an average savings of over RM2.5 million in printing costs as well as reduced paper consumption by more than 14 million sheets and 700,000 envelopes.

Additionally, we have transitioned 67% of our takaful agent training to online platforms by leveraging on Learning Management Systems (“LMS”) and Training Management Systems (“TMS”). This shift has empowered our agents with digital capabilities, contributing to a more sustainable operating model and demonstrating our commitment to continuous improvement and sustainable practices. Recent data analysis shows a steady increase in trained agents, from 3,684 agents in March 2023 to 5,520 agents by March 2024, highlighting the success and scalability of our online training initiatives.

These efforts not only reduce our own carbon footprint but also inspire our stakeholders to embrace sustainable practices. By integrating environmental considerations into our business operations and promoting digital adaptation, we mitigate environmental risks and create long-term value for our stakeholders, contributing to a more sustainable and resilient business environment.

Average Savings on Printing Costs
RM2.5 million

Reduced Paper Consumption by
14 million sheets and 700,000 envelopes

Emissions Management

Sustainability Commitment:	Net Zero Carbon Enterprise by 2030 and Net Zero Carbon Business Portfolio by 2050
Materiality Matter:	Climate Risk & Emissions Management

The MNRB Group is actively managing its emissions footprint responsibly in alignment with the vision of the Twelfth Malaysia Plan to achieve Net Zero GHG emissions by 2050. Recognising the urgency and importance of mitigating the impact of climate change, we are committed to making notable strides in this area.

During the reporting period, we initiated comprehensive GHG emissions training and workshops to assess our organisational readiness for the transition to a Net Zero emissions model by 2050. These efforts were initially aimed at the Board and senior management, with plans for progressive expansion to all our workforce. This approach ensures that our carbon emission reduction goals are understood and aligned across the Group.

Furthermore, we are currently finalising the appropriate GHG calculation methodology for the Group, covering Scope 1, Scope 2, and related Scope 3 emissions. This includes defining measurement frameworks, organisational boundaries, and sources of emission factors, all of which lay the groundwork for the exercise to assess our baseline GHG emissions in the next reporting period. These initiatives highlight our approach towards emissions management and underscore our dedication to good environmental stewardship.

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SUSTAINABILITY STATEMENT

Responsible Investment

Sustainability Commitment:	Net Zero Carbon Investment Portfolio by 2050
Materiality Matter:	Responsible Investment

At MNRB, we view investment not only as the means to achieve financial returns, but also as a platform for promoting responsible and sustainable practices. The Group's investment management strategy prioritises capital preservation, liquidity management, and returns optimisation through a systematic and structured investment process.

We integrate ESG criteria into our Investment Policy Statement ("IPS") and Group Sustainable Investing Guideline. The Board oversees investment activities through the Group Investment Committee ("GIC"), leveraging on their expertise to review Strategic Asset Allocation activities and ensure alignment with our long-term sustainability objectives. This reinforces our commitment to responsible and impactful investment practices, enabling us to better manage risks and generate sustainable long-term returns by considering key sustainability factors in our investment decisions.

Additionally, our responsible investment approach actively promotes climate transition with the aim of achieving our "Net Zero Carbon Investment Portfolio by 2050" Sustainability Commitment.

Recent Developments/Notable Advancements:

➔ **Developed Portfolio Carbon Emissions Assessment Template**

We have introduced a template to assess the carbon emissions of our portfolio, a crucial step towards effectively managing our carbon footprint. In FY2022, our portfolio's carbon footprint was measured at 133,493 tCO₂e*.

➔ **Projected Carbon Emission Reduction:**

We are projecting a reduction in our portfolio carbon emissions of approximately 40%** by 2025.

➔ **Sustainable Investments:**

In 2023, we acquired a total of RM30 million in Sustainable and Responsible Investment ("SRI") Sukuk, demonstrating our commitment to responsible investment.

➔ **Climate Change Principle-based Taxonomy ("CCPT") Due Diligence:**

In line with the CCPT submission to BNM, we conducted thorough due diligence assessments on all corporate bonds and listed equities, adhering to BNM's requirements.

➔ **Industry Engagement:**

We actively engaged with the industry working group through the Joint Committee on Climate Change's ("JC3") CCPT Implementation Group, collaborating to address climate-related challenges within the financial industry.

➔ **Utilisation of FTSE4Good Index for Exclusion:**

We excluded sectors such as tobacco, weapons, and coal pure play from our equity investments using the FTSE4Good Index, aligning with our ESG criteria.

Notes:

* Portfolio scope covering Fixed Income and Listed Equity; covering Scope 1 and Scope 2 of GHG emissions.

** Using the Network for Greening the Financial System ("NGFS") designed scenarios of Net Zero 2050 scenario.

Our investment portfolio has been meticulously constructed with ESG criteria that adhere to specific ESG standards. One of the recent developments is the enhancement of our ESG selection criteria methodology, ensuring that the inclusion of high-quality ESG assets are in line with our Group Sustainable Investing Guideline. During the reporting period, approximately 60% of our investment assets, including fixed income, listed equities and unit trusts, were found to be ESG-compliant based on the revised methodology outlined in the Group Sustainability Investing Guideline, reflecting our commitment to responsible and sustainable investment practices.





SUSTAINABILITY STATEMENT

Digital Transformation



Sustainability Commitment:	Net Zero Carbon Enterprise by 2030, Net Zero Carbon Business Portfolio by 2050, Responsible Products and Services
Materiality Matter:	Digital Transformation

The rapid technological advancements taking place today pose both a challenge and opportunity for insurance and takaful operators (“ITO”). These advancements also present a transition risk and demand climate adaptation. Market trends, data proliferation, and heightened consumer expectations necessitate industry transformation, especially in addressing the aging workforce and cybersecurity concerns.

At MNRB, we view digitalisation as a pivotal strategy to navigate these complexities and drive sustainability ahead. Under the Group Transformation Programme (“GTP”), the Digital and Innovation Department (“DNI”) spearheads our digital transformation initiatives. Our primary focus is on enhancing stakeholder engagements, optimising operational efficiency, and reducing operational costs through digital integration. Through our IKHLAS GO Ecosystem, we provide seamless access to our products and services for our stakeholders, fostering a customer-centric approach.


IKHLAS GO Ecosystem	Purpose	Impact	Number of Projects Completed and Key Highlights
	Web-based platform for post-sales services catering to both customers and agents.	Enhances customer capabilities by offering post sales self-services through an online portal.	7 projects completed: <ul style="list-style-type: none"> • General and Family e-Claim Portal. • Self Service Bantuan IKHLAS Road Assist.
	Web-based services for customers to directly purchase our products and services.	Facilitates swift customer onboarding and improves accessibility to new products for our customers.	18 projects completed: <ul style="list-style-type: none"> • Online Motorcar and Motorcycle. • Online Digital Roadtax Renewal. • Online Travel Takaful. • Direct Hospital Income Benefit.
	Web-based and mobile app platform designed for General Agents to streamline sales processes.	Offers a new platform for General Takaful agents to onboard customers seamlessly through both an online portal and mobile apps.	1 project completed: <ul style="list-style-type: none"> • Enhancements to mobile apps and web-based functionalities to increase adoption by our General Takaful agents.
	Facilitates sales for the Banca and Corporate Channels.	Business uplift by enhancing customer capabilities and experience.	4 projects completed: <ul style="list-style-type: none"> • Offering the Takaful IKHLAS Motor product to CIMB and BSN Bank.

SUSTAINABILITY STATEMENT

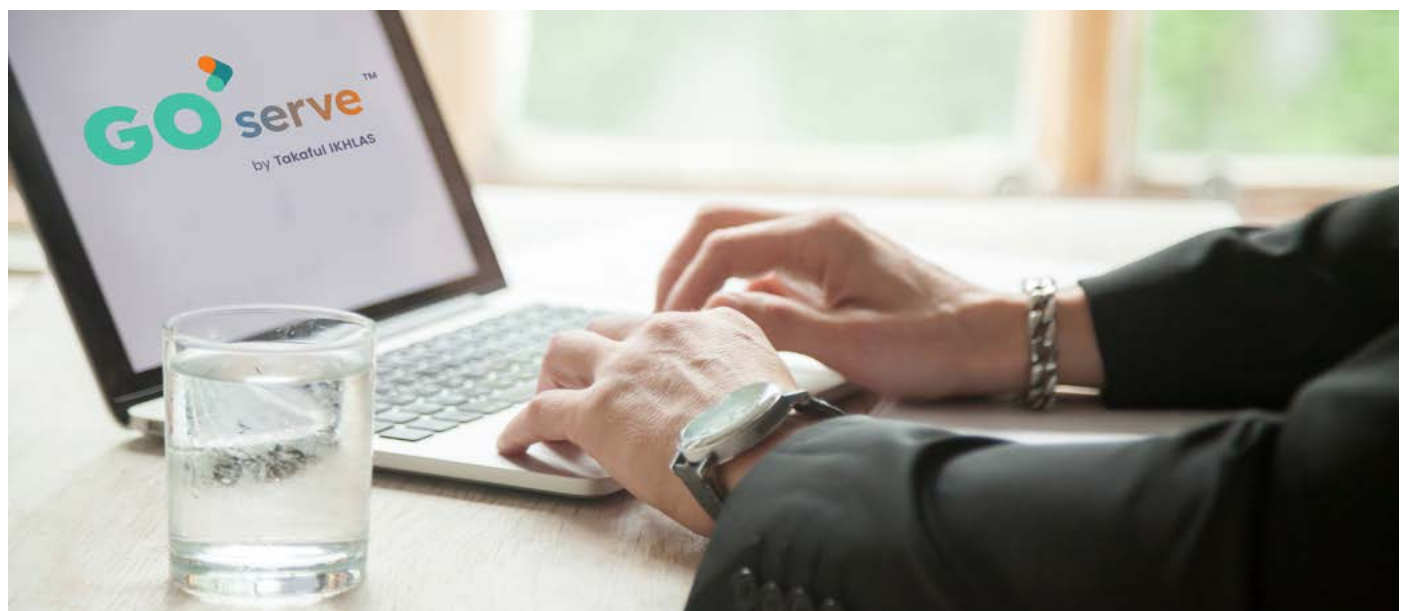
IKHLAS GO Ecosystem	Purpose	Impact	Number of Projects Completed and Key Highlights
	Platform for potential partners to access our API suites.	Promotes integration of an open API platform with new digital partners.	2 projects completed: <ul style="list-style-type: none"> • API capability for Motor and Travel product to partners.
	Mobile-based services for family agents to facilitates sales.	Introduces a new platform for Family Takaful agents to onboard customer via mobile apps.	For GO prime, we continued to focus on enhancing mobile apps and web-based functionality. Specifically, we improved the e-quotation and e-submission processes and further integrated our systems with those of our Family Takaful intermediaries.

In FY2022, Takaful IKHLAS General embarked on a Branch Transformation project, aimed at expanding our digital presence through the establishment of Virtual IKHLAS Points (“VIP”). These non-physical VIP branches are strategically designed to enhance our outreach to agents and offer customers more flexible, accessible, and personalised experiences when they utilise our services. With ten (10) VIP branches operational nationwide since its inception, our digital expansion has garnered positive reception, leading to an additional five (5) VIP branches launched during the reporting period.

The launch of an additional two (2) VIP branches in Kuala Lumpur and three (3) in Selangor (Subang), Terengganu (Kemaman) and Johor (Kluang) signify our commitment to digital innovation and technological advancement. Leveraging cutting-edge technologies including cloud computing, machine learning, and artificial intelligence, we have optimised both front-end experiences and back-end processes. This approach not only streamlines our operations but also enhances our service delivery, positively impacting communities and the environment within our domain.



5 New
Virtual IKHLAS Points
(VIP) Branches



Resource Efficiency and Conservation

Sustainability Commitment:	Net Zero Carbon Enterprise by 2030, Net Zero Carbon Business Portfolio by 2050 and Effective Sustainability Management
Materiality Matter:	Climate Risk & Emissions Management

Effective resource management is critical to moderating environmental impact, optimising operational costs, and fostering long-term sustainability. At MNRB, we understand the inter-connectedness of energy, water, and waste management in achieving our sustainability goals. As we embark on our journey towards our Net Zero target, we begin by establishing a baseline for our resource management using data as of FY2024, while addressing the unique challenges posed by the hybrid working arrangement and related operational considerations.

Energy Management

In FY2024, our electricity usage stood at 4,318,037 kWh, indicating an increase from FY2023. This increase was mainly attributable to the ongoing renovation activities at Bangunan Malaysian Re (“BMR”) which often requires prolonged and intensive electricity usage. While these were essential for infrastructure enhancement, they have impacted our energy usage metrics. In alignment with our Sustainability Roadmap, we are establishing a baseline for our carbon footprint and refining our strategies to meet our long-term decarbonisation objectives.


Water Management

Efficient water management is crucial for reducing waste and consumption impacts. The Group prioritises effective water management practices at our main office and branches to optimise operational costs and utilisation of natural resources. Despite the return of employees to the office post-COVID-19, our water consumption decreased from 32,868 m³ in FYE2023 to 27,079 m³ in FYE2024, demonstrating our commitment to conserving water.


Waste Management

Effective waste management is integral to resource conservation and pollution reduction. We have set performance targets post-FY2024 to enhance our waste management practices. Our data reflects a positive trend, with paper waste decreasing from 9,634 kg in FY2022 to 6,165 kg in FY2024. We have also initiated transparent monitoring of waste disposal to landfills since early 2024, identifying opportunities for waste reduction and diversion efforts.


Our future initiatives include stringent waste segregation practices, more employee sustainability awareness programmes, and a variety of additional projects. These efforts aim to foster a sustainability culture within our organisation and drive continuous improvement in resource efficiency and conservation practices.



Electricity Usage
4,318,037 kWh
Increased from 3,748,211 kWh in FY2023



Water Consumption
27,079 m³
Decreased from 32,868 m³ in FY2023



Paper Waste
6,165 kg
Decreased from 9,634kg in FY2022

Tree of Tomorrow (“ToT”)

Sustainability Commitment: Intensified Awareness and Advocacy



In FY2023, the President & GCEO of MNRB, Zaharudin Daud, made a pledge to plant fifty (50) trees in fifty (50) areas to commemorate MNRB’s 50th Anniversary in tandem with the Group’s sustainability efforts.

The ToT initiative commenced on 27 February 2024, with an inaugural tree planting event at Hutan Simpan Bukit Lagong, Selayang. In collaboration with Jabatan Perhutanan Semenanjung Malaysia (“JPSM”) and Jabatan Perhutanan Wilayah Persekutuan (“JPWP”), we planted sixty (60) trees with the participation of fifty-three (53) volunteers, including President & GCEO of MNRB, Zaharudin Daud, and President & CEOs of our operating entities, namely Ahmad Noor Azhari Abdul Manaf (Malaysian Re), Dato’ Rudy Rodzila Che Lamin (Takaful IKHLAS General), and Muhammad Fikri Mohamad Rawi (Takaful IKHLAS Family) together with the staff representing the respective entities.

This initiative was part of MNRB’s contribution to the Malaysian Government’s “Kempen Penanaman 100 Juta Pokok, 2021-2025” (Kempen Penghijauan Malaysia), where the growth of each tree will be monitored until maturity, with assistance from JPSM and JPWP, allowing us to assess our contribution to carbon sequestration.

Furthermore, the ToT initiative reflects our dedication to raising environmental awareness internally and externally. It serves as a cornerstone project in our sustainability journey, complementing our goal to become a Net Zero carbon organisation by 2050. We aim to complete the pledge by the next financial year, in collaboration with Takaful IKHLAS branches, government agencies, universities, NGOs, and local communities, reflecting our commitment to upholding sustainable partnerships and practices.



Tree of Tomorrow participants at Hutan Simpan Bukit Lagong, Selayang



Expedition to Taman Eko Rimba Kuala Lumpur



SOCIAL

EMPOWERING EMPLOYEES' GROWTH AND WELLBEING

At MNRB, we believe that by empowering our employees to thrive personally and professionally, we are enabling them to render their best at work. This empowerment allows them to excel in their specific roles and effectively serve the needs of the business to achieve long-term organisational success. This includes all employees who directly engage with our main stakeholders including our customers, agents, distributors, and investors. As such, the Group, through Group Human Capital Management ("GHCM"), is fully committed to driving efforts around key areas that foster growth, promote physical well-being, mental resilience, and inclusivity within our workforce.

Training and Development

Sustainability Commitment: People Centric Workplace

Materiality Matter: Employee Experience Centric and Community Improvement

Our training and development programmes are designed to equip our workforce with the essential skills and knowledge required not only to succeed in their roles within the MNRB Group, but also to enhance their capabilities and adaptability so they are future-ready and well-prepared for the challenges and opportunities that lie ahead. From technical training to leadership development, this holistic approach ensures that our workforce remains agile and is future-ready.

With an investment of RM2.1 million in staff training and development interventions, we organised a total of 155 programmes during FY2024 to enhance employees' competencies. On average, each employee attended at least one training programme, or 11 learning hours per year. In addition, we also supported certification programmes to increase our pool of professionally certified talent.

Total Hours of Training by Employee Category

Employee Category	FY2024	
Senior Vice Presidents and above	878	Total Hours 10,774
Vice Presidents	1,853	
Assistant Vice Presidents	3,329	
Executive	4,330	
Personal Assistant	96	
Clerk	166	
Uniform	122	

Total Expenditure on Training and Development **RM2.1 mil**

Total Programmes
155

Total Number of Employees
1,123

Average Learning Programmes per Employee
1

Average Learning Hours per Employee
11

Number of Employees Certified with Professional Industry Certificates
5



SUSTAINABILITY STATEMENT

Mental Health and Well-Being Initiatives

Sustainability Commitment:	People Centric Workplace
Materiality Matter:	Employee Experience Centric and Community Improvement

The Group recognises the critical importance of prioritising the mental well-being of our employees, as it forms the cornerstone of our long-term success. We are dedicated to fostering a supportive working environment by implementing a range of initiatives aimed at enhancing an understanding of mental health and addressing the mental health concerns within the MNRB community.

Over the course of FY2024, GHCM implemented several initiatives designed to promote mental health and well-being.

Initiatives for FY2024	Purpose	Impact	Number of Participants
Weekly/Monthly Sports Activities (Futsal/Football/Zumba/Badminton/Brisk Walk)	Help employees improve their overall physical health and promote cardiovascular fitness, strength, flexibility, and endurance, leading to better health outcomes in the long term.	Improved mental health outcomes, including reduced stress, anxiety, and depression that may lead to enhanced moods, increased energy levels, and better overall mental well-being, resulting in higher job satisfaction and productivity.	 100-150
Hybrid Working Arrangement	Offer employees flexibility in where and when they work, allowing them to better balance their professional and personal commitments, thus reducing stress.	Positive impact on mental health by reducing stress, anxiety, and burnout associated with traditional office-based work, and increased job satisfaction with reduced work-related stress.	 All

Through these initiatives, MNRB seeks to destigmatise the conversations around the topic of mental health and empower employees to seek the support they need within a safe environment. We believe that promoting good and resilient mental health is essential for maintaining a healthy and productive workforce.

SUSTAINABILITY STATEMENT

Employee Engagement

Sustainability Commitment: Intensified Awareness & Advocacy

Materiality Matter: Employee Experience Centric

At MNRB, we provide a psychologically safe environment where our employees can freely provide feedback on areas of success and areas needing improvement. We believe that capturing employees' verbatim responses is crucial for understanding their genuine perspectives and fostering a culture of open communication.

To foster employee engagement, we conduct annual surveys aimed at measuring staff engagement levels within the Group. These surveys serve as tools to detect signs of disengagement, enabling us to focus on areas that require improvement. The feedback gathered from these surveys shapes our approach in implementing tailored strategies to enhance overall engagement and satisfaction.

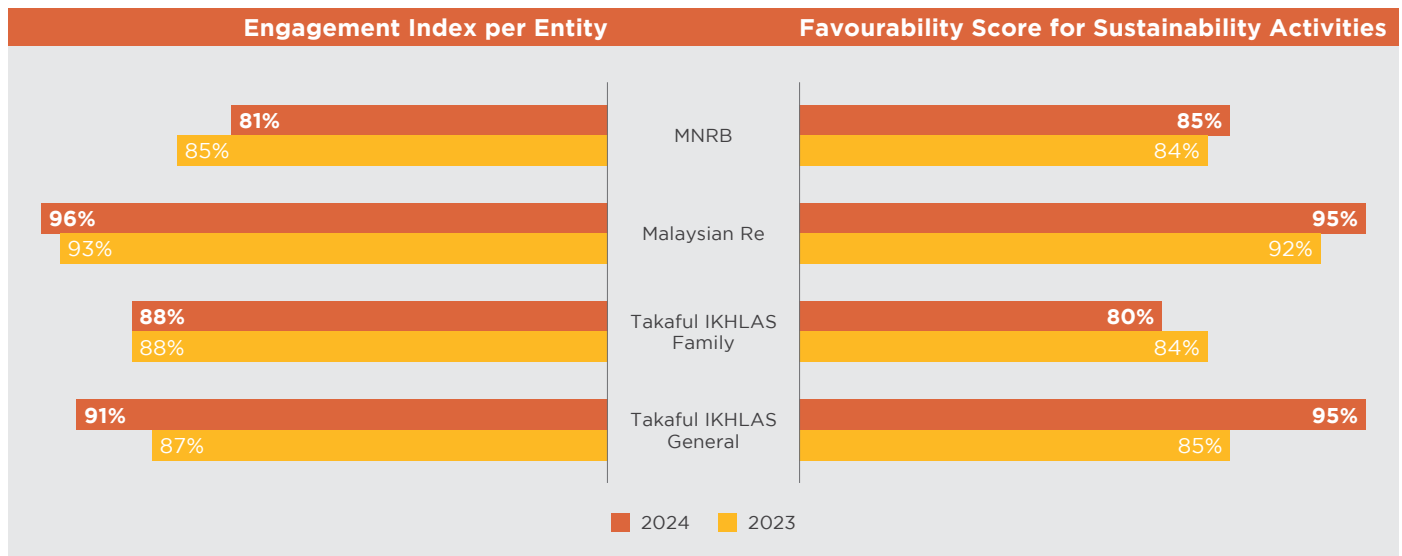
Furthermore, we have implemented a range of activities across all organisational levels to ensure that every employee feels valued and engaged. These activities include:

Initiatives	Purpose	Impact
Employee Engagement Survey	Provides insights into the overall health of the organisation by measuring employees' level of engagement, satisfaction, and commitment to their work and the organisation.	Provides assurance to employees' that their opinions matter, boosting their morale and job satisfaction, as employees feel valued and heard.
Young Talent Network (YTN)	Provides a platform for new graduates to connect, learn, and grow within the Group.	Provides new graduates with opportunities to acquire essential skills and knowledge.
Coffee Sessions with Senior Management	Celebrates cultural and festive events together to build a sense of community and inclusiveness.	Fosters a sense of belonging and unity among employees through shared celebrations.
Festive Activities	Celebrates cultural and festive events together to build a sense of community and inclusiveness.	Fosters a sense of belonging and unity among employees through shared celebrations.
Sports Activities	Encourages physical well-being and teamwork through organised sports events.	Promotes health and wellness, reduces stress, and improves overall physical health among employees.
Quarterly Townhall: Sustainability Shout Out	Provides a refresher on Sustainability Commitments and celebrates Sustainability Champions' contributions.	Sparks an interest in sustainability topics and encourages employees to integrate sustainable practices within their roles and daily lives.
Tree of Tomorrow (ToT)	Offers hands-on sustainability-related activities for employees.	Increases awareness about environmental conservation and the role of individuals in sustainability efforts.
Malaysian Re's ESG Awareness Day	Celebrates Malaysian Re's new workspace and promote sustainable practices at work and at home.	Enhances understanding of ESG principles and sustainability ideals among employees.

SUSTAINABILITY STATEMENT

Our primary objective is to inspire and involve employees in sustainable practices through engaging activities infused with sustainability elements. These initiatives foster a collaborative workplace culture and raise awareness about environmental and social issues while promoting sustainable behaviours among employees, empowering them to champion sustainability both within and beyond the workplace.

At MNRB, we are committed to creating an environment where employees feel safe, valued, and engaged. Through our comprehensive engagement activities and focus on sustainability, we aim to cultivate a workplace culture that supports our employees’ well-being and nurtures a sense of purpose and community. We believe this approach drives both individual and organisational success, making MNRB an exceptional place to work for everyone.



Flexi Working Policy

Sustainability Commitment:	People Centric Workplace
Materiality Matter:	Employee Experience Centric

MNRB is dedicated to fostering a flexible work culture through our Flexi Working Policy. We understand the importance of achieving a harmonious balance between work responsibilities, personal commitments, and individual interests. Our Flexi Working Policy encompasses flexible work hours, allowing employees and their supervisors to mutually agree on start-finish times or core work hours, ensuring that agreed deliverables are met.

Additionally, we embrace a Hybrid Work Arrangement, which caters to office-based employees with the majority spending a variable number of days in the office each week. Under this arrangement, different roles within the organisation may have varying levels of flexibility. We believe in a two-way flexibility approach, where Heads of Departments (“HODs”) are committed to optimising personal flexibility for their team members (where applicable), and employees, in turn, may need to exhibit flexibility to meet the evolving needs of the business.

This policy not only supports our employees in managing their work-life balance effectively but also contributes to creating a work environment where individuals feel supported, empowered, and motivated to contribute their best towards our collective success. Looking ahead, we are committed to continuously refining our flexible working arrangements to ensure that employees can effectively fulfil their roles while enjoying the benefits of flexible work arrangements.

SUSTAINABILITY STATEMENT

Network of Empowered Women (“NEW”)

Sustainability Commitment: People Centric Workplace and Intensified Awareness & Advocacy

Materiality Matter: Employee Experience Centric and Community Improvement

Introduced in March 2023, NEW serves as a safe and dedicated platform for female employees within the MNRB Group to network, access mentorship opportunities, and address well-being and performance-related concerns in the workplace.

This initiative is a key component of the Group’s sustainability agenda, aimed at advancing gender inclusivity and empowerment while nurturing the development of female talent as future leaders within the MNRB Group. This effort contributes significantly to creating a fairer and more equitable work environment. NEW aims to enhance gender equity by providing a supportive and flexible space for women, ultimately enhancing our female employees’ overall workplace experience while cultivating professionalism and inclusivity.

The initiatives conducted throughout the year include:

Initiatives	Purpose	Impact
Hari Raya Token for Single Mothers	Empower single mothers by easing their financial burdens during festive seasons, enabling them to celebrate with greater joy and peace of mind.	Recognises and appreciates the unique contributions of single mothers, offering financial and emotional support, while promoting inclusivity and diversity in the workplace.
Mother’s Day Celebration	Recognise and honour the contributions of all mothers within the Group who always strive to balance their professional roles and responsibilities with their roles as mothers at home.	Boosts morale and engagement among female employees, fostering a sense of recognition and value within the workplace.
Riang Ria Aidilfitri Bazaar	Celebrate the festive season of Aidilfitri, promoting cultural inclusivity and camaraderie among employees.	Creates a festive and joyous atmosphere, strengthening bonds within the internal community and promoting a sense of belonging.
International Women’s Day Celebration	Show appreciation for the invaluable contributions of all 627 women within the Group, at both our HQ and branches nationwide.	Raises awareness about gender issues and inspires female employees to continuously advance and grow with the Group.

These initiatives further reinforce NEW’s commitment to empowering women within the Group, by fostering solidarity and promoting personal and professional growth as well as upholding the well-being of our female employees. We encourage leaders to discuss flexible working arrangements with female employees to help them balance their roles as mothers while meeting job requirements. Furthermore, our offices are equipped with mother’s rooms to provide a more conducive working environment, especially for female employees who require comfortable nursing facilities.

SUSTAINABILITY STATEMENT

ENSURING A FAIR AND INCLUSIVE WORK ENVIRONMENT

At MNRB, we are committed to maintaining a fair and inclusive work environment that values and respects the rights and contributions of every employee. Through a range of mechanisms and initiatives, we strive to nurture a workplace that fosters collaboration, promotes mutual respect, and provides equal opportunities for development and growth among our diverse workforce. We believe that by prioritising fairness and inclusivity, we can enhance overall employee well-being, and strengthen talent retention, bolster our brand reputation, and contribute to the overall success of our organisation.

Labour Practices and Standards

Sustainability Commitment:	People Centric Workplace
Materiality Matter:	Ethical Business Practices, Employee Experience Centric

The MNRB Group is deeply committed to conducting its operations in alignment with the highest standards of professionalism, honesty, integrity, and ethics. Central to this commitment is our dedication to effectively managing issues and policies related to labour rights, recognising their profound impact on workforce strength, productivity, wellbeing, and long-term shareholder value.

To operationalise this commitment, we have identified six Key Material Issues that form the foundation of our labour rights policy. These Key Material Issues are as follows:

i	Fair Wages and Benefits	iv	Occupational Safety and Health
ii	Diversity, Non-discrimination and Inclusion	v	Talent Development
iii	Freedom of Association	vi	Upskilling and Education

We are committed to providing our employees with greater scheduling flexibility to fulfil their obligations, ensuring equitable access to rewards, resources, and opportunities irrespective of race, gender, nationality, social origin, ethnicity, religion, age, or disability. Furthermore, we acknowledge and respect our employees' rights to organise and engage in collective bargaining and social dialogue in a healthy and equitable manner, safeguarding their physical, mental, and emotional well-being.

Our commitment extends to creating a conducive occupational and environmental setting, facilitating access to training, upskilling, and continuous development to enhance efficiency and cultivate a highly productive workforce. This focus on employee well-being and development lies at the core of the MNRB Group's sustainability commitments.

SUSTAINABILITY STATEMENT

Employee Rights and Grievance Mechanism

Sustainability Commitment:	People Centric Workplace
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Materiality Matter:	Employee Experience Centric
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MNRB is committed to upholding the rights of our employees, including fair treatment, non-discrimination, freedom from harassment, and privacy protection. We have procedures to safeguard these rights and provide avenues for employees to voice concerns or grievances. We have also established transparent and accessible grievance mechanisms to ensure that employees can raise concerns or complaints without fear of retaliation.

It is important to note that we have not received any substantiated grievances over the past three years. This serves as a testament to our proactive approach in fostering a positive work environment. Our process includes impartial investigations and appropriate actions to address grievances in a timely and effective manner, fostering a culture of trust and accountability within the organisation. We are also working on a suitable mechanism to gather employee feedback on the effectiveness of our grievance mechanisms to continually improve our practices.

Diversity and Inclusion

Sustainability Commitment:	People Centric Workplace
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Materiality Matter:	Employee Experience Centric
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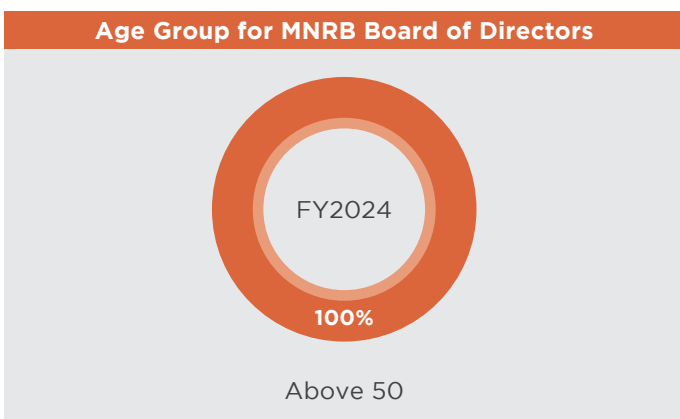
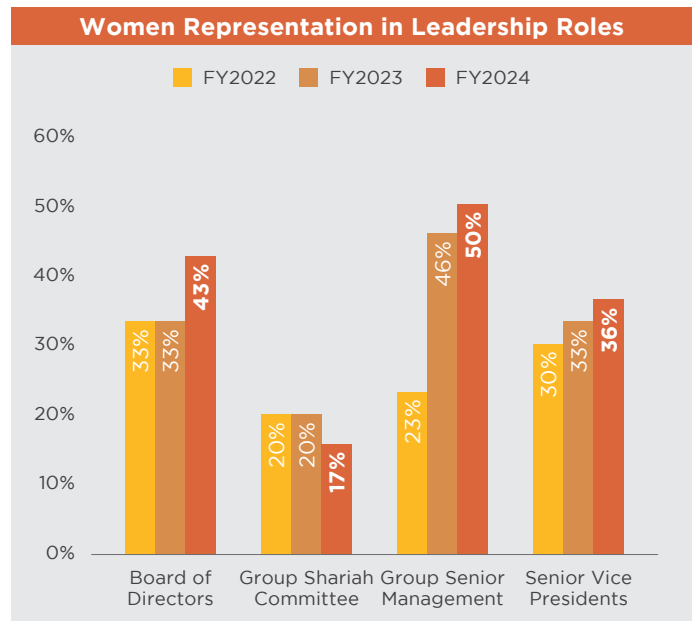
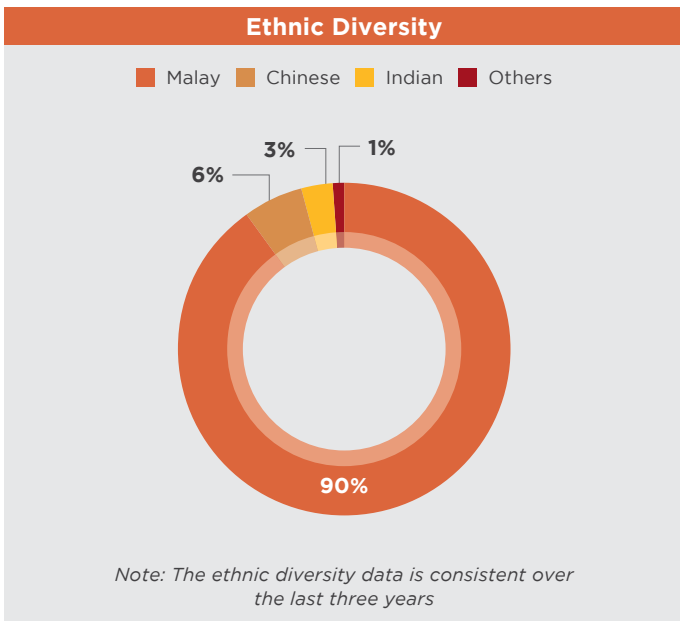
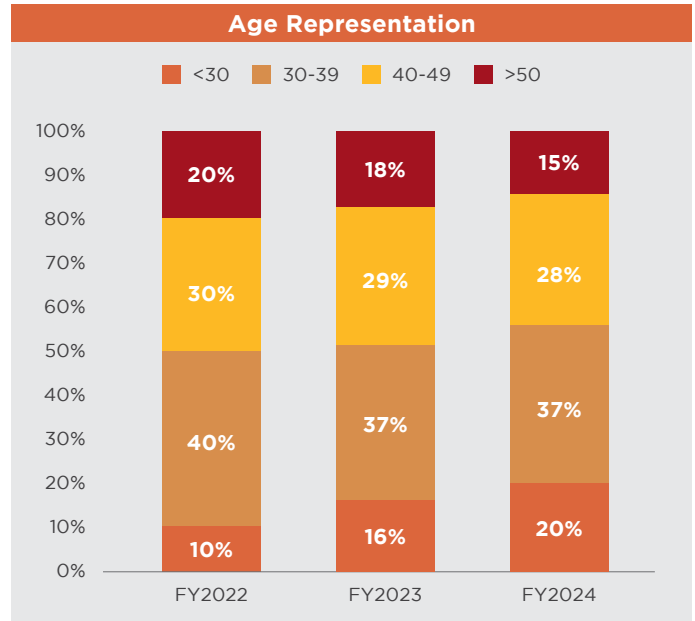
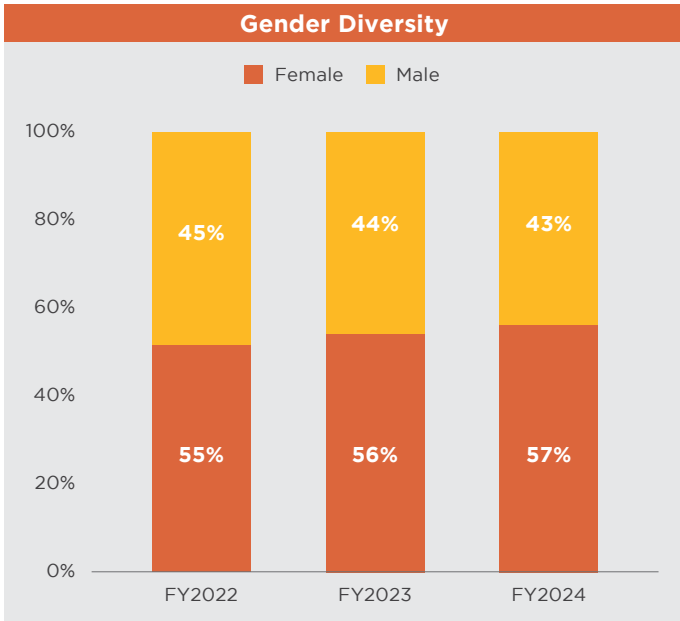
Fostering a diverse and inclusive workplace for every individual within MNRB remains a key priority for us as it creates an environment where everyone can thrive. We are dedicated to ensuring that individuals from different generations, genders, backgrounds, and cultures feel valued, respected, and are given equal opportunities to excel. Embracing diversity enables us to tap into a broader talent pool, where each person brings valuable perspectives, experiences, and skills to the table.

We are committed to cultivating an equal and inclusive workplace by ensuring fair treatment and freedom from discrimination for all our people. We value diversity, actively pursue equity, and prioritise transparency to foster an inclusive environment. Our commitment to equal opportunities is reflected in our employment decisions, which are based on relevant qualifications, merit, performance, and other job-related factors, in compliance with all applicable laws and regulations. We do not tolerate any form of unlawful discrimination based on gender, race, disability, age, or religion.

We uphold high standards of professionalism, exercising due care, skill, competence, and diligence in our interactions with others. Our policy prohibits taking advantage of others through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair business practice. Furthermore, we have zero tolerance for harassment and violence, including derogatory comments based on gender, race, or ethnic characteristics, as well as unwelcome sexual advances.

Our recruitment strategy prioritises talents from diverse backgrounds, cultures, and experiences, enriching our organisation with inclusivity and a broad spectrum of perspectives. This approach allows us to embrace differences, fostering a workplace environment that leverages the diverse capabilities and strengths of our people.

SUSTAINABILITY STATEMENT



SUSTAINABILITY STATEMENT

Employee Benefits

Sustainability Commitment: People Centric Workplace

Materiality Matter: Employee Experience Centric

Employees of the MNRB Group benefit from competitive wages, comprehensive benefits packages, and fair working hours. We prioritise employee well-being by providing access to healthcare, insurance coverage, financial assistance, and other perks that contribute to a positive work-life balance. We continuously evaluate our employee benefits package to ensure that it remains competitive and addresses the needs of different employee groups within the organisation, in support of our sustainability agenda and progressing industry standards.

Benefits Category	List of Benefits	Future Considerations
Health and Wellness	<ul style="list-style-type: none"> • Medical coverage • Dental and vision care • Child vaccinations • Maternity leave • Annual medical check-up (for VPs and above) 	<ul style="list-style-type: none"> • Elderly care
Financial Assistance	<ul style="list-style-type: none"> • Interest-free loans to purchase laptops • Housing loan subsidies (for new and existing loans) • Motor vehicle loan subsidies (for new and existing loans) • Car allowance scheme (for VPs and above) • Handphone and broadband allowance (for VPs and above) • Parking subsidies 	<ul style="list-style-type: none"> • For selected staff's children (staff in the lower income bracket)
Work-Life Balance	<ul style="list-style-type: none"> • Annual leave • Maternity leave (including for adoptive children) • Paternity leave (including for adoptive children) • Sabbatical leave 	<ul style="list-style-type: none"> • Birthday leave • Childcare-related benefits • Religious leave for non-Muslims (similar to Pilgrimage Leave)
Recognition and Rewards	<ul style="list-style-type: none"> • Long Service Awards 	<ul style="list-style-type: none"> • Academic Awards (for employees who obtained additional skills on their own accord)
Sustainability Benefits	<ul style="list-style-type: none"> • - 	<ul style="list-style-type: none"> • Car-pooling or public transport incentives • Retirement age medical coverage • Volunteering leave • Sustainability living incentives

SUSTAINABILITY STATEMENT

Workplace Safety and Health

Sustainability Commitment:	People Centric Workplace
Materiality Matter:	Employee Experience Centric and Ethical Business Practices

The MNRB Group is dedicated to ensuring the safety and well-being of all employees, adhering to relevant Occupational Safety and Health (“OSH”) laws and regulations. We uphold employees’ rights to a safe and healthy work environment, including the right to refuse unsafe working conditions.

Despite the inherently low-risk nature of our operations, our commitment to workplace safety and health remains steadfast. The safety and welfare of every individual within our organisation including employees, tenants, and visitors are one of our top priorities. We have implemented a comprehensive Occupational Safety and Health policy aligned with the Malaysian Occupational Safety and Health Act (“OSHA”) – 1994 (Amendment 2022). This policy guides us in maintaining practical, healthy working conditions and procedures, ensuring the well-being of all associated with our organisation.

At MNRB, we believe that the physical, mental, and emotional well-being of employees is essential to ensure the organisation’s long-term productivity and sustainable returns. We are committed to providing a quality working environment based on the principles below:

- 1 Safety and Comfort at the Workplace**
We comply with all safety and hygiene regulations, striving to create physically and mentally safe workplaces.
- 2 Prompt Response to Accidents and Prevention of Recurrence**
In case of accidents, outbreaks, or environmental issues, we take immediate measures and cooperate with efforts to prevent recurrences.
- 3 Injury and Illness Prevention**
Our OSH programmes aim to prevent workplace injuries, illnesses, and deaths through rigorous risk management efforts, including Hazard Identification, Risk Assessment, and Risk Control. By upholding these principles, we are ensuring a safe, healthy, and productive work environment for all.

During the reporting period, our key achievements included the following:

Key Achievements

- ➔ **Zero Work-Related Fatalities and Zero Lost-Time Incident Rate**
Demonstrates our proactive approach to maintaining a safe and healthy work environment for employees.
- ➔ **Appointment of an OSH Competent Person (since October 2023)**
Enhances our internal capabilities in managing occupational hazards and risks, promoting a safe and healthy work environment, and protecting the well-being of employees.
- ➔ **Certified 14 First Aiders**
By equipping first aiders with first aid kits, CPR skills, and AED device operation expertise, we are facilitating prompt and effective responses to medical emergencies.
- ➔ **Installation of 3 AED Devices**
Enhances our emergency response capabilities and improves the outcomes in sudden cardiac arrest cases. AEDs have been installed at the following locations:
 - 1) Ground Floor of Bangunan Malaysian Re (BMR)
 - 2) Level 12 of BMR
 - 3) Lobby of IKHLAS Point (IP)
- ➔ **Appointment of 28 Floor Wardens for BMR and 23 Floor Wardens at IP**
Facilitates orderly evacuation procedures and ensures the safety of all employees during emergencies.
- ➔ **Ongoing Engagement on Safety and Health Awareness**
The implementation of safety and health modules within onboarding sessions for new staff and regular Group OSH e-bulletins via email circulation helps keep safety and health awareness top-of-mind for the Group’s employees.

SUSTAINABILITY STATEMENT

Through these initiatives, the Group OSH Committee continues to play a pivotal role in promoting a culture of safety across our organisation. The Committee meets six times a year to review and improve our OSH practices, staying abreast of national-level Acts and Regulation, reflecting the Group's commitment to upholding the highest standards of health and safety.



First aiders stationed at an off-site event



Certified first aider training

Our proactive measures to enhance employee satisfaction and engagement have resulted in a notable improvement in our turnover ratio. By prioritising a supportive work environment, offering opportunities for growth and development, as well as implementing effective employee retention strategies, we have successfully reduced our turnover rates. This positive trend reflects our commitment to fostering a workplace where employees feel valued, motivated, and eager to contribute to our organisation's success.

	FY2022	FY2023	FY2024
Employment Type Permanent: Contract	24:1	19:1	24:1
Turnover Ratio	15%	15%	10%
Retention Rate	84%	84%	86%

Total Employee Turnover by Employee Category

Designation	FY2024
Senior Vice Presidents and above	2
Vice Presidents	20
Assistant Vice Presidents	33
Executive	55
Personal Assistant	0
Clerk	1
Uniform	1

PROACTIVE STEPS TOWARDS COMMUNITY EMPOWERMENT AND RESILIENCY

At MNRB, our commitment to sustainability is reflected in a series of meaningful initiatives designed to benefit the communities that we serve. As a responsible corporate citizen, we recognise our critical role in driving positive change and building resilience within communities. Our dedication to community empowerment goes beyond traditional philanthropy, we understand the need for proactive and strategic efforts that address the fundamental needs and diverse challenges faced by individuals and communities alike.

Through a diverse range of initiatives, we strive to create meaningful impacts by leveraging on our resources and expertise to promote inclusive growth within the communities we engage with. Our approach is collaborative and holistic, guided by the economic, social, and environmental aspects of sustainability. This ensures that our initiatives generate shared values, strengthen social cohesion, and deliver measurable outcomes, leading to lasting impacts that effectively address specific challenges. Our ongoing commitment serves to consistently empower individuals and targeted communities, enhance livelihoods, and contribute to nationwide sustainable development.

IKHLAS Barakah House

Sustainability Commitment:	Responsible Products & Services and Giving Back to Society
Materiality Matter:	Responsible Products & Services and Community Improvement

The IKHLAS Barakah House or IBH initiative is a transformative initiative by the MNRB Group, integrating charitable elements such as *waqf*, *sadaqah* and *zakat* into a holistic platform designed for equitable wealth distribution. Rooted in the principles of Maqasid Shariah, IBH aims to enhance overall community well-being by channelling resources from the privileged to those in need.

This shariah-compliant fundraising platform by Takaful IKHLAS reflects our deep commitment to social responsibility, addressing fundamental societal needs to foster social welfare and facilitate sustainable community development. Through IBH initiatives, it is hoped that the targeted communities can build resilience, improve their wellbeing and achieve self-sufficiency.






Driven by sound governance and prudent fund management practices, IBH strives to instil positive values while nurturing a sense of unity and community spirit among individuals and communities. Funding primarily comprises contributions from the IKHLAS Waqf and Endowment (“IWE”) programme, IKHLAS Rider contributions and *zakat* payable by the Group and its entities. The IBH initiatives encompass identified programmes and activities that realise positive outcomes within the five (5) primary pillars:

- 1 **Health:** Providing access to healthcare treatment and services;
- 2 **Education:** Ensuring access to a quality education including financial literacy programmes;
- 3 **Community:** Enriching the overall quality of life within communities;
- 4 **Economic:** Providing access to training and skills development for economic empowerment; and
- 5 **Environment:** Promoting the preservation of natural resources and advocating the use of renewable energy.

Operating in alignment with sustainable development principles and Value-based Intermediation for Takaful or VBIT ideals, IBH emphasises the importance of community empowerment, financial resilience, and environmental stewardship. Through impactful initiatives such as installing tube wells, upgrading schools, providing medical equipment to respiratory wards, and assisting bedridden patients, over 10,000 individuals have benefited. IBH remains committed to continuously creating tangible and positive impacts for individuals and targeted communities.

SUSTAINABILITY STATEMENT

IBH Highlights	Purpose	Impact
Tube Well Initiative	Ensure availability of treated water for the community in Kota Bharu Kelantan and Sungai Petani, Kedah; a transition from the frequent water supply interruptions to a reliable and sustainable water resources.	Addresses the water scarcity in Kelantan and Kedah by providing access to clean water, which prioritises public health and hygiene. This initiative safeguards water resources for the community, contributing to an improved quality of life.
School Upgrade	Transform dilapidated school buildings into conducive, more engaging and supportive learning environments, thus improving educational facilities in Sekolah Kebangsaan Penambang, Kota Bharu Kelantan for the students.	Enhances the overall learning experience for students and contributes to long-term social and economic development by empowering the community's next generation with quality education opportunities.
Assisting Bedridden Patients	Alleviate the burden of underprivileged patients in Kuantan, Pahang by providing essential medical care and support services.	Enhances patients' health conditions and fosters a more caring society by addressing healthcare disparities and promoting patients' well-being.
Medical Equipment Supply	Ensure enhanced healthcare services and support for patients at the respiratory ward in Institut Perubatan Respiratori, Kuala Lumpur by addressing critical healthcare needs and patient care.	Enhances healthcare infrastructure, reduces treatment barriers, and contributes to better health outcomes for patients with improved access to vital medical resources.

IBH Initiatives by Pillar for FY2024	Amount Invested	Number of Initiatives	Number of Beneficiaries
 Health	RM229,650	3	395
 Education	RM126,962	4	679
 Community	RM527,800	15	893
 Economic	RM271,500	1	10
 Environment	RM200,000	1	450
Overall Total	RM1,358,912	24	12,537



By nurturing holistic development and fostering a sense of belonging, IBH aims to create sustainable communities. This bodes well with the Group's dedication to create lasting positive impacts that improve the lives of individuals we interact with and contributes to building healthier, more resilient communities through initiatives that reflect our core values and business ethos.

SUSTAINABILITY STATEMENT

IKHLAS Waqf and Endowment

Sustainability Commitment:	Responsible Products & Services and Giving Back to Society
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Materiality Matter:	Responsible Products & Services and Community Improvement
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The IKHLAS Waqf and Endowment or IWE is a meaningful initiative under the ambit of Takaful IKHLAS General that offers participants the opportunity to contribute to the welfare of those in need. Effective 1 April 2019, individual participants who sign up or renew their general takaful certificates enjoy a complimentary IWE benefit. This benefit ensures that in the unfortunate event of accidental death, a sum of money is channelled as *waqf* or endowment under the participant's name, creating a lasting impact derived from their participation in takaful.

The IWE benefit of RM1,000, under the name of the benefiting participants, is channelled to selected *waqf* or endowment institutions chosen by Takaful IKHLAS every year. These distributions support a variety of noble causes, encouraging the joy of giving and fostering a sense of unity and community spirit among participants. By participating in Takaful IKHLAS' general products and embracing the IWE benefit, the individuals not only secure protection for themselves and their loved ones, but also contribute to building a more resilient and supportive community that will benefit for generations to come.

During the reporting period, RM25,000 was distributed to Institut Perubatan Respiratori ("IPR") in Kuala Lumpur through the IWE initiative.

MNRB Scholarship Programme

Sustainability Commitment:	Giving Back to Society
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Materiality Matter:	Community Improvement
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The MNRB Scholarship Programme is an integral part of our sustainability efforts, aimed at nurturing talent and fostering the development of high calibre professionals within the Malaysian insurance and takaful industry. By providing promising students access to quality education, the programme contributes directly to the growth and sustainability of the talent pool which is essential for the industry's growth and longevity.

Focused on key areas such as actuarial science, insurance and risk management, accounting, Shariah, and information technology, the MNRB Scholarship Programme identifies strategic fields crucial for industry advancement and future-proofing. Since its establishment in 1998, we have invested over RM19.2 million in this initiative, reflecting our long-term commitment to education, talent development, and the overall sustainability of the insurance and takaful sectors.

**Total Cumulative
Investment
RM19.2
million**

Since the programme's inception up until the end of this reporting period, 151 individuals have been absorbed as part of the MNRB Group's workforce. Leveraging on their knowledge and skills acquired through the scholarship programme, these individuals bring fresh perspectives that drive innovation and excellence within our organisation. This symbiotic relationship between the scholarship programme and our workforce development strategy underscores our dedication to sustainable talent management and industry leadership.

Metrics	FY2022	FY2023	FY2024
Number of Scholarships Awarded	10	10	10
Number of Scholarship Recipients Integrated into MNRB's Workforce	5	10	15
Amount Invested (RM)	RM559,584	RM533,587	RM581,373

SUSTAINABILITY STATEMENT

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Program Lestari Cemerlang MNRB (“PLC” MNRB)

Sustainability Commitment:	Giving Back to Society
Materiality Matter:	Community Improvement

MNRB’s Program Lestari Cemerlang (“PLC”) is a significant initiative aimed at empowering local communities, particularly in rural areas, through educational support programmes. This programme underscores MNRB’s commitment to sustainable community development by focusing on education, which is a key driver of social progress and economic empowerment. It is a testament of our ongoing dedication to supporting education building in underserved regions.

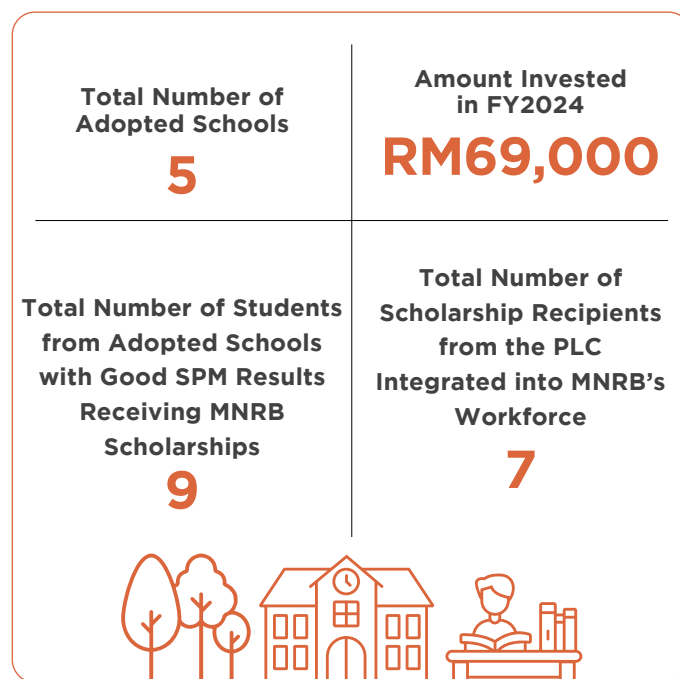
This adopt-a-school programme launched in 2011 has positively impacted four schools, and currently we are engaging a fifth school, namely SMK Ungku Aziz in Sabak Bernam, Selangor. By providing comprehensive academic programmes, enhancing learning facilities, and organising engaging co-curricular activities, we aim to create a conducive learning environment that maximises students’ potential while encouraging them to pursue higher education.

The selection of schools to be adopted involves collaboration with local education authorities such as the Ministry of Education and Jabatan Pendidikan Negeri. The factors considered in the school selection process include location in rural areas, potential for academic and co-curricular excellence, a multiracial population, and a majority of students from low-income families.

The programme addresses the schools’ needs by providing additional academic classes, workshops to enhance exam preparation skills, and special motivation camps for students facing major examinations like the Sijil Peperiksaan Malaysia (“SPM”). Furthermore, in line with the digital era, we are upgrading the school

infrastructure to establish a conducive digital learning zone. This is exemplified by our sponsorship of the “MNRB - SMKUA Smart e-Learning Room”, equipped with smart TVs and internet connectivity.

Beyond academic support, the programme also places an emphasis on holistic development by supporting each schools’ sports team and promoting healthy lifestyles among students through sponsoring sports equipment, sports attire, and coaching assistance. This multi-faceted approach aims to not only improve academic outcomes but also foster a well-rounded development among students, contributing to the overall sustainability and resilience of the local community.



SUSTAINABILITY STATEMENT

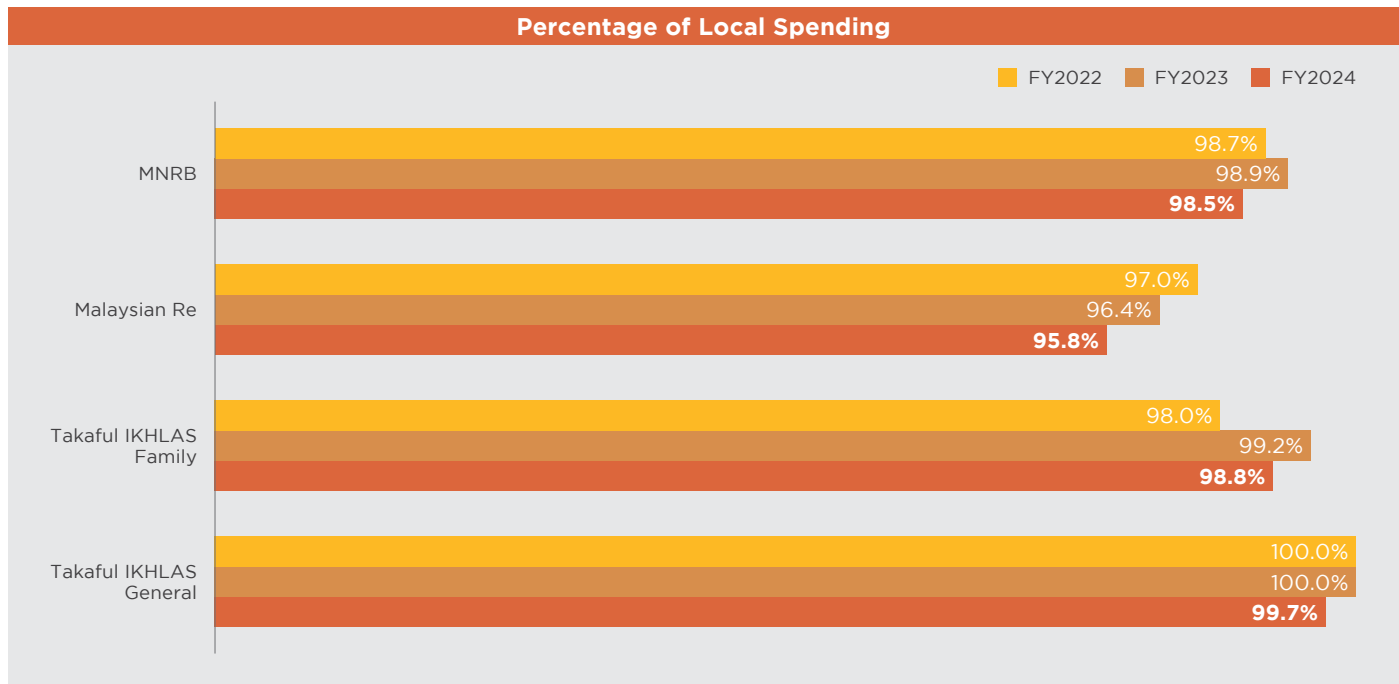
Empowering Local Communities through Local Supplier Spending

Materiality Matter: Community Improvement and Ethical Business Practices

We place great importance on empowering our local community through responsible business practices. One of our key initiatives in this regard is our commitment to prioritising local suppliers in our procurement processes. By sourcing goods and services locally, we not only contribute to the economic growth of our communities but also reduce our carbon footprint by minimising transportation and logistics movements.

Our emphasis on local supplier spending aligns with our sustainability goals, promoting socio-economic development and building strong partnerships within our local ecosystem. Through these efforts, we support job creation, skills development, and the overall well-being of our local communities. This approach reflects our dedication to sustainable business practices that benefit both our organisation and the communities we operate in.

In cases where comparable local alternatives are unavailable, particularly in addressing regulatory requirements and technological advancements, we engage with overseas suppliers. While we anticipate a marginal increase of overseas spending over the next few years due to limited local options for meeting these specific demands, our commitment to local empowerment remains steadfast.



SUSTAINABILITY STATEMENT

Nurturing Industry Talent via Market Training Programmes

Sustainability Commitment:	Responsible Products & Services and Intensified Awareness & Advocacy
Materiality Matter:	Responsible Products & Services

The Marketing Training Programmes initiative is a vital aspect of the MNRB Group's dedication to empowering industry talent and enhancing industry resilience in response to evolving trends. These specialised programmes, organised by the Market Services Department of Malaysian Re, are designed to equip participants with essential industry knowledge and skills. One key focus of these programmes is to foster sustainability awareness among the participants where environmental considerations, social responsibility, and governance factors are specifically tailored to the nuances of the insurance industry.

Programme	2023 YouLead!	Scheme for Insurance of Large & Specialised Risks (SILSR) Seminar	Malaysian Re's Webinar
Theme/Topic	YOULEAD: Leading the Insurance Industry Towards Sustainability and ESG.	Back to basics and prudent underwriting in Property-Engineering Insurance.	Market Hardening in Insurance and Ramifications to Write Property Insurance.
Sub-Topic	Sustainable Innovation and Leadership: Implementing Sustainable-Smart Solutions in the Insurance Industry.	ESG initiative by 2050 and how financiers respond to customer emissions.	Impact of ESG and decarbonisation - levy in cost of doing business.
Total Number of Participants	51	34	64
Level of Sustainability Integration	Thorough integration covering ESG factors relevant to roles within the insurance industry.	Holistic understanding of sustainability concepts in relation to 2050 target and how it is integrated into financial decision-making processes.	Knowledge on sustainability and decarbonisation.
Training Feedback	Training participants shared that they now have a better understanding of the importance of sustainability and are equipped with the necessary knowledge and skills to drive positive change within their organisations.	Informative and helpful, where training participants gained practical strategies to align business practices with ESG considerations.	Positive reception on cost-benefit insights and how sustainability factors influence operational expenses and profitability.

These training programmes which incorporate sustainability elements, act as a vital link between industry talent development and sustainability integration. They facilitate practical application and ensure that participants comprehend the significance of sustainability factors within their roles and organisational frameworks. Feedback from programme participants underscores the practical insights gained and the transformative value of understanding sustainability for their specific roles within the industry.

These training initiatives play a crucial role in nurturing a talent pool that is not only well-versed in sustainability principles but also capable of driving positive change and aligning business strategies with sustainability or ESG considerations. By empowering industry professionals through these programmes, we aim to contribute to strengthening the insurance and takaful sector's overall capacity to embrace sustainable practices, effectively managing risks, and ultimately, seizing opportunities for business growth.

SUSTAINABILITY STATEMENT

Agent Empowerment for Sustainable Community Impact

Sustainability Commitment:	Responsible Products & Services and Intensified Awareness & Advocacy
Materiality Matter:	Responsible Products & Services and Community Improvement

MNRB believes in empowering its agents for lasting community impact. We believe in equipping our agents not only with the skills and knowledge to serve our customers effectively but also with the appropriate tools to empower themselves and contribute meaningfully to society, aligning with the principle of *fardhu kifayah*.

Through continuous training and development programmes, we empower our agents to enhance their professional capabilities, enabling them to offer tailored solutions that meet the diverse needs of our customers. This approach not only strengthens customer relationships but also fosters trust and loyalty within the communities we serve. Furthermore, our focus on agent empowerment goes beyond business objectives. We recognise the pivotal role agents play as community advocates and change agents. By equipping them with holistic training that encompasses financial literacy, social responsibility, and community engagement, we enable our agents to drive positive social change and resilience within their communities.

Our commitment to agent empowerment is rooted in the belief that empowered agents lead to empowered communities. By investing in their skills, knowledge, and well-being, we are creating a positive ripple effect that contributes to building healthier, more resilient and more sustainable communities for the future. This holistic approach to agent development is a cornerstone of our social pillar, reflecting our dedication to creating meaningful and lasting change for all stakeholders involved.

Metrics	FY2022	FY2023	FY2024
Number of Agents Trained and Upskilled	4,749	5,489	5,520
Amount Invested (RM)	RM473,840	RM564,273	RM1,276,585

By nurturing holistic development and fostering a sense of belonging, the MNRB Group aims to significantly contribute to creating sustainable communities. This embodies our dedication to creating lasting positive impacts that improve the lives of individuals we interact with and contribute to building healthier, more resilient communities through initiatives aligned with the bedrock of our values and business practices. Together, we continue to forge a path towards a more sustainable and inclusive future for all.

SUSTAINABILITY-ORIENTED PRODUCTS AND RESPONSIBLE SERVICES

Sustainability Commitment: Responsible Products & Services

Materiality Matter: Responsible Products & Services

At MNRB, our purpose of “We Protect Everyone” guides us to offer takaful, reinsurance, and retakaful solutions that can safeguard our customers from emerging economic, environmental, and social risks, benefitting both our stakeholders and the broader communities within our operational scope. While historically, our products and services have been developed in alignment with Islamic values, we recognise the need for a more conscious effort and clearer objective of developing a product moving forward.

Therefore, we are actively integrating sustainability considerations in our approach to provide responsible products and services. We will continue to prioritise financial protection for everyone, including underserved and unserved groups, and ensure meaningful engagement with customers throughout the takaful value chain. This reflects our belief in ensuring equitable access to financial security and meaningful ongoing engagement with participants and their loved ones.

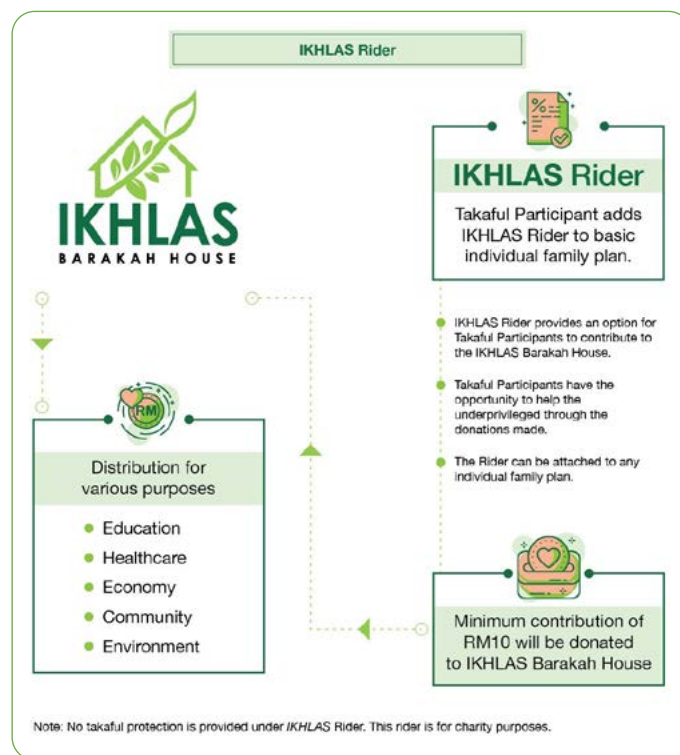
By offering responsible financial solutions, we aim to enhance customer well-being and play a vital role in fostering a more sustainable and resilient community. We are committed to ensuring that sustainability and meaningful engagement are integral parts of our product development process, aligning closely with our core values and the evolving needs of our stakeholders.

IKHLAS Rider

IKHLAS Rider serves as a practical embodiment of Maqasid Shariah principles, seamlessly integrating charitable giving with personal financial protection while upholding Islamic values. This Shariah-compliant takaful rider not only provides essential financial protection for participants and their loved ones but also provides an opportunity for them to contribute to broader human welfare and support initiatives promoting societal well-being. These contributions indirectly aid programmes facilitated by IKHLAS Barakah House or IBH, such as educational endeavours, skills development initiatives,

and community empowerment projects. By supporting these programmes, the participants contribute to enhancing the quality of life for marginalised communities, fostering intellectual growth, and unlocking human potential.

One of the key strengths of the IKHLAS Rider is its ability to allow individuals to fulfil their religious obligations (*zakat, sadaqah*) in a convenient and Shariah-compliant manner while safeguarding their own financial interests. This rider aligns with the principle of balancing wealth protection with charitable giving, offering participants a meaningful way to contribute to charitable initiatives while ensuring their financial security through takaful coverage. In essence, the IKHLAS Rider not only provides peace of mind and financial security but also empowers individuals to make a positive impact on society, embodying the core values of Islamic principles and responsible citizenship.



SUSTAINABILITY STATEMENT

IKHLAS Merawat Personal Accident Takaful

IKHLAS Merawat Personal Accident Takaful is designed to provide essential protection for daily paid workers such as delivery riders and e-hailing workers. This takaful coverage encompasses benefits for death or permanent disablement caused by accidental means, along with medical expenses coverage.

We understand the unique circumstances of these individuals, where their work and income are tied to daily earnings. Therefore, this product offers a targeted protection to ensure that they are financially covered during unforeseen accidents providing them with peace of mind and stability in times of need. With the availability of this product, we aim to continuously support the well-being and livelihoods of these essential community members.

IKHLAS Membantu Personal Accident Takaful

IKHLAS Membantu Personal Accident Takaful is tailored to provide crucial protection, especially for breadwinners from the B40 income group. This takaful product covers death or permanent disablement resulting from accidental means, including funeral expenses coverage.

We understand the immense impact the loss of breadwinner can have on a family, particularly those in vulnerable income groups. The demise of the breadwinner can lead to significant financial challenges for the family, affecting their ability to meet basic needs and maintain their quality of life. Our product aims to assist these families during such challenging times, easing their financial burdens and supporting their overall well-being. By providing essential coverage to the participants and their loved ones, we can help the families regain stability and resilience as they work towards rebuilding their lives and pursue their aspirations.

IKHLAS Clinic Niaga Takaful

IKHLAS Clinic Niaga Takaful provides comprehensive coverage for medical officers, doctors, general practitioners, and clinics offering services such as dental care and minor surgeries. This takaful solution ensures these healthcare providers have the necessary financial protection, enabling them to focus on delivering essential medical services and quality healthcare services to their local communities while protected against unforeseen risks.

IKHLAS Retail Niaga Takaful

IKHLAS Retail Niaga Takaful is meticulously crafted to provide extensive coverage for businesses such as provision shops, minimarts, tailors, small workshops, and contractors. This takaful product comprehensively addresses the diverse risks encountered by these specific enterprises, offering crucial financial protection against potential losses.

We recognise the pivotal role that SMEs play in local economies and communities. The impact of any losses on these businesses can be substantial, potentially hindering their ability to serve their communities effectively. By safeguarding the sustainability of these enterprises through our takaful product, we contribute to the resilience and growth of local economies. This, in turn, ensures the uninterrupted availability of essential services offered by these enterprises within their communities, fostering continuity and stability in local business environments.

Bantuan IKHLAS Road Assist

Bantuan IKHLAS Road Assist service underscores our dedication to upholding road safety and providing road support services to our customers. This round-the-clock assistance service provides timely support and guidance during roadside emergencies, emphasising our commitment to delivering reliable and responsive services that prioritise customer security and safety.

Our comprehensive assistance includes the following services:

- Jumpstart and battery replacement services;
- Changing of flat tyre services;
- Petrol assistance services;
- Accident and breakdown towing services; and
- Locksmith services.

Our coverage extends beyond Malaysia's borders to include Singapore and the region of South Thailand and Brunei, within a 25 km radius of the Malaysian border. This ensures comprehensive assistance for customers travelling by car to neighbouring countries around Malaysia.

SUSTAINABILITY STATEMENT

As MNRB prioritises ease and a user-friendly interface, customers can now access Bantuan IKHLAS Road Assist anywhere and anytime with a simple click on the Self Service or Call Now button on our website, ensuring that they can quickly receive the assistance they need whenever and wherever they may be, providing our customers with peace of mind on every journey.

GO Serve Platform: Claims Made Easy

Our GO Serve Platform simplifies claims processes, making it easy and convenient for our customers to access the platform and manage their takaful claims. This digital platform enhances the customer experience by offering a seamless and user-friendly interface that expedites claims processing and provides real-time monitoring of claim status. This ensures transparency and instills confidence in our service.

By leveraging technology to enhance our services, we are not only improving efficiency but also demonstrating our commitment to responsible and customer-centric practices. The GO Serve platform also reduces administrative burdens, minimises paperwork and promotes environmental sustainability by embracing digital solutions as outlined in page 53 to 54 under the Environment Pillar: Digital Transformation.

This platform also fosters greater customer engagement and satisfaction by putting control in the hands of our customers, allowing them to manage their claims conveniently and effectively. Ultimately, the GO Serve Platform underscores our dedication to delivering innovative solutions and responsible services that prioritise the customer experience and well-being.

Transparent Claims and Ethical Surplus Distribution

Sustainability Commitment:	Responsible Products & Services and Giving Back to Society
Materiality Matter:	Responsible Products & Services, Community Improvement, Sustainability Governance and Responsible Business Practices

During the reporting period, our takaful participants collectively assisted their fellow participants who were in need due to unexpected events or sudden demise, reflecting our core takaful principles of mutual assistance and shared responsibility. Takaful IKHLAS played an instrumental role in facilitating the timely and transparent settlement of the various claims, benefiting the affected participants' families by enabling them to gradually return to their normal lives and livelihoods. The financial support provided by the claims helped them recover from the adversities they faced and alleviated immediate hardships. This cooperative effort empowered the affected participants and their families to rebuild their lives, restore their livelihoods and navigate through difficult times, exemplifying the true spirit of takaful.

Category	Claims Amount (RM mil)	Number of Recipients
Family Takaful	266.1	36,096
General Takaful	409.2	73,903
Total	675.3	109,999

In addition to claims settlements, Takaful IKHLAS also distributed a portion of the FY2023 surplus from our Participants' Risk Funds back to eligible participants, reflecting the mutual benefit principle and based on the provisions of our Surplus Management Policy. Specifically, Takaful IKHLAS General paid RM5.1 million to 978,221 participants.

Through these initiatives, Takaful IKHLAS remains committed to responsible business and ethical financial practices, as well as community improvement, embodying our sustainability values in every aspect of our operations.



GOVERNANCE

SUSTAINABILITY LEADERSHIP

Capacity Building

Sustainability Commitment:	Effective Sustainability Management and Intensified Awareness & Advocacy
Materiality Matter:	Sustainability Governance

The Group places a strong emphasis on fostering a culture of continuous learning and engagement throughout our workforce, specifically in sustainability-related areas. Our commitment to capacity building extends beyond the Board level to include management teams and all working levels throughout the organisation. This holistic approach ensures that sustainability principles are embedded at every level of the organisation, fostering a culture of sustainability and collective responsibility towards achieving the Group's sustainability objectives.

These capacity building programmes are integral to our sustainability leadership efforts. By equipping our workforce with the knowledge and skills necessary to understand and address sustainability challenges, we empower them to become sustainability champions within their respective roles. This not only aligns with our sustainability goals but will also strengthen our position as a leader in sustainable business practices within the industry.

We have collaborated with subject matter experts to conduct several capacity building sessions covering a diverse range of sustainability topics. The table below provides an overview of the capacity building sessions conducted within the reporting year:

Session	Participants
Sustainability Regulatory Development and Implementation Outlook	Board and Senior Management
Awareness on Climate Change and GHG Management	Senior Management, Vice Presidents and above
Sustainability Reporting and Disclosure Requirements	Senior Management, Vice Presidents and above

Additionally, we encourage our workforce to participate in complimentary webinars available online. These webinars aim to strengthen participants' understanding of sustainability matters, identify sustainability risks and opportunities, share best practices, and draw insights from industry case studies.

Engaging in these webinars allows our workforce to deepen their understanding of sustainability principles and their practical application. The knowledge gained provides valuable lessons that would enrich our own sustainability efforts. By piquing the interest of our workforce in sustainability and enhancing their knowledge, we are empowering them to play an active role in driving sustainable initiatives within their respective areas of responsibility and contribute positively to our sustainability agenda.

These concerted efforts to build sustainability awareness and knowledge at all levels of our workforce are essential for equipping our people to support the Group in achieving our short-, medium-, and long-term sustainability goals. It underscores our commitment to developing a workforce that not only comprehends sustainability challenges but also possesses the skills to implement practical solutions effectively.

SUSTAINABILITY STATEMENT

ASEAN Renewable Energy Pool (“AREP”): Driving Sustainable Energy Initiatives

Sustainability Commitment:	Responsible Products & Services and Intensified Awareness & Advocacy
Materiality Matter:	Responsible Products & Services

The MNRB Group is proud to share that Malaysian Re has played a pivotal role in the establishment of the ASEAN Renewable Energy Pool or AREP. This groundbreaking initiative is aimed at supporting sustainable energy practices and fostering regional collaboration within the ASEAN region.

On 8 December 2023, during the 5th ASEAN Insurance Summit, a Memorandum of Understanding (“MOU”) was signed to establish AREP under the ASEAN Insurance Council (“AIC”), as initially conceptualised by Malaysian Re in 2021. The MOU signifies a unified effort by ASEAN Reinsurance Working Committee (“ARWC”) members to support the ASEAN region’s pursuit of Net Zero emissions and effective climate change management. This initiative aims to offer reliable coverage for all phases of renewable energy projects, ensuring a diversified portfolio for reinsurers/insurers with steady premium income. The AREP initiative will enable participating reinsurers to pool resources and form an insurance pool to underwrite risks associated with renewable energy sources.

The AREP initiative, as spearheaded by Malaysian Re, stands as a testament to MNRB’s vision to drive positive change and advance sustainability practices within the insurance and reinsurance industry. The establishment of AREP signifies a pivotal step towards promoting investments in renewable energy and accelerating the transition to low-carbon economy. By pooling resources and expertise from the ASEAN region, AREP facilitates greater access to renewable energy projects, promotes knowledge sharing and strengthens regional resilience against the impact of climate change.

Seminar of Sustainable Catastrophe Loss Management

Sustainability Commitment:	Responsible Products & Services and Intensified Awareness & Advocacy
Materiality Matter:	Responsible Products & Services

MNRB, through Malaysian Re, organised a seminar in collaboration with the National Insurance & Takaful Claims Society (“NICS”) for the Malaysia Claims Society on Sustainable Catastrophe Loss Management. This initiative underscores our commitment to driving sustainable practices within the insurance and takaful industry.

The seminar was designed to leverage on lessons learned from past experiences, both locally and internationally, and enhance the capacity of Claims Society members to handle catastrophe-related claims effectively and sustainably. It aimed to empower industry professionals with the insights and tools necessary to navigate and mitigate catastrophe-related risks effectively, fostering collaborative learning and knowledge sharing among industry players.

During the seminar, participants engaged in a discussion on innovative approaches and best practices in sustainable catastrophe risk management. The sessions included analyses of case studies, the sharing of experiences and the exploration of emerging trends that can drive efficiency, resilience, and sustainability across the claims value chain. The incorporation of international perspectives enriched these discussions, offering valuable insights into global standards and practices.

The impact of this initiative extended beyond the seminar itself. By equipping the Claims Society with enhanced capabilities in catastrophe loss management, MNRB contributed towards advancing sustainability goals within the industry. This included promoting best practices, reducing environmental impact, and ultimately enhancing the overall customer experience. We are leveraging on the insights gained from the seminar to drive ongoing initiatives that align with our sustainability vision and objectives. This includes further collaboration, research, and implementation of best practices to strengthen the resilience and sustainability of the insurance and takaful sector.

SUSTAINABILITY STATEMENT

Industry Engagement

Sustainability Commitment: Intensified Awareness & Advocacy

The Group is consistently demonstrating its commitment to nurture a culture of continuous learning and knowledge sharing. This is being achieved through the active involvement of our employees, from the management team to the working levels, in various industry working groups and committees. These engagements serve as opportunities for us to showcase our dedication and expertise, share valuable insights, and contribute to shaping the industry's approach to sustainability.

Participating in these collaborative platforms enables us to express our interests and perspectives effectively. We leverage on these platforms to advocate sustainable practices, influence industry direction, and collaborate with industry peers effectively to achieve shared sustainability goals. Through these collective efforts, we strive to drive positive change and make meaningful contributions to sustainable development within our industry and beyond.

Organisation	Platform
Bursa	Public Listed Companies Transformation (PLCT)
Permodalan Nasional Berhad (PNB)	Sustainability Sub Committee
Malaysian Takaful Association (MTA)	FSB Strategic Thrusts: 2B (Financial Resilience)
	FSB Strategic Thrusts: 3 (Tech Advancement)
	FSB Strategic Thrusts: 4 (Gov)
Joint Committee of Climate Change (JC3)	JC3 Steering Comm 1 (SC1)
	JC3 Physical Risk (PRWG)
	JC3 Transition Risk (TRWG)
	CCPT Implementation Group (IG)
	CCPT IG Subgroup: Data
	CCPT IG Subgroup: DDQ
	CCPT IG Subgroup: FAQ
CCPT IG Subgroup: ITO	

MNRB's commitment to sustainability leadership is exemplified through our comprehensive approach encompassing capacity building, industry engagement, and pioneering industry projects. Through continuous learning and collaboration, we empower our workforce to champion sustainability initiatives, engage with industry stakeholders, and lead transformative projects that drive positive change. We will continue to collaborate with industry stakeholders and other relevant organisations, leveraging meaningful insights to drive initiatives that align with our sustainability vision and objectives. By championing knowledge sharing, capacity building, and best practices, we aim to create a more resilient and sustainable future for our industry and the communities we serve.

CORPORATE GOVERNANCE AND ETHICAL BUSINESS PRACTICES

Anti-bribery and Corruption

Sustainability Commitment:	Effective Sustainability Management
Materiality Matter:	Sustainability Governance and Ethical Business Practices

The MNRB Group adopts a zero-tolerance approach towards bribery, corruption, and money laundering. We uphold values of integrity, collaboration, and expertise, prioritising the preservation of our stakeholders' interest in all that we do. Our internal policies and protocols comprehensively address issues such as bribery, corruption, and money laundering, and are regularly communicated to all employees. Through the stringent implementation of these measures, we are committed to fostering an environment where ethical business conduct is necessary.

In accordance with Section 17A of the Malaysian Anti-Corruption Commission ("MACC") (Amendment) Act 2018, the Companies Act 2016, and the Malaysian Code on Corporate Governance ("MCCG") 2021, there is a growing emphasis on enhancing board oversight and integrating sustainability considerations into a company's strategy and operations. Upholding principles of good governance, the MNRB Group is dedicated to combating bribery and corruption while maintaining the integrity of our business operations and ensuring compliance with legal requirements. The following policies underscore our efforts to date:

Group Code of Ethics

The Code outlines our business practices, zero-tolerance stance against corruption, interactions with stakeholders, and personal accountability. Applicable to all MNRB Group employees, this Code serves as a cornerstone of our ethical conduct.

Group Anti-Bribery and Corruption Policy

This policy mandates that MNRB Group employees shall not, directly or indirectly, offer, promise, give, solicit, accept, or agree to accept, or attempt to obtain bribes in order to achieve business or personal advantages for themselves or others, or engage in any transaction that can be construed as having contravened the anti-corruption laws of Malaysia and applicable foreign laws.

Group Whistleblowing Policy

This policy establishes a secure and confidential channel for directors, employees, and other stakeholders to report concerns regarding any unacceptable practices or misconduct. Individuals are encouraged to raise issues without fear of reprisal or unfair treatment, ensuring transparency and accountability throughout our organisation.

No Gift Policy

To achieve the highest levels of trust and transparency in its business operations, the MNRB Group strictly upholds and adheres to a No-Gift Policy in all its business dealings. This policy dictates that no Group employee shall accept or provide gifts to third parties so as to avoid conflicts of interest or the appearance of conflicts of interest in any ongoing or potential business dealings of MNRB Group.

Our continuous efforts include regular anti-corruption awareness training for employees, with 100% of our workforce trained in FY2024. The launch of the MNRB Group Integrity Week further reflects our dedication to ethical practices. Additionally, we have conducted thorough assessments on our business operations, covering 100% of our workforce, to identify and mitigate corruption-related risks among our workforce while promoting a culture of transparency and accountability. While there were no incidents of corruption reported during the reporting period, we remain vigilant in upholding our zero-tolerance policy towards corrupt practices. We are dedicated to continuously promoting ethical conduct and fostering a workplace free from corruption.

SUSTAINABILITY STATEMENT

Anti-Money Laundering and Countering the Financing of Terrorism (“AML/CFT”)

Sustainability Commitment:	Effective Sustainability Management
Materiality Matter:	Sustainability Governance and Ethical Business Practices

At MNRB Group, we are committed to upholding the highest standards of ethical conduct and financial integrity across all aspects of our operations. Our sustainability efforts extend beyond environmental and social considerations to include Anti-Money Laundering and Countering the Financing of Terrorism (“AML/CFT”) initiatives. Guided by regulatory requirements and international best practices, we have been implementing the appropriate AML/CFT policies and procedures. These measures safeguard our business from financial crime and foster a transparent and responsible financial ecosystem. Our dedication to ethical business practices reinforces our commitment to ensuring financial integrity, contributing to a more sustainable and secure future.

Data Privacy and Security

Sustainability Commitment:	Effective Sustainability Management
Materiality Matter:	Sustainability Governance, Ethical Business Practices and Cybersecurity & Data Privacy

The MNRB Group places paramount importance on safeguarding customer privacy and protecting sensitive data as these are crucial elements in upholding stakeholders’ trust and confidence. To this end, we continuously prioritise the enhancement of our cybersecurity control measures through ongoing investments in the latest IT infrastructure and comprehensive employee awareness programmes.

Our group-wide cybersecurity awareness efforts, in collaboration with our external partner KnowBe4, include regular cybersecurity training, phishing tests, and awareness programmes for employees, covering essential security topics such as password protection, phishing prevention, privacy, and compliance. The weekly newsletter, “ICT Tips of the Day”, serves as a valuable platform to ensure a collective understanding of cybersecurity best practices among our workforces. Complementing our robust cybersecurity measures, we have implemented a comprehensive Personal Data Protection Policy as well as Privacy Notices, setting stringent compliance standards for personal data collection and processing.

During the reporting period, we are pleased to report that there were no cybersecurity data breaches. However, there was one isolated incident of a data compromise due to a glitch in our Online Customer Account portal. We promptly took corrective action and addressed the issue. This incident, while regrettable, has provided valuable insights that have strengthened our ongoing efforts to enhance data privacy and security measures across the organisation.

To mitigate any recurrence, we have deployed a range of security solutions. These include the Hybrid Security Operations Centre (“SOC”), Web Application Firewall (“WAF”), Multi-factor Authentication (“MFA”), Distributed Denial of Services (“DDoS”), Privileged Access Management, Data Loss Prevention (“DLP”) Solution, Advanced Persistent Threat Solution, Web Gateway, and Endpoint Protection Security Software Suite.

We remain steadfast in our commitment to transparency, accountability, and maintaining open communication with stakeholders while preserving their trust and confidence in our data privacy and security practices.

SUSTAINABILITY STATEMENT

Shariah Governance Framework

Sustainability Commitment:	Effective Sustainability Management
Materiality Matter:	Sustainability Governance

MNRB's Shariah Governance Framework stands as a pillar of confidence for stakeholders, ensuring our adherence to shariah principles in all facets of our operations. In FY2024, we strengthened this framework by integrating sustainability considerations into it. Our latest strategic enhancement mandates that our Group Shariah Committee ("GSC") oversee the Shariah-related aspects of our sustainability strategies.

Additionally, the GSC is also responsible for ensuring that the Group's Sustainability Policy adheres to the Shariah Governance Framework's parameters. This will ensure we are continuously incorporating Value-Based Intermediation Takaful or VBIT principles and Maqasid Shariah principles into our sustainability initiatives, further strengthening the Group's ethical and sustainability practices.

INTEGRATING SUSTAINABILITY PRINCIPLES INTO BUSINESS ACTIVITIES AND PRACTICES

The Group has proactively integrated sustainability principles into our business activities and practices by engaging in active discussions with relevant stakeholders to gather their perspectives and feedback. These discussions are focused on enhancing various operational areas, including investment, procurement processes, product development, underwriting, pricing, and other support functions.

As part of our internal awareness efforts, we continuously encourage our internal stakeholders to consider incorporating a basic sustainability checklist or basic sustainability due diligence questions within their operational processes. This effort aims to jumpstart the integration of a sustainability mindset and promote a basic understanding of sustainability among our workforce in all aspects of their roles, especially in their day-to-day responsibilities.

This proactive step ensures that we not only meet regulatory requirements but also address public expectations and evolving sustainability standards locally and internationally. These actions will enable us to effectively manage sustainability within the Group and ensure that our governance of sustainability-related matters remains robust and steadfast as we become more conscious of our approach to sustainability.

SUSTAINABILITY STATEMENT

Sustainable Investing Guideline

Sustainability Commitment:	Net Zero Carbon Investment Portfolio by 2050 and Effective Sustainability Management
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Materiality Matter:	Sustainability Governance and Responsible Investment
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The Board oversees the investment process through the Group Investment Committee, which also evaluates investments based on sustainable criteria. The Group Investment Department and Group Investment Management Committee diligently monitor and assess investment portfolios in alignment with our Investment Policy Statement (“IPS”), ensuring robust risk management. Strategic Asset Allocations are rigorously safeguarded by the Investment Department, where investment portfolios are thoroughly reviewed and approved by the Board.

Our climate and responsible actions are integrated into the Group Sustainable Investing Guideline to facilitate the transition to achieve our Net Zero Carbon Investment Portfolio by 2050 commitment. Furthermore, the Group’s Sustainable Investing Guideline has undergone considerable enhancement, focusing on key areas such as Portfolio Carbon Footprint Approach, CCPT Assessment Approach, and ESG Investing Assessment Approach.



Route to Achieving a Net Zero Carbon Investment Portfolio by 2050

Measure and Monitor Portfolio Carbon Emissions

We have developed a Portfolio Carbon Emissions assessment template using methodologies aligned with the Partnership for Carbon Accounting Financials (PCAF) and the Task Force on Climate-Related Financial Disclosures (TCFD).



Classifying Climate Assets to Support Climate Mitigation and Adaption Efforts

Compliance with Regulatory Requirements

We have evaluated our financial investment activities in the portfolio by incorporating guiding principles and classification requirements outlined in the BNM’s Climate Change Principle-based Taxonomy (CCPT) guidelines, ensuring compliance with regulatory requirements.



Selecting Best-in-Class ESG Criteria Across Asset Classes to Steer Responsible Investing

Adhering to ESG Criteria

- We prioritise investments in companies listed in FTSE 4Good Index, which aligns with the UN Sustainable Development Goals (SDGs).
- We focus on sovereign issuances included in the FTSE ESG World Government Bond Index.
- We exclude sensitive sectors such as tobacco, weapons, and coal pure play from our equity investment, as outlined in the FTSE’s guidelines.
- We have access to the SRI Sukuk and SRI Fund granted by the Securities Commission Malaysia.
- Moreover, some issuers within our portfolio have developed their own internal ESG frameworks.



Incorporating the Maqasid Shariah Approach into the Investment Process

Embracing Value-based Practices

- We strictly adhere to the Maqasid Shariah approach in our investment process, which involves the exclusion of securities engaged in activities forbidden in Islam such as gambling, gaming, alcohol, tobacco, and any non-permissible actions under Shariah law.
- These principles are applicable to all investments in Shariah-compliant instruments as per the MNRB Group’s policies and guidelines.

CLIMATE-RELATED COMMITMENTS AND DISCLOSURE

Sustainability Commitment:	Net Zero Carbon Enterprise by 2030, Net Zero Carbon Investment Portfolio by 2050, Net Zero Carbon Business Portfolio by 2050, Effective Sustainability Management and TCFD-aligned Disclosures
Materiality Matter:	Climate Risk & Emissions Management, Responsible Investment and Sustainability Governance

With climate change emerging as one of the most pressing concerns globally, MNRB remains vigilant about the impacts associated with it. The interconnected environmental shifts on a global scale introduce significant uncertainties in terms of risks and opportunities. In line with this understanding, we are committed to enhancing our climate-related disclosures to ensure alignment with TCFD recommendations. This initiative reflects our recognition of the importance of providing comprehensive and transparent information to our stakeholders regarding climate-related risks and opportunities.

Moving forward, MNRB aims to disclose its climate-related commitments and relevant basic financial disclosures by FY2025 by incorporating key TCFD elements such as governance, strategy, risk management, metrics and targets, business activities, and operations. These enhanced disclosures would strengthen our transparency practices and equip our investors and stakeholders with the essential information to more effectively assess climate-related risks and opportunities within MNRB's business, investment activities, and overall operations.

Adhering to Regulatory Frameworks

MNRB is dedicated to managing climate risks and integrating sustainability seamlessly into our operations. Our approach aligns meticulously with regulatory guidelines, notably BNM's Climate Change and Principle-Based Taxonomy or CCPT guidance. This alignment underscores the transparency and consistency of our reporting on underwriting and investment activities, including the submission of our half-yearly exposure reports to BNM since July 2022. We are also in the midst of assessing our investment portfolio, covering listed equity, corporate bonds, and sukuk.

Compliance and Action Plans

In compliance with BNM's Climate Risk Management and Scenario Analysis ("CRMSA") policy document, we have set in place a comprehensive group-wide and entity-specific plan since 2023. This plan focuses on implementing climate risk management across critical areas such as governance, strategy, risk management, metrics and targets as well as business activities and operations.

Climate Risk Management Aspiration

Our aspiration is to emerge as a leading entity in climate-related risk management within Malaysia's financial sector. To achieve this goal, we are initiating a comprehensive internal assessment exercise where we plan to collaborate with consultants to identify physical and transitional risks related to our business. This initiative, combined with the recently issued Climate Risk Stress Testing ("CRST") paper from BNM, will evaluate our financial resilience against climate-related risks.

Integration into Group Risk Management Framework

We employ advanced tools such as the AIR Worldwide CAT Modelling Tool and Risk Management Solution to monitor catastrophe risk exposure effectively. Our Group Risk Management Framework and Policy, aligned with the Board's defined risk appetite and BNM's Risk Governance Guidelines, ensures a systematic approach to identify, assess, measure, control, mitigate and continuously monitor the risks that affect the Group and its entities.

Furthermore, we actively engage with our stakeholders, reinsurance brokers, and industry working groups to enhance our understanding and management of climate-related risks. This includes reviewing retakaful and retrocession arrangements to bolster risk protection against catastrophe losses.

ESG Integration and Sustainability Framework

Recognising the growing importance of ESG issues, we have integrated ESG risk categories, with climate change as a sub-risk, into our Group Risk Landscape. We are also developing a new Group Sustainability Risk Management Framework to further strengthen our commitment to sustainability and contribute to broader environmental objectives.

Through the above initiatives, we aim to fortify our business resilience, ensure long-term sustainability, and play a proactive role in contributing to the broader environmental objectives of sustainable development.

INTERNAL AWARENESS INITIATIVES

Sustainability Commitment:	Effective Sustainability Management and Intensified Awareness & Advocacy
Materiality Matter:	Sustainability Governance

In our steadfast commitment to nurturing a sustainability mindset within the MNRB Group, our newly formed Group Sustainability Management Department or GSMD has been collaborating with various departments to drive internal awareness initiatives. These pilot initiatives are essential for aligning with our governance pillar and fostering a holistic approach to sustainability management.

Townhall Engagement

Our quarterly townhall engagements aim to raise awareness and garner support from our internal community for sustainability initiatives crucial to achieving our sustainability goals, both for the short and long term. These engagements serve as a platform to foster open dialogue, share the current progress of our sustainability efforts, seek input and feedback, as well as encourage commitment from the workforce.

Sustainability Buzz

A cornerstone of our internal awareness strategy is the “Sustainability Buzz” newsletter, distributed biweekly via our intranet platform. This newsletter facilitates engagement by showcasing sustainability initiatives, promoting sustainability awareness, and highlighting upcoming events and training opportunities. It also features updates on past initiatives such as the Tree of Tomorrow tree planting event and senior management sustainability training.

Network of Sustainability Champions

Integral to our internal awareness efforts is the appointment of sustainability champions across the MNRB Group. These dedicated individuals, driven by a passion for sustainability, play a pivotal role in integrating sustainability principles into day-to-day operations at their respective entities. They act as catalysts for change, facilitate initiatives to embed the sustainability principles into their business operations, report progress to senior management committees and stakeholders, and actively participate in capacity-building programmes to enhance their sustainability understanding and expertise.

Tree of Tomorrow

The ToT initiative that stems from our pledge to plant 2,500 trees alongside the Group’s 50th anniversary serves as a catalyst, igniting internal awareness within our workforce and sparking greater interest in sustainability efforts. Leveraging on the Group’s pledge, the initiative supports environmental preservation and fosters a collective ethos of environmental responsibility within the workforce, reinforcing MNRB’s dedication to championing a sustainable future.

Through these internal awareness approaches, we aim to cultivate a culture of sustainability awareness and action within the Group. We will accomplish this by empowering employees at all levels to collectively contribute to the Group’s sustainability objectives and drive positive impact, by cascading this internally group-wide and outwardly among our external stakeholders.

FUTURE OUTLOOK



Embracing Sustainability with Greater Purpose

Looking ahead, the MNRB Group is committed to embracing sustainability with greater purpose and conviction, going beyond regulatory requirements. Our primary focus remains on integrating sustainability ideals within our business operations, strategies, and culture, infusing our workforce with a DNA that embodies sustainability values and reflecting those values in our business approach, including our products and service offerings.

As a responsible corporate citizen, we aim to make conscious choices that will positively impact our bottom line and benefit the communities and environments in which we operate. Moving forward, our sustainability approach will be guided by meaningful actions and conscious decisions. We will continue to invest in sustainable practices, technologies and innovations that can help us reduce our environmental footprint, enhance social well-being, and promote ethical governance.

Our commitment extends to fostering collaboration and partnerships, working closely with stakeholders, industry peers and communities to co-create sustainable solutions and drive positive change. The Group remains dedicated to transparency, accountability, and continuous improvement, ensuring our sustainability journey remains impactful and meaningful, aligned with global best practices while adhering to regulatory requirements.