GENERALI INSURANCE MALAYSIA BERHAD CLIMATE-RELATED FINANCIAL DISCLOSURE 2025

GENERALI

1. INTRODUCTION

As part of our commitment to transparent and proactive climate action, we aim to provide investors and stakeholders with relevant information on how we address climate change and manage the associated risks and opportunities. Since 2017, Generali Group has supported the efforts of the Task Force on Climate-related Financial Disclosures (TCFD) and has voluntarily committed to disclosing financially material information on the impacts of climate change on our operations.

Following Generali's acquisition of a controlling majority in AXA Affin joint ventures and the 100% purchase of MPI Generali Insurans Berhad, the businesses have been integrated under the unified brand, Generali Malaysia, on 1st April 2023. As part of this transformation, Generali Insurance Malaysia Berhad (GIMB) published its first Climate-related Financial Disclosure for its operations within the 2024 Financial Year (FY24). Therefore, this year's disclosure represents our ongoing commitment to transparency and sustainability, providing stakeholders with critical insights into how we address climate-related risks and opportunities.

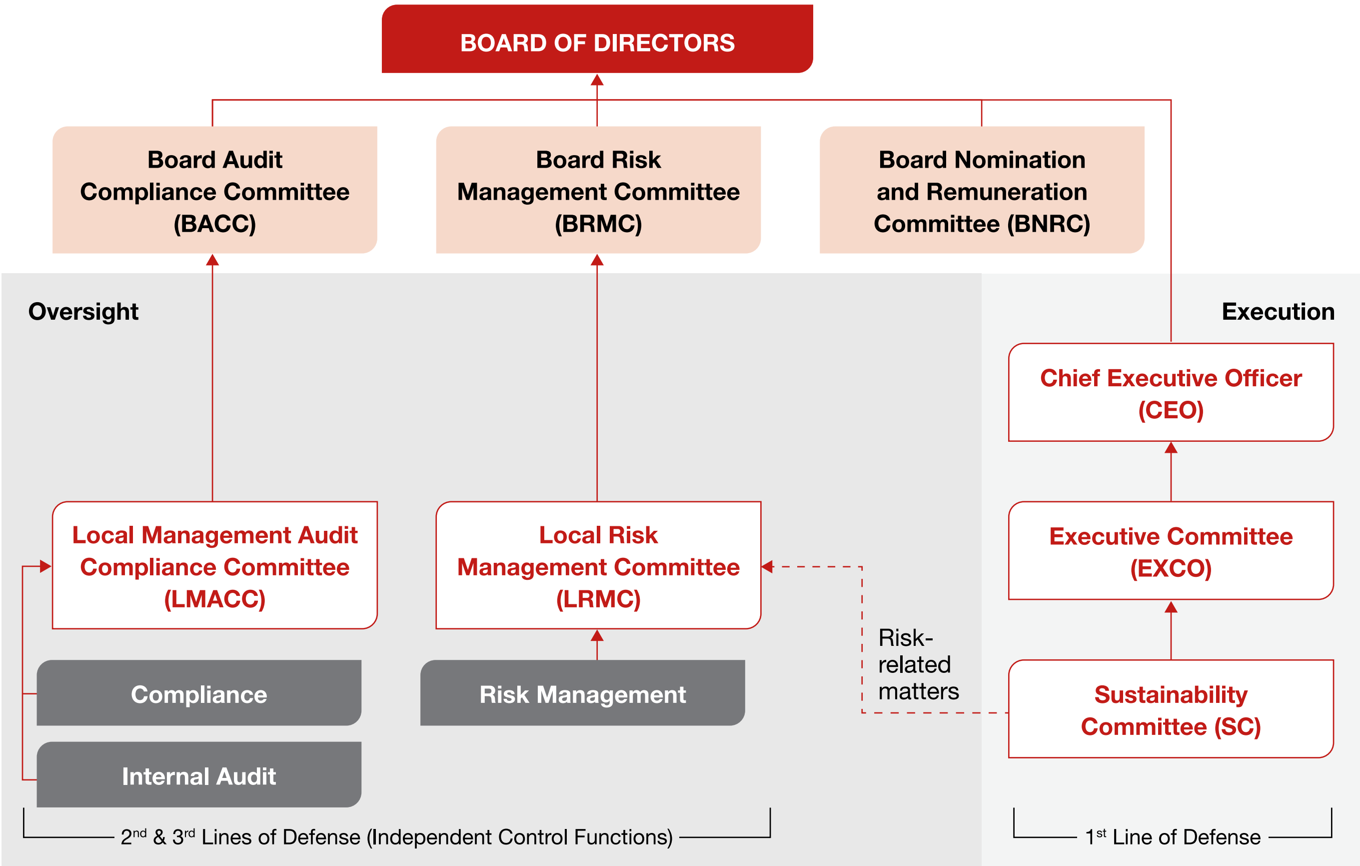
With this disclosure, GIMB is also continuously aligning itself with Bank Negara Malaysia's Climate Risk Management and Scenario Analysis (CRMSA) Policy Document. As part of this, we are focusing on building capabilities to assess and manage climate-related risks, which are becoming increasingly critical to the Malaysian insurance industry. Our efforts include enhancing governance, integrating climate considerations into strategy, and improving data-driven risk management to meet both local and global expectations.

Organised around the core pillars of the TCFD framework (namely, Governance, Strategy, Risk Management, and Metrics and Targets) this disclosure illustrates how we are implementing climate-related recommendations and reinforces our leadership in driving systemic responses for a just transition to a low-carbon economy.

2. GOVERNANCE

At Generali Insurance Malaysia Berhad (GIMB), climate governance is embedded at all levels of the organization, starting with the Board of Directors (Board) and extending through active management involvement. The Board holds ultimate responsibility for steering the company's sustainable growth and financial soundness. By integrating climate and other sustainability considerations into GIMB's business strategies, the Board ensures that the company's actions contribute positively to a sustainable future, aligning with global sustainability goals and regulatory requirements.

The figure below illustrates the Sustainability Governance Structure for GIMB, which also overlooks climate matters:



In today's dynamic business environment, the active involvement of management in a company's climate agenda is crucial to ensuring compliance with regulatory requirements and meeting the increasing expectations of stakeholders who demand that companies embrace and advance sustainable practices. At GIMB, the management team plays a pivotal role in driving this agenda forward, supported by the Local Risk Management Committee (LRMC) and the Sustainability Committee. These bodies keep the management informed of all sustainability-related updates and developments, ensuring that the company remains proactive in addressing both emerging risks and opportunities.

Together, these efforts that are led by the Board, supported by the management and various Board- and Management-level Committees, create a robust governance structure that fosters a culture of sustainability throughout the company. This integrated approach ensures that GIMB not only meets regulatory obligations but also positions itself for long-term growth and financial stability in a way that is aligned with sustainable business practices.

2.1. Board Oversight

The Board, which convenes not less than once every two months, provides oversight on all sustainability-related matters and ensures that GIMB is resilient to the evolving challenges posed by climate change. This is achieved through several key responsibilities, including:

- **Promotion of Sustainability:** The Board is responsible for embedding Environmental, Social and Governance (ESG) considerations into the company's strategies, thus fostering long-term sustainable growth.

- **Safeguarding Resilience:** By overseeing the management of climate-related risks, the Board ensures that GIMB remains resilient against the adverse impacts of climate change.

2.1.1. Board Risk Management Committee (BRMC)

The Board is supported in its sustainability oversight by the Board Risk Management Committee (BRMC), which plays a crucial role in ensuring the successful integration of ESG principles within GIMB. Convening at least four times annually, the BRMC's responsibilities include:

- **Oversight of Climate-related Risks:** The BRMC is tasked to support the Board in their role to safeguard GIMB's resilience against the adverse impact of climate change through oversight on climate-related risks while promoting a just and orderly transition of the economy.

- **Evaluation of Risks and Opportunities:** On a periodic basis, the BRMC evaluate the risks and opportunities arising from climate change and taking them into account when assessing and approving GIMB's strategies and business plans.

- **ESG and Climate-Related Matters:** The BRMC is tasked with supporting the Board on all sustainability and ESG matters. This includes actively discussing and staying informed about the latest developments in climate and sustainability risks.

- **Policy and Risk Review:** The BRMC reviews and endorses policies, appetites, and tolerance levels related to ESG and climate-risk management, ensuring that these frameworks align with GIMB's long-term sustainability objectives.

- **Deliberation and Approval:** The BRMC deliberates on sustainability and climate-related initiatives, making recommendations for approval to the Board, ensuring that these initiatives are aligned with both regulatory requirements and the company's sustainability vision.

By maintaining active, robust, and informed discussions around ESG and climate-related risks, the Board and BRMC ensure that GIMB remains well-positioned to navigate the challenges of a changing environmental and regulatory landscape, while continuing to foster sustainable, long-term growth. Through this governance structure, GIMB demonstrates its commitment to sustainability and responsible business practices, both now and into the future.

2.2. Management's Role

The successful execution of GIMB's sustainability vision is reinforced through the active engagement of the management team. The Local Risk Management Committee (LRMC) and the Sustainability Committee play pivotal roles in ensuring GIMB's sustainability commitments are effectively implemented and integrated into day-to-day operations. These committees work closely with various functions to ensure that climate-related risks and opportunities, as well as broader ESG principles, are woven into the company's decision-making processes and risk management frameworks.

The LRMC ensures that material risks, including ESG and climate risks, are regularly reviewed and managed, safeguarding the company from potential threats, both operational and reputational. Meanwhile, the Sustainability Committee drives the operationalization of sustainability strategies, cascading the Group's Sustainability Framework to the relevant functions, overseeing key sustainability initiatives, and ensuring alignment between GIMB's sustainability goals and its business practices.

In addition, the Management established a dedicated Governance Unit under the CEO Office effective December 2025, mandated to drive effective governance practices across the Company. Through this initiative, Management remains committed to strengthening the Company-wide governance structure and practices including sustainability and climate governance.

2.2.1. Local Risk Management Committee

The Local Risk Management Committee (LRMC) is responsible for assessing and reviewing material risks that could pose a serious threat to the organization. This includes not only traditional risks such as financial, credit, operational, and regulatory risks, but also emerging risks related to climate change and sustainability, including:

- **Risk Review and Assessment:** The LRMC regularly reviews key risks, including ESG (Environmental, Social, and Governance) risks, particularly focusing on climate risk and its potential impacts on the company.

- **Reputational Risk Management:** In addition to financial and operational risks, the LRMC identifies and addresses risks that could negatively impact GIMB's reputation, including failure to adequately manage sustainability issues.

2.2.2. Sustainability Committee

The Sustainability Committee (SC) is tasked with driving the execution of GIMB's sustainability initiatives, ensuring that the company's long-term sustainability goals are met. Convening every quarter, the Committee's key responsibilities include:

- **Implementation of Group Sustainability Framework:** The committee cascades Generali's Group Sustainability Framework, including climate-related directives, across the relevant functions of the company, ensuring that global strategies are effectively implemented at the local level.

- **Oversight and Alignment:** The committee reviews and deliberates on sustainability-related initiatives undertaken by various functions, offering guidance to ensure that these initiatives align with the company's overall sustainability strategy, goals, and principles.

- **Climate Risk Management:** The committee plays a pivotal role in overseeing the implementation of plans and actions related to climate resilience. This includes monitoring progress against climate-related targets and metrics and ensuring that GIMB is prepared to manage climate-related risks effectively.

- **Recommendations to the LRMC:** The Sustainability Committee collaborates closely with the Local Risk Management Committee (LRMC), recommending actions on emerging sustainability issues, initiatives, incentives, and events. This also includes the development of capability-building programs and high-quality sustainability disclosures.

- **Fostering a Culture of Sustainability:** The committee actively promotes a culture of sustainability within the organization by fostering strategic partnerships, engaging in sponsorships, and initiating collaborations that position GIMB as a market leader in sustainable practices.

- **Escalation and Monitoring:** In the event of any significant sustainability-related issues or risks, the committee activates the sustainability escalation process and ensures the Chairperson is kept informed, ensuring timely and effective responses to critical matters.

2.3. Policies and Guidelines on Climate Change

The **Sustainability Policy**, approved by the Board of Directors, establishes GIMB's approach to managing sustainability in alignment with the Generali Group's Sustainability Framework. This framework is structured around three core components: Sustainability Integration, Ambition and Appetite, and Foundations. The policy sets a clear ambition for sustainability to be a guiding principle in key decision-making processes. It also defines how sustainability is embedded into key business operations, ensuring that the social and environmental impacts of the company's actions are consistently considered, while upholding principles of responsible and ethical business conduct.

The **Climate-related Disclosure Policy** establishes a framework for GIMB's climate-related disclosures and outlines the internal controls and governance arrangements required to ensure that climate-related disclosures are accurate, transparent, and aligned with the industry's best practices and regulatory requirements.

The **Sustainability Risk Guideline** outlines a framework to identify, measure, manage and report sustainability risks to which the Company is exposed. The Guideline provides the sustainability risks definition and key features; and the approach undertaken by the Risk Management function on sustainability risks.

The **Integration of Sustainability into Investments and Active Ownership Group Guideline** defines the strategy for the integration of Sustainability Factors into investments for insurance portfolios in alignment with the sustainability objectives and targets and supporting the broader Generali Group strategy; the operating model for the management of sustainability into investments for insurance portfolios according to the broader investment governance framework; the framework, defining requirements and approaches to integrate relevant Sustainability Factors into investment decisions across asset classes and portfolios; as well as the approach to comply with sustainable finance regulation requirements and the disclosure requirements the Company is subject to.

The **Responsible Underwriting Guidelines** outlines principles and rules aimed at factoring-in clients'/ companies' sustainability matters, including climate change, within the underwriting process. In alignment with Generali Group, GIMB considers the sustainability profile of customers/companies, aiming to minimize the underwriting of risks belonging to sensitive sectors to minimize its insurance exposure to potential sustainability and reputational risks. Additionally, the Guidelines advocates for the proper management of sustainability matters promoting acceptance and implementation of the United Nations Global Compact (UNGC) and the United Nations Environment Programme Finance Initiative (UNEP FI) and the Principles for Sustainable Insurance (PSI) within the Company.

2.4. Board Credentials

GIMB is committed to maintaining a Board with a diverse range of technical expertise and experience, ensuring that the collective skillsets contribute to its long-term success.

Skills and experience	Number of Directors
Finance & Accounting	6
Banking & Insurance	6
Risk & Governance	6
Business Strategy & Investment	4
Digital & Technology	3
Legal & Regulatory	3
Marketing & Public Policy	2
International Experience	4
ESG and Sustainability	2

2.5. Sustainability Training

At GIMB, we recognise the critical role of our Board of Directors and Senior Management in overseeing climate-related risks and opportunities. To enhance climate governance and informed decision-making, we have implemented structured sustainability training programs for our Board members.

Below is the summary of the training on relevant topics that have been provided to the board in 2025:

Director	Introduction to IFRS S1 & S2 Standards	IFRS S1 and S2 Briefing	Sustainable Finance and Transition Planning
Mr. Raymond Fam	✓	✓	✓
Mr. Roberto Leonardi			
Datin Zaimah Binti Zakaria	✓	✓	✓
Dr. Sharlene Thiagarajah			
En. Ariffin Bin Morad	✓	✓	✓
Yg. Bhg. Datuk Rajendran Narayanasamy	✓	✓	✓
Ms. Joanne Rodrigues			✓
Mr. Liew Fui Kiang			✓

Meanwhile, the following summarises the trainings that were provided to the management team in 2025:

Senior Management Personnel	Introduction to IFRS S1 & S2 Standards	IFRS S1 and S2 Briefing	Sustainable Finance and Transition Planning
Mr. Fabrice Benard		✓	✓
Ms. Lim Tai Ching			✓
Puan Haneeza Abdul Kadir	✓	✓	✓
Ms. Michelle Dan	✓		✓
Mr. Laurent Crouet	✓	✓	
Captain Gurudutt Joglekar	✓	✓	✓
Mr. Alexander Teoh	✓	✓	✓
Ms. Yeo I-Peng	✓		✓
Mr. Lim Chong Sheng			✓
Ms. Vivian Ho	✓		
Puan Nor Hakimah Abdul Latiff		✓	
Mr. Mohamad Abdul Hakim Mohamed Razip	✓	✓	✓

Note: Attendance to external sustainability trainings was not made mandatory for senior management under the BNM CRMSA Policy Document. In addition, certain trainings were held after the appointments of certain senior management personnel.

We have also implemented mandatory internal Sustainability Training for all employees that is delivered through WeLearn, our digital learning platform. This includes the following courses:

We LEARN Course	Completion Rate	
	Senior Management	General Employee
The Sustainability Awareness Journey	100%	97%
The Climate Awareness Journey	100%	95%

We have also implemented an internal Sustainability Training for all employees that is delivered through two Lunch and Learn sessions in September 2025, in conjunction with Generali Group's inaugural Asia Sustainability Week 2025. The trainings were conducted by two personnel from GIMB's Sustainability function and covered various aspects of Greenhouse Gas (GHG) emissions calculation. By embedding sustainability into our learning framework, we empower employees to incorporate sustainable thinking into their daily responsibilities, enhancing our overall sustainability performance.

These training initiatives ensure that sustainability is not only a top-down priority but also a shared responsibility across all levels of our organization.

2.6. Remuneration Policies

A component of the variable remuneration of the CEO and relevant management depends on the results achieved in the implementation of the Generali Group Strategy on Climate Change. In 2025, the Company initiated the process to revise the Key Performance Indicators (KPIs) of a broader cohort of Senior Management to incorporate sustainability-related objectives, with the revised KPIs taking effect from 2026.

3. STRATEGY

3.1. Identification of Risk & Opportunities

GIMB recognises that climate change presents significant risks to businesses, economies, and financial institutions. These climate risks are multifaceted and can affect the company's operations, investment strategies, and overall resilience. With the support and engagement of business units, control functions, and sustainability function, GIMB identifies and assesses the following material impacts, risks and opportunities:

Climate Risk Analysed			Time Horizon	Impacts	Opportunities
Physical	Acute	• Flash flood • Riverine flood • Tropical cyclone • Storm surge • Heatwaves • Drought	• Short • Medium • Long	• Increase in insurance claim pay-outs • Reduce in recoverable amount from reinsurance • Decrease in investment portfolio value • Implications on business continuity	• Opportunity to develop climate-resilient investment and underwriting portfolios through enhanced risk management and diversification. • Strengthening portfolio resilience through climate scenario analysis and alignment with decarbonization goals
	Chronic	• Sea level rise • Temperature increase	• Medium • Long		
Transition	Regulation	• Carbon pricing policies implementation • Environmentally harmful subsidies removal	• Medium • Long	• Increase costs, reduce margins • Losses from repricing of financial assets	• Expanding underwriting and investment strategies to capitalise on emerging sustainable sectors and technologies • Leveraging sustainable investments and underwriting practices to meet growing market demand for ESG-compliant solutions
	Technology	• Adoption of low-emission and energy-efficient technologies	• Medium • Long	• Shrinkage of market related to carbon-intensive businesses	
	Market	• Change in consumer preferences	• Medium • Long	• Reduction in insurance pricing to stay market active	
	Litigation	• Associated with damages caused by GHG emissions	• Medium • Long	• Litigation losses	
	Reputation	• Due to corporate policies supporting high GHG emissions	• Medium • Long	• Negative reputation	

3.1.1. GHG Emissions Reduction Commitments

GIMB aligns with Generali Group's Climate Change Strategy, which commits to achieving net-zero GHG emissions across its underwriting and investment portfolios by 2050, consistent with science-based pathways that limit global warming to 1.5°C.

Portfolio	Target	Strategy
Underwriting	Achieving net-zero GHG emissions across the Company's insurance portfolio by 2050.	Developing a robust framework to progressively align underwriting activities with net-zero objectives, ensuring the integration of climate-related considerations into risk selection and policy terms.
Investment	Establishing a concrete 2050 target for the reduction of the portfolio's carbon footprint, ensuring that investment strategies support a low-carbon economy transition.	Actively engaging with the top carbon-intensive issuers through fund managers to ensure that they are aligned with our climate-related targets.

3.1.2. Climate-related Risk Appetite

GIMB has established climate-related risk appetite statements which guide strategic planning for GIMB towards achieving its overall strategic goals to (1) comply with regulatory requirements; (2) manage ESG-related risks (including climate risk); and (3) steering portfolios towards decarbonization strategy.

Type	Risk Appetite Statement	Owner
Reinsurance	To ensure treaty reinsurance protection is adequate to cover 1-in-250-year return period of modelled flood catastrophe claims.	Chief Insurance Officer
Underwriting	To ensure gradual discontinuation of the existing cover for assets of clients insured for activities related to the coal industry with progressively more restrictive criteria and exclusion of new underwriting cover.	Chief Insurance Officer
Investment	To ensure gradual discontinuation of the existing cover for investment in assets for activities related to the coal industry with progressively more restrictive criteria and exclusion of new investment cover.	Chief of Investment / Head of Investment

The climate-related risk appetite statements are embedded within risk policies and guidelines, ensuring effective dissemination and adoption across the organization. This alignment guarantees that sustainability risks are consistently addressed in decision-making and operational processes.

4. RISK MANAGEMENT

GIMB manages climate-related risks as an integral part of its overall risk management system. Climate-related risks are treated as a subset of sustainability risks and are subject to the same end-to-end risk management process applied to other material risks faced by the Company.

The sustainability risk management framework is based on the four phases of the risk management process already defined in GIMB's Risk Management Policy. These processes are integrated into GIMB's enterprise risk management and governance arrangements, namely:

Risk Identification → **Risk Measurement** → **Risk Management & Control** → **Risk Reporting**

4.1. Risk Identification

4.1.1. Definition of Risk Terminology Used

In identifying and assessing climate-related risks, GIMB employs standardised definitions aligned with Generali Group's overarching risk framework. These definitions provide clarity on emerging, sustainability, and climate change risks, which often exhibit cross-cutting characteristics and long-term implications across multiple risk categories:

Classification	Description
Emerging Risks	Emerging risks are characterised by significant uncertainty regarding their future development. These risks typically stem from evolving trends in internal or external environments, which may lead to increased exposures to already identified risks or the emergence of entirely new risks.
Sustainability Risks	Sustainability risks refer to environmental, social, or governance (ESG) events or conditions that, if realised, could negatively affect the value of investments or liabilities, as well as risk of potential adverse impacts of the company's business decisions on sustainability factors.
Climate Change Risks	Climate change risks are a subset of sustainability risks which involve risks that arise from the physical effects of climate change (physical risks) and from the transition to a low-carbon and climate-resilient economy (transition risks), as well as risks of potential misalignment of the company's actions with decarbonization targets.

4.1.2. Process to Identify Climate Risks

The identification of climate risks to which GIMB is most exposed is conducted through the Main Risk Self-Assessment (MRSA) process as set out in Generali Group's Own Risk Solvency Assessment (ORSA) Reporting Guideline. The MRSA is a group-wide process, aiming at guaranteeing that all material risks which the Generali Group and its Legal Entities are exposed to are properly identified.

Risks are evaluated based on their likelihood of occurrence and severity, along with the identification of potential mitigating actions to reduce their impact. The MRSA process incorporates emerging, sustainability, and climate-related risks by integrating future-oriented analyses. This approach ensures:

- A forward-looking assessment of risks, including climate-related risks, to align with global climate transition scenarios.
- A progressive deep dive into climate-related matters, focusing on specific themes identified to enhance the understanding and management of these risks.

The risk identification process supports the definition of the materiality of the sustainability matters within the materiality assessment process.

4.1.3. Process to Identify Material Exposures

Portfolios vulnerable to climate change are identified based on scientific literature, climate projections, and analysis on historical data on climate-related losses and economic losses arising from extreme climate events in a Malaysia context. As part of the climate risk identification process, GIMB focuses on key portfolios, the associated climate-related impacts, and the process used to identify material climate-related exposures, as outlined below.

Portfolio	Climate Impact	Identification Process
Underwriting	Impacting insurance underwriting in terms of expected premiums and claims.	• Lines of business, geography, and sector most exposed to physical perils. • Lines of business, market segments (retail and corporate) and sectors most exposed to transition policies.
Investment	Impacting market and credit risks in terms of asset value changes and issuer's spread.	• Asset class, sector, and geography most exposed to physical perils and transition policies.

The identification of material exposure for investment and insurance portfolio is supported by the transmission channels as summarised below, which illustrate climate-related risks and their significance within the existing risk categories:

	Physical Risks	Transition Risks
Insurance Risk	• Increase in insurance claim pay-outs to compensate for losses caused by climate events, leading to insufficiency of premiums.	• Reduce in insurance pricing as management action to stay active in the market, leading to reduced financial income.
Credit Risk	• Increase in probability of default of bond issuers affected by climate disaster. • Increase in probability of default of reinsurers affected by the rise in frequency and severity of climate events, leading to a reduced amount recoverable from reinsurance.	• Increase in probability of default of bond issuers whose repayment capacity is affected by additional cost from transition policies and shift in market sentiment.
Market Risk	• Higher volatility in financial markets with government policies to aid the economies to revive from disruptions caused by climate disaster. • Decrease in investment portfolio value caused by climate disaster affecting businesses.	• Losses from repricing of financial assets for investment in economic sectors most exposed to transition risk (amongst others, carbon-intensive businesses).
Operational Risk	• Direct damage to company premises, and implications on business continuity arising from the impacts of climate hazards. • Increase in expenditure to mitigate risk as relocation of offices due to long-term shifts in climate forces to continue providing services.	• Necessary adjustments to internal policies and procedures to comply with evolving climate regulations.

4.2. Risk Measurement

Methodologies and tools are defined and adopted for measuring climate exposures and the impacts of climate scenarios on investment and underwriting portfolios. This includes measurement of potential size and scope of identified climate-related risk on the material exposures, as well as incurred climate change risks.

4.2.1. Climate Scenario Analysis

The impact of climate change risk on GIMB's portfolio is assessed using scenario analysis to evaluate the resilience of its business strategies against material climate-related risks. This approach ensures a comprehensive understanding of the potential impacts of both physical and transition risks on the Company's underwriting and investment portfolios through the application of different climate stress scenarios.

GIMB's climate scenario analysis covers the following scope:

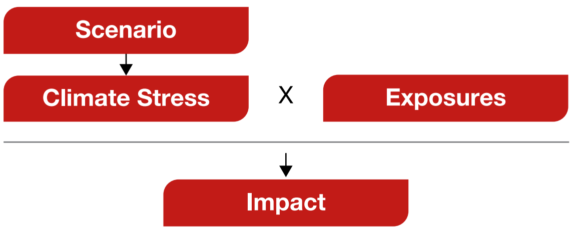
Time Horizon	Risk	Portfolio[1]	Scenario Analysed
• Medium-to-Long Term	• Physical Risk • Transition Risk	• Underwriting • Investment	• Net Zero 2050 (NZ) • Divergent Net Zero (DNZ) • Nationally Determined Contribution (NDC)
• Short Term	• Physical Risk	• Underwriting • Investment	• Current Policies (CP)

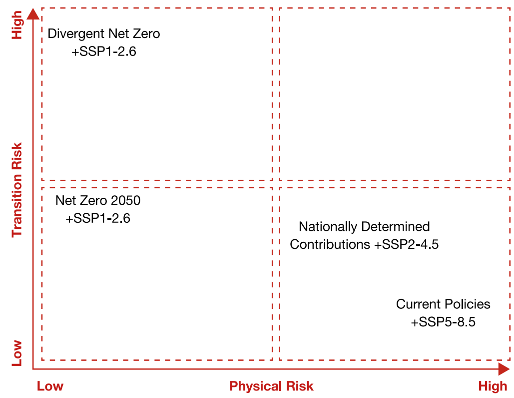
[1] Climate scenario analysis is performed on the identified material exposures only.

GIMB employs internationally recognised the Network for Greening the Financial System (NGFS) scenarios for socioeconomic development assumptions, calibrated to regulatory requirements. GIMB also employs Intergovernmental Panel on Climate Change (IPCC)'s Shared Socio-economic Pathways (SSP), i.e. SSP1-2.6, SSP2-4.5, and SSP5-8.5 which represent different future levels of emissions for physical risk assessment, integrated in the NGFS scenarios below.

NGFS	IPCC	Description
NZ	SSP1-2.6	This climate scenario rests on strong climate policies and significant green technology breakthroughs to rapidly reduce greenhouse gas (GHG) emissions, limiting global warming to 1.5°C. It reflects key features of an early and orderly transition.
DNZ	SSP1-2.6	This scenario assumes the same 1.5°C of global warming but differs from the NZ scenario in several aspects, resulting in a medium to higher transition risks, relative to the NZ scenario, while the impact from physical risk on the economy will be lower than the NDC scenario.
NDC	SSP2-4.5	The NDC scenario assumes both implemented and pledged policy measures are fully implemented but remains inadequate to facilitate an orderly transition. While emissions decline, the limited policy actions taken are insufficient and will lead to an approximately 2.5°C increase in temperatures, and a materialisation of moderate to severe physical risks.
CP	SSP5-8.5	Assess the impact of extreme physical events, such as a 1-in-200-year flood event, under instantaneous shock scenarios.

Climate models are utilised to simulate the physical and transition risks, aligning with best practices in the financial industry. The calculation made can be represented as follows:





The Climate Stress is represented in the following:

Portfolio	Physical Risk	Transition Risk
Underwriting	• Estimation of the change in claims due to increased frequency and severity of perils for each line of business and geography.	• Estimation of the change in premiums and claims for each line of business, economic sector and geography, leading to the change in overall profit.
Investment	• Shocked market value by bond repricing from potential annual damage on issuer's asset due to changes in peril frequency and intensity.	• Shocked market value by bond repricing from estimation of changes in revenue (GDP for Government) of the issuer for each economic sector and geography.

The results of climate scenario analysis provide valuable insights for GIMB to integrate further climate-related considerations into internal control frameworks, business strategies, and risk appetite frameworks, with the aim to enhance the company's overall resilience.

4.3. Risk Management and Control

GIMB progressively integrates the management and monitoring of climate-related risks into its overall risk management framework, ensuring alignment with Risk Management Policy and Group's Climate Change Methodology. This approach ensures that climate considerations are embedded into the Company's broader risk appetite and strategic objectives. To this end,

- GIMB defines risk limits (the limit setting is going to be further developed based on the evolving climate-related commitments and ambitions) and implements risk mitigation actions (amongst others, responsible investment and sustainable insurance) to maintain risk profile within predefined thresholds and to secure the achievement of decarbonization targets announced to the market.

- GIMB is enhancing its climate risk management capability to better identify, assess, and monitor climate-related risks. This provides advanced tools to support the decision-making and facilitates the ESG integration process across all operations. GIMB is also ensuring resources are sufficiently allocated to champion the sustainability agendas.

- GIMB engages with the first line of defence (Risk Owners) to promote awareness and understanding of the climate risk, particularly regarding its sustainability and climate-related components. Training programs are organised to strengthen risk culture at all levels, equipping teams to address sustainability risks effectively.

4.3.1. Business Transactions

Sustainability risks are integrated in the investment and underwriting processes through screening criterion and related monitoring processes set up in the relevant policies and guidelines. The screening criterion contains restricted list (negative screening framework to exclude counterparties from investable and insurable universe) which aims at issuers, sectors or activities with poor ESG practices (those not aligned with Generali Group's minimum standards, business best practice or not based on international norms related to responsible investment) potentially impacting on their long-term financial performance and/or exposing Generali Group to higher sustainability and reputational risk.

The Risk Management function reviews the exposures in the business portfolios in order to provide a risk opinion on the restricted list and in other circumstances when requested.

Portfolio	Negative Screening Framework
Investment	• For direct investment, negative screening (Restricted List) contains exclusions where new investment is not permitted. • For indirect investment, ESG criteria for selection and monitoring of asset manager/ undertakings for collective investment contains the following requirements: ◦ Investment strategy with adequate climate-related objective; and ◦ Adequate level of transparency and disclosure on them.
Underwriting	• Underwriting shall be minimised for sector defined in the Sensitive Businesses list (or prohibited if the same sector is also contained in the Prohibited Businesses list), where such list contains: ◦ Restricted List (the same as applied to investment); and ◦ Sensitive sectors where sustainability risks are identified.

4.3.2. Supporting Clients in Mitigating Climate-Related Risks

As a general insurance provider, GIMB lines of business in Fire, Motor, and Contractors' All Risk & Engineering provides protection to support clients in mitigating the impact from climate-related risks and enhancing their climate resilience.

GIMB strives to continuously develop new and innovative product solutions. An example is the launch of the Green Material Enhancement benefit in October 2024 under the Multi Biz Protector Enhanced product. This benefit offers a complimentary extension that covers additional costs incurred to repair or replace damaged property with green technology or environmentally friendly materials following a fire or other insured perils claim. It has a coverage of up to 30% of the total loss amount or RM10,000,000, whichever is lower. Through this product, GIMB aims to promote sustainable rebuilding practices by encouraging the use of eco-friendly materials and technologies.

5. METRICS AND TARGETS

5.1. Responsible Investor

Target	Metric
General Account Investment Portfolio: We aim to achieve a 35% reduction in the carbon intensity of our listed equities and corporate bonds portfolios by 2029, against a 2023 baseline.	Carbon intensity of investment portfolio. *Note: In 2025, we reduced the carbon intensity of our investment portfolio by 44% compared to that of 2023.*
General Account Investment Portfolio: We aim to have 51% of investment assets invested in Sustainable and Responsible Investment (SRI) funds during the financial year ending 31 December 2026.	Investment in SRI funds. *Note: We started investing into SRI Funds in August 2024. As of 31 December 2025, 39% of our investment assets was allocated to SRI funds.*
Exclusion of High-Carbon Investments in Energy Production Companies: We align with Generali Group's commitment to excluding new investments and progressively divesting from carbon-intensive energy production companies.	Investment in Restricted List.
Reducing Thermal Coal Exposure: We are committed to a transition towards zero exposure to the thermal coal sector by 2040 for our investment portfolios.	Investment in thermal coal sector.

5.2. Responsible Insurer

Target	Metric
Reducing Thermal Coal Exposure: We are committed to a transition towards zero exposure to the thermal coal sector by 2038 for our insurance portfolios.	Insurance in thermal coal sector. *Note: In 2025, we maintained a zero exposure to the thermal coal sector for our insurance portfolio, which we have already achieved in 2024.*
Phasing Out Insurance Coverage for High-Carbon Energy Production Activities: We align with Generali Group's underwriting policies and remain steadfast in our commitment not to insure activities within the energy production sectors moving forward.	Underwriting in Sensitive Businesses List and Prohibited Businesses List. *Note: In 2025, we maintained a zero exposure to the carbon-intensive energy production activities, which we have already achieved in 2024.*
Developing Green Insurance Solutions: In alignment with Generali Group's updated Climate Change Strategy, GIMB continues to expand its green mobility, renewable energy and energy efficiency offerings that support climate mitigation and adaptation.	Premium from climate-resilient insurance products. *Note: The Gross Written Premium (GWP) for hybrid and electric vehicles constituted 9% of our total personal motor portfolio in 2025, recording a 21% year-on-year GWP growth from 2024.*

5.3. Responsible Employer

Target	Metric
Net-Zero Operations by 2050: We will ensure alignment with our net-zero goal by 2050, through enhanced energy efficiency measures, responsible procurement policies, digitalization, and renewable energy adoption.	GHG Emissions. *Note: Refer to the table below. GIMB achieved triple green building certifications in 2025. These include the LEED Gold and GreenRE Silver certifications for Menara Generali, as well as the Penang Green Office Certification for its Penang branch. Through these certifications, GIMB demonstrates its commitment to energy efficiency, renewable energy adoption, and sustainable workplace practices.*
Enhanced Reporting: We are committed to enhancing transparency and accountability by aligning our climate-related disclosures with the Task Force on Climate-related Financial Disclosures (TCFD) framework as well as the International Sustainability Standards Board's (ISSB) IFRS S1 and S2 standards, reporting on our climate risk exposure, mitigation efforts, and progress toward decarbonization targets.	Transparent and accountable climate-related disclosures. *Note: GIMB falls under the Group 3 of the list of applicable entities under the Malaysian National Sustainability Reporting Framework (NSRF), and it will align itself with the IFRS S1 and S2 frameworks for the reporting period ending 31st December 2027.*

With reference to our Net Zero target,
GIMB's Historical and Current GHG Emissions

Emission Category	2023 (Restated)	2024 (Restated)	2025
Scope 1 Emissions (tCO_2e)	14	12	10
Scope 2 Emissions (tCO_2e)	1,547	1,415	910
Scope 3 Emissions (tCO_2e)			
Category 6 Business Travel Emissions	693	823	673
Category 7 Employee Commute Emissions	756	749	713
Category 15 Financed Emissions	412,858	366,103	460,824
Scope 1-3 Emissions (tCO_2e)	**415,868**	**369,102**	**463,130**

GIMB's Current and Forecasted GHG Emissions

Emission Category	2025	2026	2027
Scope 1 Emissions (tCO_2e)	10	10	10
Scope 2 Emissions (tCO_2e)	910	945	964
Scope 3 Emissions (tCO_2e)			
Category 6 Business Travel Emissions	673	705	698
Category 7 Employee Commute Emissions	713	723	690
Category 15 Financed Emissions	460,824	493,983	520,221
Scope 1-3 Emissions (tCO_2e)	**463,130**	**496,367**	**522,583**

Notes:

1. *GIMB undertakes reasonable efforts to collect relevant environmental data from all of its operations.*
2. *GIMB's Scope 2 data is based on invoice amounts or measured meter readings (where available) and internal extrapolation approach (estimations) from our buildings.*
3. *GIMB has fulfilled some of the requirements of recommendations M3 and is actively working towards further fulfilment of this recommendation in alignment with the direction of Generali Group.*
4. *Restated figures were primarily driven by methodology enhancements and targeted estimations applied to material variances, to ensure harmonisation and consistency between historical and current data. There are inherent limitations in the data capture and validation process that GIMB will address iteratively over time.*
5. *There was an overall increase in emissions from 2024 to 2025, driven by an increase in Scope 3, Category 15 Financed Emissions. The increase in Scope 3, Category 15 Financed Emissions are due to efforts related to executing GIMB's strategic plan.*
6. *Forecasted figures are based on historical trends or GIMB's strategic plan, whichever is most applicable. Regarding forecasted emissions for Scope 2, efforts will be undertaken to reduce emissions over time in alignment with our target to achieve net zero by 2050.*

Emission Category	Definitions
Scope 1	Scope 1 emissions are direct emissions that occur from sources controlled or owned by GIMB (amongst others, emissions associated with company fleet vehicles)
Scope 2	Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity generated by the energy suppliers of GIMB.
Scope 3	Scope 3 emissions are all indirect GHG emissions (not included in Scope 1 and 2) that occur in GIMB's value chain, including upstream and downstream emissions
• Category 6	Indirect GHG emissions that result from business-related travel activities, such as flights, car rentals, and train journeys, undertaken by a company's employees
• Category 7	Indirect GHG emissions produced by employees as they travel between their homes and workplaces
• Category 15	Indirect GHG emissions associated with the investments and financial services that a company provides

Note: The methodology adopted for the emission calculations are consistent with those defined by the GHG Protocol – A Corporate Accounting and Reporting Standard and PCAF – the Global GHG Accounting and Reporting Standard for the Financial Industry.

The impact of climate risks, particularly flood-related events, is a critical consideration for our business. Reported claims related to storms and floods provide a clear measure of how climate events affect our operations. With the increasing occurrence of extreme weather, storm and flood risks play a crucial role in shaping our risk management strategies. The table below outlines the climate-related claims reported to the Group:

Climate-related losses	2025 (in MYR)		
	Storm Claims	Flood Claims	Total Claims
Gross Incurred Loss (Net of Coinsurance)	7,502,821	12,025,108	19,527,928
Net Incurred Loss	6,330,156	8,242,937	14,573,093

Note: In relation to requirement recommendation M3(i), GIMB currently discloses its climate-related losses and is actively working towards enhancing its disclosures in relation to the impact of climate-related risks or opportunities on the company's financial position.

5.4. Responsible Corporate Citizen

Target	Metric
Stakeholder Collaboration: We will continue to actively engage with clients, regulators, and industry stakeholders to advance climate resilience, sustainable finance, and Malaysia's net-zero transition goals.	Engagement with stakeholders. Building on a partnership established in 2024, Generali Malaysia and UNDP advanced their collaboration in 2025 through major local SME engagements focused on climate and business resilience. This included participation in SME Venture@ASEAN 2025 at MITEC, Kuala Lumpur, Malaysia's largest ASEAN level SME trade event in conjunction with the country's ASEAN Chairmanship, which attracted 13,850 visitors over three days, featuring close to 370 exhibitors. During the year, Generali Malaysia and UNDP also participated in the inaugural JC3 SFG Climate Conference for SMEs 2025, where Generali Malaysia showcased the enhanced SME Loss Prevention Framework, which was expanded to include fire risk coverage alongside flood risk, offering sector specific prevention guidance and practical action plans to help SMEs strengthen preparedness against climate- and disaster-related risks.

6. MAPPING OF THE CLIMATE-RELATED FINANCIAL DISCLOSURES AGAINST THE TCFD FRAMEWORK

In order to facilitate the use of this document, below is a prospectus of GIMB's Climate-related Financial Information with respect to the Pillars, Recommendations and Recommended Disclosures of the TCFD.

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