






Sustainability Statement 2020



Stakeholder Engagement

Our stakeholders are those who influence or are influenced by our businesses. They are diverse and comprise employees, customers, shareholders, investors, regulators, government bodies, analysts, media, agents and intermediaries, business partners and local communities. We regularly engage with our stakeholders to understand what matters most to them and this in turn helps us shape our strategic priorities and align the evolving interests of our stakeholders with our business.

In 2020, we conducted our annual online stakeholder engagement survey to revalidate our material matters. A total of 3,387 internal and external stakeholders were invited to participate in the survey, with approximately 9.9% of them responding. The following table shows the list of our stakeholders, how we engage with them or how they reach us and their areas of interests, based on the outcomes of the stakeholder engagement survey conducted.

Stakeholder Group	Modes of Engagement	Frequency of Engagement	Key Areas of Interest
 Employees	<ul style="list-style-type: none"> Code of Conduct Month activities Internal engagement activities (including town hall meetings, team building, newsfeeds on Workplace @ Facebook, workshops) Performance reviews Policies and procedures Online survey (annual sustainability survey) 	<ul style="list-style-type: none"> Annually Quarterly/Periodic Ongoing The Group's intranet Annually 	<ul style="list-style-type: none"> Customer Satisfaction Customer Privacy Occupational Health & Safety Employment Training and Education
 Customers	<ul style="list-style-type: none"> Customer Service Centre Customer satisfaction survey Print publications, i.e. newspapers, magazines, etc. Digital platforms, i.e. B2C and Business-to-Business-to-Consumer ("B2B2C") Social media platforms Email Online survey (annual sustainability survey) 	<ul style="list-style-type: none"> Location and operating hours available on the corporate website Available immediately to customers who purchase insurance through the Business-to-Consumer ("B2C") platform and mobile app As and when 24/7 24/7 Weekly Annually 	<ul style="list-style-type: none"> Customer Privacy Customer Satisfaction Business Ethics & Compliance Digitisation Occupational Health & Safety
 Shareholders, investors and analysts	<ul style="list-style-type: none"> Annual General Meeting (Annual Reports, Shareholders' Circulars, Corporate Governance Report) Analyst briefings (analyst presentation slides, financial statements, press releases) Regular dialogues (one-on-one and group meetings, conferences, roadshows, Bursa announcements) Investor Relations webpage Online survey (annual sustainability survey) 	<ul style="list-style-type: none"> Annually Quarterly Ad hoc basis 24/7 Annually 	<ul style="list-style-type: none"> Business Ethics & Compliance Customer Satisfaction Customer Privacy Digitisation Economic Performance

Our Responses



**Business Ethics & Compliance
(Including Anti-Corruption)**
(page 34)



Customer Satisfaction
(page 37)








Digitisation
(page 39)



Economic Performance
(page 40)

Stakeholder Engagement

Stakeholder Group	Modes of Engagement	Frequency of Engagement	Key Areas of Interest
 Regulators and government bodies	<ul style="list-style-type: none"> Regulatory reporting Correspondence and monitoring via letters, emails and calls Face-to-face meetings and review Online survey (annual sustainability survey) 	<ul style="list-style-type: none"> Monthly/Quarterly/Annually As required Scheduled/Ad hoc Annually 	<ul style="list-style-type: none"> Customer Satisfaction Business Ethics & Compliance Digitisation Economic Performance Customer Privacy
 Media	<ul style="list-style-type: none"> Media engagements Media interviews and press releases Company/Corporate events Online survey (annual sustainability survey) 	<ul style="list-style-type: none"> As required Twice per quarter Quarterly Annually 	<ul style="list-style-type: none"> Business Ethics & Compliance Product Innovation Digitisation Diversity & Equal Opportunity Economic Performance
 Agents and intermediaries	<ul style="list-style-type: none"> Training and awareness Awards and recognition Annual conventions Online survey (annual sustainability survey) 	<ul style="list-style-type: none"> Annually (20 hours) Monthly Annually Annually 	<ul style="list-style-type: none"> Customer Satisfaction Customer Privacy Marketing & Labelling Training & Education Product Innovation
 Business partners	<ul style="list-style-type: none"> Conferences or roadshows Meetings (face-to-face and group briefing meetings) Credit Rating review (press release) Online survey (annual sustainability survey) 	<ul style="list-style-type: none"> Annually Annually Annually Annually 	<ul style="list-style-type: none"> Customer Satisfaction Customer Privacy Business Ethics & Compliance Occupational Health & Safety Product Innovation
 Local communities	<ul style="list-style-type: none"> Community activities Community partnerships Online survey (annual sustainability survey) 	<ul style="list-style-type: none"> Scheduled/Ad hoc Scheduled/Ad hoc Annually 	<ul style="list-style-type: none"> Business Ethics & Compliance Local Communities Customer Satisfaction Diversity & Equal Opportunity Materials (Resource Consumption)



Product Innovation
(page 40)



Materials (Resource Consumption)
(page 42)



Diversity & Equal Opportunity
(page 44)



Occupational Health & Safety
(page 45)

Materiality Matters

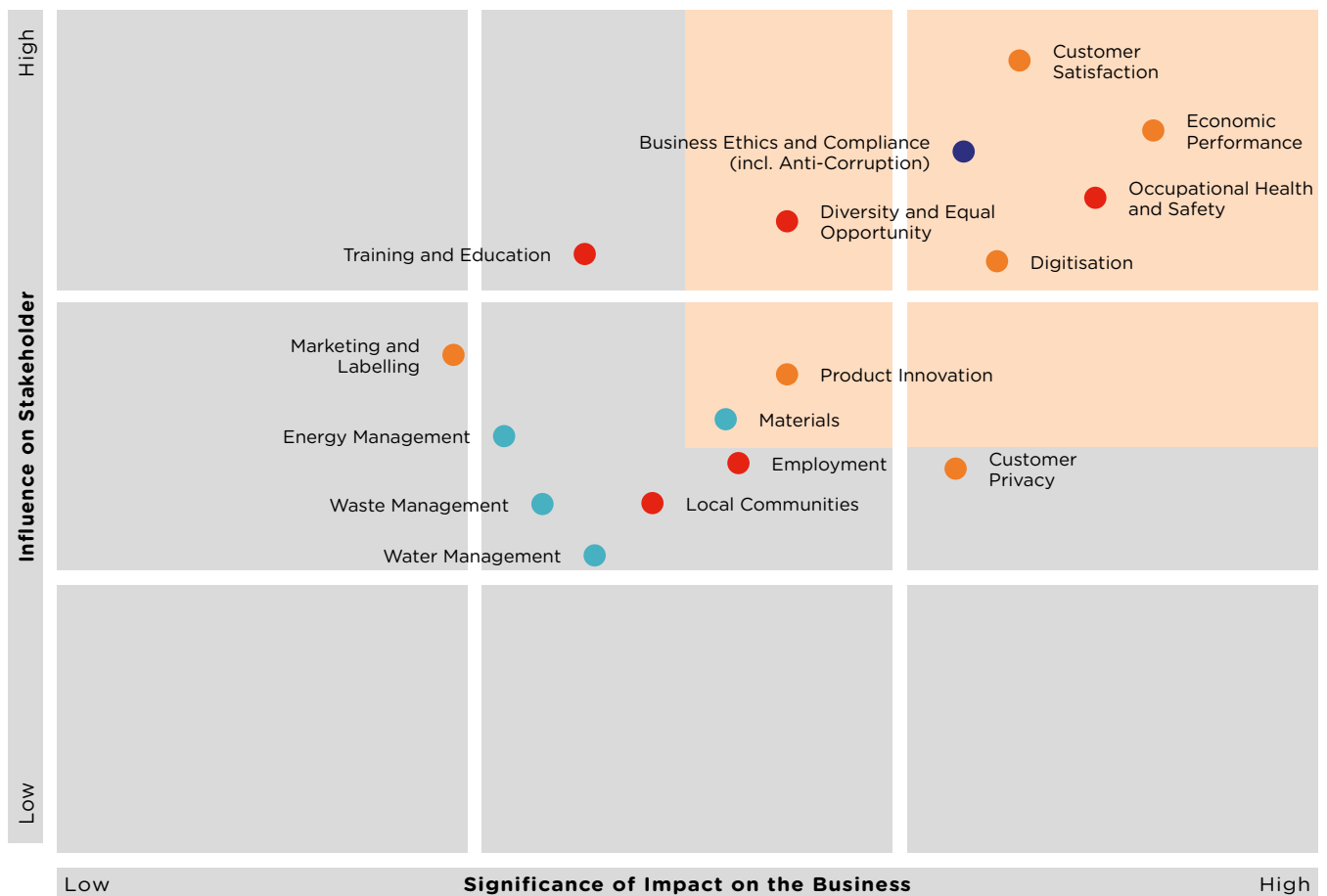
Materiality Matters

Our materiality matters are defined as issues that can impact Tune Protect Group Berhad and its subsidiaries' (collectively known as "The Group") performance and ability to create long-term value for our stakeholders. We place significant emphasis on our materiality assessment process to ensure that the Group is kept abreast of and can act in a timely manner on the issues that can impact us the most.

As part of the materiality assessment process in 2020, the Sustainability Committee ("SuCom") reviewed the materiality matters to revalidate their level of influence on our stakeholders and the significance of their impact on our business. The review was conducted based on both internal and external stakeholders' feedback, especially concerning their safety, well-being, and the Group's overall performance amidst the global COVID-19 crisis. This largely influenced the upward shift of three material matters, namely *Economic Performance*, *Occupational Health and Safety*, and *Product Innovation*. The need for new and innovative products that meet the demands of the new normal also gained prominence.

In tandem, SuCom deliberated on the overall approach for *Local Communities* and agreed that due to several measures imposed by the Malaysian government to combat the spread of the COVID-19 virus such as enforcement of the Movement Control Order and social distancing, the execution of some of the corporate social responsibility activities was temporarily halted. This included Financial Literacy, Empowerment & Entrepreneurship ("FLEE"), our flagship programme for the Orang Asli community. The following figure illustrates the updated materiality matrix of the Group, which was subsequently endorsed by the Board of Directors in November 2020.

Material Sustainability Topics Based on Focus Groups



Appendix: Materiality Matrix

Legend:

● Governance
 ● Our Business
 ● Our Environment
 ● Our People and Community

Material Sustainability Topics
 Emerging Material Sustainability Topics

Top Risks & How We Manage Them

Business Risks

Type of Risk	Causes and Consequences of the Risk	Control / Mitigation Plan
Technology Risk i. Cyber / cyber threats ii. Information iii. System	<ul style="list-style-type: none"> Our business relies heavily on information systems that store confidential data, especially that of customers, employees and business partners. Any unauthorised, deliberate or accidental breaches of security in the systems may result in loss of data, data corruption and loss of confidentiality. In times of crisis or highly stressful conditions in which we may not be able to operate in our office premises, the ability of our systems to operate optimally could be affected. 	<ul style="list-style-type: none"> The Group ensures that its systems are always updated, patched and firewalled, as well as taking appropriate mitigation actions to protect against distributed denial-of-service. Reviews of access to the systems are continually carried out. Establishing incident response and management to contain damage, eradicate the attacker's presence, and restore the integrity of the network and systems, in addition to ensuring there is an effective Disaster Recovery Policy and plan that is also tested annually.
Operational Risk i. Business disruption due to power failures, civil unrest, pandemics or disasters ii. Changes in customer behaviour	<ul style="list-style-type: none"> Malaysia imposed the Movement Control Order end-March 2020 to contain the spread of COVID-19 pandemic. Business was impacted during this period due to limited business activities that could be conducted. There are expectations of a rising trend and shift in customers' preference towards online financial services conducted via digital platforms. 	<ul style="list-style-type: none"> A Business Continuity Plan was activated for the entire organisation with the majority of staff members working from home during this critical period, while SOPs were put in place to minimise impact and a business recovery plan was put into action. Improving the convenience of purchasing products through the Direct-to-Customer website and mobile application, and ensuring that products was developed using easy-to-understand language to ensure customers were aware of what they purchased.
Compliance	We will be exposed to legal penalties, financial forfeiture and material loss should the Group fail to act in accordance with industry laws and regulations, internal policies or prescribed best practices.	<ul style="list-style-type: none"> Ongoing awareness training sessions on compliance for all employees. Regular monitoring of adherence to regulatory requirements. Gap analysis on applicable regulatory requirements is conducted and action plans are developed to mitigate these gaps.
Financial	We are exposed to financial risks such as concentration risk and credit risk.	<ul style="list-style-type: none"> Diversifying our business portfolio to reduce reliance and dependency on a limited number of business partners. Maintaining capital above the regulatory requirement by establishing internal target levels that act as early warning indicators to ensure financial soundness.

New and Emerging Risk

Type of risk	Cause and Consequence of the Risk and Control / Mitigation Plan
Climate Change	As an insurer, the frequency and severity of natural disasters may cause higher claims and lower earnings. They may also lead to higher premium rates. To mitigate this, we constantly review underwriting guidelines to strike a balance between competitiveness and profitability. There is also due consideration given to the premium retention policy in selected classes of business. Riskier lines of business will require a higher percentage ceded to reinsurers as a risk-mitigating factor. We had also implemented on our portfolio restructuring strategy towards achieving a preferred and healthier portfolio mix.

Sustainability Statement

SUSTAINABILITY COMMITTEE'S CHAIRMAN MESSAGE

Dear Valued Stakeholders,

Sustainability has been a critical component of our efforts to bring value to our stakeholders ever since we began our sustainability journey in 2017. Despite the global uncertainties caused by the COVID-19 pandemic, we have made good progress throughout 2020.

Through relentless efforts in the implementation of our sustainability strategies and initiatives, we have improved our FTSE4Good Bursa Malaysia Index score from 2.2 in June 2019 to 2.7 in June 2020. In addition, the Company was recognised with two key awards from the Minority Shareholder Watch Group ("MSWG") - ASEAN Corporate Governance Awards 2019, namely the 'Excellence Award for CG Disclosure (Market Cap RM300 million to RM1 billion)' and 'Merit Award for Most Improved CG Disclosure'. These attest to our achievements and commitment to the highest standards of ethics, integrity and corporate governance. During the year, the Group also kick-started a Group-wide initiative to embed sustainability principles across our policies and processes, starting with the Product Development Policy, which was endorsed by Tune Protect Malaysia's Board of Directors in December 2020.

In 2020, the Company also pledged its commitments to sustainability as announced by the Group Chief Executive Officer, Rohit Chandrasekharan Nambiar, as follows:

By 2023,
50% of our leadership team will be women

By 2023,
50% of our critical roles will have successors identified from within

We will be a
zero-paper organisation for in-control processes by the end of 2021

We will
complete the review and embed sustainability elements in our policies and processes by the end of 2021

In 2021, we will
adopt the Net Promoter Score ("NPS"), for both customers and employees, as a measure of success

By 2021, for new products sold via our Direct-to-Consumer channels, we
pledge to contribute to charity

Key Highlights

Launched a **Mobile App** with purchase and claims functions

Balanced gender composition at the Director, Senior Management and workforce levels

Embedded ESG considerations into the **Product Development Policy**

Increased customer satisfaction score by **2.4 percentage points** since 2018

Supported the **inclusion of PWD** in our workforce - employed 1 PWD in head office

100% of employees completed the online Code of Conduct training

Promoted customer-centricity - **NPS in culture and values**

Reduction in electricity consumption since 2016 - **18.4% or 89.6 tonnes of CO₂ emissions**

Promoted environmental consciousness - proper disposal of 245 pieces of fluorescent bulbs/tubes & electronic equipment

We endeavour to be one of the FTSE4Good Bursa Malaysia Index's constituents in the foreseeable future. We believe the Management's drive and commitments to sustainability will deliver **long-term value for our shareholders**. With the right structure and systems in place, I am confident that the Group is poised to deliver our long-term aspirations and push our sustainability agenda forward. Your continuous support is invaluable to us on this exciting journey towards becoming a responsible corporate citizen for a sustainable future.

How Kim Lian

Chairman, Sustainability Committee

Sustainability Statement

SUSTAINABILITY FRAMEWORK

In a time of unprecedented challenges, we believe that agility and responsiveness in the face of change is a responsibility we must fulfil as part of our commitment to sustainability. Moving into our fourth year of sustainability reporting, we recognise that it is our role as a responsible corporate citizen to continually honour our commitment to sustainability in a holistic manner, addressing the concerns of our stakeholders in tandem with business considerations and societal responsibilities. Our sustainability framework aligns with the overall business strategy as well as our long-term commitment to our customers, employees, partners and other stakeholders.

This framework consists of four main pillars, namely Governance, Our Business, Our Environment and Our People & Community. These pillars encompass our commitment to addressing and optimising topics that are not only material to us as an organisation but also to all our stakeholders. Our overarching sustainability approach is built on and run by a strong foundation of corporate governance, which serves as the backbone in supporting the implementation of the other three pillars. Each pillar is further subdivided into specific topics and disclosures that are aligned with the United Nations Sustainable Development Goals ("UN SDGs"), as illustrated in the infographic below.

RESPONSIBLE ACTIONS, SUSTAINABLE FUTURE



Pillars and Material Topics



Governance

- ▶ Business Ethics and Compliance (including Anti-Corruption)



Our Business

- ▶ Customer Satisfaction
- ▶ Digitisation
- ▶ Economic Performance
- ▶ Product Innovation



Our Environment

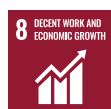
- ▶ Materials (Resource Consumption)



Our People & Community

- ▶ Diversity & Equal Opportunity
- ▶ Occupational Health & Safety

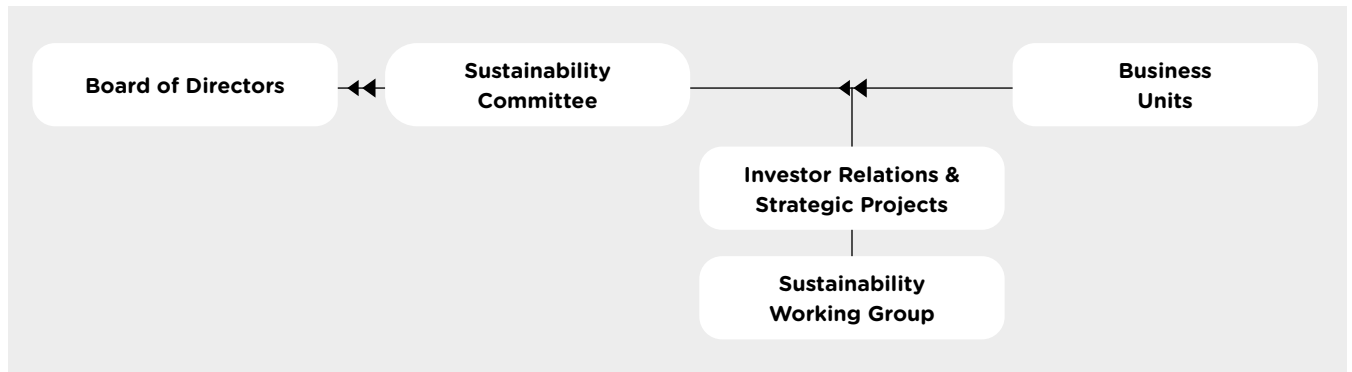
Contribution to UN SDGs



Sustainability Statement

SUSTAINABILITY GOVERNANCE

A Robust Governance Structure



Our sustainability strategy is overseen by our Board of Directors (“the Board”), supported by the Sustainability Committee (“SuCom”) and regular invitees from the Senior Management teams of our subsidiaries. The structure of our sustainability governance ensures that our sustainability initiatives are effectively integrated, implemented and monitored across the organisation.

The Board provides strategic guidance, oversees the management and upholds our responsibilities to our stakeholders. The Board is accountable for the Group’s sustainability strategy and reviews all major disclosures and key sustainability-related matters.

The SuCom was formally established in 2017 and is chaired by the Group Chief Financial Officer. Since its establishment, the SuCom is responsible for overseeing all sustainability matters and plays a vital role in providing regular feedback and recommendations to the Board, which is ultimately accountable to our stakeholders. As part of the SuCom’s mandate, the Company reviews its material sustainability matters on an annual basis and determines if there is a need to conduct a full materiality assessment process. This is to ensure robust management of sustainability matters that align with stakeholders’ priorities. The SuCom convenes once a month and reports sustainability progress to the Board on a quarterly basis.

The Investor Relations & Strategic Projects (“IR&SP”) Department serves as a secretariat for the SuCom, a gatekeeper and liaison between SuCom, Sustainability Working Group (“SWG”) and business units. The roles of the secretariat include:

- Managing the overall sustainability performance, including driving initiatives, monitoring deliverables and reporting;
- Being the central point of contact for external stakeholders such as analysts, investors and media who are keen on gaining more insights and understanding of the Company’s sustainability directions and initiatives; and
- Actively updating and providing proposals to the SuCom.

The SWG supports the IR&SP Department in driving and managing the performance of sustainability initiatives across the Group. Business units are responsible for data disclosed in our sustainability report and the implementation of sustainability-related initiatives.



Read more about our Group Sustainability Policy on our corporate website at [tuneprotect.com](https://www.tuneprotect.com)



Sustainability Statement



What Matters To Us

GOVERNANCE

Aligning with the UN SDG



Mapping to Our Capitals



Sustainability Material Matters



Business Ethics & Compliance
(Including Anti-Corruption)

Why It Matters

- Adhering to the Financial Services Act 2013 and all related laws, Bank Negara Malaysia's guidelines and Bursa Malaysia's Main Market Listing Requirements
- Focusing on doing business the right and ethical way, upholding transparency and integrity throughout our business relationships

BUSINESS ETHICS & COMPLIANCE (INCLUDING ANTI-CORRUPTION)

Our Approach

Promote Ethical Business Practices

In today's global corporate environment, ethical management is no longer a choice; it is a necessity. At Tune Protect, we recognise the importance of ethical management and continuously strive to achieve corporate competitiveness premised upon a good ethical foundation.

We have a formal Code of Conduct ("CoC"), which covers the following aspects:

Respect in Our Workplace

that sets out interaction boundaries and hiring best practices at our workplace

Respect for Our Business Partners

that guides us on proper engagement with external parties

Respect for Our Shareholders

that summarises our commitment towards ensuring shareholder value

Besides this, we have put in place various Group-wide policies pertaining to conflict of interest, anti-harassment, equal opportunity and whistleblowing. These policies, which can be found on our corporate website, lay the foundations for long-term relationships of trust with our employees and business partners.

We believe that ethical business practices are more than just complying to the current regulations. We are committed to adhering to all applicable laws and regulations in every jurisdiction in which we operate.

Zero Tolerance for Bribery and Corruption

We have zero tolerance for bribery, corruption and violation of laws and regulations. The tone for adherence to compliance and regulation matters is set right from the top, at the Board level. To ensure full compliance with the corporate liability provision under Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009, we have, among others, reviewed and updated the relevant policies and procedures. We developed the Group Anti-Bribery and Corruption Policy and the Code of Business Conduct for Third Parties for supplier, service providers, vendors, contractors, consultants and agents. We also enhanced our due diligence process for new hires.



Details on Section 17A of the MACC Act 2009 can be found in the Management Discussion & Analysis section on page 23 of this report.

Treat Customers Fairly

We believe that a company that is responsive to the needs of its customers and conducts its business in a way that builds trust and confidence is more likely to have higher customer satisfaction and retention, leading to a sustained business performance over the long term.



Read more about our policies, frameworks and guidelines on page 78 of this report.

Sustainability Statement

In adhering to BNM's Policy Document on Fair Treatment of Financial Consumers ("FTFC"), which came into full effect in November 2020, we have published a Treat Customers Fairly Charter ("Charter") on our corporate website. The Charter specifies our commitment to practising the highest standards of professionalism and fairness when dealing with our customers.

Build Strong Compliance & Risk Management Framework

The management of compliance is governed and supported by the Group Compliance Management Framework, which is a Board-approved framework that outlines the governance structure and key processes for the identification, assessment and monitoring of compliance risks, ensuring compliance with applicable laws and regulations as well as internal policies and procedures. To ensure the protection of our stakeholders, we are guided by, among others, the Personal Data Protection Act 2010 ("PDPA") and BNM's Policies on Management of Customer Information & Permitted Disclosures and Risk Management in Technology ("RMiT").

The Group has also put in place a Group Risk Management Framework, which is an overarching framework that provides direction for the management of all risk elements that the Group is exposed to.



Read more about our Statement on Risk Management and Internal Control on page 70 of this report.

Our Progress in 2020

We make it our priority to ensure that our stand on Anti-Bribery & Corruption is disseminated to all levels of our organisation. As part of good governance, we conduct a credit check on our Management team on a yearly basis. We also conducted Group-wide training and recorded a 100% attendance or completion rate in communicating our CoC Manuals to all employees, including new hires, contract staff and interns. The following table illustrates the status of the CoC training conducted in 2020.

Percentage of employees to whom anti-bribery & corruption training has been provided
100%

Total training hours
1,316 hours

Completion rate
100%



Topics covered in CoC training

Respect in Our Workplace

- a. Diversity & Inclusion
- b. Anti-Harassment
- c. Anti-Discrimination
- d. Anti-Violence
- e. Safety & Health

Respect for Our Business Partners

- a. Conflict of Interest
- b. Anti-Bribery & Corruption
- c. Anti-Money Laundering
- d. Business Gifts & Entertainment

Respect for Our Shareholders

- a. Maintaining Accurate Business Records
- b. Confidential Information
- c. Insider Trading
- d. External Communication
- e. Intellectual Property
- f. Internet, Email & Information Systems

Administration and Reporting

- a. Investigation
- b. Disciplinary Action
- c. Annual Review of the effectiveness of the CoC

List of Misconduct that outline the do's and don'ts

Sustainability Statement

Our Key Achievements

Tune Protect Group was the proud recipient of two top awards at the MSWG – ASEAN Corporate Governance Awards 2019, namely the **Excellence Award for CG Disclosure (Market Cap RM300 million to RM1 billion)** and **Merit Award for Most Improved CG Disclosure**. This is an annual awards programme organised by the MSWG which recognises the achievements of Malaysian public-listed companies (“PLCs”) with regards to corporate governance (“CG”) where they are assessed using the ASEAN CG Scorecard Methodology.

A total of 866 Malaysian PLCs were assessed in 2019 and only 35 PLCs were recognised with awards, which placed us in the top 4%. In line with the United Nations Sustainable Development Goal 16: Peace, Justice and Strong Institutions, we believe that a strong corporate governance framework and culture translates to a strong company that delivers for all its stakeholders and we shall continue to adopt CG practices of the highest standard.



Appendix: Tune Protect won two awards at the MSWG – ASEAN Corporate Governance Awards 2019



What Matters To Us

OUR BUSINESS

Aligning with the UN SDGs



Mapping to Our Capitals



Sustainability Material Matters



Why It Matters

- Maintaining healthy working capital, assets, liabilities and cash flow to foster a solid financial state, stable business environment and long-term value for our shareholders
- Building an insurance company that everyone loves
- Contributing towards the growth of the industry

Sustainability Statement

CUSTOMER SATISFACTION

Our Approach

Building a Customer-Centric Organisation, Measured by NPS

At Tune Protect, we are obsessed with understanding our customers' needs at every stage of their journey with us. We aim to create positive experiences that will convert our customers into ambassadors of our products.

Moving forward, we will adopt the use of the NPS as a benchmark to evaluate and improve customer loyalty and experience. The NPS is commonly used to measure customer satisfaction by evaluating the likelihood of our customers recommending Tune Protect to friends or family on a scale of 0 to 10. We will sum up aggregate scores from various customer touchpoints to conclude the overall NPS score that will range from -100 to 100. Based on global standards, a score above 0 is considered 'good', above 50 is considered 'excellent' and above 70 is considered 'world class'.

At the heart of the NPS is having customers at the centre of what we do, listening to what they want so that we can deliver solutions that meet their needs. To drive the right behaviour, the NPS will be incorporated into employees' KPIs as a measure of customer happiness as we strive to be the leading NPS insurer in Malaysia.



Refer to the Management Discussion & Analysis section on page 23 for more information.

Provide Omnichannel Support

It is important for us to engage with our customers at every touchpoint. Our Customer Experience team serves as the main contact point in engaging and managing the relationships with our customers through our channels such as the customer service hotline (available on the corporate website), email, social media, Live Chat (applicable to Tune Protect Travel AirAsia's customers only) and Tune Protect branches.



Refer to the Tune Protect branches on page 214 for more information.

Systematic Approach in Managing Our Customers

We also have in place robust customer service procedures and charter, guiding us to achieve our aspiration of providing the convenience of a one-stop service centre and delivering an efficient customer experience. We track and monitor the time taken for every incoming query and ensure that all cases are resolved satisfactorily within the stipulated service level agreement of up to 14 days.

Standard Operating Procedures for Contact Centre

provide guidelines for our dedicated team to serve our customers and assist them with any requests or inquiries.

Complaint Handling Procedures

outline procedures on how to handle customer complaints and help to build insights into areas for improvement.

Internal Service Level Agreement

ensures proper elements and commitments are in place in order to provide consistent delivery of information to customers.

Customer Service Charter

outlines our level of commitment to providing quality services and gives our customers references by which our performance can be measured.



Refer to www.tuneprotect.com/corporate/group/customer-service-charter/

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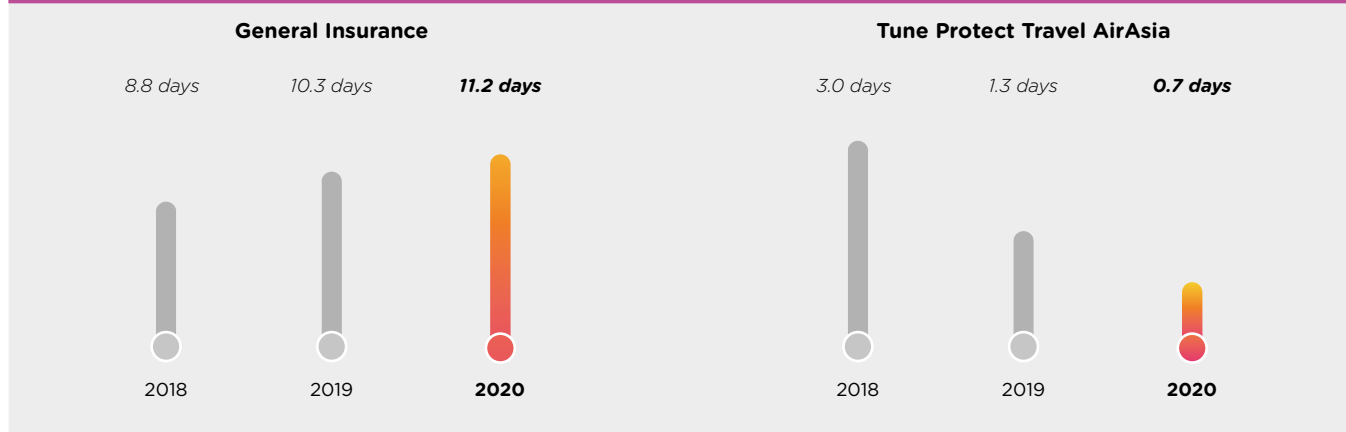
Tune Protect Group Berhad

Sustainability Statement

Our Progress in 2020

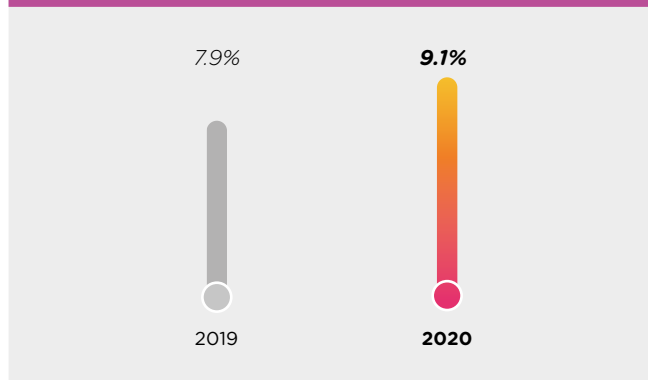
Our approach to managing complaints depends on their nature and complexity. In-depth investigation may be required for complex cases, including root cause analysis and establishing corrective action plans. Regardless of the nature and complexity, we are committed to ensuring that all cases are resolved within the 14-day industry standard upon receipt of all relevant documents/information.

Average Time Taken to Respond to and Resolve Complaints

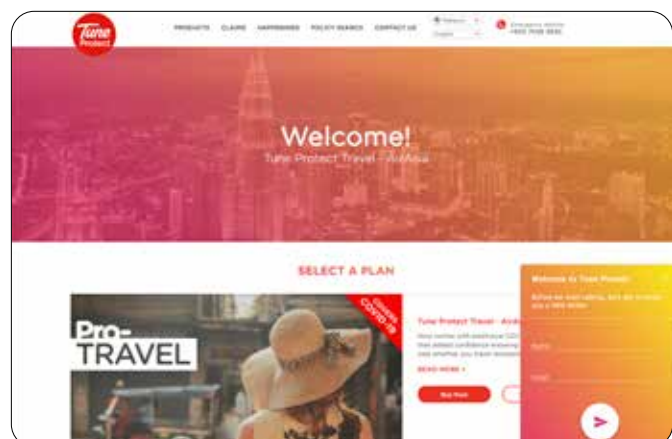


Live Chat allows us to offer real-time customer support and create the opportunity to address multiple queries at once, which is common in this digital age. Despite the small growth since it was launched in March 2019, we have seen an increase in interaction through Live Chat compared to the conventional method via email.

Number of Cases Received via Live Chat



Appendix: Percentage of cases received via Live Chat



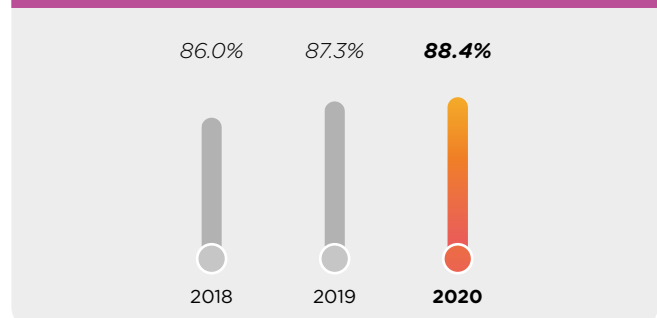
Appendix: Live Chat available for Tune Protect Travel AirAsia

Customer Satisfaction Survey

We embedded a customer satisfaction survey at the end of the product purchase journey on our Business-to-Consumer website in 2018. Since then, our customer satisfaction score has increased by 2.4 percentage points, which shows that our customers are satisfied with our products and services.

At the end of 2020, we initiated a comprehensive assessment to baseline our current NPS, which will be used as a benchmark to improve customer satisfaction moving forward.

Customer Satisfaction Score



Sustainability Statement

DIGITISATION

Our Approach

Digitise Our Businesses

Digitisation has made communication faster, easier and opened up new channels of information. Our digitisation efforts allow us to expand into new markets, secure new partnerships, offer new products and appeal to customers.

With digitisation at the core of what we do, we will adopt new technologies such as machine learning, robotic process automation and data analytics to simplify and automate manual processes and improve operational efficiencies. This will allow us to achieve speed-to-market and improve customer experience with best-in-class products, services and technology that complement consumers' growing lifestyle needs.

Transform Our Workplace

While COVID-19 has changed the way we live and work, it has also become a catalyst for innovation and fast-tracked digital transformation in the insurance industry. At Tune Protect, we have embarked on a workplace transformation journey since November 2020. This covers various plans from decluttering our workspace to activating flexible and hot-desking work arrangements and eventually establishing a digital workplace. Our goal is to allow Flexible Working Arrangements for the majority of our employees and empowering them to be an adaptive and agile workforce.

Launch and Enhance Our Mobile App

We are moving towards a mobile-first approach to create the best experience for our customers. This is going beyond making our website responsive and optimising it for mobile devices so that it can be accessed digitally at one's convenience. It will eventually serve as a one-stop platform for our customers to gain fast, simple access to our products and at the same time take charge of their own insurance policies with just a few clicks on their mobile devices.

Safeguard Our Data and Privacy

As our digital networks grow, we uphold the highest standards of confidentiality, security and integrity to build customers' trust and confidence. We set Group-wide security standards and conduct ongoing assessments that serve to identify and detect risks, build resilience and effectively respond to cyber-related events.

Our Progress in 2020

During the height of the COVID-19 pandemic in 2020, we leveraged digital approaches to shift the majority of our staff to remote working and connect with clients and employees virtually.

We are also upgrading our Human Resources Management System ("HRMS") and have rolled out new modules such as online recruitment, e-leave management and centralised

employees data. With this HRMS in place, human resource and talent management processes will become more efficient, while providing a superior employee experience.

Recognising customers' increasing needs for easy access at their fingertips, we launched our inaugural **Tune Protect Mobile App** ("the App"), which is equipped with purchase and claims functions. Aligned with our customer-centric focus, the App was designed for customers on the go, providing them with a differentiated and seamless experience to self-manage their insurance needs digitally, anytime, anywhere.

Within a span of three months since the launch of the App in September 2020, we garnered more than 300 mobile users.

	Business-to- Consumer website (tuneprotect.com)	Tune Protect Mobile App*
Registered users	2,874	332
Total transactions made (count)	5,565	80
Total claims submitted (count)	223	12

* since its launch in September 2020

Through our collaboration with BIG Rewards, customers can earn five Big Points for every RM1 spent on retail products sold on our website and mobile app.

With technology as a key component shaping into our future performance, we have put in place measures to mitigate cybersecurity, data privacy and security risks. They include, among others:

Enhanced data security systems and built security awareness on cyber security to combat attacks like phishing and malware

Established prevention plans to curb the leak of confidential information

Ongoing review and assessment of IT operations to ensure latest versions of software are being used enterprise-wide and compliance with regulatory requirements

Regular data back-up and storage to ensure its constant completeness, accuracy and accessibility



Refer to the Statement on Risk Management & Internal Control in this report on page 70 for more information.

Sustainability Statement

ECONOMIC PERFORMANCE

Our Approach

Implement a Comprehensive Recovery Plan

We implemented a comprehensive recovery plan by focusing on cost optimisation initiatives, business expansion and diversification plans to remain sustainable amidst the prolonged impact of the COVID-19 pandemic.

Diversify Our Business

The COVID-19 pandemic has presented us with opportunities to diversify away from our travel business. In line with the emerging trends, we have developed strategies to diversify into Health, Lifestyle and SME. We have created unique propositions targeting millennials and zillennials to address their growing concerns on health, safety and digital lifestyle solutions, together with adequate coverage for SME businesses. As for our diversification plans, we will expand our presence in ASEAN and establish more affinity and strategic partnerships to ease the impact of the pandemic on our general and reinsurance businesses.

Support the Growth of Local Businesses

We take pride in supporting local businesses and the economic advancement of the local communities where we operate. Our Group Procurement Policy states that where applicable, preference shall be given to local vendors and suppliers. By supporting these businesses, we indirectly contribute to the growth of the local economy and create a win-win situation for us and the businesses that we support.

The Group Procurement Policy also outlines the guidelines for the procurement of goods and services to ensure fair treatment during the selection and decision-making process. All registered suppliers are required to adhere to our Code of Conduct which sets out the standards of business conduct related to integrity, anti-bribery and corruption, disclosure of conflict of interest and confidentiality.

Prudent Investment Policy

We are guided by our Investment Policy that sets forth the objectives, guidelines and framework towards sustainable investments. An Investment Committee has also been established to assist the Board of Directors in discharging its duties and responsibilities in the management of investments.

Our Progress in 2020

In 2020, more than 80% of the supplies, products and/or services were procured from local providers, which are defined as suppliers and vendors operating in Malaysia.



Refer to the Governance section on page 34 to find out more about our Code of Business Conduct for Third Parties.

Meanwhile, recognising the greater focus from investors towards sustainable investments and in particular, the integration of Environmental, Social and Corporate Governance (“ESG”) considerations into investment management processes, we have initiated steps to enhance our investment policy to incorporate ESG considerations in the belief that these factors will have an impact towards better long term financial performance.



For more information about our financial performance and the comprehensive recovery plans to address the impact of COVID-19, refer to the Management Discussion & Analysis section on page 23.

PRODUCT INNOVATION

Our Approach

Encourage Innovation through Collaboration

In 2020, we took advantage of the shift from offline to online consumer spending behaviour by diversifying our distribution channels and platforms to reach a wider range of consumer groups. We established affinity and digital partnerships leveraging digital platforms such as community application, e-commerce, loyalty management, e-wallet, etc.

Expand Offerings and Solutions in line with Trends in the New Normal

We diversified our product offerings, focusing on Health, Lifestyle and SME, by offering simple, affordable, bite-sized and innovative product propositions to address the needs of consumers in the wake of the COVID-19 pandemic. As travel begins to regain traction, we have rolled out several products including COVID-19 coverage in the markets we operate in, such as Malaysia, Thailand and several business-to-business (“B2B”) markets in the Middle East.

Sustainability Statement

Our Progress in 2020

Innovative products offered by Tune Protect are summarised below, among others:

On-demand protection plans embedded in the community app

Specifically tailored for residents and homeowners of EcoWorld, we offer three on-demand protection plans that provide coverage for smart home devices, maid protection and home burglary that can be purchased through EcoWorld's mobile application.

Consignment cover e-commerce shopping experience

With online shopping gaining increasing popularity, we leveraged the long-standing relationship with our airline partner, AirAsia, to cross-sell our insurance products. We offer personal accident coverage to the delivery partners of Teleport, AirAsia's logistics company. We also partnered with BOXKU to offer online shoppers the ease and convenience of purchasing consignment insurance on loss or non-delivery of their parcels via the BOXKU mobile app.

We have also introduced new and enhanced product offerings, summarised as per below:

Travel protection products

We were quick to respond to the pandemic situation by including COVID-19 coverage in our selected travel protection plans and replicating this across partners and regions.

Enhanced Pay-As-You-Drive ("PAYD")

We extended the eligibility criteria of PAYD to 65 years and age of vehicle to 10 years. PAYD is a unique opt-in feature of our motor insurance that rewards customers for driving less, therefore promoting environmentally responsible behaviour. PAYD also caters well to second-car owners, public transport or park & ride users and work-from-home employees.



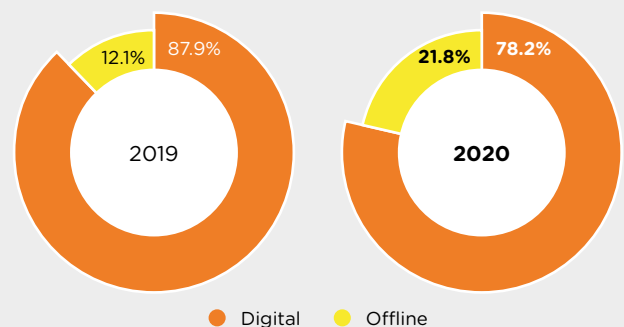
Read more at: <https://www.tuneprotect.com/covid-19/>

Comprehensive personal accident protection

We introduced PA Shield, a comprehensive Personal Accident ("PA") coverage for individuals that provides worry-free financial support in the event of unfortunate incidents. This coverage provides choice of protection up to RM1,000,000 with cumulative renewal bonus up to 150% of Capital Sum Insured.

The decrease in our digital policies issued compared to 2019 was mainly due to a gain in offline sales. However, we remain cautiously optimistic as travel recovery continues to show an upward trajectory in Middle East markets. This includes all sales derived from online platforms such as our Direct-to-Consumer platform at **tuneprotect.com**, AirAsia in-path booking platform, product bundling with AirAsia's value pack and via online B2B travel agents.

Policies Mix



Refer to the Management Discussion & Analysis section on page 23 for more details about our digital business.

Tune Protect advocates responsible actions for a sustainable future

In conjunction with Zero Emissions Day and World Car Free Day in September 2020, we took the lead in advocating environmentally responsible actions with our PAYD campaign with the tagline **Drive Less, Save More, Greener Earth**.

Through this special campaign in collaboration with Big Rewards, we encouraged customers to opt in to PAYD, a product that promotes environmentally responsible behaviour, and incentivised them with an extra five BIG points for every RM1 of insurance premium in addition to the first five BIG points for purchasing Motor Easy (comprehensive motor insurance) via **tuneprotect.com** or mobile application. This campaign was part of our effort to reduce the impact towards climate change in line with UN SDG 13.



Sustainability Statement



What Matters To Us

OUR ENVIRONMENT

Aligning with the UN SDGs



Mapping to Our Capitals



Sustainability Material Matters



Materials (Resource Consumption)

Why It Matters

- Promoting the importance of operating our business in an environmentally friendly manner and creating awareness to enable social change

MATERIALS (RESOURCE CONSUMPTION)

Our Approach

Conserve the Environment

While the nature of our business has no major or direct impact on the environment, we have been promoting environmentally responsible behaviour and taking efforts to reduce our impact on the environment where we operate as spelt out in our Group Sustainability Policy.

In supporting our digital transformation strategy as detailed in the Digitisation section, we promote green thinking and a shared environmental consciousness to recycle paper, which is the largest material resource consumed in our day-to-day operations. While we digitise our processes, we carefully monitor and manage the resources we consume that may have an impact on our business, people and community.

Manage Climate Risk

In managing ESG risks, our Underwriting Policy specifically identifies against underwriting businesses that are deemed to have a negative impact on health and the environment. For instance, businesses that use hazardous materials or contribute to global warming are excluded. In addition, we do not underwrite any coal mining risk in our Fire portfolio.

Our Progress in 2020

Our environmental initiatives serve to create awareness and promote social change on a wider scale. Where possible, we encourage meetings via electronic channels to reduce carbon footprint. With virtual meetings becoming the preferred mode

of engagement due to the pandemic, a reduction in face-to-face meetings, especially those requiring business travel out of the country, has resulted in a lower carbon footprint.

In advocating a 'climate-friendly' work environment, we have been encouraging responsible consumption of energy and paper, and proper waste management through various initiatives, including:

- Weekly Earth Hour Fridays from 12pm – 1pm;
- Floor lighting plan for switching off non-essential lights when no longer required to reduce electricity consumption;
- Weekly internal newsletters;
- Energy, water and paper conservation reminders stickers and signages;
- Regular recycling efforts with placement of recycling bins within the office premises for paper products, plastic, aluminium cans and items made from metal/steel. In total, 478kg were recycled in 2020;
- Collection of fluorescent bulbs/tubes and e-waste (electronic equipment) such as used batteries, old mobile phones and power banks by licensed collection centres biannually. A total of 139 fluorescent bulbs/tubes, and 106 pieces of e-waste were collected in 2020;
- Promoting recycling and the use of reusable containers, cups and utensils during events and for everyday use; and
- Printing on recycled paper, using single colour and duplex printing only. In 2020, we consumed 3.4 million sheets of paper for printing, a reduction of 27.8% compared to 2019.

Sustainability Statement



Recycling fluorescent tubes and incandescent bulbs at IPC Recyclable Waste Drop off Station



Decluttering and recycling in our workplace

We have elevated our efforts to be Environmentally Protective with the successful completion of the first phase of our workplace transformation journey in December 2020. By decluttering our workspace, more than seven tonnes of paper and paper-based materials such as newspapers, cardboard boxes, magazines, etc were recycled.

Creating awareness on climate change in our business

Climate change has been identified as an emerging risk. With the objective of creating awareness on this topic, we conducted a 1.5-hour virtual workshop on Climate Change in Business in November 2020, which was attended by 22 participants across the Group and its Overseas Ventures. The key takeaways from the workshop were:

- Drivers and impacts of climate change;
- Climate-related risks and opportunities for businesses;
- Pressure and benefits of climate action;
- Best practices in the financial services industry.

Engaging with employees on environmental awareness with regular internal communication

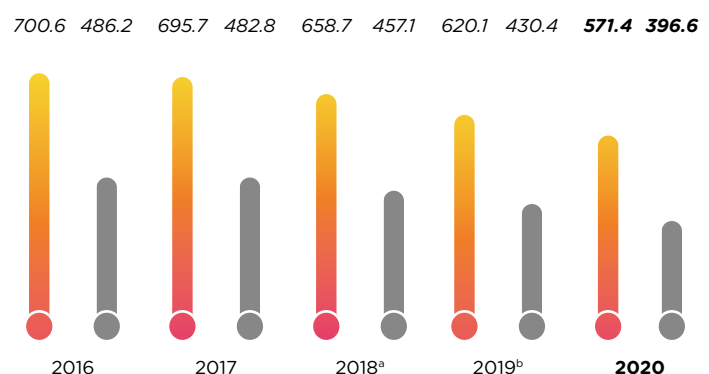
Leveraging our internal communication platform, we regularly communicate and engage with our employees on the importance of sustainable practices. One such initiative is a Workplace Green Screen weekly posts featuring our employees, in which they get to showcase an environmentally responsible act that they perform in their daily lives in support of a greener environment. Other initiatives include recycling, fortnightly sustainability posts and encouraging employees participation in social and environmental-related activities. In conjunction with Sustainability Day on 28 October 2020, we organised a challenge for our employees to share their day-to-day sustainable practices with us to promote behavioural shifts towards sustainability.

Energy Management

Whilst we move forward in our environmental-friendly initiatives, we will take the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations into consideration and gradually support the TCFD in our Group's sustainability journey.

In 2020, we realised a 7.9% reduction in electricity consumption across the Group to 48,700 kWh, which was equivalent to 33.8 tonnes of CO₂ emissions as compared to 2019. This resulted in a cumulative reduction of 89.6 tonnes of CO₂ emissions over the four years since 2016. The reduction in our electricity consumption last year was mainly due to the majority of our operations transitioning to working-from-home arrangement, coupled with ongoing measures to deepen our commitment in resource conservation and climate change such as the Weekly Earth Hour and switching off non-essential lights when not in use. The diagram shows our electricity consumption in our headquarters and branches.

Group Energy Performance (2016-2020)



● Electricity Consumption (Thousand kWh) ● Carbon Emissions (Tonnes)

Notes:

- a) Data for year 2018 and prior consists of 20 branches
b) Data for year 2019 onwards consists of 18 branches

Sustainability Statement



What Matters To Us

OUR PEOPLE & COMMUNITY

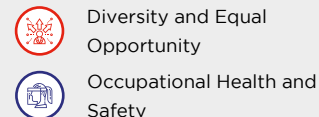
Aligning with the UN SDGs



Mapping to Our Capitals



Sustainability Material Matters



Why It Matters

- Building a diverse and inclusive workforce
- Fostering a positive workplace where the health, safety and well-being of our people are of utmost importance

DIVERSITY & EQUAL OPPORTUNITY

Our Approach

Promote a Diverse and Inclusive Workforce with an Agile Culture

To be an employer of choice, we cultivate a work environment that is diverse and inclusive where our employees feel empowered to learn and lead innovation within the organisation. We believe that diversity and inclusion can pave the way towards creativity, teamwork and improved productivity. Besides that, an agile culture with flexible working arrangements will allow us to attract future talents from a bigger and more diverse pool.

Our Group Recruitment & Selection Policy defines the principles of non-discrimination. The recruitment and selection process for new hires is carried out in compliance with all applicable employment laws and contributes to effective risk management, while advocating the underlying principles in our CoC. These include:

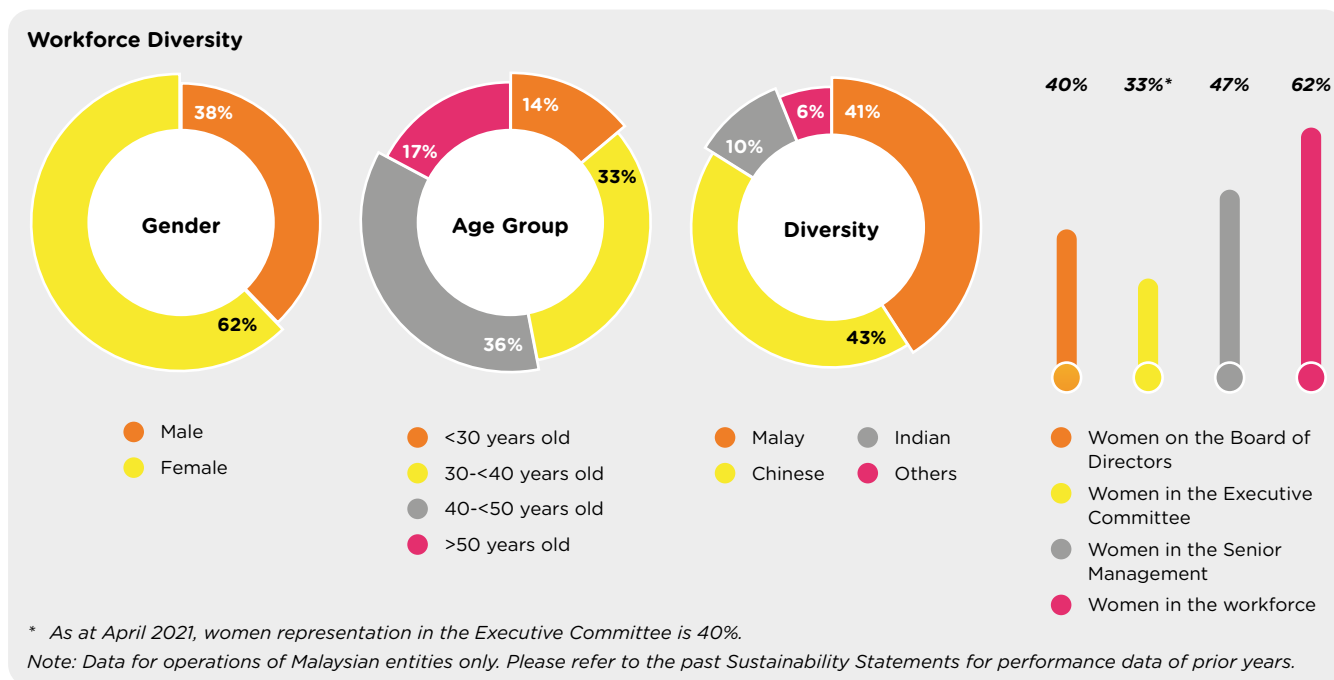
- Applicants will be selected based on merit.
- We support a diverse workforce. We believe that having a diverse workforce will give us a competitive edge in driving our future success. To this end, diversity in gender, age group, ethnicity and abilities is encouraged.
- Our processes are transparent, while balancing the need for confidentiality. In line with this, we have a whistleblowing policy in place for all parties, which is available on our corporate website, to enable grievances to be channelled anonymously.

We are committed to empowering women in the workforce and achieving gender parity in leadership roles by 2023. In addition, 50% of our critical roles will have successors identified from within. In line with this approach, we are geared towards providing the best support and resources in developing competent and robust tiers of management to lead our succession planning.

Sustainability Statement

Our Progress in 2020

We have a diverse workforce of nearly 400 employees, as shown in the diagram below.



As at 2020, 72 or 18.6% of our employees are union members. In achieving a diverse and inclusive workforce, we hired an individual with a hearing disability who joined us in 2019. To assist in communication, we teamed this individual with a buddy, whenever necessary. With the help of this individual, we have also advocated the learning of sign language via a series of videos that were published in our internal communication platform. More than just bringing our employees better together, we have fair benefits in place to promote equal opportunities, as shown in the table below:

Maternity Leave¹	Paternity Leave	Nursing Rooms	Marriage Leave²	Birthday Leave
Up to 60 calendar days (on full pay)	Up to 14 calendar days (on full pay)	Available at Level 8 & 9 of Wisma Tune	Up to 7 calendar days	1 working day
Notes: 1. Executive positions and below are entitled to up to 90 days for the first child; applicable to Tune Protect Malaysia only 2. Up to seven calendar days depending on the position				

OCCUPATIONAL HEALTH & SAFETY

Our Approach

Protecting Our Employees and Workplace

We have established an Occupational Safety and Health ("OSH") Committee which comprises employee representatives from the head office. The OSH Committee is responsible for leading and managing initiatives to ensure the health and well-being of all employees including those under collective bargain agreement and visitors as well as general safety in the workplace. These initiatives are of utmost importance as we continue to build on and promote practices with high standards of health and safety for our people and the communities we serve. As a responsible organisation, we regard our people as our most valuable assets in achieving a long-term sustainable performance.

Sustainability Statement

Our Safety and Health Policy Statement sets out the responsibilities and commitments of the OSH members. It also summarises key health and safety measures that must be followed to ensure a safe and healthy environment for all employees and visitors to the office premises. The Group meets essential health and safety requirements such as regular engagement with the building management and fire safety authorities on safety inspections and systems. Among the fundamental health and safety laws and regulations that the Group advocate its compliance on include:

- The Occupational Safety and Health Act 1994 (OSHA)
- The Fire Services Act 1988

The OSH Committee convenes at least three times annually and carries out proactive approach with constant communication to identify, assess and control risk hazards in our workplace. In addition, we have established an Emergency Response Team within the Committee to assist with emergency evacuation and comprises a member who is equipped and trained with essential emergency first aid and cardiopulmonary resuscitation skills. The assessment of risks and hazards in our operations and business acknowledges our compliance with the relevant industry standards and best practices.

Our Progress in 2020

We regularly engaged with our people through various internal communication platforms to keep them informed of the latest developments in relation to the COVID-19 pandemic. These included travel advisories, standard operating procedures and operational updates to minimise disruption to our business while safeguarding the health, safety and well-being of our employees and visitors. In addition to regular internal communication, health and safety measures implemented throughout the Group since the beginning of the pandemic include:

- Activating remote and/or split working arrangements to minimise risk of infection and ensure business continuity;
- Modifying the nationwide operations of our branches and service counters to partial capacity and specific operating hours to ensure uninterrupted service to our customers;
- Keeping our customers and/or business partners informed about COVID-19 business-related initiatives through website and social media;
- Placing hand sanitisers and social distancing markers in and around the workplace;
- Displaying posters reminding employees to practise social distancing and hygienic habits;
- Minimising the number of people in meeting rooms and common areas to avoid crowding;
- Screening of body temperature and MySejahtera QR code registration at all entry points; and
- Preparation of Isolation Room/Areas with Personal Protective Equipment (PPE) Kits.

In addition, in November 2020, we held an hour-long virtual knowledge-sharing session for a group of employees to raise awareness and communicate new developments related to COVID-19. We also shared health advisory article on Influenza with the employees during the reporting period.

During the year, two of our SuCom members, Koot Chiew Ling and Yap Hsu Yi shared the Tune Protect story and how we navigated challenges and led through the crisis on an episode of Culture Matters on the Engaging Leaders podcast. Hear more

from them here: The Tune Protect Journey: Leading Through Crisis: <https://www.youtube.com/watch?v=iNIEduoLXRO>

In line with our focus on health, we have embarked on an initiative to promote and improve mental health and well-being of our people in 2021, called the Naluri Community programme. This programme is a joint collaboration with Naluri, a digital health therapeutics company based in Malaysia, which offers our people the access to various mental and physical wellness resources made available on the Naluri Community mobile app.

LOCAL COMMUNITIES

Our commitment to corporate social responsibility ("CSR") is an integral part of our corporate culture and we will inculcate environmental protection elements where possible. Besides our flagship Orang Asli Financial Literacy, Empowerment and Entrepreneurship ("FLEE") programme, we supported other dependent and underserved communities to sustain their livelihoods. During the year, an approximately total of RM44,600 was contributed to CSR initiatives. Through collaborations with local social enterprises, we reached out to the ill, the differently-abled and struggling single mothers in 2020.



We sponsored one-year Personal Accident Plan coverage for a group of 10 differently-abled bakers employed by Bake with Dignity



We held a donation drive for essential food items specially for 123 Orang Asli families in Negeri Sembilan, in collaboration with Majlis Belia Orang Asli and Majlis Belia Malaysia