

*Inspiring Confidence.  
Accelerating Progress.*



**TOKIO MARINE**  
INSURANCE GROUP



**Tokio Marine**

**2025**

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**CLIMATE-RELATED  
DISCLOSURE**

Tokio Marine  
Insurans (Malaysia) Berhad  
198601000381 (149520-U)

[tokiomarine.com](http://tokiomarine.com)  
Life & Health | Property & Casualty

MEMBER OF PIDM

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Tokio Marine Insurans (Malaysia) Berhad ('the Company' or 'We') is a licensed general insurer in Malaysia with strong parentage of the Tokio Marine Insurance Group ('Group'), Japan since 1879.

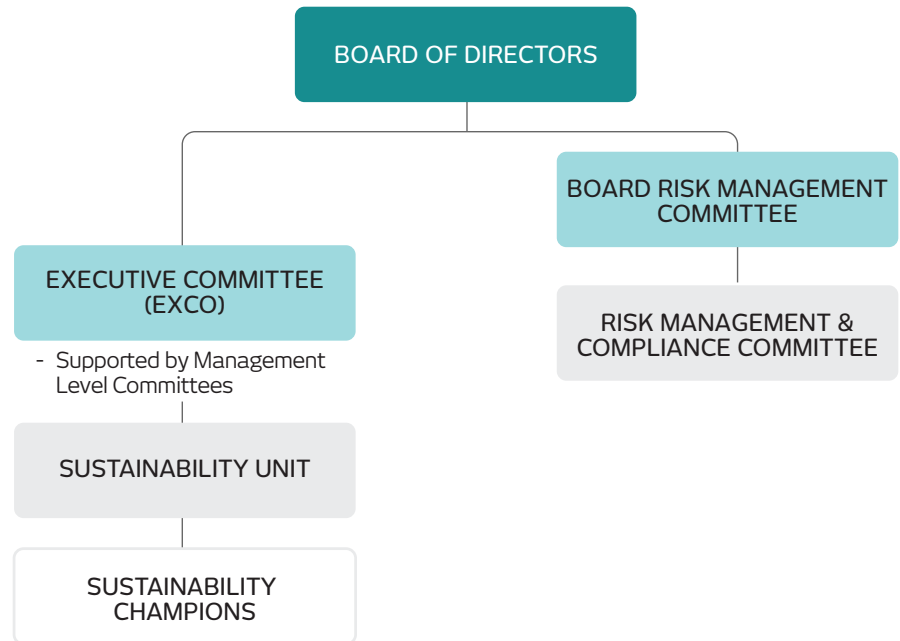
We continue to disclose our Climate-Related Disclosure for the financial year ended 2025, in alignment with the JC3 Task Force on Climate-Related Financial Disclosure ('TCFD') Application Guide<sup>1</sup>. Our reporting covers the core areas of 'Governance', 'Strategy', 'Risk Management' and 'Metrics and Targets', reflecting our commitment to transparent and accountable climate-related reporting.

<sup>1</sup>JC3 - TCFD Application Guide is the Application Guide published by Joint Committee on Climate Change ('JC3') which outlines key recommendations to facilitate the adoption of TCFD Recommendations by Malaysian financial industry. JC3 is a platform for regulator-industry cooperation to build climate resilience within the Malaysia financial sector, which is also co-chaired by Bank Negara Malaysia (BNM) and Securities Commission Malaysia (SC).



# Governance

We have established a Sustainability & Climate Governance Structure ('Structure') that defines clear roles, responsibilities and decision-making processes for managing climate-related risks and opportunities, enabling effective oversight and enhancing the Company's resilience to impacts of climate change.



The Board oversees 'climate-related' matters and ensures Environment, Social and Governance ('ESG') considerations are integrated into the Company's long term strategy. Supporting this, the Board Risk Management Committee ('BRMC') addresses sustainability risks and opportunities, while the Risk Management & Compliance Committee ('RMCC') reviews and monitors overall risk management, including sustainability performance.

The Executive Committee ('Exco') leads the implementation of sustainability strategies, supported by Management Level Committees ('MLC') and the Sustainability Unit ('SUN'), which drives the sustainability roadmap, metrics, targets, and cross departmental coordination. Sustainability Champions assist by managing departmental initiatives and reporting. 'Climate-related' responsibilities are embedded across the three lines of defence, with the Audit Committee providing independent assurance on ESG and climate matters.



## Sustainability and Climate-Related Topics and Initiatives

In 2025, sustainability and climate-related topics and initiatives were actively discussed across various forums.

FORUM	FREQUENCY	TOPIC / INITIATIVES
<b>Board of Directors</b>	<b>6 times annually</b>	<ul style="list-style-type: none"> <li>Conducted capacity-building sessions on sustainability and climate-related topics for our Board members, senior management and employees. In 2025, Board members participated in the following trainings, namely:                             <ol style="list-style-type: none"> <li>Climate-Related Disclosures for Insurers</li> <li>Climate Risk Stress Testing</li> <li>GHG Emission Report and Disclosure</li> <li>Introduction of IFRS Sustainability Disclosure Standards</li> </ol> </li> </ul>
<b>Board Risk Management Committee</b>	<b>4 times annually</b>	<ul style="list-style-type: none"> <li>Presented the findings results of the industry-wide Climate Risk Stress Testing ('CRST') exercise, conducted based on the climate scenarios prescribed in Bank Negara Malaysia's ('BNM') Methodology Paper on 2024 Climate Risk Stress Testing exercise.</li> </ul>
<b>Executive Committee</b>	<b>11 times annually</b>	<ul style="list-style-type: none"> <li>Conducted comprehensive risk assessments to identify and evaluate climate-related risks that could affect the business and financial performance over time and reviewed these risks within the Company's risk registers and Risk Appetite Statement (RAS).</li> </ul>
<b>Sustainability Unit and Sustainability Champions</b>	<b>Regularly as needed</b>	<ul style="list-style-type: none"> <li>Integrated ESG consideration into existing policies, ensuring alignment with Group standards. Performed annual reviews on policies to ensure relevancy.</li> <li>Enhanced the knowledge on Greenhouse Gas ('GHG') calculation with departments involved.</li> <li>Performed portfolio emission mapping.</li> </ul>

## Collaboration with Industry Stakeholders

We also collaborated with members of the Joint Committee on Climate Change ('JC3') and other industry stakeholders on knowledge sharing to address climate change. We participated in:

- JC3's SME Focus Group
- Persatuan Insurans Am Malaysia ('PIAM') Climate Change Action Committee
- JC3's Capacity Building Surveys
- Regulatory Surveys

## Sustainability Framework

Our Sustainability Framework ('SF') helps us to integrate sustainability into our business through five (5) pillars: Governance, Long-Term Value Creation, Environment, Workplace and Community.

We review it annually to keep it relevant and aligned to our goals.

# Strategy

We integrate climate-related risks and opportunities – such as physical impacts, regulatory changes, technology shifts, carbon pricing and reputation – into our short-, medium- and long-term business decisions. As a provider of natural catastrophe coverage, we manage these risks by monitoring exposure, maintaining strong reinsurance and capital, and continuously enhancing risk controls. Our short-term policies and liquid assets ensure flexibility and resilience in changing conditions.

In 2025, we carried out a range of activities that aligned with our five (5) Sustainability Pillars to support the Company's journey towards sustainable growth.

## 1. Sustainability Pillar: Governance

- a) We have engaged a total of 47 service providers via an ESG survey exercise to build a database on their sustainable practices.
- b) We took climate-related risks into consideration in our Business Continuity Management, including Disaster Recovery ('DR') Planning and Annual DR Testing.

## 2. Sustainability Pillar: Long Term Value Creation

- a) We have ceased underwriting new coal-fired power generation risks and have fully phased out all such exposures from our portfolio. We continue to support customers' transition to renewable energy through SolarPro, our specialised insurance for solar photovoltaic (PV) systems. Our gross written premium supporting climate-transition initiatives surpassed RM2 million in 2025 — a clear commitment to support the low-carbon economy and to accelerate even greater impact in the years ahead.
- b) We have integrated climate-related and ESG criteria into our risk assessment process to identify, evaluate and manage climate-related risks. For flood-prone locations, we provide guidance on mitigation and adaptation measures to strengthen resilience. We continuously leverage on technology to capture ESG insights at the risk assessment stage to advance underwriting efficiency and consistency. We will continue to elevate risk intelligence, sharpen portfolio steering and work towards underwriting excellence.
- c) Our Investment Policy prohibits new financing or investment in 100% coal-fired power generation, thermal coal mining, oil sands mining, oil and gas mining in the Arctic and companies involved in inhumane weapons—biological, chemical, cluster munitions and anti-personnel landmines.

## 3. Sustainability Pillar: Environment

- a) Mangrove forests are vital for biodiversity and climate resilience. Recognising their importance, we remain committed to mangrove reforestation in Sabah, in collaboration with the Sabah Forestry Department ('SFD'). Since 2023, we have planted over 23,000 mangrove propagules and seedlings in Weston and Marudu Bay Forest Reserve through a series of initiatives with SFD. We continue to encourage broader participation in mangrove conservation efforts to safeguard these vital ecosystems for future generations.



b) In addition to our ongoing mangrove reforestation efforts, 40 staff members participated in a day of tree planting at the Forest Research Institute Malaysia (FRIM), Kepong. Through this event, staff engaged in hands-on conservation work by planting 120 trees and built stronger connections with one another, further embedding our values of environmental responsibility and continued effort in growing roots towards a greener future.



c) We also advanced our sustainability agenda at reducing environmental impact and promoting resource efficiency.

- i. We took a significant step forward by having our very first Electric Vehicle (EV) as part of the Company's vehicle fleet. We remain cognisant of our impact to the environment and will continue review and assess the feasibility of transitioning our existing fleet of Internal Combustion Engine (ICE) vehicles to more sustainable alternatives.
- ii. We replaced aging photocopiers at our head office and branches with eco-friendly models that offer higher printing efficiency, lower energy consumption, and enhanced security and performance. In addition, we also use eco-friendly paper in the production of our corporate calendars.
- iii. Through the discontinuation of hardcopies for straight-through policies and the issuance of e-Receipts, we achieved an average reduction of about 60,000 prints per month, delivering cost savings and contributes to reduced resource consumption — supporting both operational efficiency and our commitment to environmental preservation.





#### 4. Sustainability Pillar: Workplace

- a) Creating a positive workplace environment is key to driving Company success. Throughout the year, initiatives such as health and wellness programs, townhalls, and staff dinners fostered a culture where employees feel valued and supported. The strong participation reflects our shared commitment to a healthy and productive work culture.
- b) To cultivate a dynamic and versatile workforce, we actively recruit practical trainees wherever feasible, to allow them to gain valuable real-world work experience. These opportunities further serve to promote their professional growth and enhance their readiness for future employment within or beyond the organisation.



#### 5. Sustainability Pillar: Community

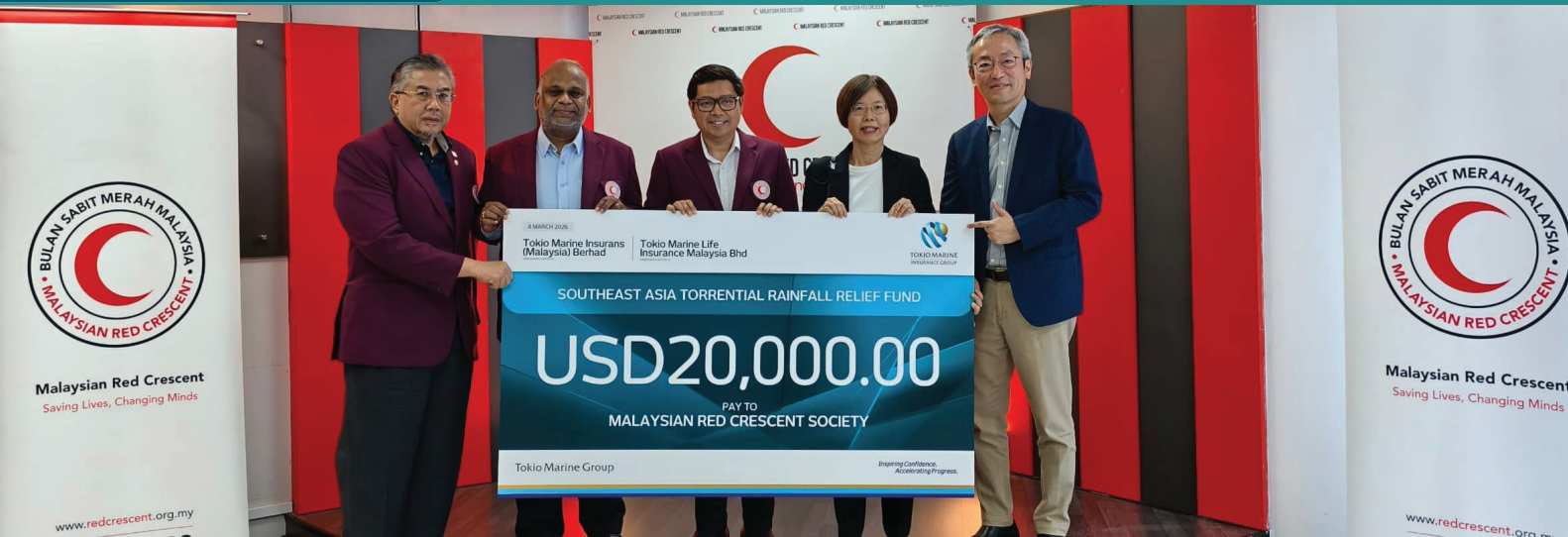
- a) In alignment to the Group's 'Value Creation Approach', we remain steadfast in tackling societal challenges to foster a resilient and sustainable community. Throughout the year, numerous impactful outreach initiatives were carried out to advance this commitment:
  - i. By collaborating with our sister company, Tokio Marine Life Insurance Bhd, we packed a total of 50,000 meals for the 'Rise Against Hunger Malaysia' initiative for distribution to benefit the Orang Asli communities and lower income group.





- ii. We donated 20 re-conditioned desktops each to Sekolah Kebangsaan (P) Pudu and Sekolah Menengah Kebangsaan Laki Laki Methodist in Kuala Lumpur, benefitting 487 and 1,100 students respectively with improved access to digital learning.
- iii. Together with Yayasan Chow Kit ("YCK"), we ran a fun, interactive health programme for underprivileged children aged 7 to 19. The session focused on basic nutrition, Food Pyramid and simple habits for healthy living. By giving them this knowledge, we help them to make better choices for their well-being and future.
- iv. We teamed up with an external provider in mental health support to run a Health Talk at SMK Laki Laki Methodist KL. The session, "Study Smart, Stay Balanced to Thrive in STPM Results" was aimed at helping students sitting for their 2025 STPM examinations manage stress, stay emotionally balanced, and improve their study habits. By building resilience and supporting their mental wellbeing, we hope to help them do well academically while taking care of themselves.





v. After the devastating gas pipeline fire in Putra Heights and the year-end monsoon floods, we introduced special measures to support affected policyholders. To ease their burden, we waived certain requirement for claims submission so they could receive help and financial relief faster. Through this effort, our primary objective is to provide comfort and reassurance – supporting our customers and helping them to get back on their feet with confidence and hope.

vi. In December 2025, severe torrential rainfall caused major flooding across Malaysia, leading to widespread damage and hardship for many communities. In response, Tokio Marine Holdings has extended financial support to the Malaysian Red Crescent Society to strengthen relief and recovery efforts in the hardest-hit areas. This contribution reflects our Group’s deep concern for our people and operations in Malaysia and is part of our broader global commitment to supporting communities facing social hardship. Through this support, we help affected communities rebuild with strength, resilience, and renewed hope.

vii. As part of our ongoing commitment to support the communities around us, we were proud to take part in the government’s Perlindungan Tenang Voucher (“PTV”) 2025 programme. This initiative, launched to strengthen social protection for lower-income families across the nation, is one that truly resonates with us. By offering our TenangCare product under the programme, we are not only providing insurance coverage – we are helping to ease the worries of vulnerable households and giving them a little more financial security and peace of mind. Contributing in this way reminds us why the work we do matters, and why we remain committed in making a positive difference where it counts most.

We remain committed to progressing on climate-related initiatives and addressing social challenges, strengthening our corporate values as we work towards a safe, secure and sustainable future for all. This commitment will continue to guide us, ensuring that by:

“ Supporting society’s resilience, we build lasting sustainability for our business as well. ”

# Risk Management

We continue to strengthen our management of climate-related risks through a structured and enterprise-wide approach. Climate considerations are embedded within our Internal Capital Adequacy Assessment Process (ICAAP) where targeted stress testing is conducted to assess the Company's ability to withstand climate-driven shocks, while natural catastrophe risks are considered in assessing the capital resiliency under the Group capital solvency framework, i.e., Standard Capital Modelling (SCM). These risks are also systematically incorporated into our risk management framework and reflected in functional risk registers to ensure consistent monitoring at the operational level.

Our Risk Appetite Statement ('RAS') which is reviewed annually, provides clear guidance on the level and types of risk the Company is prepared to assume in meeting its obligations to stakeholders. It outlines our approach to managing physical, transition, and liability risks arising from climate change across our underwriting, investment and operational activities.

In line with the requirements set out in the '2024 Climate Risk Stress Testing Exercise (CRST) - Methodology Paper' issued by BNM, we have successfully completed the CRST exercise.

The insights gained from this process are instrumental in strengthening our understanding of climate-related exposures and enhancing our preparedness for future climate scenarios.

Collectively, these initiatives reflect our ongoing commitment to address climate-related risks with rigour, discipline and transparency. We remain focused on continuously improving our frameworks, capabilities and governance to support long term resilience and contribute to a sustainable future for our stakeholders.



# Metrics & Targets

The Company's Greenhouse Gas (GHG) Scope 1, Scope 2 and Scope 3 emissions (in tCO<sub>2</sub>eq) are as follows:

GHG EMISSIONS	SOURCE	2023	2024	2025
Scope 1 – Direct emissions	Company-owned vehicles	103.19	100.67	95.71
Scope 2 – Indirect emissions	Electricity Consumption	45.02	38.72	35.22
Scope 3 – Other indirect emissions	Category 1 Purchased goods and services	2,726.29	3,368.02	4,347.26
	Category 3 Fuel & Energy Consumption	349.35	359.91	366.36
	Category 6 Business Travels	2,112.75	2,193.14	2,261.32
	Category 7 Employee Commuting	-	1,070.58	963.72
	Category 8 Upstream Leased Assets	800.41	835.89	859.36 <sup>1</sup>
<b>Total GHG emissions</b>		<b>6,137.01</b>	<b>7,966.92</b>	<b>8,928.95</b>

Note: <sup>1</sup>The FY2025 data centre electricity consumption included December 2025 forecast based on average usage trend.

## Approach to GHG emissions

The Company's organisational boundary for GHG emissions is defined using the **financial control approach**, ensuring that all GHG emissions arising from our operations are reported independently, in accordance with established reporting methodology.

The Company measures its Greenhouse Gas (GHG) emissions by establishing a GHG inventory in accordance with the following standards:

- a) The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.
- b) Corporate Value Chain (Scope 3) Standard.

GHG EMISSION CATEGORY	METHODOLOGY	EMISSION FACTOR
<p><b>Scope 1 – Direct emissions.</b></p>	<ul style="list-style-type: none"> <li>Emissions calculated using the Company-owned vehicles fuel consumption data extracted from petrol card statements.</li> </ul>	<ul style="list-style-type: none"> <li>Derived from IPCC Guidelines for National Greenhouse Gas Inventories.</li> </ul>
<p><b>Scope 2 – Indirect emissions.</b></p>	<ul style="list-style-type: none"> <li>Emissions calculated using actual electricity consumption data of the Company-owned premises arising from the operations of the Company.</li> </ul>	<ul style="list-style-type: none"> <li>Derived from Grid Emission Factor (GEF) published by the Energy Commission Malaysia.</li> </ul>
<p><b>Scope 3 – Other indirect emissions.</b></p> <p><b>Category 1</b> Purchased goods and services.</p>	<ul style="list-style-type: none"> <li>Emissions calculated from the purchase of goods (tangible products) and services (intangible products) that occur in the upstream supply chain using the spend-based method.</li> </ul>	<ul style="list-style-type: none"> <li>Derived from the US Environmental Protection Agency (EPA).</li> <li>Conversion from USD to MYR equivalent is based on the annual average end-of-day middle rate published by Bank Negara Malaysia.</li> </ul>
<p><b>Category 3</b> Fuel- and energy-related activities not included in Scope 1 or Scope 2.</p>	<ul style="list-style-type: none"> <li>Upstream emissions of purchased fuel and electricity that include extraction, production and transportation of fuels consumed by the reporting company.</li> <li>Upstream emissions of purchased electricity comprise of extraction, production, and transportation of fuels consumed in the generation of electricity that is consumed by the reporting company.</li> <li>Upstream emissions calculated using the average-data method from fuel consumption of the Company-owned vehicles (litres) and electricity consumption from the operations of the Company.</li> </ul>	<ul style="list-style-type: none"> <li>Fuel upstream emission factors are derived from UK Government GHG Conversion Factors for Company Reporting.</li> <li>Electricity upstream emission factors are derived from Grid Emission Factor (GEF) published by the Energy Commission Malaysia (Peninsular and Sabah), Sarawak Energy’s Annual and Sustainability Report (Sarawak) and Ecoinvent Life Cycle Assessment (LCA).</li> </ul>
<p><b>Category 6</b> Business travel.</p>	<ul style="list-style-type: none"> <li>Emissions calculated from employee’s land travel for business-related purposes on own vehicles based on:                             <ul style="list-style-type: none"> <li>petrol consumed (litres) obtained from the petrol card statements using the fuel-based method.</li> <li>mileage claims using the distance-based method.</li> <li>well-to-tank conversion factors to account for the upstream extraction, refining and transportation of the fuel before they are used to power the transport mode.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Derived from IPCC Guidelines for National Greenhouse Gas Inventories for fuel emission factors.</li> <li>Derived from UK Government GHG Conversion Factors (DEFRA) for distance-based method and upstream fuel emission factors.</li> </ul>

GHG EMISSION CATEGORY	METHODOLOGY	EMISSION FACTOR
<p><b>Category 7</b> Employee commuting.</p>	<ul style="list-style-type: none"> <li>Emissions from employees commuting between their homes and worksites using transportation not owned or operated by the Company using distance-based method.</li> <li>Employee commuting data are gathered through a survey, which captures details such as transportation modes, travel distances, and homeworking hours.</li> </ul>	<ul style="list-style-type: none"> <li>Derived from UK Government GHG Conversion Factors (DEFRA), EcoAct Homeworking Emissions Whitepaper, and Energy Commission Malaysia Grid Emission Factor.</li> </ul>
<p><b>Category 8</b> Upstream Leased Assets.</p>	<ul style="list-style-type: none"> <li>Emissions from the operation of assets that are leased by TMIM from a lessor in the reporting year and not already included in the reporting company's Scope 1 and Scope 2 inventories.</li> <li>Emissions in this category are calculated from the consumption of electricity in branch offices where the buildings are not owned by TMIM.</li> </ul>	<ul style="list-style-type: none"> <li>The Average Data Method is used to derive GHG emissions from electricity purchased.</li> <li>Emissions factor: Energy Commission Malaysia Grid Emission Factor.</li> </ul>

We will continue to support our Group's overarching climate targets and work closely with our stakeholders to accelerate meaningful climate action. 2025 marks a strong beginning to our structured sustainability journey, and we extend our sincere appreciation to all stakeholders for their support and active participation throughout the year. As we move into 2026, we call on all stakeholders to deepen our collective commitment and act with renewed purpose to drive greater impact and long term sustainability together.