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TOKIO MARINE
INSURANCE GROUP

Tokio Marine Life Insurance Malaysia Bhd. - 2025 Climate Disclosure



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About This Report

Tokio Marine Life Insurance Malaysia Bhd. (TMLM) has initiated its approach to managing the risks and opportunities on sustainability and climate change. Since 2023, TMLM has embarked on efforts to integrate climate-related considerations into business operations and risk management processes, to be in line with Bank Negara Malaysia (BNM)'s requirements outlined in the Policy Document on Climate Risk Management and Scenario Analysis (CRMSA).

The Climate Risk Disclosure Report is prepared in accordance with the Task Force On Climate-Related Financial Disclosures' (TCFD) recommendations.

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1.1 Governance, Role and Responsibilities

A strong governance structure is important to guide TMLM’s direction in managing business responsibly and formulating strategies while upholding our commitment to customers with integrity. With this, a governance structure has been established to manage sustainability related matters:



The Board shall have overall responsibility and accountability to safeguard the Company’s interest and resilience against the impacts of climate change while actively promoting a just and orderly transition. Table below provides an overview of the roles and responsibilities, meeting frequency:

Oversight Committee	Roles and Responsibilities	Meeting Frequency
Board	<ul style="list-style-type: none"> Oversee sustainability strategy and incorporate sustainability and climate related consideration when reviewing and approving the business strategy. Discusses sustainability and climate related matters including reviewing and approving climate related financial disclosures (in relation to progress against climate change targets and goals). Assigns roles and responsibilities for the management of climate related risks to senior management and designate a senior management officer to oversee the effective management of sustainability and climate related risks. Ensures the Board undergo appropriate induction programs and receive continuous training include sustainability and climate related capacity building and training Recommends remuneration packages determined based on performance measures inclusive of sustainability and climate related KPIs for Senior Management. 	Quarterly
Risk Management & Compliance Committee (RMCC)	<ul style="list-style-type: none"> Support the board in providing the oversight of sustainability and climate related risks to safeguard the Company’s resilient against impacts of climate change, promoting a just and orderly transition and evaluating the risks arising from sustainability and climate change periodically. 	Quarterly
Management Committee (MC)	<ul style="list-style-type: none"> Review and approve the ESG and climate related matters recommended by ESG Committee for onward proposal to RMCC and Board. Implement policies and procedures to build and support climate resilience and promote a just and orderly transition. Day-to-day management of sustainability and climate-related risks and opportunities. 	Monthly
ESG Committee	<ul style="list-style-type: none"> Assist MC in overseeing the development of the Company’s ESG strategy and objectives. Play an effective role in building and managing the climate resilience of the Company. Oversee the establishment of ESG policies and objectives and their effective implementation and review their on-going relevance and effectiveness. Monitor the Company’s ESG activities and its execution, including the internal and external reporting of the approved key metrics, target, and etc. Review current and emerging ESG trends and identify how these are likely to impact the strategy, operation and reputation of the Company. Align the Company’s initiatives with TM Group’s ESG policy and the requirements set by regulators. 	Quarterly



1.1 Governance, Roles and Responsibilities (Cont'd)

The following are key matters discussed / actions undertaken in 2025 related to sustainability by the oversight committee:

No.	Key Climate related matter discussed	Board	RMCC	MC	ESG
1.	Quarterly progress updates on sustainability initiatives.	✓	✓	✓	✓
2.	Climate risks scenario analysis outcome.	✓	✓	✓	✓
3.	The Company's overall operational GHG emissions.	✓	✓	✓	✓
4.	Assess sustainability and climate related risks and opportunities.	✓	✓	✓	✓
5.	Action Plan on results of sustainability and climate related risk and opportunities.	✓	✓	✓	✓
6.	Formalisation of the Climate Risk Disclosure Policy	✓	✓	✓	✓

1.2 Board's Credentials

For the profiles of the Board members, please refer to the 2025 Financial Statement under Directors' Report, Corporate Governance Disclosure.

1.3 Sustainability and Climate Related Training

To continuously build knowledge and stay informed on the evolving sustainability and climate change landscape, a training session 2024/2025 on the topic for climate change risk was conducted by an external consultant for directors and SMC members. The topics focused on potential impacts and challenges of climate risk in our industry, climate risk governance, management and strategy.

In conjunction with the formalization of the Guidelines of the National Sustainability Reporting Framework (NSRF), staff members of TMLM had been invited to an Insurers and Takaful Operators (ITOs) focus group discussion, organized by the NSRF Task Force. The discussion focused on the following:

- Sharing of the industrywide NSRF survey results (including the overall ITO's perception, implementation progress and challenges)
- Overview of the draft NSRF Guidance document
- Challenges faced by the ITOs
- Exchanging ideas on implementation of the guidelines

1.4 Remuneration

As part of TMLM's commitment to integrating sustainability, sustainability KPIs have been embedded into the Company-wide's performance framework, with a direct link to Senior Management's remuneration.

2.0 Climate Strategy Overview

TMLM recognises that climate change presents both risks and opportunities that may impact its long-term business sustainability. The Company adopts a prudent and forward-looking approach by progressively integrating climate-related considerations into its business strategy, risk management frameworks and decision-making processes. This includes enhancing the understanding of climate-related risks, strengthening governance and building internal capabilities to support informed strategic planning.





2.1 Strategy on Reducing Carbon Footprint



Target

Set 2035 and 2050 targets for net zero emissions



Strategy

Develop a strategy to decarbonize operational and financed emissions



Execute

Implement initiatives to reduce Scope 1, Scope 2 and Scope 3 emissions



Review

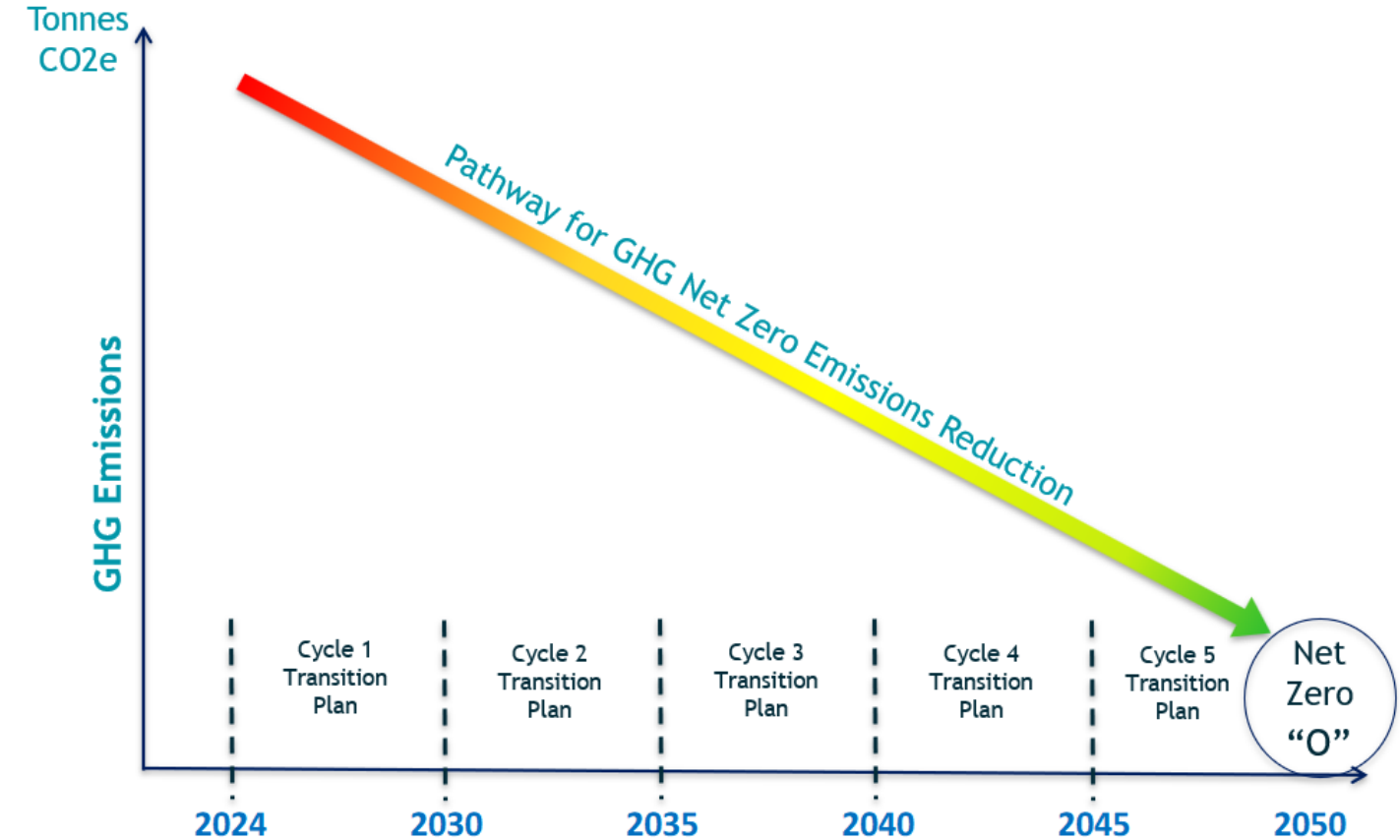
Review the outcomes of the initiatives and progress against targets

TMLM aims to measure and manage financial and non-financial risks from climate change and reduce emissions from our own activities and from our business partners. With this, the Company is committed to achieve a Carbon Neutral position for Scope 1 and Scope 2 by 2035 and Net Zero Carbon by 2050. A transition plan had been developed to progressively reduce its emissions by 2035 and 2050.

TMLM is committed to approach Scope 1 and Scope 2 with shorter term strategy. For Scope 3 items, TMLM will approach them with staggered 5 cycles (5 years for each cycle) planning and execution strategy progressively until achieving net zero emissions in 2050. Breaking down the transition plan into 5 cycles enables the Company to consider and reflect future condition, technology advancement, government policies and the availability of energy schemes until it reaches Net Zero in 2050.

TMLM's GHG Net Zero Emissions Targets

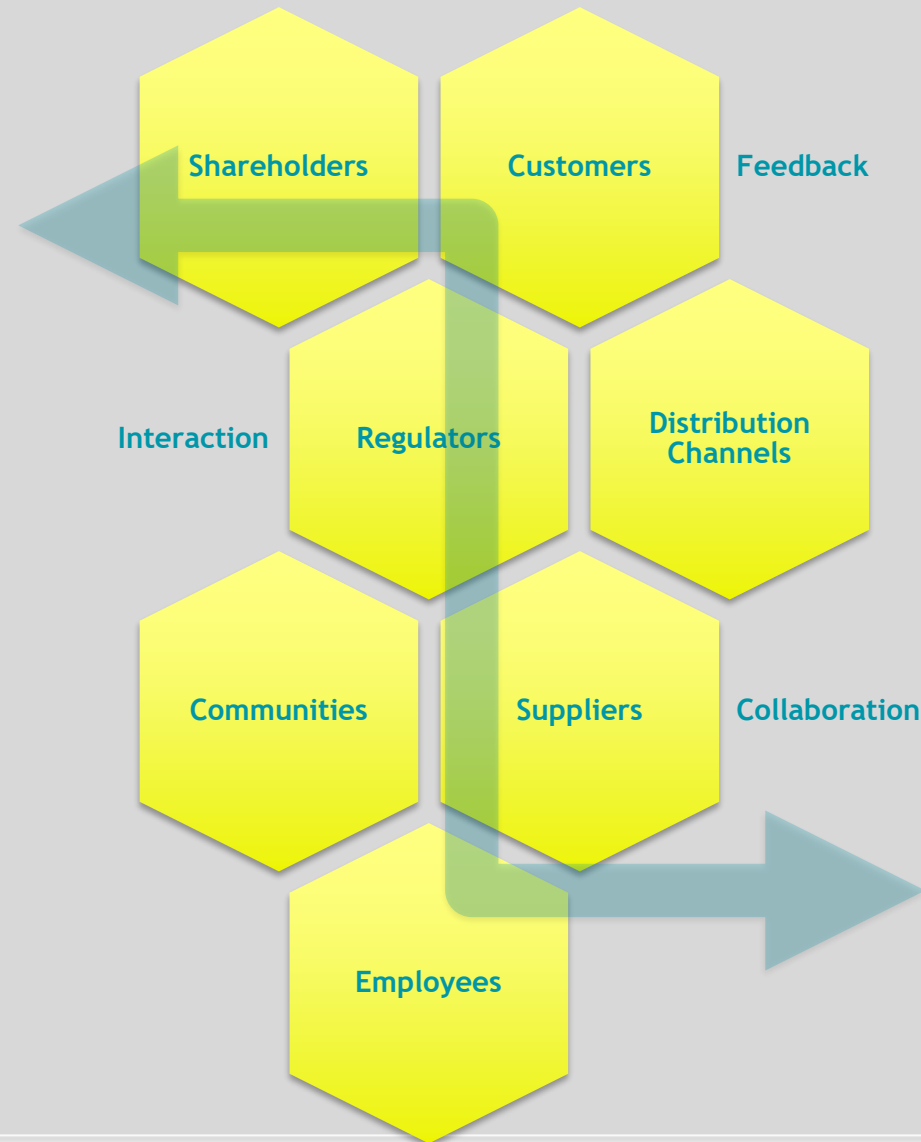
Road Map to 2050





2.2 Stakeholder Engagement

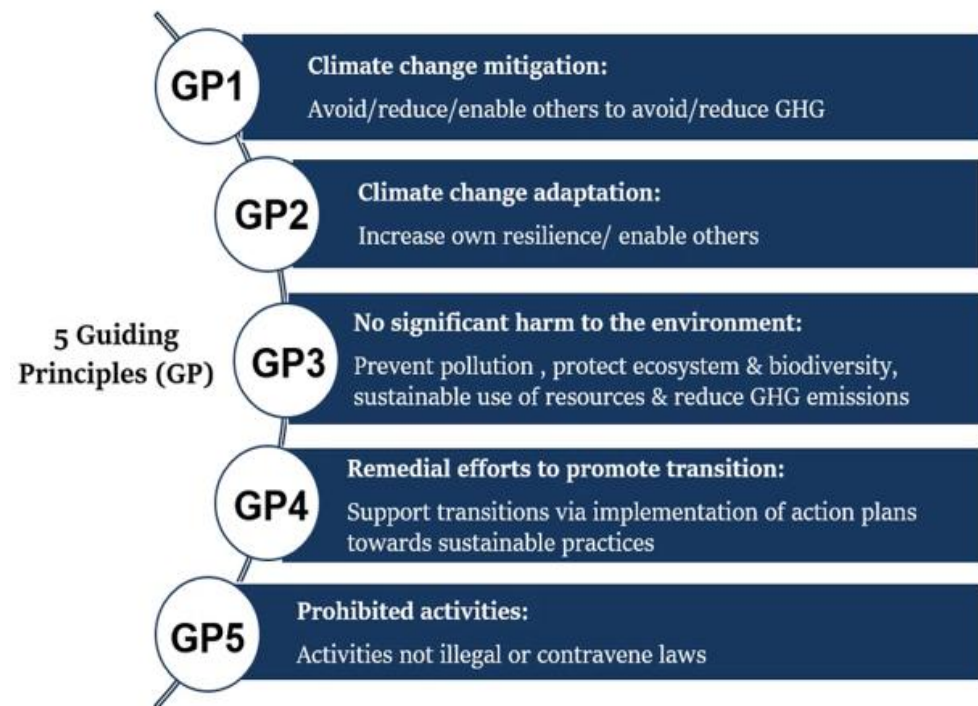
When developing Scope 1, Scope 2 and Scope 3 carbon emission reporting scope, TMLM approached them via its upstream and downstream business activities. The Company had identified the following stakeholders to obtain insight and 2-way feedback for TMLM to determine climate related risk and opportunities, targets and measurement and ultimately shaping the Company's business strategy:





2.3 Strategy on Sustainable Investment

TMLM has begun realigning its investment strategies as part of the sustainable investing commitment. The notable directions are integrated ESG and climate-related risk considerations into its investment decision-making process, guided by the latest BNM’s Climate Change and Principle-Based Taxonomy (CCPT) as shown in the table below. A Due Diligence Questionnaire (DDQ) had also been incorporated as part of sustainability assessment and reporting processes. With these, the investment decision will reflect business activities that do not fall in the CCPT exclusion list, industry exposure on ESG risks and thus enable the support of an orderly transition.



Classification		Economic Activity		Overall Business	
		GP1	GP2	GP3	GP4
Climate Supporting	C1	GP1 or GP2 or both		✓	
	C2	GP1 or GP2 or both		X	✓
Climate Transitioning	C3	X		X	✓
	C4	GP1 or GP2 or both		X	X
Climate Watchlist	C5a	X		X	X
	NEW C5b	X		✓	



Apart from the above, TMLM has started to set and implement investment restriction on certain sectors for its investment activities since 2021, based on guidance from Tokyo Marine Group. The Company is prohibited to invest the following sectors effective from 2021:

- 100% coal-fired power generation project,
- 100% thermal coal mining project,
- 100% oil sands mining projects, and
- 100% oil and gas mining project in Arctic region.

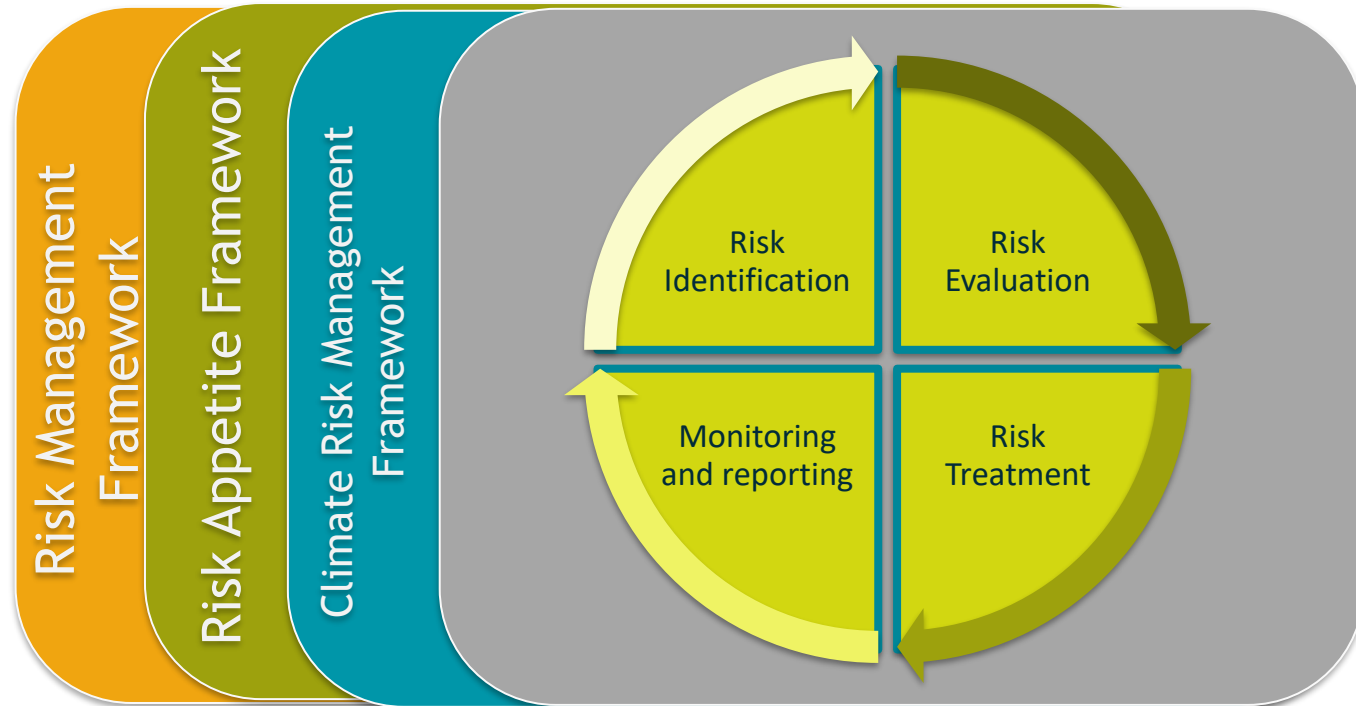


2.4 Formalizing climate-related frameworks and policies

TMLM’s Risk Appetite Framework (RAF) had been revised since 2023 to include a qualitative Climate Risk Appetite Statement to set the overall tone and attitude towards climate change and climate risks. On the same year, Climate Risk Management Framework (CRMF) has been established and included into TMLM’s overall enterprise risk management. The CRMF provides the overall direction on climate risk management and oversight process of the Company.

2.5 Process of identification and management of climate related risks

Risk Management Department act as an overseeing function on climate related risk. The process of identifying, assessing and managing climate-related risks had been embedded in the Risk Management Framework (RMF) alongside with the RAF and CRMF for the business unit’s adoption:



2.5.1 Enterprise Climate Risk Assessment

The company has adopted a top-down risk management approach in identifying and assessing climate related risks on its own operations. Results of the identified risk will then be further integrated into existing risk categories such as credit, market, operational, insurance and liquidity risks and thereafter, treatment / response will be explored.

2.5.2 Physical Risk Vulnerability Assessment

TMLM recognized that there could be a potential increase in flash flood in the longer term that may affect TMLM’s buildings. To better manage physical risk, a Physical Risk Vulnerability Assessment (PRVA) was developed by TMLM to assess the vulnerability of TMLM’s buildings may expose TMLM’s business buildings to:

- a) business disruption; or
- b) prolong / huge physical damages that require major repair.

When carrying out the assessment, the geographical location of each building and their historical flood events that were kept by TMLM since 2014 are considered. Upon obtaining the vulnerability results, next course of action(s) will be populated based on the following matrix:

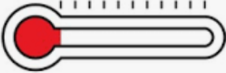
Likelihood of Event	Once in 20 years or more (Very Low Risk)	Once in 10 - 20 years (Low Risk)	Once in 5 - 9.9 years (Moderate Risk)	Once in 2 - 4.9 years (High Risk)	Once every 2 years (Very High Risk)
Building Classification ("BC")	1	2	3	4	5
Required Respond	No action needed	No action needed	Close Monitoring	Action may be needed. At least consider options available	Action needed



2.5 Process of identification and management of climate related risks (Cont'd)

2.5.3 Strategy on Climate Risk Stress Testing

Consistent with the objectives of the Climate Risk Stress Test (CRST) exercise, TMLM applies the three internationally recognized long-term adverse climate scenarios that were developed by the Network for Greening the Financial System (NGFS) to support its assessment of climate-related risks. These scenarios provide a structured basis for evaluating how differing climate pathways may influence exposure to physical and transition risks over the long term.

	Net Zero 2050 (NZ 2050)	Divergent Net Zero 2050 (DNZ 2050)	Nationally Determined Contributions (NDCs)
Description	Stringent, economy-wide climate policies and substantial technological breakthroughs that enable rapid reductions in greenhouse gas (GHG) emissions.	Targeted climate policies and gradual pace of technological advancement in reducing greenhouse gas (GHG) emissions	Implemented and pledged climate policy measures insufficient to support an orderly transition.
Global Warming	1.4°C	1.4°C	2.6°C
Physical Risk	Low	Low	High
Transition Risk	High	Moderate to High	Low





3.1 Identification of climate related risks and opportunities and their impact to TMLM

3.1.1 Enterprise-wide Climate Risk Assessment

In 2025, TMLM conducted the third climate risk assessment on “TMLM’s own operations”. Similar to 2024, a total of 45 functions of the Company were assessed in July 2025. Upon completion of the assessment, TMLM noted the following outcome for physical risk and transition risk from its own operations:

Climate Driver	Potential Impact consideration	Risk Category	Time Horizon
Physical Risk			
Potential increase in flash flood and heatwave	During disaster, may post business disruption to the Company’s critical business function and staff members wellbeing.	➤ Operational	Beyond 3 years
Transition Risk			
Increasing demand for sustainable product when awareness improved	Change in customers’ behavior may impair their choice of selecting a product.	➤ Strategy	Within and beyond 3 years
Regulatory requirements on BNM’s CCPT, CRMSA, TCFD and NSRF disclosure	Resources such as cost of system, labour and time may need to be balanced between the topline revenue for the timely implementation of regulatory requirements.	➤ Financial ➤ Liability ➤ Operational	Within 3 years
Challenge on lack of GHG emission data on investee company	The limited / inconsistent information on GHG emission may delay the implementation journey towards the carbon reduction target.	➤ Market	Beyond 3 years
Pushback from upstream and downstream stakeholders	For stakeholders that are not prepared for the changes implemented by TMLM may affect their responsiveness to TMLM’s action plans, making implementation efforts a challenge.	➤ Strategy ➤ Operational	Beyond 3 years
Increasing public awareness leading to increased expectation towards TMLM	Reputational needed to be uphold to maintain a reputable public perception on a national level.	➤ Operational	Within and beyond 3 years



Physical Risk

Impact of weather events and long-term or widespread environmental changes. It arises from acute (event-driven) and chronic (long-term shift) climate-related events that damage property, reduce productivity and disrupt trade.

Transition Risk

Arises from the process of adjustment to an environmentally sustainable economy, including change in public policies, disruptive technological developments, and shifts in consumer and investor preferences.

Liability Risk

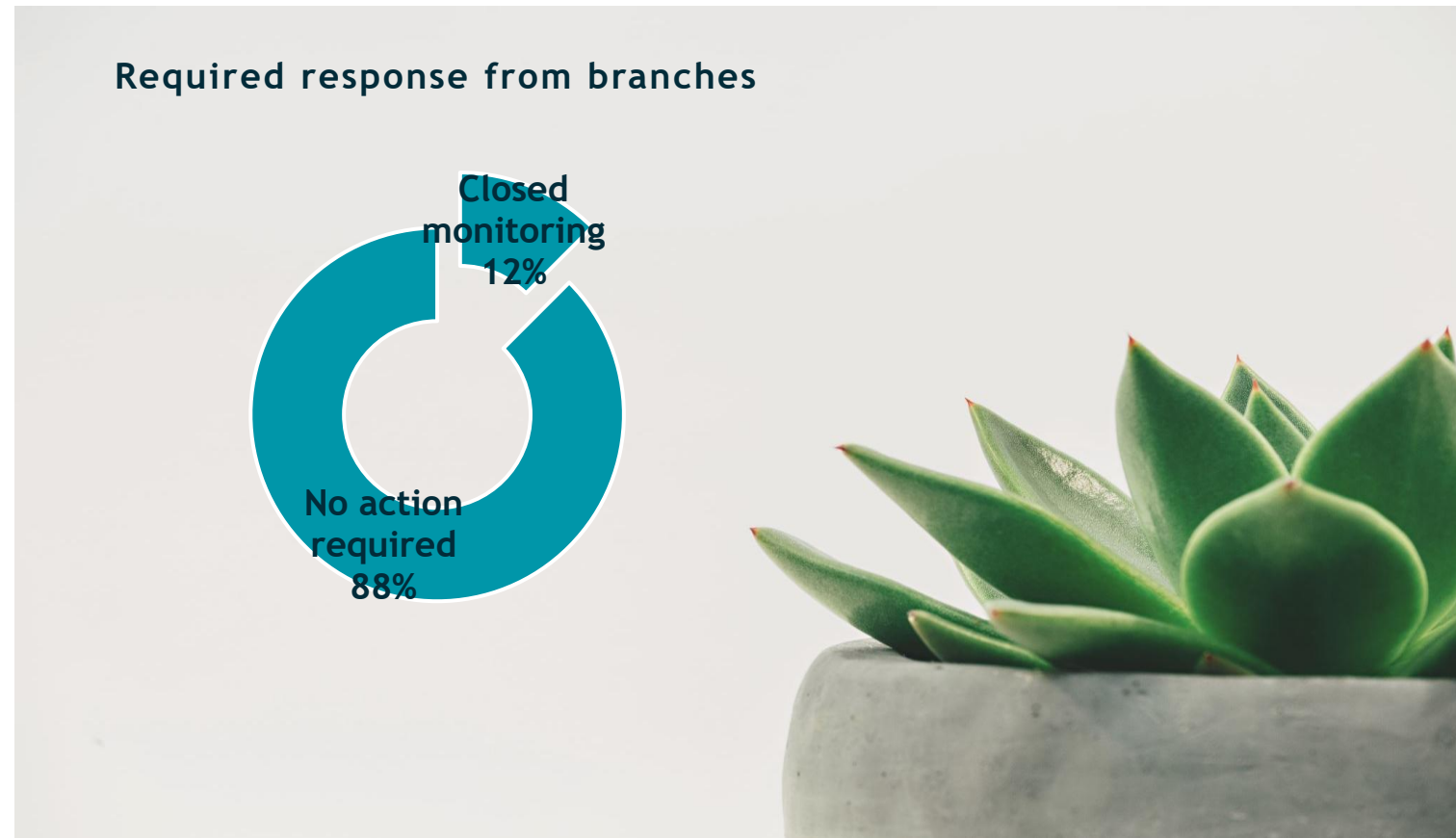
Arises from legal risk and claims on damages and losses incurred from inaction or lack of action as a result of physical and transition risks.



3.1 Identification of Climate related Risks and Opportunities and their impact to TMLM (Cont'd)

3.1.2 PRVA Assessment

The (3rd) third annual PRVA assessment was carried out in July 2025. From the assessment, TMLM noted that 2 out of 16 (12%) of its branches were more likely to be exposed to flash floods with a greater potential exposure to business disruption. Thus, the branches had been classified as category 3 (Moderate risk rating) and will be closely monitored by TMLM via existing Business Continuity Management procedures.



3.1.3 Climate Risk Stress Testing

Climate-related scenario analysis is used by the Company to support its understanding of how different future climate pathways may affect its business over time. The Climate Risk Stress Testing (CRST) results indicated that transition risks are likely to exert a more pronounced impact on TMLM’s financial position in the near term, primarily driven by adverse financial market conditions. These include heightened volatility in interest rates, credit spreads and equity markets under different climate transition pathways.

In contrast, physical risks associated with rising temperatures are expected to materialise more gradually but become increasingly significant over the long term, particularly under the NDCs scenario, which assumes insufficient climate mitigation efforts. Higher temperatures are projected to lead to elevated mortality and morbidity claims, resulting in higher net benefit payouts and sustained downward pressure on long-term net surplus.

The CRST outcomes also highlighted limitations arising from the static balance sheet assumption, as potential future management actions and broader macroeconomic feedback effects are not fully reflected in the analysis.

Overall, the results underscore heightened credit and market risks, especially in climate-vulnerable sectors and during the early phases of policy transition. This reinforces the importance of strong credit diversification and robust asset-liability management practices. Over the longer term, the increasing impact of physical climate risks necessitates disciplined product pricing, regular experience monitoring, and appropriate reinsurance arrangements.



3.2 TMLM's key response to identified climate risk and opportunities



Formalised ESG Governance and risk management related structure and relevant frameworks and policy



Provided electrical charging stations at TMLM's building



Replaced LED lightings to TMLM's building to preserve energy savings



Launched TokioMarine-Global Sustainable Fund (Investment-linked fund focusing on ESG factors)



Collaborated with local car dealer with corporate discounts on electric vehicles for TMLM's employee



Collaborated with SOLS Foundation to install solar panel at the homes of the "Orang Asli" residing in Pahang



Conducted sustainability related surveys with distribution channels



Mangrove tree planting with 87 saplings sustained





4.1 Emissions Dashboard 2025

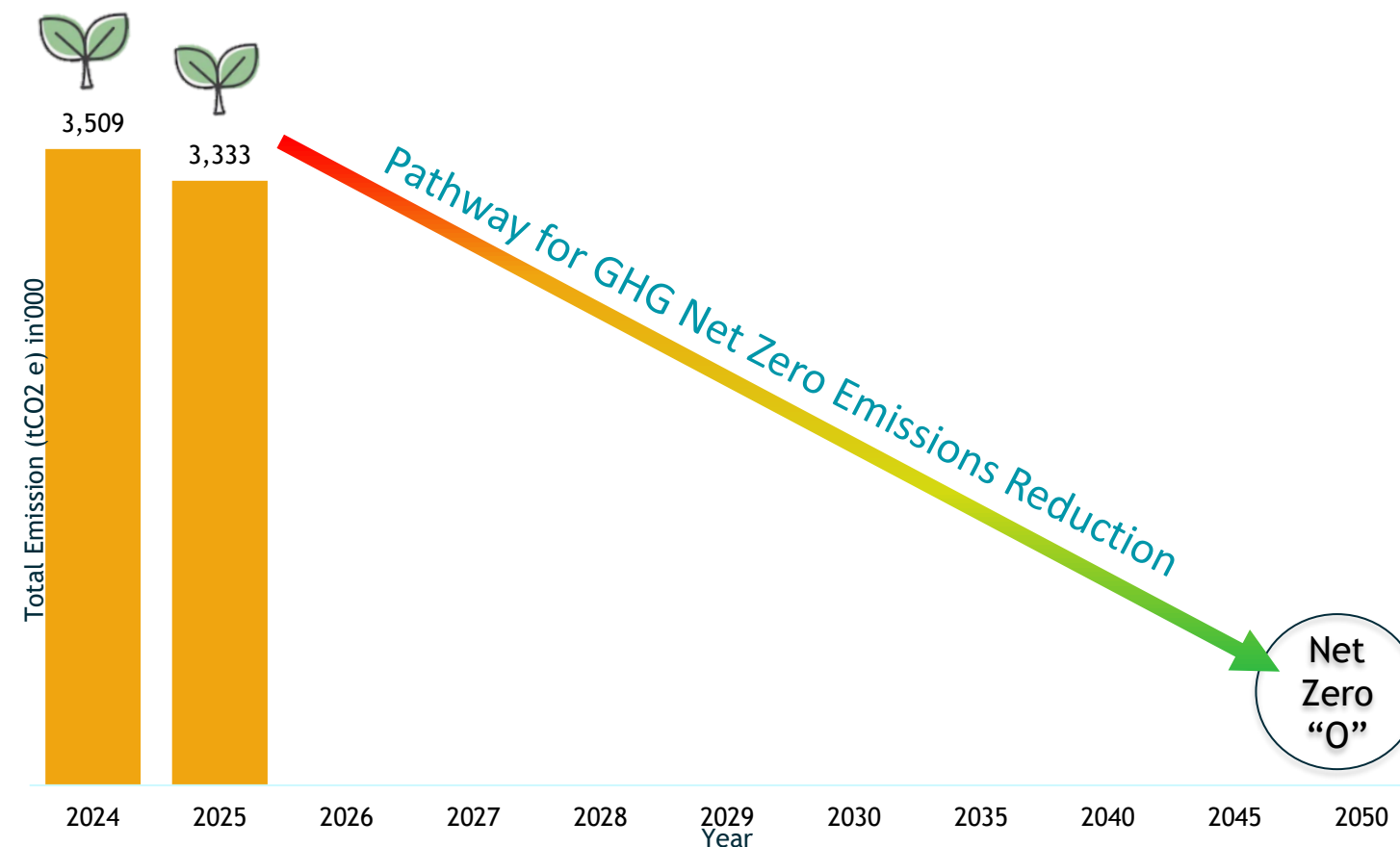
In 2025, TMLM had achieved measurable progress in reducing its emissions footprint and energy consumption. This is reflected in the decrease in Scope 1 and Scope 2 emissions by approximately 24% and 4.90% respectively in both electricity usage and emissions produced.

Overall, the total reduction of Scope 1 and Scope 2 GHG emissions is approximately 5%, where the reduction were supported by ongoing internal initiatives, including enhanced energy management practices, optimisation of office operations, and increased awareness among employees on responsible energy usage.

Purchased electricity remains the primary contributor to overall emissions of the Company, attributed to 99.62% of total scope 1 and scope 2. This reflects part of the operational nature of the Company, where indirect emissions from electricity consumption represent the most materials source of carbon footprint.

Accordingly, the company continues to prioritise initiatives and exploring the adoption of alternative energy sources, including clean and renewable energy supply, where feasible.

The Company will commence the execution of Scope 3, Cycle 1 transition plan in 2026.



Description	2024*	2025	Total Savings	Changes (%)
Scope 1 (kg CO ₂ e)	16,895	12,792	4,103	24.29%
Scope 2 (kg CO ₂ e)	3,491,781	3,320,645	171,136	4.90%
Total (tCO₂ e)	3,508,676	3,333,437	175,239	5.00%

* Year 2024 Scope 1 and Scope 2 emissions were recomputed to reflect accuracy



4.2 Opportunities Dashboard

TMLM had expanded its support for low-carbon mobility through the installation and utilisation of EV charging infrastructure at Menara TMLM in year 2024. EV charging had shown an increase with recorded revenue of RM13,403 in 2025 (2024: RM5,376). This reflects growing adoption among tenants, employees and visitors, and underscores the Company's role in enabling the transition towards cleaner transportation.

In addition to this, the cost of electricity had been reduced by 14.4% since its installation of LED lightings in the physical buildings of TMLM in October 2025.

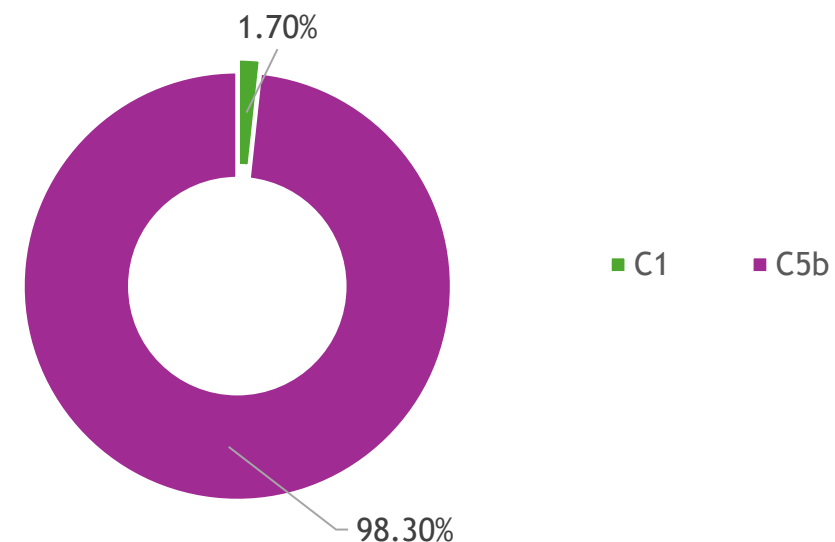
4.3 Impact on Sustainable Investment

Based on the CCPT classification of the investment portfolio for the year 2025, 98.30% of investment exposures are categorised under C5(b), while 1.70% are classified as C1 (Illustration 1).

Overall, the portfolio composition highlights the importance of continued engagement, data enhancement, and transition support to facilitate the reclassification of watchlist exposures over time, in line with regulatory expectations and the objective of supporting an orderly transition towards a lower-carbon economy.

Illustration 1

2025 Investment classification based on CCPT





4.3 Impact on Sustainable Investment (Cont'd)

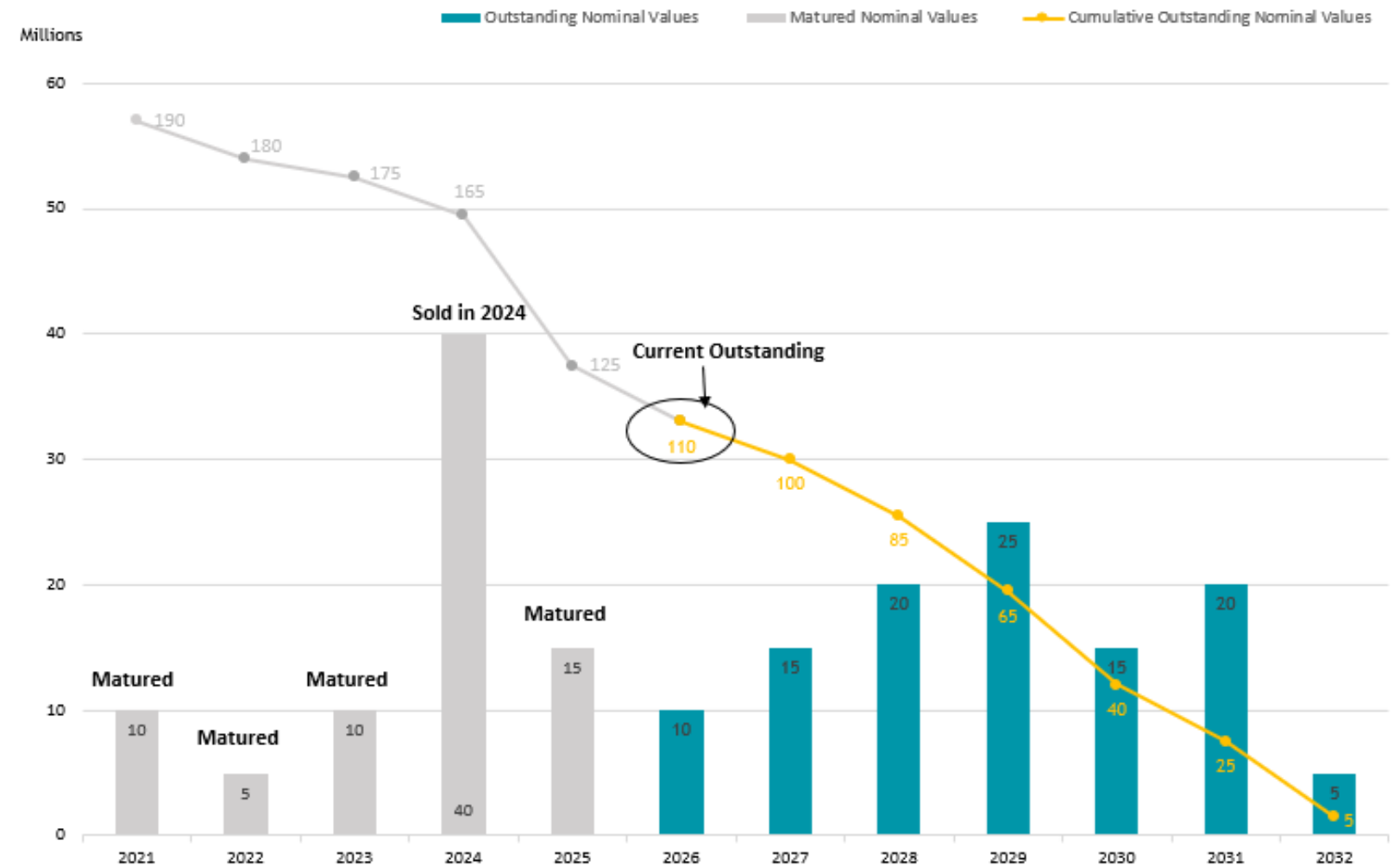
As of 31 December 2020, TMLM held a total of RM190 million nominal values of bonds which fall under the prohibited sectors before the guidance from Tokyo Marine Group took effect in year 2021. TMLM is allowed to hold these bonds until their maturity and had been restricted from acquiring further units since 2021. The last executable bonds for maturity are in year 2032. TMLM is actively monitoring their position and reporting their movement and positions to the Board and RMCC on a quarterly basis until the last bond matures.

Summary of bond movement and positions from 31 December 2021 to 2025 are shown in **Illustration 2**. No additional units acquired in year 2025 and the nominal value decreased to RM110 million as reflected from bonds' maturity.



Illustration 2

Year of Maturity and Value





4.4 Bringing Impact to the Community

Mangrove Conservation Initiative

In line with TMLM’s commitment to supporting environmental sustainability and climate resilience, the company undertook mangrove restoration at Sijangkang Recreational Mangrove Park on 24 July 2023. This initiative forms part of the company’s broader efforts to contribute to nature-based solution that would enhance coastal protection, biodiversity conservation and long-term ecological stability.

A total of 100 mangrove saplings were planted during the initial phase. Periodic assessment had been conducted as part of ongoing monitoring purposes to evaluate sapling survival, growth conditions, and environmental challenges. An early assessment as of 17 January 2025 recorded 73 surviving saplings. In response to observed losses, 27 additional saplings were replanted to maintain ecosystem restoration objectives. As of the latest assessment on 31 July 2025, a total of 87 saplings remain viable.

Overall, the saplings observed to be generally healthy, although growth in height and diameter remained gradual, which is consistent with early-stage mangrove development. Localized environmental challenges have been identified, including physical obstruction caused by a fallen tree in certain planted areas, which may affect the growth conditions.

TMLM and other supporting organizations has contributed to ongoing efforts by the Sijangkang Mangrove Park community to further enhance and expand opportunities, environmental education, community engagement, social wellbeing, and biodiversity conservation.

The initiative demonstrates the Company’s commitment to integrating environmental considerations into its broader climate risk and sustainability approach and supporting positive environmental outcomes.

Encouragingly, the restored area has shown signs of ecological activity, with the presence of wildlife such as crabs, mudskippers, herons, monkeys, and various bird species. This aligns with the hope of TMLM to preserve gradual re-establishment of habitat functions and biodiversity within the area.





Rise Against Hunger Malaysia

TMLM, in collaboration with Tokio Marine Insurance Malaysia (TMIM), partnered with Rise Against Hunger Malaysia to organize a meal packaging activity aimed at supporting communities affected by the earthquake in Myanmar. The activity was held on 24 April 2025, where successfully produced 50,000 packages of meals through employee volunteer participation. Nevertheless, logistical challenges arose subsequently when the shipment of meals to Myanmar was not permitted due to prevailing geopolitical constraints.



In response to the situation, the packaged meals were redirected to support local communities in need, ensuring that the intended humanitarian objective was preserved. The meals were distributed to Orang Asli communities and B40 families in Kampung Podek, near Gua Musang, Kelantan, benefiting over 150 families.





TMLM is aware that climate-related risk may contribute to increase health vulnerabilities and social challenges, especially among high-risk and medically fragile populations. On top of being a life insurer, TMLM would also like to support broader societal resilience and wellbeing.

TMLM adopts a structured approach to community engagement, focusing on initiatives that support vulnerable groups and enhance social wellbeing. This forms part of the company's broader sustainability strategy, complementing climate risk management.



In 2025, TMLM collaborated with Make-A-Wish Malaysia to organize a Family Day initiative aimed at supporting children with critical illness and those in recovery, together with their families. The programme focused on providing a supportive and inclusive environment to enhance emotional.

Building on this initiative, the company had planed a subsequent Family Day outing in collaboration with Make-A-Wish Malaysia on 12 October 2025 at Immersify KL. TMLM intends to establish this collaboration as an annual initiative, subject to ongoing assessment of impact and participation. The initiative reflects the Company's continued commitment to social responsibility.



Festive Donation Drives

TMLM organized a series of donation drives aligned with major festive periods in Malaysia, including Chinese New Year (February 2025), Hari Raya (March 2025), Deepavali (November 2025), and Christmas (December 2025). These initiatives were aimed at supporting vulnerable communities nationwide by fostering a spirit of giving and social responsibility through employee-led distribution efforts.



Solar Academy Sponsorship

TMLM recognises that the transition towards a low-carbon economy is expected to reshape labour market demands, particularly in sectors such as renewable energy. As a part of TMLM's broader sustainability approach, TMLM supports initiatives that promote inclusive participation in the transition economy, particularly through capacity-building and skills development among vulnerable groups.

To ride on the successful collaboration with SOLS Foundation on providing solar panel system for the "Orang Asli" community at rural area in Pahang in 2024, TMLM continued to provide sponsorship support in November 2025 to students from B40 communities enrolled in the Solar Academy programme under SOLS Foundation. The Sponsorship included essential items such as footwear and protective arm covers, aimed at enhancing students' safety and comfort during their training.



This support is intended to enable students to participate more effectively in their learning activities, without undue concern over basic protective needs. This initiative reflects the company's commitment in supporting underserved communities while contributing to a more inclusive transition towards a sustainable economy.

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