

Our Environment



Climate Change

Key Performances



Completed

Climate Risk Stress Testing ("CRST") exercise for our Malaysian insurance entity



Enhanced

our risk register and incorporated an additional climate scenario



Established baselines

for Scope 1 and 2 emissions

CLIMATE CHANGE

As climate issues grow increasingly critical, it is vital for industries to take firm steps to foster real progress. Lowering greenhouse gas ("GHG") emissions, shifting toward renewable energy sources, and executing climate adaptation plans are crucial for both companies and economies to build greater resilience. Companies need to embed sustainability within their transition strategies while embracing practices that mitigate climate risks and help them steer through these changing conditions.

At Tune Insurance Malaysia Berhad ("Tune Protect Malaysia or the Company"), we acknowledge that climate resilience is a fundamental requirement for the long-term sustainability of our business. Our commitment to achieve Zero Coal by 2030 demonstrates our dedication to tackling climate-related risks while simultaneously uncovering avenues for sustainable growth. By

continuously improving our internal capabilities and ensuring we stay aligned with shifting regulatory standards, we aim to build an agile enterprise that is well-prepared for the future.

At the same time, we understand how vital climate-related disclosures are in facilitating educated decision-making among our business leaders, investors, and stakeholders. Guided by Tune Protect Group Berhad ("The Group"), we are progressing in integrating climate considerations into our corporate strategy, risk management, and governance frameworks, and are steadily moving toward the adoption of International Financial Reporting Standard ("IFRS") S2 – Climate-related Disclosures. In line with the Group's classification as a Group 2 entity, we are working towards a targeted adoption timeline by 2026. This transition is aligned

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with the National Sustainability Reporting Framework (“NSRF”) and Bursa Malaysia Securities Berhad’s (“Bursa Malaysia”) Sustainability Reporting Framework, which outline a phased implementation roadmap for enhanced sustainability and climate-related disclosures through 2028.

Building on our established Task Force on Climate-related Financial Disclosures (“TCFD”)-aligned foundations, we continue to embrace the four core pillars of IFRS S2: Governance, Strategy, Risk Management, and Metrics and Targets. These pillars inform our public disclosures, support the tracking of our progress, and govern our management of climate-related opportunities and risks. We are navigating this transition with the support and guidance of the Joint Committee on Climate Change (“JC3”).

Transparent disclosures not only boost comparability but also tighten our adherence to leading climate risk management practices. To guarantee a systematic and cohesive approach, our climate risk management framework is underpinned by relevant Group policies, including but not limited to the Group Sustainability Policy, Group Investment Policy, and Underwriting Policy. We are devoted to perpetually refining our reporting practices and embedding IFRS S2 mandates deeply into our climate governance and risk mitigation processes. In particular, the Group Sustainability Policy underpins our approach by articulating the Group’s commitment to addressing climate change, including initiatives to reduce emissions from its own operations, and by supporting the Group’s net zero ambition for Scope 1 and Scope 2 emissions in Malaysia.

As we continuously refine our climate strategy, we maintain our commitment to aligning our governance, risk management, strategy, and disclosures with Bank Negara Malaysia’s (“BNM”) Climate Risk Management and Scenario Analysis (“CRMSA”) policy document, which was updated in March 2025. The CRMSA provides an overarching framework that guides how climate-related risks should be integrated across climate governance, risk identification and management, strategic planning, and metrics and targets.

In parallel, we comply with BNM’s Climate Risk Stress Testing (“CRST”) methodology paper, which establishes expectations for assessing our financial resilience under adverse climate scenarios. CRST assists in evaluating the potential impact of climate-related transition and physical risks on capital adequacy, earnings, liquidity, and overall financial stability. Together, CRMSA and CRST remain integral to strengthening our capability to identify, assess, and manage climate-related risks in a structured and forward-looking manner.

GOVERNANCE

We strive to continuously enhance our governance structures to ensure clear accountability and effective oversight of climate-related risks and opportunities. Climate considerations are deeply integrated throughout our organisation, empowering the Board of Directors (“the Board”) and management to act proactively in the face of shifting regulatory standards and new risk trends.

Board's oversight of climate-related risks and opportunities

The Board, under the leadership of the Mr. Mohamed Rashdi Bin Mohamed Chazalli, holds ultimate responsibility for the oversight of sustainability matters, including climate-related risks and opportunities, and for ensuring these are embedded into strategic decision-making. The Risk Management Committee (“RMC”), led by its Chairman, Mr. Jayakumar A/L Somasundram, supports the Board by overseeing climate-related risks, reviewing the Group’s internal risk management framework, and monitoring key risk indicators through quarterly dashboards.

Management's role in assessing and managing climate-related risks and opportunities

The Sustainability Committee (“SuCom”) oversees the execution of sustainability initiatives, ensuring that daily operations align with the Group’s broader climate strategy by meeting up at least twice a year and on an as-needed basis, depending on emerging sustainability and climate-related matters.

The committee is supported in its role by the Sustainability Team and the Sustainability Working Committee, and further assisted by a dedicated cross-functional project team established in 2024 to support the implementation of CRMSA and CRST requirements. In addition, a Senior Management Officer, who is also a member of the SuCom, has been appointed to oversee climate-related matters, further strengthening management oversight.

¹ The JC3 - TCFD Application Guide is the Application Guide published by the JC3, which outlines key recommendations for adopting TCFD Recommendations by the Malaysian financial industry. The JC3 is a platform for regulator-industry cooperation to build climate resilience within the Malaysia financial sector, which is also co-chaired by BNM and Securities Commission (“SC”) Malaysia

Integrated Climate Governance and Accountability

GRI 2-12
SRG 1.1b

Board of Directors (Board)

- Accountable for Tune Protect's sustainability strategy and performance
- Review and approve Tune Protect's disclosures and strategic direction in relation to sustainability matters
- Evaluate the risks and opportunities arising from climate change and consider these in assessing and approving Tune Protect's strategies and business plan

IFRS S2-1
SRG 1.1a
SRG 1.1b
MCCG 4.2

Quarterly

Risk Management Commitment (RMC)

- Review strategies and activities of principal risks including sustainability and climate-related risks and mitigating the risks of greenwashing
- Discuss and recommend regular and timely updates on the material information regarding climate-related risks and opportunities to the Board for approval
- Review the effectiveness of the organisational structure and appropriately defining the roles and responsibilities of key business and risk functions in supporting the strategies to build climate resilience and manage climate-related risks

Annually

Nomination Committee

- Performance review of the Board (which also includes how the Board addresses Tune Protect's material sustainability risks and opportunities)

MCCG 4.4

Quarterly and when needed

Sustainability Committee (SuCom)

- Review and recommend to the Board for approval of Tune Protect's strategic direction relating to sustainability and climate-related matters
- Update the Board on the status and performance of sustainability-related initiatives on a quarterly basis
- Provide regular updates to RMC before recommending to the respective Boards for approval, with material information on climate-related risks and opportunities
- Review climate-related disclosures in a timely manner
- Provide support and carry out action plans related to climate resilience and manage climate-related risks as delegated by RMC

IFRS S2-1
SRG 1.1a
SRG 1.1b

IFRS S2-1
SRG 1.2a
SRG 1.2b

Bi-Monthly and/or when needed

Sustainability Function

- Manage the overall sustainability performance, drive initiatives and monitor targets
- Central point of contact for all sustainability-related matters and provide updates to SuCom
- Monitor and compile material information on climate-related risks and opportunities*
- Initiate climate-related disclosures information gathering and table it to SuCom for review and disclose the climate-related information publicly after approval is obtained from the Board
- Secretariat duties to SuCom

As and when

Business Units

- Implementation of sustainability initiatives and data collection
- Day-to-day management of climate-related risks and opportunities
- Implementation of policies and procedures to build and support climate resilience

Sustainability Working Committee

- Support the Sustainability function in driving and managing the performance of sustainability initiatives

SRG 1.3a

Notes:

* Responsibilities in managing climate-related risks are allocated across the three lines of defence:
 · 1st line of defence – Business Units identify and manage risks (including climate-related risks) associated with their day-to-day operations.
 · 2nd line of defence – Risk management function undertakes climate-related risk assessments and monitoring. Compliance function ensures adherence to applicable laws, regulations, and internal policies.
 · 3rd line of defence – Internal audit provides independent review and objective assurance.
 ** IFRS S2 - IFRS S2 Climate-related Disclosures; GRI – Global Reporting Initiatives Standards; SRG – Bursa Malaysia's Sustainability Reporting Guide (3rd Edition)

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In line with CRMSA principles, the Board and the RMC conduct quarterly reviews of climate-related agenda items, with the SuCom and Executive Committee (“ExCOM”) also tasked with the review and approval of specific climate-related matters.

The specific responsibilities undertaken at Board and management level during the past year is detailed below.



Board-Level

Quarterly

- Reviewed the progress of the CRMSA implementation plan and the addition of climate-related scenario analysis
- Approved climate-related risk appetite statements and risk management parameters
- Reviewed and discussed the Group’s iterative implementation approach to achieve full compliance with the “Stretch” recommendations based on TCFD, as disclosed under CRMSA
- Acknowledged the stress-testing results for CRST towards full compliance ahead of the prescribed timeline
- Approved the updated Group Sustainability Policy, with enhancements to governance responsibilities and policy statements to more clearly reflect commitments and targets towards sustainability
- Reviewed sustainability updates on a quarterly basis



Management-Level

Bi-monthly and/or when needed

- Approved the results of the CRST
- Reviewed the updated Group Sustainability Policy
- Reviewed climate change risk metrics and associated threshold limits
- Approved the undertaking of additional climate scenario analysis for qualitative assessment
- Approved the identified material matters and the outcomes of the assessment
- Approved the annual Corporate Governance Plan
- Reviewed the three-year Sustainability Strategic Plan

We are steadfast in our dedication to expanding our ability to handle climate risks and executing strategies that bolster our climate resilience. This effort involves prioritising capacity-building initiatives and delivering specialised training programmes for the Board, senior management, and key employees.

Remuneration and Compensation

To strengthen accountability and drive advancement against our sustainability ambitions, we embed environmental performance indicators and sustainability targets into the performance evaluations of our executives. Building on the existing 5% weighting, a further 10% of Key Performance Indicators (“KPIs”) have now been linked to sustainability and governance-related areas, including climate performance.

These KPIs are structured within a cascading framework, with the Board defining KPIs for the Group Chief Executive Officer (“CEO”), including sustainability-related KPIs, which are subsequently communicated by the Group CEO to the senior management team and then onwards across our wider workforce. In addition, the Board is required to attend sustainability- or climate-related training annually, further strengthening leadership accountability and capability.

Beyond performance management, our Corporate Good (“CoG”) initiatives continue to drive employee engagement and participation, supported by a three-year target to achieve 6,000 CoG hours by 2027, thereby reinforcing a culture of environmental responsibility and positive social contribution across the organisation.



Our Environment

Training and Development

To remain updated on the shifting dynamics of sustainability and climate change, the Board and senior management attend various training sessions and conferences.

Training for Board and Senior Management

During the year, the Board took part in a range of sustainability-focused programmes and climate-related assessment, including:

Governance of Sustainability and Climate Risk, participated in by all Board members and senior management, which aimed to improve their preparedness for IFRS integration and fortify their oversight of climate-related matters

Sustainable Finance Foundations for Banking, Investment, and Insurance, attended by our Group Chairman, which provided a primer on sustainable finance principles and the environmental footprint of financial products and services

Board Capability Enhancement in Climate Risk, attended by Mr. Jayakumar A/L Somasundram, our RMC Chairman, who successfully passed the necessary assessments to earn a Certificate in Climate Risk from the Chartered Banker Institute, thus bolstering the Board's expertise in climate-related risk management

Training, Workshops, and Events Participated in by Employees

Sustainability- and climate-related capacity-building extended across the organisation during the year through a combination of structured training and ongoing engagement initiatives, including:

Sustainability and climate risk training aimed at strengthening internal capability, awareness, and readiness for climate-related requirements, which was conducted for 170 employees in Malaysia

Weekly engagements with employees to continuously evaluate awareness and prepare teams for incoming climate-related changes

External workshops, trainings, and engagement sessions to support readiness for IFRS sustainability reporting, including:

- UN Global Compact Network Malaysia and Brunei ("UNGCMYB") IFRS S2 Accelerator by UNGCMYB
- A session on strengthening data capacities for NSRF reporting entities by SC Malaysia
- A transition planning clinic, surveys, and an engagement clinic by the JC3

By strengthening our oversight, implementing structured reviews, and consistently developing capabilities across the Board and our workforce, we uphold our commitment to solid climate governance while advancing our regulatory compliance and organisational durability.



For more information on the Environmental, Social and Governance ("ESG")-related training attended by our directors, please refer to page 15.

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STRATEGY



We utilise a blend of internal knowledge and external perspectives to enrich our comprehension of the real and potential impacts stemming from climate-related risks and opportunities. The risks we identify are integrated into our risk appetite framework and business strategies, enhancing our ability to identify and mitigate any negative impacts.

a Climate-related risks and opportunities the organisation has identified over the short, medium, and long term

We are exposed to a broad range of climate-related risks and opportunities which may affect our business activities. In accordance with the Group Risk Management Policy, these risks are broadly classified into two primary categories: physical and transition risks.

Climate-related risks

The table below outlines the climate-related risks identified at the Group level and details their nature and potential impact. We perform quarterly risk assessments that weigh short-, medium-, and long-term implications, embedding these findings into our strategic and financial blueprints. This process helps us grasp the underlying forces of climate-related risks and map out both physical and transition risks against our existing risk types.

Climate Risk Type	Risk Type	Time Horizon	Impact
 <p>Physical Risk</p> <ul style="list-style-type: none"> • Acute Physical Risk Event-driven, including increased severity of extreme weather events, such as cyclones, hurricanes, heat or cold waves or floods. • Chronic Physical Risk Longer-term shifts in climate patterns (e.g., sustained higher temperatures, sea level rise, changing precipitation patterns) that may cause sea level rise or chronic heat waves. 	Operational Risk	LT	<ul style="list-style-type: none"> • Non-compliance with newly introduced regulatory requirements • Increase in operational costs • Underprovision or overprovision of claims and premium liabilities • Delays in claims registration and settlement • Decrease in employee productivity and performance due to business disruption • Increased operational risk arising from insufficient integration of climate-related risk assessments especially flood risk into operational and IT resilience planning
	Insurance Risk	ST	<ul style="list-style-type: none"> • No changes in pricing during 2025 in response to climate change • No significant insurance catastrophe/claim event in 2025 • No market movement by peer insurers, though this is consistently being monitored
 <p>Transition Risk</p> <p>Risks arising due to the adjustment process towards a low carbon economy, where the transition may give extensive changes to policy & legal, technology, market and reputational risk</p>	Market Risk	MT	<ul style="list-style-type: none"> • Lower investment income
	Regulatory Risk	ST	<ul style="list-style-type: none"> • Adjustments in pricing strategies • Reduction or restrictions of capacity and terms and conditions for climate risk-related perils • Non-compliance with newly introduced regulatory requirements
		MT	
		LT	
Strategic Risk	MT	<ul style="list-style-type: none"> • Loss of market competitiveness • Product unable to meet market requirements leading to customer dissatisfaction and financial losses 	
Liquidity Risk	ST	<ul style="list-style-type: none"> • Delay in claims registration and settlement • Negative public opinion and damage to the Company's reputation 	
	MT		

Note: The risks identified at the Group level also extend to Tune Protect Malaysia, as the Group oversees and manages the entity.

Legend **ST** Short term 1-3 years **MT** Medium term 4-10 years **LT** Long term beyond 10 years

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b Impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning

Climate-related Opportunities

We have identified a range of climate-related opportunities stemming from both transition and physical risks. These include opportunities arising from the shift to a low-carbon economy, such as solar panel insurance; initiatives to strengthen resilience to physical climate risks, including flood add-on benefits for our Motor and Home insurance products; as well as market opportunities driven by changing customer preferences, such as pay-as-you-drive solutions that promote more sustainable behaviour.



Further details on our climate-related opportunities are presented in the next section on pages 7-9.

Tune Protect's Risk Appetite Statement

We strictly adhere to our sustainability commitments of "No acceptance of coal, weapon, and tobacco-related risks" and "No new investment in coal-based businesses". Demonstrating the complete execution of our Zero Coal underwriting stance, our underwriting portfolio has remained entirely free of coal exposure since August 2023. Building on this, we strive to reach a state of zero coal exposure in our investment portfolio, consistently tracking our progress towards this end.

In line with our Group Investment Policy, we incorporate ESG considerations into investment decisions and dedicate up to 10% of our total investments toward ESG-aligned funds. As of December 2025, we have no direct investments in coal.

Physical and transition risks are incorporated into our short-term scenario analysis exercises. A one-in-200-year flood event is used to represent physical risk, while potential national policy developments are used to capture regulatory transition risk, with the impact of both assessed across our portfolios. This analysis identified Motor, Cargo, and Engineering as the affected portfolios, with an estimated financial impact of less than 5% of shareholders' equity.

Through this exercise, we have strengthened our awareness of climate-related impacts, enabling more purposeful forward planning and proactive alignment with evolving regulatory requirements. In line with this, our risk tolerance requires that any such flood event within the short term (1 to 3 years) should not materially affect critical operations, infrastructure, or capital adequacy. Over the medium term (4 to 10 years), we will consider applying the same methodology to maintain consistency in flood risk assessment and management.

Additionally, we continuously track the effects of climate-related events on our Capital Adequacy Ratio ("CAR") to ensure that our capital reserves stay comfortably within the Internal Target Capital Level ("ITCL"). This persistent surveillance strengthens our financial resilience, ensuring that climate-related risks are handled with prudence within our broader capital management framework.

Decarbonising Towards A Greener Portfolio

We continue to reduce our exposure to hydrocarbon- and coal-related activities, in line with our commitment to exit coal by 2030. We also maintain a strict policy of no involvement in the tobacco or weapons sectors, avoiding industries that conflict with our sustainability commitments.

Guided by our Group Investment Policy, we may allocate up to 10% of our total investments to ESG-approved funds, while any new private mandates will continue to phase out carbon-intensive assets.



Our Environment

Driving Engagement on Climate Change

The Group partners with diverse corporate sectors and climate-centric organisations to remain up to date on shifting laws, regulations, and policies. Through these collaborative efforts, we provide meaningful insights into dialogues surrounding national climate strategy, nurturing a collective dedication to tackling global climate challenges.

We continue to be a member of **Climate Governance Malaysia**, the Malaysian Chapter of the World Economic Forum's Climate Governance Initiative, where we gain insights and actionable strategies to integrate climate governance principles into our operations.

We remain steadfast in upholding our commitment pledge to the **United Nations Global Compact** ("UNGC") corporate responsibility initiative, adhering to its principles in the areas of human rights, labour, environment, and anti-corruption. As a signatory to the UNGCMYB, we continue to leverage shared resources in our efforts to engage our employees and enhance their knowledge on climate change and environmental stewardship. This also reinforces our commitment to the principles of good business as defined by the United Nations.

We actively support and participate in workshops, surveys, and discussions conducted by the **JC3** and BNM, which serve to enhance our climate risk management practices while driving readiness for the CRST exercise and IFRS compliance.

During the year, we participated in an engagement session with the insurance sector, carried out by the **Advisory Committee on Sustainability Reporting** ("ACSR"), which is chaired by SC Malaysia, through which we gained a deeper understanding of the challenges involved in implementing a purposeful and impactful sustainability reporting journey.

We participated in and contributed to industry-led research initiatives conducted by **Khazanah Research Institute's** roundtable on the research on risk, "Rethinking Insurance in an Era of Climate Change", which examined how Malaysia's insurance sector can better respond to escalating climate risks and contribute to national adaptation efforts.

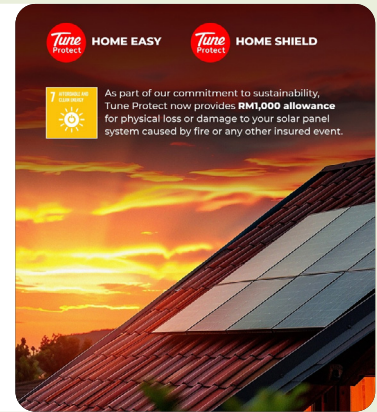


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Transition to a low-carbon economy

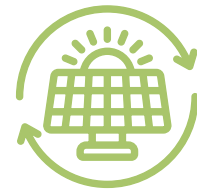
Solar Panel Inconvenience Allowance

Introduced on 2 December 2025, the Solar Panel Inconvenience Allowance embodies our dedication to backing clients who put their resources into renewable energy solutions. Accessible through our Home Shield and Home Easy policies, this benefit grants a lump sum payment of RM1,000 if an insured solar panel system suffers physical damage or loss from covered hazards. Once a legitimate claim is approved, this allowance is disbursed on top of the primary sum insured, assisting in alleviating the short-term disruptions linked to system downtime. Acknowledging the rising trend of residential solar energy use, this programme synchronises our products with Malaysia's shift toward a low-carbon economy, reinforcing our commitment to empowering climate-conscious households.



Insurance Solutions Supporting Climate Transition

We have advanced the development of a solar protection offering, which was launched in early 2026, to support Malaysia's transition to renewable energy. The offering integrates rooftop solar solutions with insurance protection, supporting low-carbon choices and reinforcing our Net Zero 2050 ambition.



Promoting Sustainable Practices

We consistently aid our clients in lowering their emissions, particularly targeting the indirect emissions associated with our products. As the Motor portfolio continues to represent a major climate-related risk, we are proactively investigating methods to lessen its environmental impact without compromising on sound risk management practices.

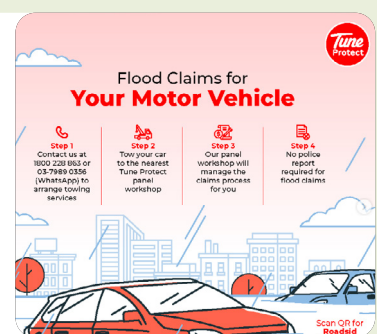
Pay-As-You-Drive (PAYD)

The PAYD initiative encourages customers to drive less, helping them reduce both insurance costs and their environmental footprint. Under PAYD, premiums are based on mileage, allowing lower-mileage drivers to benefit from reduced rates. In addition, customers who maintain minimal driving habits may receive an annual refund of up to 20% of their basic premium, PAYD will continue to be offered as a key component of our broader environmental efforts.



Flood add-ons for Motor and Home policies

As climate change precipitates more intense and frequent flooding, standard insurance coverage falls short. Echoing Persatuan Insurans Am Malaysia's ("PIAM") 2024 recommendation for Malaysians to reevaluate their protection needs, we offer flood add-ons for our Home and Motor policies, aiding customers in safeguarding their assets. Public awareness of the add-ons has gradually increased, reflected in an increase in take-up within our Motor policies from 0.3% in 2024 to 0.9% of Total Overall Gross Earned Premium ("GEP") in 2025.



Our Environment

C Resilience of the organisation's strategy, taking into consideration different climate-related scenarios

Climate-Related Scenario Analysis

In 2025, we broadened our qualitative scenario analysis beyond the Hot House World (“HHW”) framework to include a Net Zero 2050 pathway. This expansion facilitates a more comprehensive understanding of the implications of orderly-transition and high-risk futures, revealing their effects on our product design, investment strategies, operations, and long-term resilience, thus supporting the seamless integration of climate considerations into our broader sustainability roadmap and strategic planning.

CRST

We have successfully completed the CRST exercise in accordance with BNM's requirements, evaluating the impact of an acute 1-in-200-year flood event alongside long-term Network for Greening the Financial System (“NGFS”) models (including Nationally Determined Contributions, Divergent Net Zero 2050, and Net Zero 2050). The findings indicated that transition risks largely fuel investment volatility; notably, the Divergent Net Zero scenario produced the most significant unrealised losses within Collective Investment Schemes because of more drastic yield shifts. On the other hand, physical risks, especially exposure to flooding, remain the dominant factor affecting underwriting results, predominantly within the Engineering, Cargo, and Motor segments.

In addition, we have evaluated our liquidity and credit risks qualitatively, with this exercise demonstrating our resilience amidst current exposures while also pointing to a necessity for better modelling capabilities and improved data quality. Meanwhile, operational risks continue to be linked to the rising frequency and intensity of climate-related incidents.

As we strengthen our preparedness for shifting climate demands, the insights from the CRST will progressively inform our Internal Capital Adequacy Assessment Process (“ICAAP”), ITCL, pricing strategies, and overall risk management approach.

RISK MANAGEMENT

We have refined and updated our risk management policies and procedures to capture the various elements and potential impacts of climate change, and taken steps to ensure they are well-communicated and thoroughly understood across our organisation. By evaluating how climate-related risks affect our established risk categories and employing scenario analysis, we have extracted critical insights that allow us to sharpen our risk appetite and fortify our risk management framework. In 2025, we intensified our proactive assessment and mitigation of climate-related risks while identifying opportunities to reduce our

environmental footprint and strategically organise our investments.

Climate risks are identified and assessed quarterly through department level risk register reviews. As part of these reviews, impact severity, likelihood, control effectiveness, and assigned risk ratings are assessed to support the prioritisation of material risks. Existing controls and mitigation measures are reviewed to ensure appropriate safeguards are in place. The outcomes are reported to senior management and the RMC, and climate related risks are monitored against the Board approved Risk Appetite Statement, with quarterly updates provided.

This effort involves embedding climate factors into our underwriting, capital management, and investment decisions, ensuring that our risk-return profiles accurately mirror the dynamics of both physical and transition risks. Designed to detect short-, medium-, and long-term climate-related risks and opportunities, our developing processes heavily support strategic and financial planning.

We acknowledge that climate change produces risks of both a financial and non-financial nature. Adapting to a low-carbon economy could trigger industry-wide structural realignments, technological disruptions, shifting market sentiments, and new policy or regulatory changes. These evolving dynamics have the potential to impact operational expenses, capital needs, underwriting results, and asset valuations. By tackling these exposures head-on, refining our climate risk governance, and aligning our investments with ESG principles, we strive to build resilience and position Tune Protect Malaysia to capitalise on new opportunities within the transition economy.

Employing this forward-thinking and disciplined methodology, we reaffirm our dedication to sustainable value creation and responsible environmental stewardship.

The Process and Management of Climate-related Risks

Managing Our Risks

Climate change considerations are integrated into the Group's overall risk management framework through established risk management processes and strengthened governance practices. Climate-related risks are identified, assessed, and monitored using the Group's Risk Classification Framework, in alignment with the Group Risk Management Policy and relevant regulatory guidance, including BNM's CRMSA and CRST policy documents. Impacts are evaluated across key financial risk categories, including operational risk, liquidity risk, insurance risk, market risk, and credit risk, to support a comprehensive assessment of both physical and transition risks.

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As part of the quarterly review of the climate risk register, impact severity, likelihood, control effectiveness, and assigned risk ratings are assessed to support the prioritisation of material risks. Existing controls and mitigation measures are reviewed to ensure appropriate safeguards are in place, particularly in response to the increasing frequency and severity of climate related events such as flooding. Climate related risks are also considered within the vendor due diligence process to identify potential ESG risks and to communicate the Group's sustainability expectations.

While the latest assessment indicates that the financial impact from climate related risks remains limited at present, the Group continues to proactively monitor these risks and enhance its mitigation measures to strengthen resilience and support the timely identification and effective management of potential exposures.

Processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management

Integrating Climate Risks into Risk Management

We integrate climate-related risks and opportunities into our overall risk management and risk assessment processes. These efforts are overseen by senior management, with support from the risk team and subject to oversight by the SuCom, supported by the Sustainability Unit and a dedicated climate-related project team. Our initiatives this year included:

- Adding flood-risk assessments for our data centre to our corporate risk register
- Enhancing our counterparty due diligence by incorporating environment-related questions to strengthen sustainability-aligned risk screening, and applying this across our vendors, including for new appointments and contract renewals
- Continuing to monitor our enterprise risk register with incorporated potential climate change impacts

Existing Controls for Alignment to CRMSA and its Enhancements in 2025

Area	Outcome
Risk Appetite	<ul style="list-style-type: none"> · Existing climate-related risk appetite statements continue to be applied and monitored under the risk appetite framework · Risk appetite metrics are being refined and strengthened with the introduction of clearer thresholds and early warning indicators
Climate Risk Assessment Methodology ("CRAM")	<ul style="list-style-type: none"> · Quantitative and qualitative metrics continue to be applied under both business-as-usual and stress scenarios to monitor climate-related risks.
Risk Register	<ul style="list-style-type: none"> · Climate-related risks continue to be discussed and assessed during regular risk register reviews · Business Units consistently evaluate potential financial, product, and customer impacts · Flood risk assessments for our data centre have been incorporated into our corporate risk register
Due Diligence	<ul style="list-style-type: none"> · Enhanced due diligence forms remain in use · Climate risk evaluation continues to be embedded within onboarding and periodic review processes
Procedure on Data Collection for Climate-related Risks	<ul style="list-style-type: none"> · Enhanced procedures remain in force with clearly defined roles and responsibilities · Business Units continue to collect and report climate-related data in accordance with established requirements

Our Environment

METRICS AND TARGETS

We actively monitor a range of relevant risk metrics to accurately detect, evaluate, and control our level of exposure to climate-related risk:

Metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process

Our Products and Services

Zero Coal in our Portfolios

We maintain our firm commitment to entirely eradicate coal exposure from our investment and underwriting portfolios by 2030. In support of this, we have persistently enhanced our climate risk management practices, ensuring strict adherence to the requirements of BNM’s CRMSA framework, while relying on explicit metrics and targets to direct our climate actions.

In August 2023, our underwriting portfolio reached Zero Coal status, a position devoid of coal-fired power exposure that we rigorously maintained through 2025. We stand resolute in our commitment to rejecting any coal-related risks within our underwriting activities.

Climate Adaptation

In accordance with BNM’s Climate Change Policy and Toolkit (“CCPT”), we continually monitor and categorise climate-related exposures within our portfolio to refine our risk assessments and track associated risks and opportunities. In 2025, products engineered to soften climate-related risks accounted for 11.7% of our GDP, highlighting our persistent efforts to react and adapt to climate challenges.

Percentage of GDP/Contribution (%)

Product Type	2025
Flood under Motor class	0.3
Flood under Fire class	0.6
Flood under Other class	10.3
Electric/Hybrid cars	0.5

Furthermore, we actively support the expansion of renewable energy by underwriting projects across the solar, hydropower, and biomass sectors. As of December 31, 2025, our Gross Written Premium (“GWP”) within this segment reached 0.5%.

Deployment of Capital

During 2025, no capital was specifically allocated for climate-related risks and opportunities. However, we remain vigilant regarding climate-related developments and will continue to evaluate prospective investments. Our focus remains centred on priorities such as boosting operational efficiency, driving energy-saving initiatives, optimising processes through technological and digital integration, and refining relevant internal policies.

Exposure to High-Risk Sectors

Guided by BNM’s Guidance Notes for CRMSA Engagements: Insurance and Takaful Operators (“ITO”), we consistently assess and track our underwriting exposure to recognised high-risk sectors (excluding the coal industry). As of 31 December 2025, our exposure to these sectors remains below 10.0%.

Climate Engagement

We engage our key counterparties periodically through questionnaires that assess their exposure to climate-related risks, track record in managing these risks, commitment to transition strategies, and future outlook. The most recent engagement was conducted in 2024, and the outcomes continue to be referenced for 2025.

In addition, we have incorporated climate-related due diligence into our vendor onboarding and renewal processes, covering 20 vendors to date. These assessments form part of our broader risk assessment to support informed engagement and renewal decisions.



Targets used by the organisation to manage climate-related risks and opportunities and performance against targets

Our Environment

Our Carbon Footprint

Net Zero Roadmap

Under our expansive Net Zero Roadmap, we are fully committed to cutting down both direct and indirect GHG emissions. Following the roadmap's development in 2024, we established 2025 as the baseline year for mapping Scope 1 and Scope 2 emissions, thereby laying a solid groundwork to establish future reduction targets and monitor our performance sequentially, supported by the use of internal Robotic Process Automation ("RPA") tools.

Operating as a subsidiary, we continually support the Group's Net Zero ambition by strengthening our reporting systems, driving measurable, transparent progress toward realising Net Zero by 2050.



Operational Metrics and Targets

In our ongoing dedication to operating more sustainably, we have monitored our GHG output since 2020 in accordance with the GHG Protocol Framework.

In 2025, we updated our GHG calculation to enhance consistency, accuracy and comparability. We logged a total emission volume of 864.5 tonnes of CO₂e ("tCO₂e"), including Scope 1 emissions from Company-owned vehicles, Scope 2 emissions from electricity consumption, and Scope 3 emissions stemming from employee commutes and business travel, which collectively constitutes 80% of the Group's entire GHG emissions.

GHG Emissions

Emissions	GHG Emissions 2024 (tCO ₂ e)	GHG Emissions 2025 (tCO ₂ e)
Scope 1: Company-owned Vehicle	9.1	6.7
Scope 2: Purchased Electricity	239.4	252.4
Scope 3: Business Travel	17.8*	351.5
Scope 3: Employee Commute	246.9	253.9
Total	513.2	864.5

Note: GHG emissions for business travel have been restated using more appropriate emission factors from the United Kingdom's ("UK") Government's GHG Conversion Factors for Company Reporting 2025.

Our Environment

We calculate our GHG emissions using the GHG Protocol: A Corporate Accounting and Reporting Standard. To establish boundaries, Scope 1, 2, and 3 emissions are measured using an organisational consolidation methodology. The details of our carbon footprint calculations, which pertain solely to our operations within Malaysia, are provided below:

GHG Emissions	Approach	Emission Factor Reference
Scope 1: Direct Emissions - Mobile Combustion	<ul style="list-style-type: none"> - Covers emissions from vehicles owned by the Company and two owned by Tune Protect Malaysia. One fully fuel-based car was replaced with a hybrid vehicle in June 2022 - Emissions are calculated using fuel consumption data 	UK Government GHG Conversion Factors for Company Reporting 2025
Scope 2: Indirect Emissions - Purchased Electricity	<ul style="list-style-type: none"> - Covers emissions generated from electricity purchased from the grid - Emissions are calculated using consumption data via a location-based method - Electricity is purchased in Peninsular Malaysia from Tenaga Nasional Berhad - Electricity is purchased in East Malaysia from Sabah Electricity Sendirian Berhad and Sarawak Energy Berhad 	Grid Emission Factor ("GEF") 2022 by the Malaysia Energy Information Hub ("MEIH")
Scope 3: Other Indirect Emissions - Business Travel - Employee Commuting	<ul style="list-style-type: none"> - Covers emissions generated by employee travel for work-related purposes - Includes local and international business air and on-land travel - Road travel data is captured via our Human Resource ("HR") Management System based on mileage for on-land travel and claims for public transportation and taxis - Covers emissions generated by employees travelling to and from work - We conducted a survey among employees to collect information on their mode of travel, distance travelled, and total days worked from the office in the reporting year to estimate the commuting emissions 	UK Government GHG Conversion Factor for Company Reporting 2025

We will continue to conduct comprehensive reviews of our Scope 3 emissions. Acknowledging potential data availability constraints and the shifting nature of external factors, we commit to regularly evaluating the dependability of our disclosures to ensure they truthfully depict our progress and impact.

GOING FORWARD

We remain committed to strengthen our sustainability practices and steadily align with the IFRS S1 and S2 standards as reporting expectations advance. To facilitate this process, we will continue to enhance our governance structure and internal capabilities.

Echoing Malaysia's vision to reduce GHG emissions intensity and reach Net Zero by 2050, we plan to broaden our Scope 3 assessment past the three presently reported categories, weighing their materiality, relevance, and data availability. Refining data quality, shrinking our environmental footprint, and enhancing climate risk management are core tenets of our strategy, fostering greater organisational resilience and supporting long-term environmental stewardship.

List of Training Attended by Board Directors

Directors	Training Attended	DATE
Mohamed Rashdi bin Mohamed Ghazalli	Ernst & Young (EY) "ESG-Sustainability Sharing Session (CRMSA, TCFD, IFRS S1 & S2)"	17 March 2025
	Governance of Sustainability & Climate Risk by KPMG	18 December 2025
Lim Chong Beng <i>Retired on 01 September 2025</i>	Ernst & Young (EY) "ESG-Sustainability Sharing Session (CRMSA, TCFD, IFRS S1 & S2)"	17 March 2025
Jayakumar A/L Somasundram	The Climate Risk Landscape (2023) by David Carlin (Virtually)	18 February 2025
	Ernst & Young (EY) "ESG-Sustainability Sharing Session (CRMSA, TCFD, IFRS S1 & S2)"	17 March 2025
	Certificate in Climate Risks by Chartered Bankers Institute	9 May 2025
	Governance of Sustainability & Climate Risk by KPMG	18 December 2025
Azian binti Kassim	Ernst & Young (EY) "ESG-Sustainability Sharing Session (CRMSA, TCFD, IFRS S1 & S2)"	17 March 2025
	AmBank ASIAN ECONOMY: IMPACT - CLIMATE RISK	7 May 2025
	MIA Case Study-Based Webinar: Sustainability-Related Risks and Opportunities	21 October 2025
	Governance of Sustainability & Climate Risk by KPMG	18 December 2025
How Kim Lian	Ernst & Young (EY) "ESG-Sustainability Sharing Session (CRMSA, TCFD, IFRS S1 & S2)"	17 March 2025
	Governance of Sustainability & Climate Risk by KPMG	18 December 2025
Lim Joo Leong	Governance of Sustainability & Climate Risk by KPMG	18 December 2025