

OUR APPROACH TO SUSTAINABILITY

OVERVIEW OF OUR SUSTAINABILITY STATEMENT

Syarikat Takaful Malaysia Keluarga Berhad ("Takaful Malaysia", "Takaful Malaysia Keluarga", "Group", "we" or "our") is pleased to present our Annual Sustainability Statement for the Financial Year End 2024 ("FY 2024") ("this Statement").

This Statement outlines our strategies, priorities, targets and performance in managing sustainability matters, encompassing Environmental, Social and Governance (ESG) dimensions, from 1 January 2024 to 31 December 2024, unless stated otherwise. It also includes historical statistical data for certain disclosures to highlight relevant trends, enabling our readers to better understand Takaful Malaysia's performance over time.

SCOPE AND BOUNDARY

This Statement covers the Group, comprising Takaful Malaysia Keluarga and Syarikat Takaful Malaysia Am Berhad ("Takaful Malaysia Am"). Unless specifically mentioned, this Statement does not include any outsourced activities or joint ventures. We have attempted to address all significant issues to Takaful Malaysia, except when stated otherwise. This Statement includes both qualitative and quantitative results for the relevant indicators.

AVAILABILITY AND FEEDBACK

This Statement and Takaful Malaysia's Integrated Annual Report ("IAR") for FY2024 are available on our website:

 www.takaful-malaysia.com.my

We welcome your comments, thoughts and remarks, which can be directed to

 esg@takaful-malaysia.com.my

OUR APPROACH TO SUSTAINABILITY

At Takaful Malaysia, we are committed to sustainability by integrating ESG principles across our operations. Stakeholders increasingly view sustainability as a key indicator of a company's long-term viability, making it essential for our success and resilience.

By embedding sustainability into our daily practices, we aim to enhance our reputation, lower costs, reduce risks and foster innovation. Our holistic approach includes implementing the Value-Based Intermediation for Takaful (VBIT) framework and applying Maqasid al-Shariah principles, which strengthens our ethical foundation and aligns our strategies with long-term objectives.

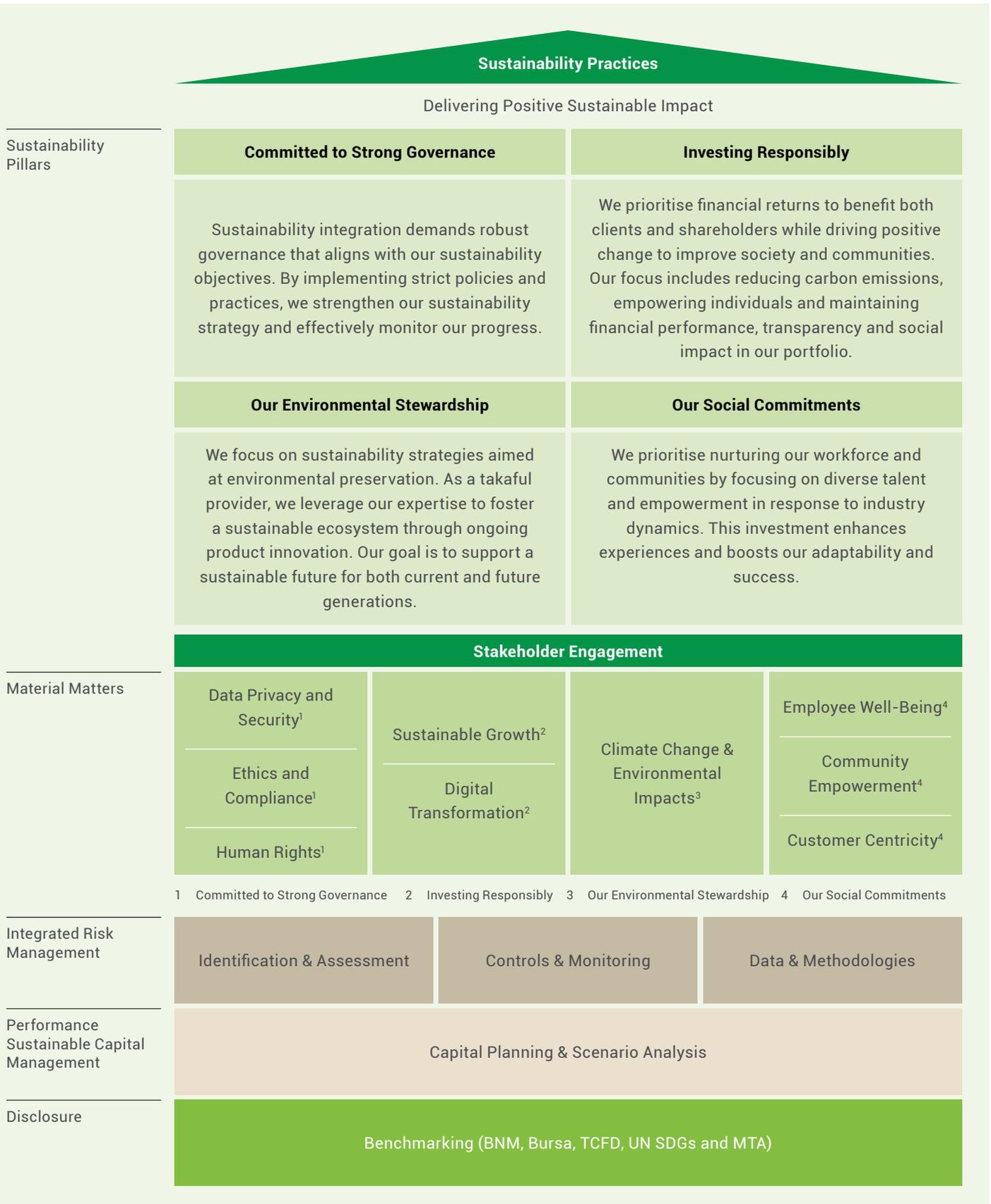
Our initiatives for 2024 are focused on creating a positive and sustainable impact while promoting innovation and inclusivity.

SUSTAINABILITY FRAMEWORK

At Takaful Malaysia, we recognise the growing importance of integrating ESG considerations into our business practices to ensure the long-term viability of our company. By embedding sustainable thinking at every level of our operations, we aim to grow our business sustainably by carefully considering potential impacts on our stakeholders and the environment. The Sustainability Framework outlines our approach to managing sustainability risk. It includes governance, strategic considerations, risk management practices and supporting enablers for robust ESG implementation.

The updated sustainability framework was endorsed by the Board and implemented across the Group to ensure that our sustainability disclosures are benchmarked against the requirements of Bank Negara Malaysia (BNM), Bursa Malaysia (Bursa), the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), United Nations Sustainable Development Goals (UN SDGs) and the Malaysian Takaful Association (MTA).

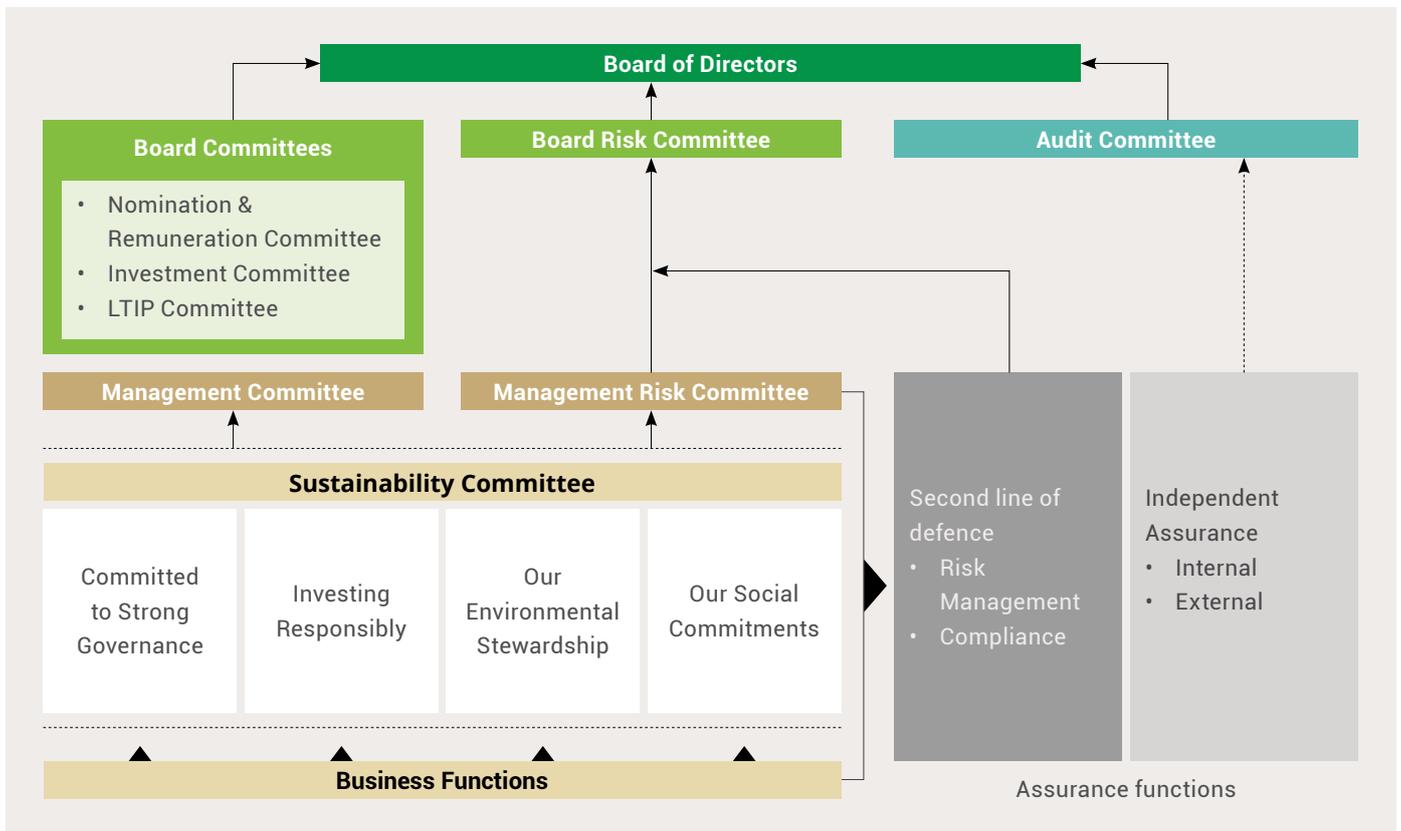
OUR APPROACH TO SUSTAINABILITY



OUR APPROACH TO SUSTAINABILITY

SUSTAINABILITY GOVERNANCE

Sustainability governance is essential for Takaful Malaysia as it integrates sustainability goals into our strategy and operations, ensuring accountability, transparency and oversight in managing ESG risks and opportunities. We can foster stakeholder trust by aligning sustainability with business objectives, thereby reducing reputational and regulatory risks. We have established a robust sustainability governance framework based on our commitment to sustainability. The Board oversees, provides advice and endorses our overarching sustainability strategy, governance framework, priorities and targets. Additionally, the Board implements and integrates sustainability initiatives across the organisation to ensure robust governance and effective oversight.



The commitment towards sustainability starts from the top of our organisation. Sitting at the heart of this governance structure, the Board oversees, advises and endorses the overall sustainability strategy, governance structure, priorities and targets while driving the implementation and integration of sustainability across the Group.

The Management Committee is responsible for the day-to-day management of sustainability risks and opportunities, developing strategies, priorities and targets, coordinating initiatives and ensuring their effective execution.

The Sustainability Committee supports Management in addressing and implementing ESG strategies and initiatives. Sub-committees are formed to execute approved strategies and initiatives for each of the four sustainability pillars.

The Head of Sustainability manages and coordinates all sustainability matters. In addition to the above, ESG risk ownership, controls and assurance review shall be embedded into the internal control frameworks across the three lines of defence (Business unit/ functions, Control functions, Audit) with specific roles and responsibilities to ensure entrenched, robust and effective management of material ESG risks.

An integrated approach to sustainability matters fosters regular engagements for the alignment of strategy and business practices across Takaful Malaysia and its local subsidiary at all levels of governance.

OUR APPROACH TO SUSTAINABILITY

ROLES AND RESPONSIBILITIES

The Board delegates specific sustainability oversight responsibilities to its committees as outlined below:

Contributing Entity	Roles and Responsibilities
Board of Directors (BOD)	<p>Has oversight and accountability for the overall sustainability strategy and safeguards Takaful Malaysia from ESG risk elements:</p> <ul style="list-style-type: none"> (i) Provide effective oversight and strategic positioning relating to the sustainability agenda (ii) Evaluate risks and opportunities relating to the sustainability agenda and approve Takaful Malaysia's strategies and business plan (iii) Embed and integrate sustainability practices and ensure clear assignment of roles and responsibilities to the Board Committees and Management on sustainability matters (iv) Actively discuss and remain up to date and understand the distinctive elements and transmission channels of sustainability risks, including climate-related risks (v) Approve the policy on sustainability-related disclosures (vi) Set the tone from the top and culture on sustainability management
Board Committees	<p>The Board delegates sustainability oversight of its committees:</p> <ul style="list-style-type: none"> (i) Nomination and Remuneration Committee: Alignment of our incentive plan to our sustainability targets and KPIs, including a review of the performance of the Board and senior management. (ii) Audit Committee: Oversight of sustainability-related disclosures (iii) Investment Committee: Oversight of sustainable investment policies; and (iv) Board Risk Committee (BRC): Oversight on the management of sustainability risks (v) LTIP Committee: Oversight of roll-out of the new LTIP Scheme that will run for an initial period of 3 years from 2024 to 2026
Board Risk Committee (BRC)	<p>Assists the BOD in discharging its duties to provide overights on the management of sustainability risks. BRC is responsible to:</p> <ul style="list-style-type: none"> (i) Ensuring sound management of sustainability risks which could impede Takaful Malaysia's abilities to meet its strategic objectives (ii) Reviewing the Sustainability Framework and related policies (iii) Approving the risk appetite and limiting the level of risk-taking activities (iv) Ensuring that the risk appetite remains appropriate and relevant to the risk-taking activities through periodic reviews and updates (v) Ensuring that it receives adequate information on sustainability risk exposure and composition and risk management activities
Management Committee	<p>Management Committee is responsible for:</p> <ul style="list-style-type: none"> (i) Overseeing and integrating sustainability within the Group's existing three lines of defence and appropriately define the roles and responsibilities of key business and control functions in supporting the company's strategies towards climate resilience and sustainable business (ii) Evaluating and approving sustainability strategies (iii) Coordinating sustainability initiatives within the Group with the support of the Sustainability Committee (iv) Incorporating Value-Based Intermediation for Takaful (VBIT) and other sustainability-related frameworks and standards for adoption and implementation (v) Providing regular and timely updates to the Board with material information on sustainability opportunities and risks to facilitate the Board in carrying out its oversight responsibilities
Management Risk Committee (MRC)	<p>The Management Risk Committee (MRC) is responsible for:</p> <ul style="list-style-type: none"> (i) Ensuring that policies and procedures for the management of sustainability risks are established and consistent with the BOD-approved risk appetite (ii) Ensuring the Business Owners (BO) performs risk identification and assessment and establishes relevant action plans for effective sustainability risk management (iii) Ensuring adequate resources are allocated for managing risk in the business units as well as control functions (iv) Ensuring the Sustainability Framework remains effective, updated and relevant

OUR APPROACH TO SUSTAINABILITY

Contributing Entity	Roles and Responsibilities
Sustainability Committee	<p>The Sustainability Committee is responsible for:</p> <ul style="list-style-type: none"> (i) Ensuring respective departments have and implements policies and procedures to build and support sustainability practices and actively promote a just and orderly transition of customers' and counterparties' interactions and engagements (ii) Establishing and recommending relevant risk appetite and limits (iii) Acting as the reference point for handling reporting relating to sustainability, including but not limited to the Sustainability Report as part of the Annual Integrated reporting (iv) Driving continuous implementation of ESG capacity building, training and culture in the entire group (v) Regularly assessing the effectiveness of the respective organisational structure, adequacy of capacity and knowledge and culture to appropriately support the company's strategies and operations on sustainability matters
Head of Sustainability/ Sustainability Department	<ul style="list-style-type: none"> (i) With the support of the Sustainability Committee, monitor and track implementation of ESG initiatives, including facilitating any needs for changes to the strategy or initiatives undertaken, where necessary (ii) Provides updates and reports on sustainability initiatives to MRC and/or Board Committees. The report shall contain, where necessary, information that will enable informed decision-making by the Management and/or Board committees regarding the sustainability risk and opportunities (iii) Coordinate preparation of disclosure materials for Sustainability Reports and engagement with external stakeholders, including shareholders, Bursa Malaysia, regulatory bodies and investors (iv) Arrange appropriate capacity-building and training plans for the board, senior management and all relevant staff (v) Owner of the Sustainability Framework and responsible for the maintenance of the framework
Business Functions/ Units (First line of defence)	<ul style="list-style-type: none"> (i) Identify, assess and manage sustainability risks in their day-to-day operations. Risk assessments may be undertaken during the customer/business partner onboarding, ongoing monitoring and engagement with customers/ business partners, as well as in new product or business approval processes (ii) Support and implement sustainability-supporting initiatives internally or externally
Control Functions	<p>Consistent with the approach to manage enterprise-wide risk management, the roles of the control function are:</p> <ul style="list-style-type: none"> (i) Risk Management Division (RMD) <ul style="list-style-type: none"> • Identify the risks and potential impact and prioritising risks according to the severity • Work with risk owners to develop mitigation plans for identified risks • Monitoring the risk environment and identifying emerging risks • Providing training and development in risk management • Facilitating and coordinating risk assessments for the different functions • Monitoring and reporting on material risk matters to MRC and BRC (ii) Compliance <ul style="list-style-type: none"> • Ensure adherence to all applicable laws, regulations and internal policies. These shall include any BNM or Bursa regulations or any other legal provisions or compliance frameworks by other governing bodies (iii) Internal Audit <ul style="list-style-type: none"> • Conduct and provide independent review and objective assurance of the quality and effectiveness of the overall internal control framework and systems surrounding the management of sustainability risks

OUR APPROACH TO SUSTAINABILITY

ENGAGING OUR STAKEHOLDERS

Understanding the concerns of our stakeholders is paramount. Through deliberate interaction, we gather insights that shape what is material to us. This collaborative understanding informs the formulation of our strategies and initiatives, to generate shared and sustainable value.

Key Expectations		Type of Engagement	
Key Stakeholders	Customers		
Offering accessible, tailored products and solutions that provide protection and investment benefits at an affordable price.	<ul style="list-style-type: none"> Customer satisfaction surveys Online and walk-in customer feedback platforms Social media platforms 	<ul style="list-style-type: none"> Online portals Our mobile application Our corporate website Engagements through our business managers and customer service representatives 	
Key Stakeholders	Employees		
Fostering a diverse and inclusive work environment that prioritises safety, ensures fair opportunities for career growth, skill development and financial progression.	<ul style="list-style-type: none"> Social media eg. LinkedIn, Instagram Intranet 	<ul style="list-style-type: none"> Learning Management System (LMS) Town Hall Employee Engagement Activities 	
Key Stakeholders	Media		
Providing timely and transparent updates on company policies, strategies and performance.	<ul style="list-style-type: none"> Media releases Interviews 	<ul style="list-style-type: none"> Media visits 	
Key Stakeholders	Local Communities		
Supporting sustainable community development through job creation, skill enhancement and meaningful community initiatives, while minimising social and environmental impacts.	<ul style="list-style-type: none"> Community-based programmes 	<ul style="list-style-type: none"> Corporate Social Responsibility ("CSR") activities 	
Key Stakeholders	Investors & Shareholders		
Achieving sustainable financial growth and enhancing shareholder value while upholding ethical and responsible business practices.	<ul style="list-style-type: none"> Annual General Meeting Annual Report Quarterly financial results Shareholders' circulars 	<ul style="list-style-type: none"> Meetings with fund managers and investors Media releases 	
Key Stakeholders	Government & Regulators		
Developing and implementing standards and policies that drive the adoption of an impact-driven ESG agenda, integrating it into our operations to create sustainable value for the economy, local communities and the environment.	<ul style="list-style-type: none"> Submission of reports Industry meetings Briefings, seminars and Conferences 	<ul style="list-style-type: none"> Regular engagements with regulators 	
Key Stakeholders	Business Partners & Intermediaries¹		
Developing and implementing standards and policies that drive the adoption of an impact-driven ESG agenda, integrating it into our operations to create sustainable value for the economy, local communities and the environment.	<ul style="list-style-type: none"> Agency training sessions Business engagement meetings 	<ul style="list-style-type: none"> Our corporate agency portal Our bancatakal service portal and helpdesk 	
Key Stakeholders	Industry Peers & Trade Associations²		
Advancing the insurance and takaful industry through knowledge-sharing, strategic partnerships and contributions to industry standards and best practices.	<ul style="list-style-type: none"> Conferences Industry/business partner meetings 	<ul style="list-style-type: none"> Industry workshops/conferences Business collaboration programmes 	

Note: ¹ Business Partners & Intermediaries¹ which includes agents, brokers and third-party entities

² Industry Peers & Trade Associations² which includes organisations and groups that represent others in the same industry, along with trade bodies.

 Please refer to pages 37 to 45 of this IAR for information on our stakeholder engagement, covering mutual impacts, stakeholder concerns, our actions and stakeholder value creation.

OUR APPROACH TO SUSTAINABILITY

MATERIAL MATTERS

A strong sustainability approach is crucial for our journey towards sustainability, as it helps us integrate sustainable practices into our decision-making and business operations. This approach enables us to address challenges while responding to changing stakeholder demands, customer needs, the business landscape and regulatory requirements. We aim to conduct an in-depth Materiality Assessment every three (3) years to identify sustainability issues significant to the Group and our stakeholders. To maintain relevance and responsiveness, we perform a desktop validation annually to review that our material matters remain up to date.

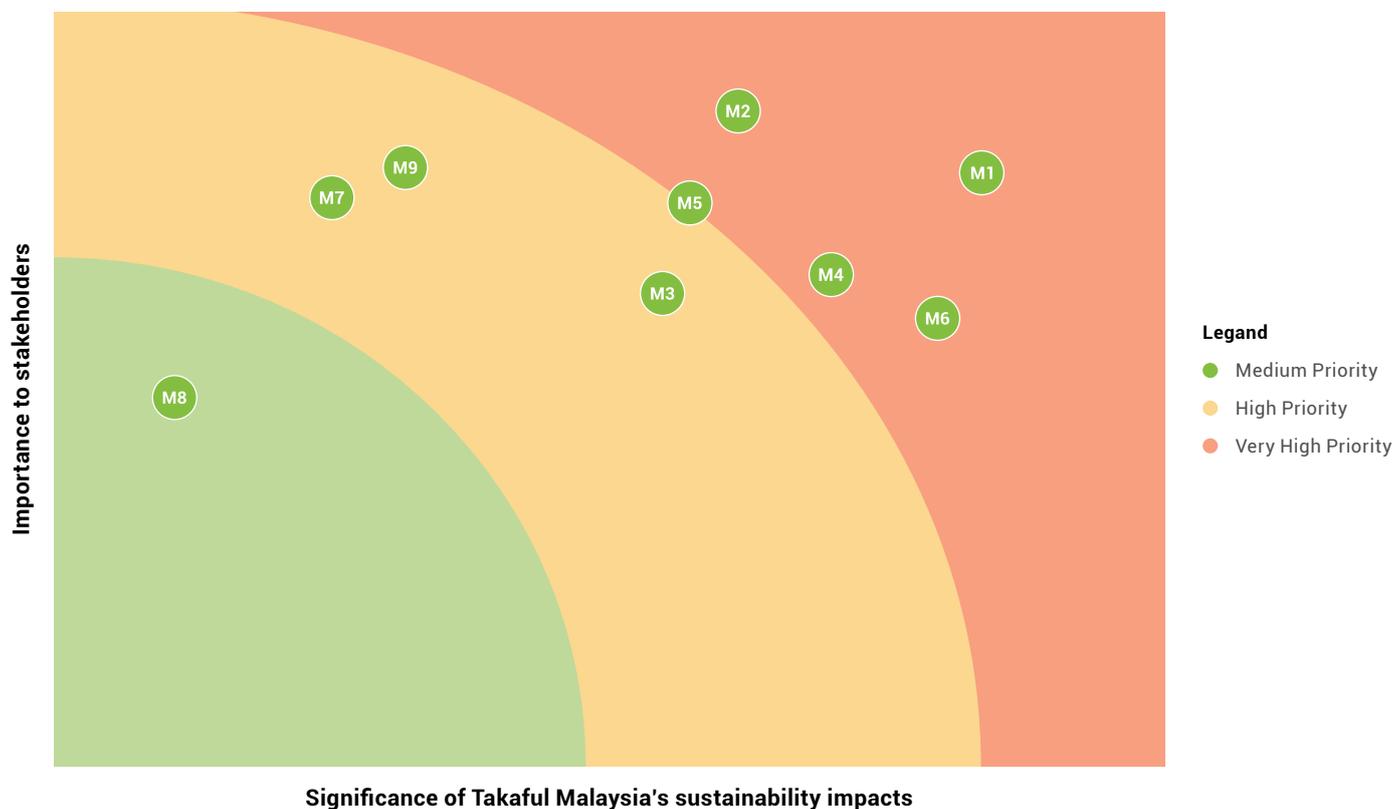
In 2024, we conducted a comprehensive materiality assessment to enhance our understanding of internal and external stakeholder expectations and drive significant progress on our material matters. This included formal surveys with our stakeholders. The assessment facilitated a comprehensive examination of various issues, risks and opportunities related to our stakeholders. It simultaneously emphasised where we can create a positive impact through our products, services and initiatives.



The validation exercise led to a regrouping and renaming of two material matters for industry alignment. This resulted in a final list of nine material matters, six of which were previously identified.

OUR APPROACH TO SUSTAINABILITY

Takaful Malaysia's refreshed materiality matrix for FY2024



Material Matters

- M1** Data Privacy and Security
- M2** Ethics and Compliance
- M3** Human Rights
- M4** Sustainable Growth
- M5** Digital Transformation
- M6** Climate Change & Environmental Impacts
- M7** Employee Well-Being
- M8** Community Empowerment
- M9** Customer Centricity

 Please refer to pages 48 to 55 of this IAR for information on material matters and their impact on the Group, as well as the Group's response to these matters.

COMMITTED TO STRONG GOVERNANCE

At Takaful Malaysia, strong governance is the foundation of our sustainability journey. We uphold ethical business practices, regulatory compliance and risk management to ensure long-term resilience and stakeholder confidence. Our governance framework integrates sustainability into decision-making, aligning with Shariah principles, industry best practices and emerging regulatory requirements.



OUR HIGHLIGHTS

DATA PRIVACY & SECURITY

Annual Vulnerability Assessment and Penetration Testing (VAPT), quarterly and yearly security risk assessments and the use of Cybersecurity Maturity Assessment (CSMA) and data governance tools were conducted.

ETHICS & COMPLIANCE

Risk governance and business continuity improved with CRMSA and CRST plans, climate updates, annual BCP exercises and regulatory monitoring.

HUMAN RIGHTS

Diversity and inclusion were embedded in leadership programmes, with biannual Town Halls for employee engagement and feedback.

COMMITTED TO STRONG GOVERNANCE

M1 DATA PRIVACY AND SECURITY



OUR APPROACH

The role of data is becoming increasingly vital for businesses as it drives operations and enhances decision-making. We depend on robust data management systems to protect the privacy of our stakeholders, recognising that a lack of data security exposes us to the risks of breaches and data loss. The risks associated with data security are significant, as cyberattacks can result in substantial business interruptions, increased operational costs and heightened regulatory scrutiny. Maintaining a reliable data security and protection system is essential for building and maintaining trust with our stakeholders while upholding high ethical business standards.

To enforce a robust data security and protection system, we adhere to the following frameworks and policies:

1	Enterprise Risk Management Framework
2	Operational Risk Management Framework
3	Outsourcing Risk Management Framework
4	Business Continuity Management Framework
5	Fraud Risk Policy
6	Incident Management Policy
7	Data Governance Framework
8	Cyber Resilience Framework
9	Technology Risk Management Framework
10	Personal Information & Record Management Framework

Incorporating sustainability into our operations requires a strong governance framework aligned with our sustainability goals. By implementing effective policies, regulations and management practices, we enhance the effectiveness of our sustainability strategy, enabling us to monitor our progress towards a more sustainable, inclusive and equitable world. We also prioritise ethical conduct by ensuring transparency in our operations, establishing various reporting channels to promptly address any concerns related to unethical behaviour. This approach fosters trust and accountability among our employees.

GOING FORWARD

At Takaful Malaysia, we are dedicated to remaining at the forefront by strengthening our policies, promoting transparency and implementing proactive risk management strategies. We are committed to upholding the highest ethical standards, ensuring that we have no substantiated complaints regarding breaches of customer privacy or losses of customer data.

PROGRESS AND ACHIEVEMENTS

As part of Takaful Malaysia's ongoing progress and achievements, we have made significant strides in safeguarding our digital assets and ensuring the security of our systems. Our approach includes the following key initiatives:

Initiatives	Objectives
Conducting quarterly and annual security risk assessments	Identify and mitigate potential vulnerabilities
Providing regular updates during MRC and BRC meetings	Ensure continuous oversight and informed decision-making
Implementing advanced security risk assessment tools	Enhance operational security measures
Performing data governance assessments	Identify risks, prioritise improvements, and develop a strategic roadmap for strengthening data governance practices
Aligning IT strategies with business objectives	Promote accountability and ensure responsible technology decisions supporting long-term success
Data Loss Prevention Programme	Tool to monitor and prevent leakages of data and information to external parties
e-learning programme on Data and Cyber Security	Enhance awareness and instil security risk mindset when handling customers and company's data

These initiatives highlight our unwavering commitment to maintaining robust cybersecurity measures and enhancing operational resilience, which are critical to safeguarding our systems, protecting sensitive data and ensuring the sustained growth and long-term security of Takaful Malaysia in an increasingly complex digital landscape.

COMMITTED TO STRONG GOVERNANCE

M2 ETHICS AND COMPLIANCE



OUR APPROACH

Upholding compliance is fundamental to safeguarding our reputation and credibility while ensuring we remain committed to strong ethical values such as fairness, honesty and accountability. This commitment extends beyond adhering to legal and regulatory requirements, including Shariah principles and encompasses a culture of continuous learning in navigating the ever-evolving regulatory landscape. We recognise that regulatory changes play a crucial role in ensuring takaful providers uphold fairness, transparency and Shariah compliance.

As a leading takaful provider in Malaysia, we diligently follow strict regulatory standards, both in the framework of Islamic finance and in line with broader legal requirements, to safeguard our stakeholders' interests and promote a culture of responsible conduct. Adherence to these standards helps us mitigate the risks associated with non-compliance, which could include financial penalties, loss of market access and the erosion of stakeholder trust. This also ensures we maintain our standing as a reliable and transparent organisation in the eyes of both our customers and regulatory bodies.

We recognise that regulatory changes play a crucial role in ensuring takaful providers uphold fairness, transparency and Shariah compliance.



► Proactive Regulatory Compliance and Ethical Conduct

We are committed to effectively navigating the dynamic and ever-evolving regulatory environments that govern our operations. To stay ahead of regulatory changes, we implemented a structured and systematic process for communicating new or revised regulatory requirements, including policy documents updates, notifications, circulars, exposure drafts and communications from BNM and/or other relevant regulatory or industry bodies. These updates are promptly shared with internal stakeholders and business partners who may be impacted, ensuring that all parties are well-informed and prepared for any changes.

Where necessary, we take swift action to update our internal policies, frameworks and operational procedures to align with the latest regulatory guidelines and industry best practices. This ensures that our business remains in full compliance with all applicable regulations and continues to operate with integrity.

Furthermore, we prioritise internal communication and collaboration, organising discussions and training sessions to ensure that regulatory updates are not only understood but are also effectively integrated into our day-to-day operations. Through this process, we empower our teams to embrace regulatory compliance as an integral part of our organisational culture, fostering an environment where ethical practices and regulatory adherence are consistently upheld.

► Encouraging Compliance at All Levels

At Takaful Malaysia, we uphold a strong compliance culture to ensure transparency, integrity and regulatory adherence. Our Compliance Department oversees group-wide compliance risks, providing strategic guidance on anti-money laundering, data privacy, market conduct and anti-bribery and corruption. By working closely with business units, we ensure proper implementation of regulatory requirements, conduct independent assessments and monitor remediation efforts to mitigate non-compliance risks.

The Head of Compliance reports regularly to senior management and the Board on key compliance risks and regulatory updates, ensuring accountability and proactive compliance. Supported by experienced compliance officers, through continuous monitoring and adherence to evolving regulations, we strengthen governance and reinforce ethical business practices across

COMMITTED TO STRONG GOVERNANCE

the organisation. To reinforce compliance, we conduct regular assessments, structured e-learning programmes and targeted training sessions on key regulatory topics such as Shariah governance, anti-money laundering, data protection and anti-corruption measures. Our Compliance Department oversees regulatory adherence and risk mitigation, working closely with business units to implement best practices and remedial actions where necessary.

A key pillar of our compliance strategy is the Whistleblowing Policy (WB Policy), which provides employees and stakeholders with secure, anonymous reporting channels to disclose unethical behaviour, financial misconduct, or policy violations. The policy upholds confidentiality and protection against retaliation, reinforcing our commitment to ethical business practices. It applies to all Takaful Malaysia personnel and we welcome input from the public through the reporting channel provided.

Reports can be submitted via email to the Chairman of the Board or Audit Committee (AC) for matters involving Directors or Shariah Advisory Body (SAB) members. Misconduct by Chief Officers should be reported to the Chairman of AC and Chief Internal Auditor via WB-STM@takaful-malaysia.com.my. For Senior Management or Employees up to the General Manager level, reports can be made through an online form to the Chairman of AC and Chief Internal Auditor or in writing to the Chief Internal Auditor.

PROGRESS AND ACHIEVEMENTS

At Takaful Malaysia, we are committed to developing policies and practices that foster responsible business operations while aligning with industry best practices and Shariah values. Our approach is centred on promoting a culture of continuous improvement across all aspects of our organisation. We strive to enhance our policies, processes and organisational culture to ensure that our takaful operations remain in line with Shariah principles, industry standards and ethical business practices.

To support this goal, our proactive initiatives for 2024 include:

Engaged with Compliance Coordinators to ensure continuous alignment and effective compliance across the organisation.

Ongoing roll-out of a structured compulsory e-learning programme for all employees, in collaboration with key control functions, to foster a deeper understanding of risk and governance practices within Takaful Malaysia.

Review third-party arrangements to strengthen operational practices and reduce the risk of third-party failures, ensuring more robust and reliable partnerships.

Following our initiatives, we are pleased to share the following statistics regarding our anti-corruption efforts. These efforts represent a commendable 100% participation from our workforce.

In 2024, we assessed all our operations and found no cases of corruption. There were no confirmed incidents of corruption.

	2022	2023	2024
Percentage (%) of employees who received training on anti-corruption	100%	100%	100%
Percentage (%) of operations assessed for risks related to corruption	100%	100%	100%
Number of confirmed incidents of corruption and action taken	0	0	0

GOING FORWARD

Looking ahead, we remain firmly committed to ensuring regulatory awareness and compliance at all levels of our operations. We will continue to implement a wide range of initiatives designed to strengthen our understanding and adherence to regulatory standards. These initiatives will include in-depth training programmes, timely updates on evolving regulatory frameworks and proactive collaboration with regulatory authorities. Our goal is to maintain the resilience of our operations, the trust of our stakeholders and uphold the integrity of our business practices by maintaining a 100% participation rate in Anti-Corruption training, 100% assessment of operations for corruption-related risks and no incidents of corruption and action taken across Takaful Malaysia.

COMMITTED TO STRONG GOVERNANCE

M3 HUMAN RIGHTS



OUR APPROACH

At Takaful Malaysia, our commitment to human rights is firmly grounded in Islamic principles, reflecting our core values of respect, dignity and equality. We integrate these values into every aspect of our operations, policies and interactions with stakeholders, ensuring that human rights considerations are proactively identified, assessed and managed within the organisation.

Our focus on transparent, meaningful engagement with employees and stakeholders is a direct reflection of our commitment to Islamic ethics, which emphasise *amanah* (trustworthiness) and *adl* (fairness). By addressing the needs and concerns of all parties, we uphold ethical principles that safeguard human dignity and promote community well-being,

aligning with our mission as a socially responsible and ethical business.

Incorporating human rights into our social and community initiatives goes beyond compliance; it is an essential part of fulfilling our social responsibility and ensuring ethical governance. This approach not only strengthens our market position but also contributes to Takaful Malaysia's long-term sustainability, reinforcing our role as a leading takaful provider committed to sustainable development in line with Islamic values. Ultimately, our efforts in human rights enhance our reputation, manage risks and contribute to the broader well-being of society, in harmony with Islamic principles.

PROGRESS AND ACHIEVEMENTS

As part of Takaful Malaysia's ongoing progress and achievements, we have made significant strides in promoting a culture of diversity, inclusion and employee engagement, ensuring that our operations are aligned with human rights principles. Our key initiatives include:

1 Diversity and Inclusion Awareness

We are committed to creating an inclusive workplace where all employees feel valued, respected and empowered.

2 Diversity and Inclusion Awareness

Regular engagement activities, including our half-yearly Town Hall sessions, allow us to connect with employees, understand their needs and address concerns. These sessions help ensure that our organisation's operations support the well-being and rights of all individuals. In 2024, our Town Halls were held on:



COMMITTED TO STRONG GOVERNANCE



3 Whistleblower Protection

We uphold a strong commitment to transparency and accountability, providing robust whistleblower protection mechanisms to ensure a safe channel for reporting unethical practices.

4 Sexual Harassment Awareness

We have placed clear notices on sexual harassment policies throughout our workplaces, including at our Head Office and branches, underscoring our commitment to a safe and respectful work environment. Takaful Malaysia is dedicated to fostering a workplace where all employees, clients and stakeholders are treated with dignity and respect. We expect all employees, contractors and visitors to uphold a professional standard of conduct that promotes respect, integrity and dignity.

GOING FORWARD

Takaful Malaysia remains committed to prioritising human rights within our organisational culture. We aim to strengthen human rights initiatives by enhancing training programmes to ensure ongoing awareness and compliance with relevant laws and regulations. To foster an inclusive environment, we will maintain open communication channels that empower employees to voice concerns and contribute to decision-making. We will also reinforce initiatives that support employee well-being, including mental health support and flexible work arrangements.

INVESTING RESPONSIBLY

The Malaysian government's regulatory directives have highlighted the need for organisations across various sectors to prioritise their ESG practices, with a particular emphasis on climate action. Frameworks such as BNM's Climate Change and Principle-based Taxonomy (CCPT) and the Climate Risk Management and Scenario Analysis Exposure (CRMSA).

As a responsible investor guided by Shariah principles, we take great pride in our commitment to creating enduring, sustainable value and harmonising financial success with social responsibility. Our approach is rooted in the Islamic values of *ihsan* (excellence) and *maslahah ammah* (public interest), ensuring that our investments not only deliver superior risk-adjusted financial returns for our clients and shareholders but also contribute meaningfully to society.

In line with Islamic ethical principles, our pursuit of excellence focuses on maximising both financial performance and ethical responsibility. We remain dedicated to upholding transparency and integrity in every aspect of our investment strategy. Simultaneously, we are committed to initiatives that foster positive societal impact whether by supporting efforts to reduce carbon emissions or empowering communities to improve their livelihoods.

Through this balanced approach, we strive to create value that transcends profit, reflecting our dedication to sustainable growth and the well-being of the communities we serve, in accordance with Shariah principles. By optimising financial returns while ensuring ethical conduct and societal benefit, we honour our responsibility as investors and contribute to the broader mission of societal welfare and sustainable development.



OUR HIGHLIGHTS

RESPONSIBLE INVESTMENT POLICY

Improved the policy to better reflect ESG considerations by updating the ESG Scoring, Resources and Methodology.

ESG SCORED INVESTMENTS

We continued our progress in managing our exposure to ESG investments throughout FY2024.

SUKUK PORTFOLIO

The inclusion of a decarbonisation policy in our sukuk portfolio, focusing on carbon intensive sectors like power generation, supports Malaysia's goal of achieving net zero GHG emissions by 2050.

INVESTING RESPONSIBLY

M4 SUSTAINABLE GROWTH



OUR APPROACH

Takaful Malaysia has empowered its investment division to take the lead in driving the Group's responsible investment initiatives. The division is tasked with focusing on responsible investment management and incorporating ESG considerations to achieve sustainable returns.

We have developed an investment policy aligned with various frameworks and standards, including BNM's guidelines and the Securities Commission's Sustainable and Responsible Investment (SRI) frameworks. This policy outlines the roles and responsibilities of our research analysts and fund managers in integrating ESG considerations into investment assessments and decision-making. It also defines an exclusion list and sets ESG exposure limits, serving as both a whistleblower mechanism and a risk management tool.

The 10 Principles of the UN Global Compact (UNGC) are incorporated into our policy to strengthen our commitment to responsible investment. This includes an "investment exclusion list" that avoids investing in companies that violate principles related to human rights, forced or child labour, money laundering, governance and environmental damage without mitigation efforts.

Our sustainable growth approach aims to create long-term value for stakeholders while maintaining a reliable investment portfolio. However, we recognise that avoiding investments with high ESG risks may involve short-term opportunity costs.

PROGRESS AND ACHIEVEMENTS

In our effort to enforce sustainable growth, we have achieved the following for 2024:

► Responsible Investment Policy

Our investment selection and screening processes for major asset classes integrate ESG conditions, demonstrating our commitment to managing ESG exposure effectively. We prioritise investments that are constituents of the FTSE4Good

Bursa Malaysia Shariah Index ("F4GBMS") and sukuk issued under the Securities Commission's SRI Framework or the ASEAN Green, Social and Sustainability Bond Standards. Furthermore, we regularly monitor the ESG activities of our portfolio companies and aim to enhance our investment management processes in a more proactive manner, including:



The recent inclusion of a decarbonisation policy applied to our sukuk portfolio involving carbon-intensive sectors such as power generation is a part of a critical aspect of addressing climate change and achieving sustainability goals, which is in line with Malaysia's ambition to achieve net zero GHG emissions by 2050. The policy specifies the progressive reduction to our investment exposure with the ultimate target of achieving 0% exposure by 2050.

As part of the initiative, we focus on energy transition by prudently shifting the portfolio to renewable energy sources like solar and encouraging existing investee to opt for more sustainable ways of operating.

At Takaful Malaysia, we believe that Shariah and ESG practices share numerous common principles, such as ethical conduct and governance, social responsibility and environmental stewardship. By integrating these principles, we can provide our customers with high-quality, Shariah-compliant products and services that adhere to ethical and sustainable standards, creating a positive impact on society and the environment.

INVESTING RESPONSIBLY

► Achieving A Strong Financial Performance

	2022	2023	2024
Market Capitalisation (RM billion)	2.88	3.10	3.26
Profit Before Zakat & Taxation ("PBZT") (RM million)	453.1	507.6	574.9
Return on Equity (%)	21.1	22.5	21.0
Earnings per Share (RM sen)	33.82	41.43	45.16
Market Share – General Takaful Business (%)	24.7	25.4	23.3
Market Share – Family Takaful Business (%)	20.60	22.3	26.4

► Supporting Local Suppliers

We depend on a network of trusted suppliers and vendors to strengthen our operations and drive sustainable growth. In line with our commitment to supporting national economic development, we empower our procurement team to prioritise local suppliers whenever possible, helping to foster their growth and contribute to the broader economy.

In FY2024, 94.5% of our products and services were sourced from local suppliers, reflecting our ongoing commitment to supporting local businesses and strengthening the domestic economy. This amounted to a total procurement spend of approximately RM104 million. While this represents a slight decrease from FY2023, where 96.2% (RM143 million) was spent on local procurement, our focus remains on prioritising local partnerships to ensure sustainable and responsible sourcing practices.

At the same time, we recognise the need to enhance operational efficiency through the adoption of digital processes and ongoing investment in digital platforms. As part of our strategy to innovate and meet evolving business demands, we have also acquired certain systems and technologies that are not available from local suppliers, necessitating procurement from overseas. Nonetheless, our focus continues to be on strengthening our local supplier relationships, supporting the domestic economy and ensuring that our sourcing practices align with our sustainability goals.

Proportion of spending on local suppliers (%)



GOING FORWARD

Managing climate risks remains the key focus of our investment strategy moving forward, with a particular emphasis on conducting thorough investment assessments to enable timely actions aimed at building climate resilience. This will involve considering complex scenario analyses to guide our decision-making. Additionally, we are committed to fostering greater collaboration with a wide range of stakeholders to address the systemic impacts of climate-related risks, especially through industry-wide platforms such as the Joint Committee on Climate Change (JC3) and the VBI Community of Practitioners.

INVESTING RESPONSIBLY

M5 DIGITAL TRANSFORMATION



OUR APPROACH

Digital transformation and innovation are essential components of Takaful Malaysia's strategy. We have incorporated digital technologies throughout our operations, including adopting digital distribution platforms and enhancing our IT infrastructure to comply with the latest security and quality standards. This integration increases operational efficiency, speeds up product launches and lowers long-term costs through automation. Personalised products improve risk management, while digital channels help us expand our market reach and attract new customers.

We recognise that significant upfront investments are necessary for staff upskilling, system upgrades and the adoption of new technologies, which may affect short-term profitability. There are also risks posed by regulatory uncertainties, data breaches and cyber threats that can compromise customer privacy and trust, potentially diminishing our market share. Furthermore, resistance to change and slow adoption of new technologies can impede our progress. To tackle these challenges, we are committed to making strategic investments in digital transformation, guided by our Technology Risk Management Framework, Cyber Resilience Framework and BNM's Risk Management in IT policy.

PROGRESS AND ACHIEVEMENTS

► Digital Modernisation

Takaful Malaysia continues to enhance its digital capabilities by adopting new technologies, improving digital platforms and strengthening IT infrastructure. The Kaotim digital platform simplifies access to affordable online protection plans, making transactions easier and more convenient. The launch of Kaotim Car and Kaotim Motor allows participants to sign up, renew and



manage motor takaful certificates online, with added benefits such as roadside assistance and access to panel workshops. This initiative reflects our commitment to efficiency, customer convenience and digital adoption in the takaful industry.

We have also improved our bancatakaful services through the Di Hatiku Takaful Malaysia (DTM) Banca Advisory Platform, a digital tool that enhances advisory services and facilitates better collaboration with banking partners. By integrating technology into our operations, we aim to enhance accessibility, improve service efficiency and drive long-term growth in the takaful sector.

► Automation & Digitalisation

As part of our digital transformation efforts, we have introduced several automation and digitalisation initiatives to improve customer experience, enhance operational efficiency and reduce costs. These initiatives are designed to streamline processes and create a more seamless, technology-driven approach to takaful services.

Key initiatives include:

- Automated claims processing for Takaful Pelajar Sekolah Malaysia (TPSM) and windscreen claims.
- Streamlined processes within Banca & Treasury Operations.
- Enhanced efficiency in managing other non-motor claims.
- Simplified Corporate Agency administration with new CA registration.

GOING FORWARD

Takaful Malaysia is committed to investing in the continuous enhancement of our systems and infrastructure to support our digitalisation initiatives. By gradually integrating automation across the Group, we aim to optimise performance, drive operational efficiency, strengthen security and elevate the quality of our products and services. We also seek to foster innovation by exploring strategic partnerships with technology companies and startups. Furthermore, we strive to promote a culture of continuous learning by offering training and development opportunities, ensuring our workforce remains updated with the rapidly evolving industry advancements.

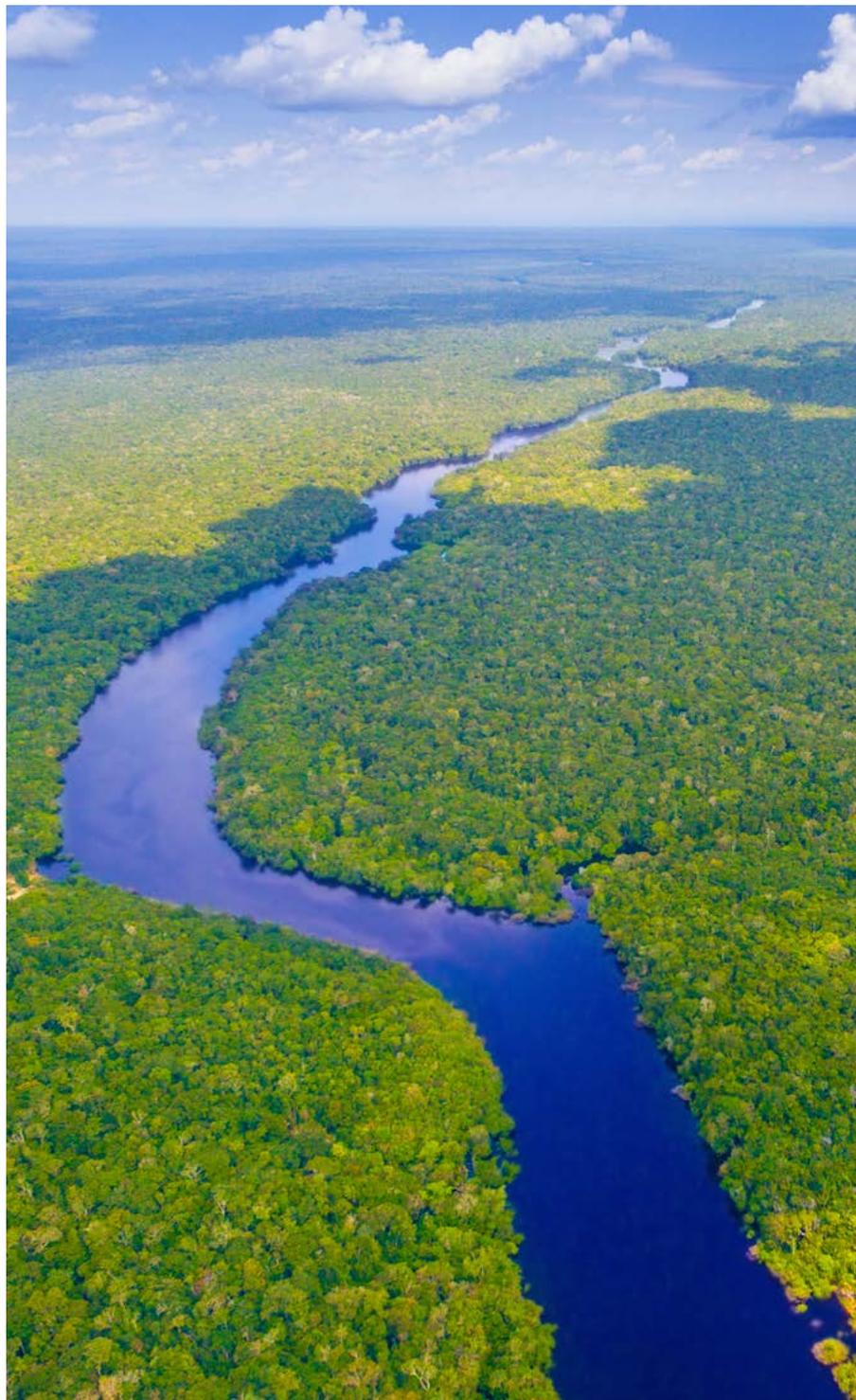
OUR ENVIRONMENTAL STEWARDSHIP

At Takaful Malaysia, we recognise the importance of sustainability and our role in protecting the environment. Reducing our environmental footprint involves cutting emissions, conserving resources and promoting green initiatives. Each action contributes to a larger impact. This commitment permeates all aspects of our organisation.

As a takaful operator, we integrate sustainability into our product development, investment management and business operations to support a low-carbon economy and responsible financial operations.

In line with our commitment, we launched Takaful myHome Solar in December 2024, offering comprehensive risk coverage for residential owners with Solar PV systems. We also introduced charitable, waqf-linked takaful plans, reinforcing our Value-Based Intermediation for Takaful (VBIT) framework, where a portion of contributions supports social and environmental causes. Additionally, we are expanding green takaful offerings, including incentives for electric vehicles, hybrid cars and sustainable buildings. To further reduce our carbon footprint, we are strengthening digital distribution channels, promoting paperless transactions and investing in ESG-compliant financial instruments. Through these initiatives, we continue to drive innovation, sustainability and ethical financial protection for a better future.

As part of our environmental initiative, we are enhancing our operations by implementing advanced digital technologies, using digital distribution platforms and continuously upgrading our IT infrastructure with a focus on sustainability. A significant outcome of this initiative is the deployment of MyHIJAU marked notebooks for employees. This certification confirms that these notebooks are green products, meeting both local and international environmental standards. The MyHIJAU mark signifies that the product conserves energy, uses recyclable materials and restricts the use of toxic and hazardous substances. We have since issued 663 MyHIJAU notebooks to our employees.



OUR ENVIRONMENTAL STEWARDSHIP

OUR HIGHLIGHTS

SUSTAINABLE OFFICE

Upgraded the Chillers at both the Main and Annex Blocks. The upgrade is expected to reduce electricity consumption by approximately 25%, leading to significant savings annually.

Installed solar panels at Menara Takaful Malaysia (MTM), which is set to be operational by February 2025. The Goal is to reduce the building's carbon footprint with projected total average savings of 35% over 25 years.

Reduced mineral water bottle usage by 56% in 2024 by encouraging staff to use water filters, promoting eco-friendly practices and minimising plastic waste.

Reduced total paper consumption by 24% in 2024 by encouraging double-sided printing and prioritising digital documents to support sustainability efforts.

The deployment of 663 MyHijau notebooks aims to promote sustainability, reduce energy consumption and reinforce our commitment to a greener, more environmentally responsible workplace.

SUSTAINABLE INITIATIVES

Sustainable commuting initiatives benefited 246 employees as of December 2024, encouraging eco-friendly commuting practices.

Takaful myHome Solar offers All Risk coverage for residential solar PV systems, providing security for homeowners and supporting Malaysia's transition to clean energy.

Strengthening digital distribution channels.

M6 CLIMATE CHANGE & ENVIRONMENTAL IMPACTS



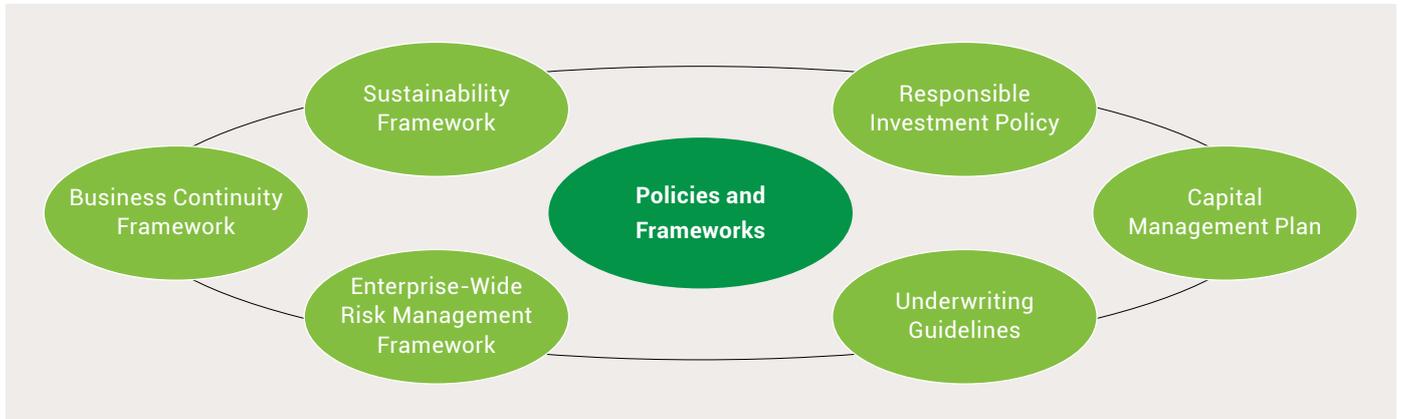
OUR APPROACH

Climate action is critical for our organisation due to the significant impacts of climate change on our business and stakeholders. Rising temperatures and more frequent extreme weather events increase claims related to covered properties, liabilities and climate-related health risks. Failing to address climate change could lead to higher claim payouts, reduced profitability and a negative impact on investments in shares or sukuk portfolios. Additionally, increased spending on climate risk mitigation and reduced funds for investments may affect short-term earnings.

Delays in addressing this issue could also raise takaful costs for customers and lower yields, as financial institutions shift their focus toward ESG-related investments. Therefore, we prioritise shareholder interest in the ESG space to mitigate risks, protect profits, prevent reputational damage and create a more sustainable and resilient future.

OUR ENVIRONMENTAL STEWARDSHIP

In our commitment to sustainability, climate adaptation and business resilience, we are guided by these policies and frameworks:



PROGRESS AND ACHIEVEMENTS

► Managing Our Environmental Footprint

At Takaful Malaysia, we recognise the direct and indirect environmental impacts of our business operations and office facilities. In line with our commitment to achieving Net Zero GHG emissions by 2050, we have implemented strategic measures to mitigate and reduce our environmental footprint.

Our approach focuses on two key areas:

<p>1 Reducing Energy Consumption</p> <p>Implementation of energy savings initiatives such as the change of existing HQ office lights to LED (phase 2) and upgrading the chillers in our HQ buildings as a part of our ESG and cost-saving initiatives. At Takaful Malaysia, we are committed to increasing the use of renewable energy resources. As such, we have installed solar panel on the rooftop of our Annex Building.</p>	<p>2 Enhancing Waste Management and Responsible Consumption</p> <p>Improving recycling practices across our offices and facilities, reducing resource consumption and promoting the use of sustainable materials. In October 2024, we initiated the Reduce, Reuse, Recycle (3R) project at our HQ office.</p>
---	--

We developed our first GHG inventory for year 2024, establishing it as our base year for emissions tracking. Our GHG inventory development fully complies with the GHG Protocol Corporate Accounting and Reporting Standard, as well as the ISO 14064-1 standard, ensuring readiness for third-party assurance requirements.

Aligned with global climate targets, we continue to implement initiatives to reduce our environmental footprint and mitigate the adverse effects of climate change on our business operations. In 2024, our most significant source of GHG emissions was Scope 2—electricity consumption—accounting for nearly 75% of our total GHG inventory (Scopes 1, 2 and 3). This highlights a critical opportunity for emission reductions through improved energy management.

To address this, we are prioritising efforts to lower our Scope 2 emissions by transitioning to renewable energy sources. To reduce our operational GHG emissions, particularly Scope 2 emissions, we invested in renewable energy by installing rooftop photovoltaic (PV) solar panels at our headquarters, Menara Takaful Malaysia, in 2024. The system will be fully operational by February 2025, with a projected total average savings of 35% over 25 years. Additionally, we remain committed to continuous improvements in energy efficiency to further minimise our environmental impact.

OUR ENVIRONMENTAL STEWARDSHIP



Breakdown of GHG Emission - 2024

GHG Scope	Emission Sources	Calculation Methodology	GHG Emission
Scope 1	Mobile Combustion (Van and Car)	Fuel-Based Method & Distance-Based Method	5.4446 MtCO ₂ e
	Fugitive Emission (Fire-extinguisher)	Screening Method	0.0067 MtCO ₂ e
Scope 2 ^{*1}	Purchased electricity (Location-based)	Location-Based Method ^{*2}	3,982.6400 MtCO ₂ e
Scope 3	Business Travel ^{*3}	Distance-Based Method	53.3964 MtCO ₂ e
	Employee Commuting	Distance-Based Method ^{*4}	1,286.2664 MtCO ₂ e

*1: For Scope 2 electricity, we have excluded the electricity consumption of tenants in the same office building, as their workspaces are equipped with submeters for accurate electricity consumption monitoring. (Fall under Scope 3- Downstream Leased Assets)

*2: We use the latest grid emission factor (2022), as published by MEIH (Malaysia Energy Information Hub), to calculate the energy GHG emissions

*3: Business air travel emissions were calculated using US EPA emission factors, which account for direct CO₂e emissions from fuel combustion only. A radiative forcing (RF) factor was not applied.

*4: The distance-based calculation methodology incorporates various types of employee leave (e.g., annual leave, birthday leave, etc.) to enhance the accuracy of commuting day estimates for the reporting period.

Assumption made for Scope 3 estimation:

Scope 3	Assumption
Business Travel – Transport mode	<ul style="list-style-type: none"> Ferry trips are assumed to be direct to the destination without intermediate stops, which may differ from actual ferry operations. All flight trips are assumed to be round trips with no single-trip or connecting flight scenarios considered.
Business Travel – Hotel Stayed	<ul style="list-style-type: none"> In the absence of hotel emission factors for 1-star and 2-star hotels in Malaysia within the Greenview Hotel Footprinting Tool, it is assumed that emissions per night are equivalent to those of 3-star hotels.
Employee Commuting	<ul style="list-style-type: none"> Emissions were estimated using employee survey data. For non-respondents, it is assumed that their commuting patterns mirror those of respondents. A proxy data extrapolation was applied to scale the results to 100% of the workforce and address the data gap. All employees, including new joiners with less than one year of service, are regarded as full-year employees and are accounted for in GHG emissions (commuting) for the entire year of 2024.

OUR ENVIRONMENTAL STEWARDSHIP

Reference Emission Factors for Each Scope Category

Scope 1	Mobile Combustion	DEFRA GOV.UK (30Oct2024)
	Fugitive Emission (Fire-extinguisher)	US EPA's Greenhouse Gas Inventory Guidance: Fugitive Emissions (2020) IPCC_SROC09
Scope 2	Purchased electricity (Location-based)	MEIH (Malaysia Energy Information Hub)
Scope 3	Business Travel	US EPA (Jan2025); DEFRA GOV UK (30Oct2024)
	Employee Commuting	DEFRA GOV UK (30Oct2024)

Reference for Global Warming Potential (GWP) and other Tools used

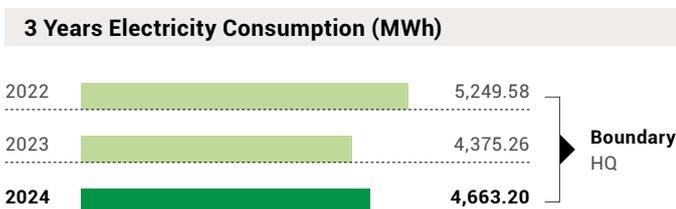
GWP-100 year	IPCC AR6
Flight distance	ICAO carbon emission calculator
Hotel Stayed	GreenView Hotel Footprinting Tool

We strictly adhere to the GHG Protocol accounting and reporting principles of Relevance, Completeness, Consistency, Transparency and Accuracy. By continuously monitoring and improving our data collection processes, we aim to ensure high-quality emissions reporting and support our broader climate responsibility goals.

► Embracing Energy-Efficient Solutions

As part of our commitment to sustainability, we regularly implement energy efficiency initiatives to optimise electricity usage at our headquarters. These efforts include transitioning to LED lighting, enhancing air-conditioning systems and improving energy monitoring through upgraded metering systems. Despite these measures, electricity consumption at our headquarters increased in 2024 to 4,663.20 MWh, compared to 4,375.26 MWh in 2023.

The increase in energy consumption can primarily be attributed to improvements in infrastructure and changes in operational practices. The installation of an electric vehicle (EV) charging station resulted in higher energy usage in 2024. Additionally, recent renovations and upgrades necessitated modifications to the power supply infrastructure, which affected overall electricity consumption. The reallocation and installation of new meters also influenced recorded usage, as they ensure more accurate energy tracking.



Moving forward, we remain committed to further enhancing energy efficiency through continuous monitoring and potential system upgrades with the aim to reduce energy consumption by at least 5% in 2025. Our focus will be on optimising building operations while maintaining a sustainable and responsible energy consumption approach.

► Reducing Waste Through Sustainable Practices

Takaful Malaysia is dedicated to minimising waste and promoting sustainable practices through various initiatives. One of our efforts is promoting the Windscreen Repair Campaign, which is driven by customer participation and aims to lessen the environmental impact of windshield glass disposal. This campaign not only reduces claim costs but also prevents the wasteful dumping of glass and rewards participants for their commitment to sustainable practices.

An important ESG-focused initiative by Takaful Malaysia is the Pickles Auction, which facilitates the processing and recycling of End-of-Life Vehicles (ELVs). This initiative promotes responsible vehicle disposal, helping to minimise waste, conserve resources, and reduce environmental impact. By ensuring proper recycling of ELVs, the company actively supports sustainable waste management and contributes to a circular economy.

OUR ENVIRONMENTAL STEWARDSHIP

As of December 2024, eight (8) ELVs were sold through Pickles Auction, generating a net return of RM175,745.00. This progress highlights Takaful Malaysia’s commitment to environmental preservation and resource efficiency, reinforcing its role in promoting sustainability within the takaful sector.

At the operational level, the total waste generated in 2022 and 2023 was recorded at 48.00 metric tonnes per year. In October 2024, we launched the Reduce, Reuse, Recycle (3R) project at our headquarters, introducing Go Green Bins on every floor to encourage sustainable waste management practices. Since this is the first year we are collecting data under this initiative, the total waste generated, as well as the waste diverted, has been extrapolated based on available records and observed trends.

As this is the first year of data collection under our 3R initiative, the total waste generated, and the waste diverted have been extrapolated based on available records and observed trends.

By the end of 2024, the project successfully diverted 5.64 metric tonnes of waste from disposal, based on extrapolated data. This initiative represents our commitment to sustainability, enabling us to track, manage and reduce waste effectively while reinforcing our efforts to minimise environmental impact through the 3R approach. Moving forward, we aim to refine our waste tracking mechanisms for more accurate reporting and enhanced waste reduction strategies.

Metric Tonnes	2022	2023	2024
Total waste generated	48.00	48.00	53.64
Total Waste Diverted from Disposal	-	-	5.64
Total Waste Directed to Disposal	48.00	48.00	48.00

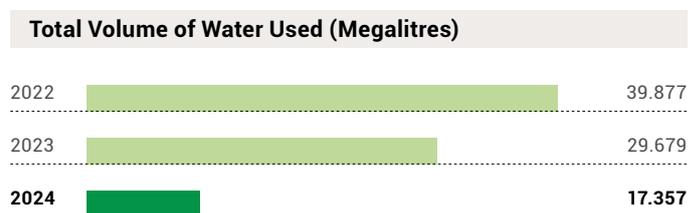
Note:

- Total waste generated was estimated based on the municipal authority’s garbage collection frequency per truck. It is extrapolated that each collection equates to 1 tonne of municipal solid waste per truck, based on available truck size information. The estimation considers additional factors, including collection frequency, and building occupancy rates.

► Enhancing Environmental Sustainability Through Water Conservation

Conserving water is crucial to enhancing our environmental sustainability and optimising costs. By implementing water-saving measures, we can reduce our environmental footprint and contribute to global water conservation efforts. Our initiatives involve monitoring water consumption and detecting leaks, as well as installing water-efficient fixtures. We have also established a reporting channel for promptly addressing any leaks. Furthermore, we prioritise raising water conservation awareness among our employees by conducting regular campaigns and sending e-reminders.

In 2024, we made significant progress in the stewardship of our water resources, reducing our total water consumption to 17.357 ML, down from 29.679 ML in 2023, representing an approximate 41% reduction that underscores our ongoing commitment to responsibly and efficiently consuming water resources.



GOING FORWARD

Our approach includes a phased implementation plan, setting clear targets for gradually reducing climate-related exposure across our business operations. We aim to reduce our water consumption by at least 5% in 2025 by raising awareness of responsible water usage among our employees. Additionally, we will continuously monitor our action plans, to stay aligned with our overall sustainability goals.

OUR SOCIAL COMMITMENTS

The core of our leadership in the industry is a steadfast commitment to nurturing both our internal workforce and the communities we serve, guided by Islamic ethical principles of *adl* (justice), *ihsan* (excellence) and *rahmah* (compassion).

Recognising the dynamic nature of the industry, we prioritise cultivating diverse talent within a Shariah-compliant framework and empowering our colleagues through ethical employment practices, ensuring that all individuals are treated with fairness, respect and equitable opportunities in accordance with *Maqasid al-Shariah*. This investment not only enhances the experiences of those who interact with us but also contributes to the greater good by fostering a harmonious, ethical and productive environment. By upholding the values of *amanah* (trustworthiness) and *wasatiyyah* (balance and moderation), we strengthen our ability to adapt and thrive in an ever-evolving landscape, creating value for both our stakeholders and society at large.



OUR HIGHLIGHTS

EMPLOYEE WELL-BEING

- **Leadership Programmes**
Participants showed significant growth and improved team performance and organisational impact.
- **Healthy Lifestyle Initiatives**
Promoted employee well-being through various programmes.
- **Training and Development**
Invested in employee growth and skills enhancement.

COMMUNITY EMPOWERMENT

- **Community Investment**
Organised and participated in over 25 programmes, enhancing community engagement and support.
- **ESG Awareness on Social Media**
Implemented ESG-related posts to empower and educate our social media audience on sustainability.

CUSTOMER CENTRICITY

- **Enhanced Product Offerings**
Introduced a Takaful solution that goes beyond protection by integrating charity as a core feature, enabling customers to support those in need as part of their contribution.
- **Charity During Life and Upon Death**
Provided solution that facilitates regular charitable contributions throughout the term and ensures that donations continue upon the customer's passing, reinforcing a lasting positive impact.

OUR SOCIAL COMMITMENTS

M7 EMPLOYEE WELL-BEING



▶ EMPLOYEE WELL-BEING

OUR APPROACH

At Takaful Malaysia, our focus on employee well-being is based on the following key areas:

<p>1 Employee Engagement and Well-being</p> <p>We strive to create a connected and valued workforce by promoting work-life balance, mental health awareness and a supportive workplace culture.</p>	<p>2 Diversity and Equal Opportunity</p> <p>We prioritise diversity and equal opportunities, fostering an inclusive environment where all employees can thrive and contribute to both their personal and our business success.</p>	<p>3 Training and Development</p> <p>Recognising the industry's rapid evolution, we emphasise continuous learning and development, enhancing organisational capability and empowering employees to reach their full potential.</p>
--	---	---

PROGRESS AND ACHIEVEMENTS

In promoting a healthy lifestyle for employees, Takaful Malaysia organised various employee engagement and wellness activities in 2024. Among these activities were:



The list of activities:

1. The Biggest Loser Programme
2. Hiking at Taman Tugu Negara
3. Go Green Hiking at Kota Damansara Community Forest
4. MTA Futsal Tournament
5. Raya Anniversary

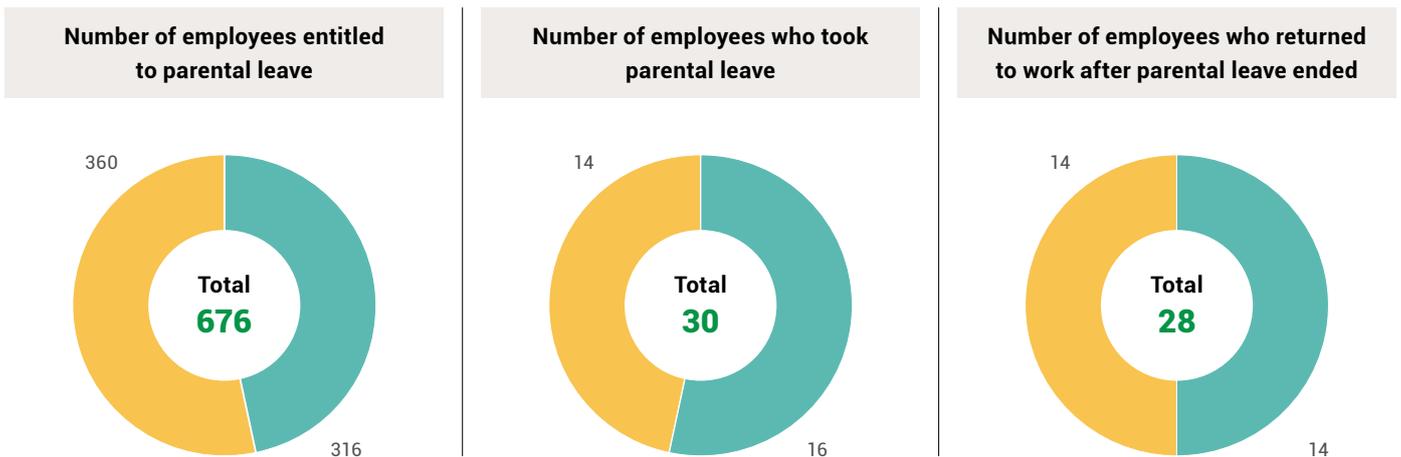
OUR SOCIAL COMMITMENTS

In addition, our benefits package for our employees is all-encompassing, ensuring that our people feel safe and well cared for when they work for Takaful Malaysia. Their benefits include:

Term Takaful	Health Care	Disability and Invalidity Coverage	Parental Leave
Child Care Leave	Family Takaful Coverage	Health Screening	Flexible Working Arrangement

Employee well-being is a priority and meaningful support is provided to those facing challenges. In 2024, assistance was extended through financial aid and essential resources to ensure employees' welfare and recovery.

As part of staff welfare initiatives, an electronic braille Quran device was donated to support a visually impaired employee. Medical expenses beyond entitlement limits were also covered for an employee undergoing a coronary angioplasty procedure due to ischemic heart disease, ensuring access to critical treatment. Additionally, charity fund assistance was provided to an employee in Kota Kinabalu affected by flash floods, helping to recover from loss and damages. These initiatives reflect a strong commitment to fostering a caring and supportive work environment where employees' health, safety and welfare remain a top priority.



	Men	Women	2024
Number of employees who returned to work after parental leave ended and were still employees 12 months after their return to work	14	16	30
Return to work rate	100%	87.5%	93.3%
Retention rate	100%	100%	100%

● Male ● Female

OUR SOCIAL COMMITMENTS

► OCCUPATIONAL SAFETY AND HEALTH

OUR APPROACH

A safe and healthy workplace is essential for employee well-being and operational efficiency. The Group has implemented a Safety and Health Policy aligned with the Occupational Safety and Health Act 1994, reinforcing our commitment to maintaining a secure work environment and promoting safe work practices.

PROGRESS AND ACHIEVEMENTS

In 2024, two key Health and Safety training programmes were conducted to strengthen workplace emergency preparedness and response capabilities. The Emergency Response Plan and Preparedness training equipped employees with the necessary skills to handle emergencies effectively, while the Basic Occupational First Aid, CPR and AED training provided essential life-saving techniques to respond to medical emergencies. These initiatives reflect a proactive approach to workplace safety, ensuring employees are well-informed and prepared to act in critical situations.



	2022	2023	2024
Number of work-related fatalities	0	0	0
Lost Time Incident Rate ("LTIR")	0	0	0
Number of employees trained in health and safety standards	0	23	86

GOING FORWARD

To strengthen workplace safety efforts, the 2025 training proposal includes both programmes with the Emergency Response Plan & Preparedness Training Course and the Basic Occupational First Aid, CPR & AED Training Course planned three times a year. Additionally, participation will be increased by at least 30%, ensuring greater employee involvement and a more resilient safety culture across the organisation.

OUR SOCIAL COMMITMENTS

► DIVERSITY AND EQUAL OPPORTUNITY

OUR APPROACH

In today's global business environment, diversity and equal opportunity are critical to the success of any forward-thinking organisation. Takaful Malaysia recognises this and is committed to promoting a workplace culture that values diversity in all forms, be it gender, ethnicity, age, religion or disability.

Equal opportunity also means enabling all employees to grow and develop their careers within the company. Takaful Malaysia ensures that promotions and career development opportunities are based on merit and capability, regardless of an employee's background.

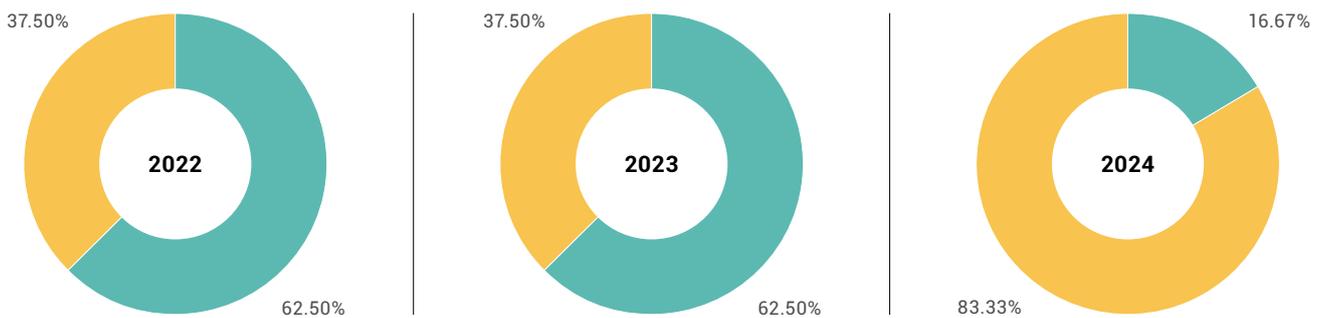
Since 1998, Takaful Malaysia has employed two visually impaired staff members as telephonists in our call centre department. Their 26-year journey with Takaful Malaysia demonstrates our commitment to creating an inclusive work environment where they feel valued and supported. We have provided fair opportunities for them to perform their jobs effectively, reinforcing that individuals with disabilities are welcome in the workforce.

PROGRESS AND ACHIEVEMENTS

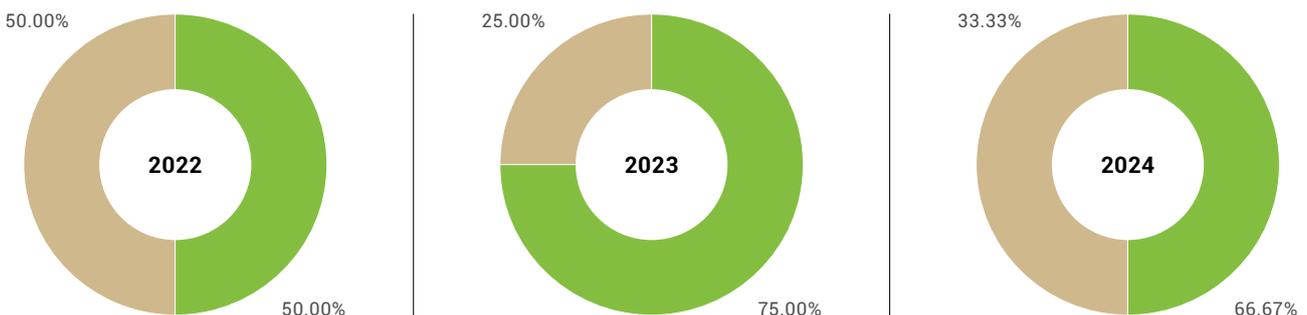
Board Diversity

In 2022 and 2023, women comprised 37.5% of our Board. However, in 2024, our Board composition changed as two female members stepped down. Due to the time required for the appointment process, a new female director was appointed in February 2025.

Percentage of Directors by Gender Group



Percentage of Directors by Age Group



● Male ● Female ● Above 50 ● Above 60

OUR SOCIAL COMMITMENTS

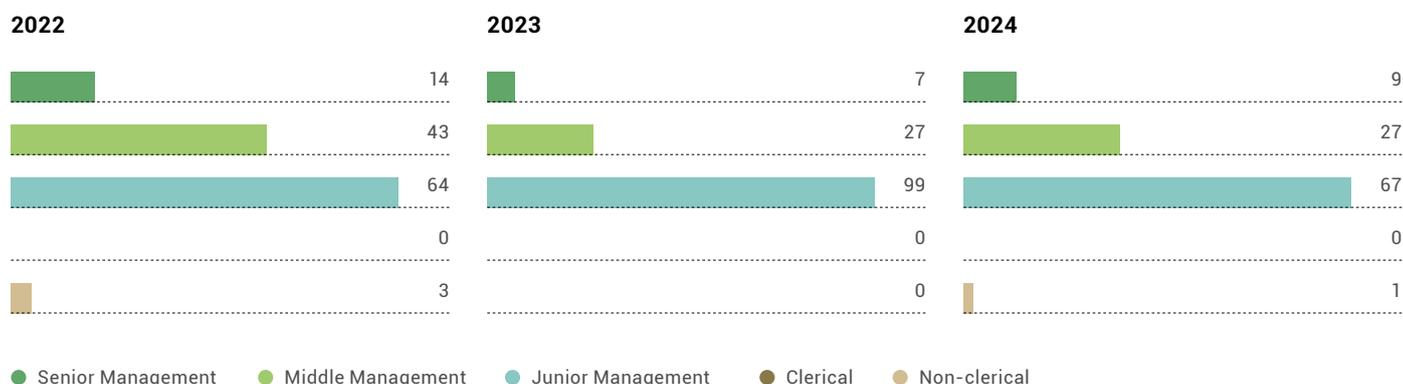
EMPLOYEE DIVERSITY

Employee Category	Gender		Age Group			Ethnicity			
	Male	Female	<30 years	30-50 years	>51 years	Chinese	Malay	Indian	Others
2022									
Senior Management	77%	23%	0%	72%	28%	26%	69%	5%	0%
Middle Management	50%	50%	0%	79%	21%	30%	63%	4%	3%
Junior Management	40%	60%	17%	76%	7%	8%	89%	2%	1%
Clerical	41%	59%	1%	88%	11%	0%	100%	0%	0%
Non-Clerical	67%	33%	0%	44%	56%	0%	100%	0%	0%
2023									
Senior Management	74%	26%	0%	54%	46%	28%	63%	7%	2%
Middle Management	52%	48%	1%	73%	26%	27%	67%	3%	2%
Junior Management	40%	60%	19%	74%	7%	6%	91%	2%	1%
Clerical	44%	56%	0%	85%	15%	0%	100%	0%	0%
Non-Clerical	67%	33%	0%	44%	56%	0%	100%	0%	0%
2024									
Senior Management	77%	23%	0%	61%	39%	29%	64%	5%	2%
Middle Management	50%	50%	1%	71%	28%	25%	69%	4%	2%
Junior Management	40%	60%	17%	74%	9%	6%	91%	2%	1%
Clerical	47%	53%	0%	80%	20%	0%	100%	0%	0%
Non-Clerical	87%	13%	0%	50%	50%	0%	100%	0%	0%

EMPLOYEE RETENTION

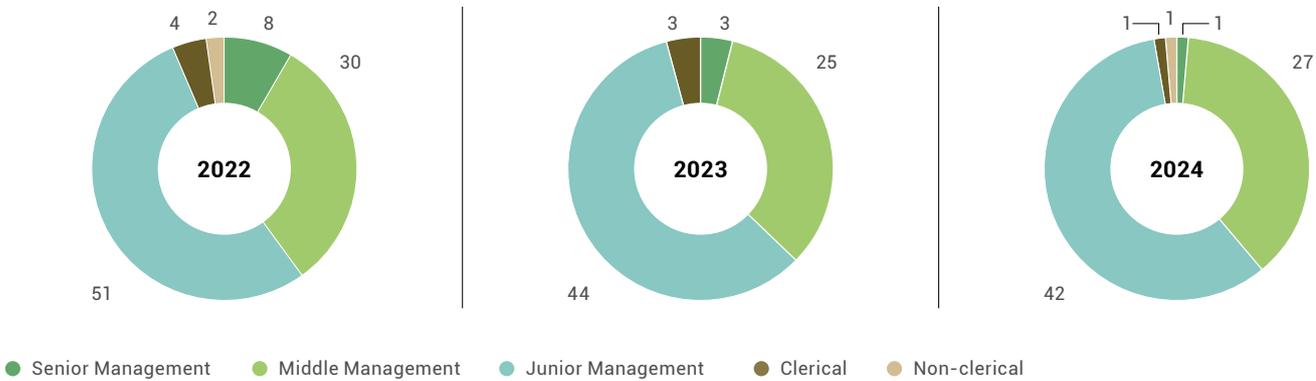
	2022	2023	2024
Percentage of employees who are contractors or temporary staff	2.90%	3.80%	3.40%

Total Number of New Hires by Employee Category



OUR SOCIAL COMMITMENTS

Total Number of Employee Turnover by Employee Category



GOING FORWARD

Moving forward, Takaful Malaysia will continue to champion diversity, equity and inclusion as integral pillars of our workplace culture. We are committed to fostering an inclusive environment where every employee feels valued, respected and empowered to grow and succeed based on their merit and capabilities. Our focus will remain on promoting a diverse, equitable and inclusive workplace that supports the well-being and professional development of all employees.

▶ TRAINING AND DEVELOPMENT

OUR APPROACH

Takaful Malaysia recognises that the foundation of its sustained success and growth lies in the continuous training and development of its workforce, in alignment with the Islamic emphasis on *ilm* (knowledge). In a rapidly evolving industry, staying abreast of the latest trends, regulations and technologies is essential. This commitment strengthens our ability to remain competitive and agile in a dynamic market while fostering a culture of excellence in every aspect of our operations. Through cultivating a culture of continuous learning, we ensure that our workforce is well-equipped to contribute to the company's long-term success and serve our stakeholders' needs responsibly and ethically.

The Emerging Leaders programme focused on building foundational leadership skills, effective communication and understanding team dynamics. The Developing Leaders programme took a deeper dive into strategic thinking, decision-making and stakeholder influence, while the Advanced Leaders stream addressed executive-level strategy, innovation and global leadership. Participants in these programmes engaged in hands-on learning experiences, leadership simulations and opportunities to network with peers and mentors.

PROGRESS AND ACHIEVEMENTS

As part of Takaful Malaysia's ongoing commitment to fostering employee career development, we launched the Melbourne Business School Leadership Programmes on 19 April 2024, offering three tailored streams for leadership growth: Emerging Leaders, Developing Leaders and Advanced Leaders. These programmes were strategically designed to enhance leadership skills and strategies across all levels of leadership within Takaful Malaysia.

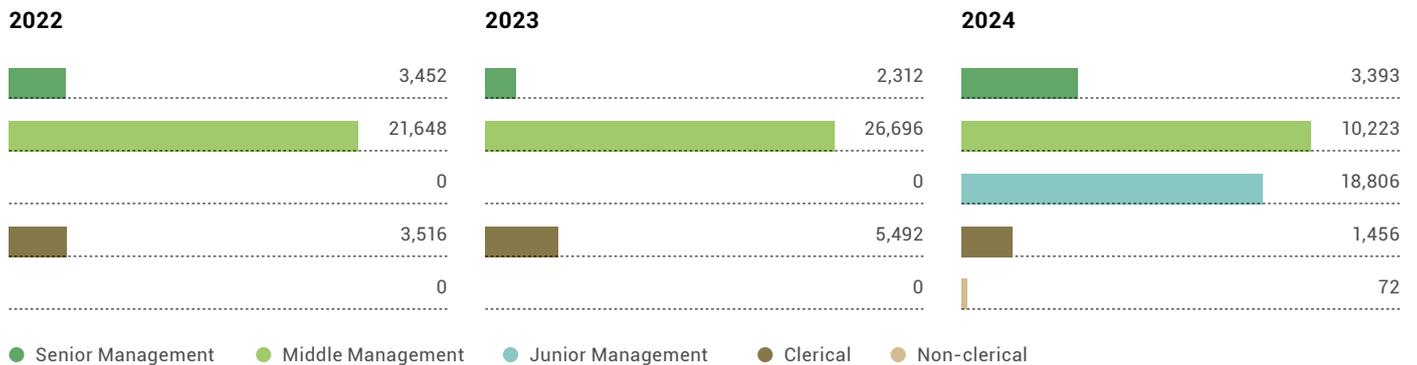
Feedback from participants indicated that they successfully applied new strategies to their work, leading to noticeable improvements in team performance and overall organisational impact. These initiatives reflect Takaful Malaysia's dedication to empowering employees to grow and lead with confidence, fostering a culture of continuous professional development and leadership excellence.

At Takaful Malaysia, we are committed to equipping our employees with the right skills and fostering continuous growth through targeted learning and development programmes. In 2024, we achieved total training hours amounting to 33,950 hours dedicated to enhancing employee capabilities across various levels of our organisation.

OUR SOCIAL COMMITMENTS



Total hours of training by employee category



The total training hours for Middle Management in 2022 and 2023 reflect a combination of both Middle and Junior Management.

GOING FORWARD

Moving forward, Takaful Malaysia will continue to prioritise the continuous training and development of our workforce. We aim to ensure our employees remain well-informed of the latest industry trends, regulations and technologies to maintain our competitive edge. This commitment will foster a culture of excellence, enabling our workforce to contribute effectively to the company's long-term success while upholding our responsibility to stakeholders with integrity and ethical practices.

OUR SOCIAL COMMITMENTS

M8 COMMUNITY EMPOWERMENT



OUR APPROACH

Takaful Malaysia prioritises community empowerment, guided by key Islamic values such as *maslahah ammah* (public interest), *takaful* (mutual cooperation) and the spirit of *khidmah* (dedication to serving others). We leverage both financial and human resources to uplift marginalised and underserved communities across Malaysia. This ensures equal opportunities for everyone to realise their full potential. Our initiatives are aligned with our pillar of social commitments, aiming to empower those around us while contributing to the sustainable development of the nation. By fostering the takaful spirit of helping one another, we work towards creating a more equitable and resilient society for future generations. Our efforts include providing employment opportunities, upskilling programmes and leading impactful community initiatives to enrich lives while minimising negative social and environmental impacts.

As part of Takaful Malaysia's ongoing commitment to community investment, the distribution of the Group Corporate Zakat, Wakalah and Charity Fund is managed with strict governance to ensure financial assistance reaches those in need. The disbursement process requires approval from the Zakat and Related Income Distribution Committee, followed by endorsement from the Shariah Advisory Body before receiving final approval from the Board of Directors.

PROGRESS AND ACHIEVEMENTS

In addition to distributing funds to zakat state authorities, Takaful Malaysia directly supports various Corporate Social Responsibility (CSR) initiatives aimed at uplifting communities and addressing important social issues. In 2024, we conducted over 20 CSR programmes, with a total expenditure of RM10,257,320.14. These initiatives benefited more than 19,000 individuals through corporate zakat, wakalah and charity funds. However, for reporting purposes to Bursa Malaysia, the wakalah fund and its beneficiaries have been excluded, as indicated in the reporting table below.

Community Investment Performance for the Last 3 Years	2022	2023	2024
Total amount invested where the target beneficiaries are external to Takaful Malaysia (MYR)	2,900,000.00	8,760,458.00	10,074,018.30 ¹
Total number of beneficiaries of the investment in communities	1,500	6,000	18,615 ²

- 1. Excluding Wakalah fund
- 2. Excluding Wakalah Beneficiaries

Takaful Malaysia remains dedicated to uplifting underprivileged individuals and communities through various impactful programmes. By addressing education, economic empowerment, healthcare and social welfare, these initiatives provide long-term benefits, fostering sustainable livelihoods and improved well-being.

Dana Siswa Di Hatiku Takaful Malaysia with Universiti Kebangsaan Malaysia

Funded research opportunities for 15 students in Shariah-related studies, ensuring access to quality education.

Braille Project with SKPK Princess Elizabeth

Provided funding for Muashaf Al-Quran Braille, braille machines and other essential equipment for 36 visually impaired students and 2 teachers at Sekolah Kebangsaan Pendidikan Khas Princess Elizabeth, Johor Bahru, enhancing access to learning resources for visually impaired students.

OUR SOCIAL COMMITMENTS

Di Hatiku Student Food Aid Programme in collaboration with Ministry of Education

Provided nutritious meals to 1,300 underprivileged students across 13 schools in Selangor and Kuala Lumpur, enhancing their health and academic focus.

Di Hatiku Student Aid Programme for Polytechnics & Community Colleges in collaboration with Ministry of Higher Education

Offered financial assistance to 1,000 *asnaf* students, easing financial burdens and improving academic performance

Dana Ehsan Pendidikan in collaboration with Yayasan RISDA

Provided a one-off cost-of-living allowance to 118 *asnaf* students, helping them afford tuition fees, books and educational expenses.

Financial Aid to *Asnaf* Students of University College MAIWP International

Supported 60 students by ensuring access to essential educational resources.

Bantuan Bakul Rahmah for Universiti Sains Islam Malaysia

Distributed food aid and duit raya to 200 *asnaf* students, improving their nutrition and academic focus.

Hijrah *Asnaf* Programme

Trained 25 *asnaf* participants in agriculture, including mushroom and chili cultivation, equipping them with entrepreneurship skills and sustainable income opportunities.

Di Hatiku Mini Bazaar

Sponsored five booths for 13 *asnaf* entrepreneurs at Menara Takaful Malaysia in collaboration with MAIWP, providing free business space to help them become self-sufficient.

Dana Khairat *Asnaf* Johor

Assisted 10,000 *asnaf* in opening or adding deposits to Tabung Haji accounts, strengthening their financial security through collaboration with Majlis Agama Islam Johor & Lembaga Tabung Haji.

Sumbangan Musaadah – Semarak Kasih Pulau Perhentian

Provided financial assistance to 500 *asnaf* families in Pulau Perhentian, covering their living expenses and improving welfare.

Di Hatiku Medi Aid Programme in collaboration with Ministry of Education

Assisted 100 *asnaf* students across seven states facing permanent or partial disabilities due to illness or accidents, covering medical treatments, learning needs and tuition fees to support their well-being.

In 2024, we launched the Takaful 100 Youth Leadership Programme as part of our 40th anniversary celebration. This programme is designed to support *asnaf* students by helping them develop self-leadership skills, build strong character and learn important values. Our goal is to help them become disciplined, determined and positive individuals who can lead themselves, achieve their goals and contribute positively to society.

We aim for the participants to grow in resilience, competence and self-awareness while embracing values such as integrity, respect, responsibility, empathy and compassion. This initiative reflects our commitment to creating a better future for our community and our nation. The Takaful 100 Youth Leadership Programme will officially begin in 2025, continuing our efforts to empower the next generation.

These initiatives reflect Takaful Malaysia's commitment to creating lasting social impact, ensuring that education, financial security and healthcare remain accessible to those who need them most.

GOING FORWARD

We aim to organise additional initiatives to enhance our engagement with local communities and address their immediate needs, fostering a vibrant and thriving society. Our goal is to increase the total investment for targeted beneficiaries by 20% in 2025.

OUR SOCIAL COMMITMENTS

M9 CUSTOMER CENTRICITY



OUR APPROACH

Customer centricity is a core value that places the needs and preferences of customers at the forefront of our business strategies. By prioritising operational efficiency, we drive cost savings, improve risk management, ensure regulatory compliance, support scalability and adaptability and optimise resource utilisation. These factors collectively enhance productivity and ensure seamless operations, ultimately benefiting our customers and contributing to the organisation's long-term success and sustainability.

Moreover, our customer-centric approach enables us to better understand and anticipate customer needs, leading to the development of more relevant and innovative products and services. We continuously adopt innovative approaches and embed digitalisation in our development process to ensure that our products and services remain relevant to our customers. By closely interacting and engaging with our customers, we gain valuable feedback and address their concerns effectively. Our approach to customer centricity is guided by various frameworks, including but not limited to:

Guidelines on Product Transparency and Disclosure	Bank Negara Malaysia's Islamic Financial Services Act 2013 Sustainability Guidelines	Fair Customer Treatment Guide
Code of Good Practice	Takaful Malaysia's Risk Management Framework	Takaful Malaysia's Compliance Framework

PROGRESS AND ACHIEVEMENTS

Takaful Malaysia has made substantial progress in embedding ESG considerations across its product offerings and operations, underscoring our dedication to sustainable development and responsible business practices. By aligning with Bank Negara Malaysia's ESG-driven regulatory framework, we have taken significant steps to integrate sustainability into product development, investment management and customer engagement.

In 2024, we introduced multiple Takaful solution that goes beyond protection by integrating charity as a core feature, reinforcing the VBIT framework, where a portion of the contributions, along with any surplus from our Takaful Risk Fund, will be directly donated to support social and environmental causes. This will be done in collaboration with our Islamic financial institution partners, ensuring a comprehensive and sustainable ecosystem. We also expanded collaborations with Islamic financial institutions to ensure that our products contribute to ethical finance and social good. Additionally, we strengthened our digitalisation efforts, reducing reliance on paper-based transactions and minimising our carbon footprint.

GOING FORWARD

We aim to enhance customer focus by improving our digital platforms for a more personalised experience. This includes expanding self-service features, using AI to better understand our customer needs and creating tailored Takaful products. Building value-added partnerships allows us to expand our reach, enhance customer experience and strengthen trust. Through strategic collaborations, we ensure secure, seamless and innovative solutions while maintaining strong data security and operational efficiency.

Looking ahead, Takaful Malaysia remains committed to pioneering green and sustainable takaful. Our strategy includes expanding green takaful offerings, supporting sustainable investments and incentivising eco-friendly practices. Through continuous innovation, targeted awareness campaigns and ESG-aligned initiatives, we strive to enhance financial inclusion while contributing to a low-carbon economy and a more sustainable future.

STATEMENT OF ASSURANCE

Assurance Undertaken

In strengthening the credibility of our reporting, selected parts of this Sustainability Statement have been subjected to the following:

- a) an independent assurance by SIRIM QAS International in accordance with recognised assurance standards for selected indicators.
- b) an independent external review by PricewaterhouseCoopers (PwC) on 11 common sustainability matters based on the Enhanced Bursa Listing Requirements and have been approved by the Board of Directors.

The scope, subject matter(s) covered and relevant conclusion(s) are provided below:

Type of Assurance	Subject Matter	Scope	Conclusion
Independent assurance	4 sustainability matters: <ul style="list-style-type: none"> • Ethics and Compliance • Occupational Safety and Health • Diversity and Equal Opportunity • Community Empowerment 	Review of the application of methodology, data quality, transparency, traceability and accuracy of the data being disclosed. Level of assurance is set at limited.	Based on the scope of the assessment process and evidence obtained, nothing has come to our attention that causes us to believe that Syarikat Takaful Malaysia has not complied, in all material respects, with the referred assurance standard and guide. The following represents SIRIM QAS International's opinion: <ul style="list-style-type: none"> • The level of data accuracy for the selected subject matters is fairly stated. • The level of disclosure of the selected subject matters presented in the report was found to be properly prepared. • The personnel responsible were able to demonstrate the origin(s) and interpretation of data contained in the report.
Independent external review	11 common indicators identified in Bursa Malaysia Sustainability Reporting Guide.	To Identify gaps on the existing data collection process on the 11 common sustainability matters based on the Enhanced Bursa Listing Requirements on Sustainability Reporting, to meet the limited assurance requirements.	Not applicable

 Please refer to page 112 for the assurance report provided by SIRIM QAS International.



SIRIM QAS INTERNATIONAL SDN BHD INDEPENDENT ASSURANCE STATEMENT

To Board of Directors, Stakeholders, and Interested Parties,

SIRIM QAS International Sdn. Bhd. was engaged by Syarikat Takaful Malaysia Keluarga Berhad (hereafter referred to as Syarikat Takaful Malaysia) to perform an independent verification and provide assurance of selected sustainable performance information (subject matter) for Syarikat Takaful Malaysia sustainability reporting 2024. The main objective of the verification process is to provide assurance to Syarikat Takaful Malaysia and its stakeholders on the accuracy and reliability of the information presented in this statement. The verification by SIRIM QAS International applied to selected sustainable performance information (subject matter) within the assurance scope included in the Syarikat Takaful Malaysia Integrated Annual Report 2024.

The management of Syarikat Takaful Malaysia was responsible for the preparation of the Integrated Annual Report. The objectivity and impartiality of this statement are assured as no member of the verification team and no other employee of SIRIM QAS International was involved in the preparation of any part of Syarikat Takaful Malaysia's Integrated Annual Report 2024.

The assurance engagement was designed to provide limited assurance in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, and the BURSA Sustainability Reporting Guide, irrespective of the organization's ability to achieve its objectives, targets, or expectations on their subject matter and sustainability-related issues. The assurance process involves verification of these selected subject matters.

The verification was carried out by SIRIM QAS International in March 2025, using the following methodologies:

- Reviewing and verifying the traceability, consistency and accuracy of information collected from various sources, internal and external documentation which are made available during the conduct of assessment.
- Verifying data which is presented in the Integrated Annual Report includes a detailed review of the sampled data.
- Interviewing key personnel responsible for collating information and writing various parts of the report to substantiate the veracity of the claims.

The verification process was subjected to the following limitations:

- The scope of work did not involve verification of other information reported in Syarikat Takaful Malaysia's Integrated Annual Report 2024.
- The corporate office of Syarikat Takaful Malaysia, at Menara Takaful Malaysia, Kuala Lumpur, was visited as part of this assurance engagement. The verification process did not include physical inspections of any of Syarikat Takaful Malaysia's buildings, and branches. And,
- The verification team did not verify any contractor or third-party data.

Conclusion

SIRIM QAS International, a Conformity Assessment Body in Malaysia, is accredited to both ISO/IEC 17021-1:2015 and ISO/IEC 17065:2012 covering all our operational activities. The appointed assessors performing the assurance engagement were selected appropriately based on our internal qualifications, training and experience. The verification process is reviewed by management to ensure that the approach and assurance are strictly followed and operated transparently. During the verification process, issues were raised, and clarifications were sought from the management of Syarikat Takaful Malaysia relating to the accuracy of some of the information contained in the report. In response to the raised findings, the final value of the selected subject matters was subsequently reviewed and revised by Syarikat Takaful Malaysia. It is confirmed that changes that have been incorporated into the final version of the report have satisfactorily addressed all issues. Based on the scope of the assessment process and evidence obtained, nothing has come to our attention that causes us to believe that Syarikat Takaful Malaysia has not complied, in all material respects, with the referred assurance standard and guide. The following represents SIRIM QAS International's opinion:

- The level of data accuracy for the selected subject matters is fairly stated;
- The level of disclosure of the selected subject matters presented in the report was found to be properly prepared;
- The personnel responsible were able to demonstrate the origin(s) and interpretation of data contained in the report.

List of Assessors.

1)	Ms. Kamini Sooriamoorthy	:	Team Leader
2)	Ms. Ng Wai Yee	:	Team Member
3)	Mr. Azhar Mustapha	:	Team Member

Statement Prepared by:

Statement Approved by:

**KAMINI SOORIAMOORTHY**

Team Leader
Management System Certification Department
SIRIM QAS International Sdn. Bhd.

Date: 20 March 2025

**AMINUDIN BIN ABD AZIZ**

Acting Senior General Manager
Management System Certification Department
SIRIM QAS International Sdn. Bhd.

Date: 20 March 2025

Note 1: This Independent Assurance Statement has been issued based on the content verified prior to the approval date. SIRIM QAS International Sdn Bhd does not express an opinion on, nor guarantee the integrity and/or accuracy of the information provided with the view that the conclusion was conducted post verification assessment, hence not verified. SIRIM QAS International shall not be responsible for any changes or additions made after the referred date (20 March 2025)

Details are provided in Appendix 1 as below:-

Sustainable Performance Indicator (subject matter)	Value			
Ethics and Compliance				
(a) Percentage (%) of employees who received training on anti-corruption	100 %			
(b) Percentage (%) of operations assessed for risks related to corruption	100 %			
(c) Number of confirmed incidents of corruption and action taken	0 incidents			
Occupational Safety and Health				
(a) Number of work-related fatalities	0 case			
(b) Lost Time Incident Rate ("LTIR")	0.00			
(c) Number of employees trained in health and safety standards	86			
Diversity and Equal Opportunity				
Percentage of Directors by Gender				
(a) Male	83.33 %			
(b) Female	16.67 %			
Percentage of Directors by Age				
(a) > 50	33.33 %			
(b) > 60	66.67 %			
Employee Diversity				
Percentage of Employee Category by Gender	Male	Female		
Senior Management	77%	23%		
Middle Management	50%	50%		
Junior Management	40%	60%		
Clerical	47%	53%		
Non Clerical	87%	13%		
Percentage of Employee Category by Age	< 30	30-50	>50	
Senior Management	0%	61%	39%	
Middle Management	1%	71%	28%	
Junior Management	17%	74%	9%	
Clerical	0%	80%	20%	
Non Clerical	0%	50%	50%	
Percentage of Employee Category by Ethnicity	Chinese	Malay	Indian	Others
Senior Management	29%	64%	5%	2%
Middle Management	25%	69%	4%	2%
Junior Management	6%	91%	2%	1%
Clerical	0%	100%	0%	0%
Non Clerical	0%	100%	0%	0%
Employee Retention				
Percentage of Employees that are Contractors or Temporary Staff	3.40%			
Total Number of New Hires by Employee Category				
Senior Management	9			
Middle Management	27			
Junior Management	67			

Clerical	0
Non Clerical	1
Total Number of Employee Turnover by Employee Category	
Senior Management	1
Middle Management	27
Junior Management	42
Clerical	1
Non Clerical	1
Community Empowerment	
Total amount invested where the target beneficiaries are external to Takaful Malaysia (MYR)	10,074,018.30
Total number of beneficiaries of the investment in communities	18,615

The topics and subject matter covered in this assessment are tabulated below.	CLASSIFICATION OF DATA			
	HIGH	MEDIUM	LOW	UN SUBSTANTIATED
Ethics and Compliance				
Occupational Safety and Health				
Diversity and Equal Opportunity				
Community Empowerment				

Note 1:

This Independent Assurance Statement has been issued based on the content verified prior to the approval date. SIRIM QAS International Sdn Bhd shall not be responsible for any changes or additions made after the referred date (20 March 2025).

Note 2:

The assurance involves activity aims to obtain sufficient appropriate evidence to express a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party, about the subject matter information. It comprises of activities carried out to assess the quality and credibility of the qualitative and quantitative information reported by the organization. This assurance is different from activities used to assess or validate the organization's performance, such as compliance assessments or the issuing of certifications against specific standards.

Note 3:

Definition of HIGH, MEDIUM, LOW and UNSUBSTANTIATED Classification of Data in this Appendix 1.

HIGH: The data and information reviewed has been confirmed with the direct owners. The source of the data origin was provided during the conduct of the assessment.

MEDIUM: Data and information have been confirmed with the direct owners. However, the source of the data has been based on secondary data, where the data origin is not accessible by the verifiers during the conduct of the assessment.

LOW: Data and information reviewed has been based on information endorsed by the data owners. Verifiers did not have access to the source of the data origin. It has been identified as one of the limitations during the conduct of the assessment.

UNSUBSTANTIATED: The sources of data and information disclosed were not made available during the assessment review period due to reasons like confidentiality, unattainable data source and unavailable data owner. It has been identified as one of the limitations during the conduct of the assessment.

11 BURSA COMMON INDICATORS TABLE

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Employees	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	10,074,018.30
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	18,615
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management Under 30	Percentage	0.00
Senior Management Between 30-50	Percentage	61.00
Senior Management Above 51	Percentage	39.00
Middle Management Under 30	Percentage	1.00
Middle Management Between 30-50	Percentage	71.00
Middle Management Above 51	Percentage	28.00
Junior Management Under 30	Percentage	17.00
Junior Management Between 30-50	Percentage	74.00
Junior Management Above 51	Percentage	9.00
Clerical Under 30	Percentage	0.00
Clerical Between 30-50	Percentage	80.00
Clerical Above 51	Percentage	20.00
Non-Clerical Under 30	Percentage	0.00
Non-Clerical Between 30-50	Percentage	50.00
Non-Clerical Above 51	Percentage	50.00
Gender Group by Employee Category		
Senior Management Male	Percentage	77.00
Senior Management Female	Percentage	23.00
Middle Management Male	Percentage	50.00
Middle Management Female	Percentage	50.00
Junior Management Male	Percentage	40.00
Junior Management Female	Percentage	60.00
Clerical Male	Percentage	47.00
Clerical Female	Percentage	53.00
Non-Clerical Male	Percentage	87.00
Non-Clerical Female	Percentage	13.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	83.33
Female	Percentage	16.67
Above 50	Percentage	33.33
Above 60	Percentage	66.67
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	4,663.20
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	86

Internal assurance External assurance No assurance

(*)Restated

11 BURSA COMMON INDICATORS TABLE

Indicator	Measurement Unit	2024
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Senior Management	Hours	3,393
Management	Hours	29,029
Non-Management	Hours	1,528
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	3.40
Bursa C6(c) Total number of employee turnover by employee category		
Senior Management	Number	1
Middle Management	Number	27
Junior Management	Number	42
Clerical	Number	1
Non-Clerical	Number	1
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	94.50
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	17.357000
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	53.64 *
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	5.64 *
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	48.00 *
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	5.45 *
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	3,982.64 *
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	1,339.66 *

Internal assurance	External assurance	No assurance
--------------------	--------------------	--------------

(*)Restated