Environmental, social and governance

Our ESG strategy

FWD Insurance ("FWDIB") seek to embedding environmental, social, and governance (ESG) values into our culture and decision-making, ensuring that our business success goes hand-in-hand with creating meaningful impact for our customers, employees, shareholders, and the communities we serve.

Our ESG strategy guides key decisions across our operations—from product innovation to investments and internal processes—and is anchored on three strategic pillars:

1. Expanding accessible protection solutions, especially for underserved and underinsured segments.
2. Investing responsibly to support long-term, sustainable growth.
3. Upholding governance practices that foster trust, transparency, and ethical conduct across our business.

	ESG Strategic Pillar	Priorities
Accessible protection	We strive to help our customers and communities achieve better health & financial protection so they can celebrate living today and in the future.	• Help people access the protection they need through accessible and affordable life and health products • Leverage digital platforms for enhancing the customer journey and improving access to protection • Engage our communities and raise financial and health literacy
Sustainable Investment	We are committed to investing responsibly and creating long-term value for our stakeholders.	• Embed ESG factors into investment process to mobilise capital for long-term sustained value and returns • Support a just and orderly transition to a lower carbon future with focus on investment portfolio emissions
Effective governance and sustainable business	We want to ensure good governance and risk management while attracting and retaining a diverse and highly skilled workforce.	• Run our business with good governance, risk management and responsible business practices • Advance equity, inclusion and well-being initiatives to empower our diverse workforce • Enhance ESG considerations in our operations and sourcing decisions

Aligning SDGs

1. Accessible protection

We are committed to closing the protection gap by offering affordable, inclusive life and health protection in Malaysia. In 2025, FWD Group launched an Inclusive Insurance Framework to expand access through simpler products, digital platforms, and partnerships with community organisations.

Beyond product innovation, we actively promote financial literacy and well-being. In 2025, we supported around 3,300 individuals through programmes that strengthened financial knowledge and resilience.

2. Sustainable investment

We embed sustainable investment practices across our portfolios to create long-term value for our stakeholders. Our philosophy balances the focus on returns with ESG integration, manages risk, and aims to reduce exposure to high environmental impact sectors.

In 2025, FWD Group introduced a Climate Action Plan to mitigate climate risks through engagement and to allocate capital to climate and sustainable investments.

With guidance from FWD Group, we continuously enhance our approach to sustainable investment, incorporating policies and guidelines to address material issues such as human rights, governance, climate change, and natural capital.

3. Effective governance and sustainable business

We uphold good corporate governance and promote sustainable practices across our operations. Sustainability within our business includes managing our operational emissions and addressing climate risks across our investment portfolio. Our governance framework ensures effective oversight as a regulated insurance group, prioritising long-term shareholder value and the interests of customers, regulators, and partners.

Guided by our PICCO values—Proactive, Innovative, Committed, Caring, and Open—we want to attract and retain talent to drive industry progress. Through responsible practices and robust governance, we aim to create positive impact for the millions of lives we serve.

Creating Impact

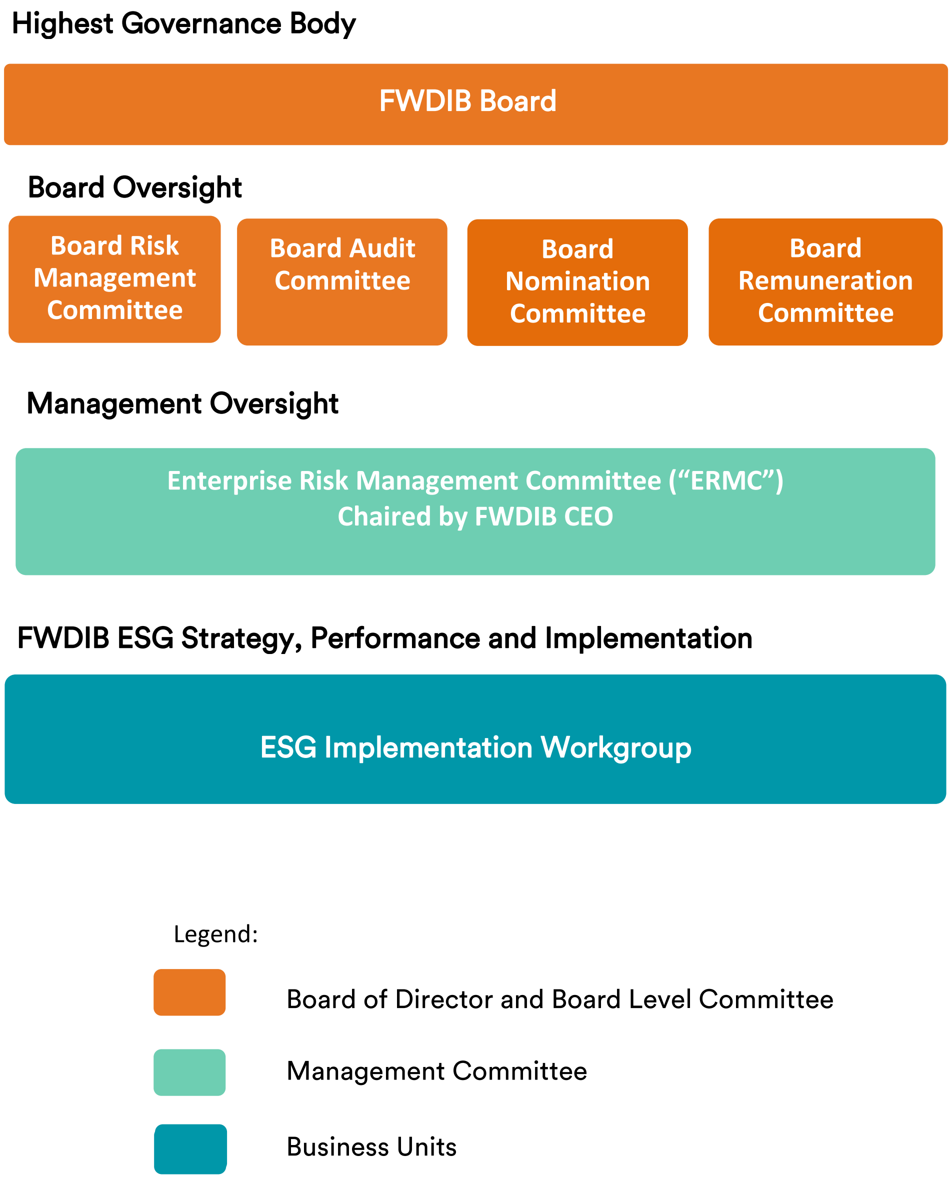
Our approach aligns with six United Nations Sustainable Development Goals ("SDGs") where we can create lasting impact: SDG 3 (Good Health and Well-being), SDG 4 (Quality Education), SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure), SDG 10 (Reduced Inequalities), and SDG 13 (Climate Action).

ESG governance

The FWDIB Board of Directors ("The Board") has ultimate accountability for our overall approach to ESG and climate strategy. The Board is supported by board-level committees and the Enterprise Risk Management Committee ("ERMC") formed by FWDIB Management Teams in providing oversight of ESG-related matters, including establishing the overall direction and performance of our ESG strategy as well as proper management of climate-related risks and opportunities.

FWDIB's ESG governance structure assigns clear roles and responsibilities across the organisation to ensure effective oversight of material ESG matters. The Board Risk Management Committee ("BRMC") oversees the identification, measurement, monitoring and management of material ESG risks. The ERMC provides quarterly updates to the BRMC and the Board on the progress of implementing the ESG strategy and related initiatives.

As part of strengthening overall ESG competency, climate-related topics have been incorporated into Board training since 2025 to ensure Directors remain informed on emerging sustainability issues and evolving regulatory expectations.



Our ESG team works with Risk, Marketing, Procurement and Human Resources to ensure close alignment of ESG strategy with our business goals and resource allocation. Our ESG value creation scorecard helps us to monitor the progress and impact of our ESG strategy. Key ESG KPIs, including diversity, equity and inclusion, community investment, and greenhouse gas ("GHG") emissions, are incorporated into standard reporting for senior leadership. This ensures the senior management teams remain informed on ESG performance of the company. The ESG valuation scorecard is reported on quarterly basis in Quarterly Dialogue ("QD") session with FWD Group.

Building climate resilience in our business

Malaysia's strong economic fundamentals and position as an emerging market continue to support its long-term growth trajectory. At the same time, rapid economic expansion and urbanisation have increased the nation's exposure to climate-related risks. More frequent extreme weather events, rising temperatures, and pressures on food security and public health highlight the escalating cost of inaction and the need for effective resilience measures. In response, policymakers and industry leaders are advancing climate adaptation strategies to safeguard communities and economic stability.

Within this context, we view climate resilience as integral to strengthening customer resilience. Closing protection gaps and supporting long-term wellbeing requires continuous innovation, agility, and collaboration. Across our operations, we embed environmental sustainability principles—focusing on reducing GHG emissions, improving resource efficiency, and enhancing responsible stewardship throughout the organisation.

Sustainable investing remains a key pillar of our approach. In addition to integrating ESG considerations into investment decisions, we continue to pursue the decarbonisation of our investment portfolio to drive long-term value creation and contribute to Malaysia's transition toward a low-carbon economy.

These efforts reinforce our focus on providing reliable and resilient protection in a region increasingly affected by climate impacts. To support transparency and strengthen governance, we are enhancing our climate-related disclosures in line with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), including our climate strategy, risk management processes, and key targets and performance metrics.

Climate governance

FWDIB Board has the ultimate responsibility for overseeing our overall ESG approach, including oversight of our climate strategy and the effective management of climate-related risks and opportunities. Board level committees, and related functions assist the Board in managing climate-related issues across the organisation. The ERMC provides quarterly updates to the Board, through the BRMC, specifically on the progress of climate-related initiatives within our broader ESG programme. The Board regularly monitors performance against climate objectives to ensure effective oversight and alignment with our ESG priorities and stakeholder expectations.

Climate risk is embedded within FWD's Enterprise Risk Management ("ERM") framework and governed by our Climate Risk Management Policy, which sets out principles, governance roles, and responsibilities across the organisation. To maintain alignment with evolving regulatory expectations, the Policy has incorporated new requirements from Bank Negara Malaysia's ("BNM") updated Climate Risk Management and Scenario Analysis policy document. The revised Policy was subsequently approved by the Board in March 2025, ensuring our climate risk approach remains robust, up to date, and responsive to emerging climate-related risks

Recognising the importance of continuous training and development, regular trainings are provided to our directors and senior management. In 2025, FWDIB engaged an external consultant to support compliance with BNM's Climate Stress Testing exercise requirements. As part of this engagement, training sessions were conducted for the Board and senior management to enhance their understanding of roles and responsibilities in overseeing climate stress testing and leveraging the results for informed business decision-making. All directors, and relevant staff participated in the training held in May 2025.

Our ESG priorities are supported by regular leadership engagement and guidance to ensure effective delivery against expectations. To enforce accountability, a portion of performance-related compensation is planned for employees with ESG responsibilities, with reference to the goals outlined by our ESG strategy.

Climate strategy

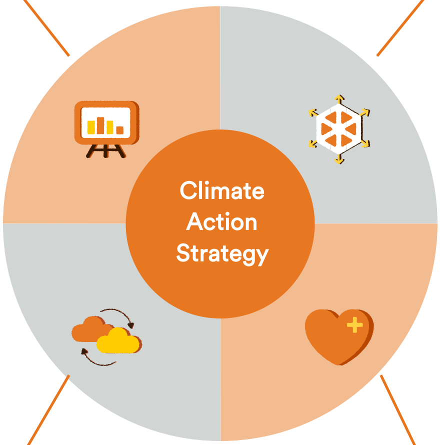
As a business, we are committed to reducing our environmental footprint and building resilience to the evolving impacts of climate change. Our climate action strategy takes a holistic approach, guiding efforts around four key areas:

Managing carbon risk

- Reducing carbon risk across our investment portfolio and day- to-day operations

Diversification

- Expanding into high-growth sustainable sectors and industries
- Supporting initiatives that promote natural climate solutions and strengthen climate resilience



Digitalisation, cloud-first & customer journey

- Adopting digital-first and cloud-first infrastructure to lower our carbon footprint while enhancing product accessibility for customers

Protecting communities in a changing climate

- Designing inclusive protection products to expand protection to underserved groups
- Backing research and initiatives that help customers and communities adapt to climate change

Climate risk management

We are continuing to develop the way we identify, assess and manage climate-related risks. The management of climate risk is part of the overall ERM Framework and Risk Appetite Framework ("RAF") where it will be reviewed once every two years and annually, respectively.

The ERM Framework and associated policies are applied across the Company. Incorporating our risk culture, our Code of Ethics and Business Conduct, the FWDIB Enterprise Risk Management Framework consists of the following components:

- Risk governance
- Risk appetite
- Risk management process

A risk assessment process covering financial and non-financial risks is undertaken and monitored. ESG risks, including climate-related risks are also included in this process. Reviews are conducted at least annually to ensure our ERM Framework and associated policies remain fit for purpose.

The RAF organises the Company's overall approach to selecting the risks it wishes to seek, retain, transfer and/or avoid in the pursuit of its strategic objectives and guides key business activities accordingly. The RAF is comprised of the risk philosophy, risk appetite statements and risk metrics and limits. Each of these components are further supported by robust governance – i.e. roles, responsibilities and escalation mechanisms. The risk appetite statements for climate risk management expressed FWDIB accepts the long-term risks posed by climate change (e.g. physical and transition risk) where it is identified, assessed, and incorporated into the business planning process by identifying the risks posed by climate changes and incorporated climate-related assessments into key strategic planning processes and decisions.

We will continue to monitor climate-related risks and concentrations and assess and mitigate the impacts to the Company's long-term strategy. Additionally, FWDIB also monitors the ESG metrics on GHG emission on a quarterly basis.

Climate-related risks and opportunities

As an Insurance Operator, it is likely that climate risks will increasingly be integrated into our strategy, business, and operations. To anticipate potential impacts, we conducted a climate risk assessment covering physical, transition, and liability risks. Climate risks often emerge over longer timeframes than traditional reporting captures. We categorise these as:

- Short-term: 0 to 1 year
- Medium-term: 1 to 5 years
- Long-term: 5+ years

Our assessment indicates higher risks in states with significant coastal exposure and dense populations, as well as in our investment portfolio. While climate change presents multiple challenges, we have prioritised the most relevant risks for an insurance operator.

Transition Risk

Regulatory, legislative and disclosure expectations: Increasing climate-related regulations may lead to higher compliance costs, impact investment performance, and require changes to products and resource allocation. We actively monitor regulatory development in the country. (Short, Medium and Long term)

Transition Risk

Investment portfolio exposure: Our portfolio faces transition risks that could create uncertainty in performance due to price volatility and reduced liquidity. We monitor exposures closely to align with our ESG strategy and policyholder interests. (Medium and Long term)

Transition Risk

Certificate owners and products: Extreme weather events and long-term climate shifts over time may affect customer health and livelihoods, influence mortality, morbidity and persistency. Such changes in climate may also increase claims, alter product demand and pricing, and impact brand perception. (Long term)

Physical Risk

Operational disruptions: Offices and assets may face severe weather events, though our assessment of severe flooding or typhoon impacts remain low. Business continuity plans are in place to maintain customer service. (Long term)

We also continuously assess climate-related opportunities, factoring in market conditions, regulations, and evolving consumer needs in our business plans.

Scenario analysis and stress testing

We continue to adapt the climate risk scenario and include it as one of our Group prescribed scenarios for our business planning stress and scenario testing processes. The scenarios reference global standards, including Network for Greening the Financial System ("NGFS") scenarios, and benchmarked against industry practices. To align with evolving standards, we expanded from two to three scenarios:

- Delayed Transition: Countries and sectors experience delays in implementing necessary policy changes. Climate policies are divergent across countries and sectors, leading to fragmented efforts. Carbon prices are typically higher in this scenario due to policy delays and lack of coordination.

- Current Policies (Hothouse World): Existing climate policies remain largely unchanged with low global effort to halt global warming. This leads to irreversible climate damage as temperature thresholds are exceeded.

- Fragmented World: Geopolitical tensions and a fragmented transition failing to contain physical risks, leading to supply chain disruptions, increased market volatility, and uneven progress towards emission reduction targets.

These scenarios were selected to help assess vulnerabilities across our business model, investment portfolio, and long-term resilience.

The Delayed Transition scenario highlighted risks from abrupt policy shifts and market volatility, critical for assessing transition risk exposure in our investments and underwriting.

The Hothouse World scenario reflected severe physical risks such as more frequent extreme weather events which could affect claims experience, operational continuity, and customer needs.

The Fragmented World scenario illustrated the compounded impact of geopolitical fragmentation and delayed climate action, amplifying both transition and physical risks across our operations and value chain.

By analysing these scenarios, we assessed vulnerabilities across our value chain and tested the resilience of our strategy under regulatory and physical stress conditions, ensuring readiness over the short, medium, and long term.

The assessment highlighted key impact areas, particularly risks from new climate regulations, issuers' ability to transition, and potential effects on our investment portfolio. For example, exposure to energy and utilities sectors could face increasing regulatory, investor, and reputational pressure, making transition risks central to our sustainable investment and climate risk approach.

In addition, FWDIB successfully completed the submission of the BNM 2024 Climate Risk Stress Testing Exercise Methodology Paper in December 2025. To ensure accuracy and compliance with regulatory expectations, we engaged an external consultant to provide advisory support and execute the stress test scenarios and parameters as prescribed by BNM. This initiative reflects our commitment to robust climate risk management and alignment with evolving regulatory requirements.

The three scenarios required by BNM are as per below:

1. Orderly: Net Zero (NZ) 2050 - 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 to a low carbon world. To achieve this goal, stringent climate policies are applied immediately across all sectors of the economy, while significant innovation and technology breakthrough will have to take place. This includes major strides in the carbon dioxide removal (CDR) technology and a sharp shift toward renewable energy production, resulting in high transition risk.

2. Disorderly: Divergent Net Zero (DNZ) 2050 - This scenario differs from the NZ 2050 scenario in several aspects. Here, global climate policies are much more stringent in selected economic sectors, reflecting a quicker phase-out of fossil fuels and the impact thereof. The distributional impacts from climate policies are uneven, with some sectors being affected even more relative to the rest suggesting varied focus of climate policies being introduced at different points in time, with lower technology advancements in CDR and renewable energy. The combination of these factors is expected to result in a medium to higher transition risks, relative to the NZ 2050 scenario, while the impact from physical risk on the economy will be lower than the Nationally Determined Contributions (NDCs) scenario.

3. Hot House World: Nationally Determined Contributions (NDCs) - The NDCs 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. Compared to the other two scenarios, impact from transition risks is expected to be lower for this scenario.

The climate stress test scenarios cover a time horizon of 27 years, starting from December 2023 and extending through 2050. In line with BNM requirements, the projected impact of the Climate Risk Stress Test ("CRST") must be reported annually for the period 2024 to 2029, followed by projections at five-year intervals for the remainder of the stress testing horizon.

For economic parameters, the results show that in NDCs scenario has the lowest net asset impact. DNZ2050 has the highest impact in the short-term while NZ2050 has the highest impact in the medium to long term. FWDIB's net asset impact is minimal due to relatively good dollar duration matching. Therefore, changes in the dollar value of the liabilities resulting from yield curve movements are offset by corresponding changes in the dollar value of the asset portfolio.

Whereas for non-economic parameters, NDCs has the lowest net asset impact in the short-term while NZ2050 has the lowest net asset impact in the long term. If FWDIB maintains their current product mix without repricing, the company are likely to experience increased benefit outgo, particularly under the NDC scenario, which could lead to the depletion of net assets over the long term.

To respond to these risks, we are adapting the Climate Risk Scenarios and included it in our Business Planning Stress and Scenario Testing processes. Through scenario analysis, we gain a better understanding of the impact of climate risks on our business and strategise to mitigate the risks, paving the way towards a low-carbon and more sustainable society.

We will consider leveraging on CRST exercise and embed into our annual Business plan and Internal Capital Adequacy Assessment Process ("ICAAP") review. We are working closely with FWD Group Office on the implementation plan for climate-related risk which currently governed by our ERM Framework and ESG Strategies.

Climate targets and milestones: transitioning towards a low carbon economy

FWD's climate action strategy aims to support global efforts to transition towards a lower-carbon economy by 2050 in an orderly, just, and inclusive manner.

We track environmental performance through our value creation scorecard, monitor operational emissions across Scope 1 (direct emissions from the fuel combustion used in our own vehicles) and Scope 2 (indirect emissions from purchase of electricity). Emissions are calculated using the GHG Protocol.

For 2025, electricity consumption has remained the largest contributor to Scope 1 and 2 emissions, with the remainder from mobile fuel use.

FWDIB snapshot	2025	2024
Scope 1 (tCO2e)	10.27	1.26
Scope 2 (tCO2e) (location-based)	248.22	282.92
Total GHG emissions (Scope 1, & 2)	258.49	284.18
Total GHG emissions intensity (tCO2e/employee)	1.21	1.21

Managing our operational emissions

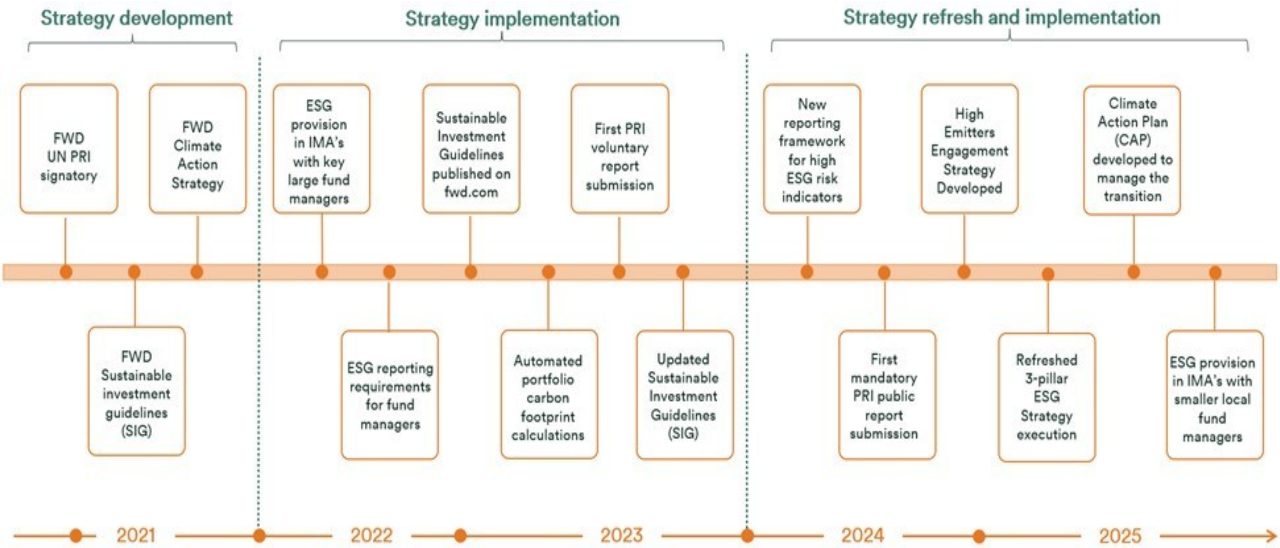
FWD Group developed a Sustainable Operations Framework ("SOF") in 2023 to manage emissions and decarbonise our office lifecycle. FWDIB adopted the SOF which provided a consistent approach to integrating sustainability and wellness into our office spaces, from site selection and lease negotiation, to fit-out and ongoing operations. ensuring energy efficiency, resource conservation, and employee well-being at every stage.

In 2024, the office relocations of FWDIB were selected to pilot the SOF. Sustainability considerations were incorporated from the site selection stage through to the fit-out stage which included details on energy and water efficiency as well as the use of sustainable materials within the office. The new office is situated within good access to public transportation to help reduce emissions because of commuting to and from the office.

Furthermore, as part of our efforts to reducing emissions from digital infrastructure, we accelerated our cloud adoption and have achieved a 100 per cent cloud adoption rate as of 31 December 2025. This has reduced reliance on on-site data centres, leveraging our partnership with Azure, whose commitments to 100 per cent renewable energy sources for their data centres helps lower our technology carbon footprint while enhancing efficiency and resilience.

A focus on portfolio decarbonisation

FWDIB is committed to reducing its investment portfolio carbon footprint and aligning with a low carbon future. FWD Group Climate Action Strategy guides decarbonisation across operations, business, and investments.



FWD Group laid the foundation for climate action in 2021, with its first Sustainable Investment Guideline ("SIG"). Our Sustainable Investment Guidelines (SIG) act as the first line of defence, screening investments for ESG risks which include United Nations Global Compact (UNGC) and human rights violations, tobacco producers, ESG underperformers, high carbon emitters, controversial weapons, and commodities like thermal coal and palm oil. We screen using a leading external data provider and apply exclusions or thresholds. The SIG is publicly available on our website.

FWDIB supported the implementation of FWD Group's ESG strategy in 2022-2023, including carbon footprint measurement for the investment portfolio following the Partnership for Carbon Accounting Financials ("PCAF") methodology, the inclusion of ESG provisions in mandates, and supported FWD Group's UN PRI submission.

We also conducted reviews of our investment assets in accordance with the BNM Climate Change and Principle-based Taxonomy (CCPT). Our monitoring process includes classifying investment exposures under the CCPT framework and tracking shifts across the categories. The following table shows the assets classified under C1 which meet CP1 and/or

GP2 in 2025 compared to 2024:

CCPT Classification – C1	2025	2024
Meets GP1	449,475	552,095
Meets GP2	19,953	30,002
Meets both GP1 and GP2	214,156	150,442

These insights guide our strategic actions to progressively enhance our portfolio composition by increasing investments in assets with lower climate-related risks and reducing exposure to assets with higher transition or physical risks.

Strategic focus on high emitters

We recognise the need for an inclusive transition to a low-carbon economy. In support of FWD Group's commitment to phasing out thermal coal mining and extraction from investments and exiting by 2030, no new investments have been made since 2021.

Our climate action plan

To manage Scope 3 financed emissions and with a view to decarbonise the portfolio, FWD Group has introduced a Climate Action Plan covering three areas:

- Engagement with the top 20 companies with the highest owned emissions, or covering 65 per cent of portfolio's emissions and assessing outcomes
- Reinvestment criteria favouring greener assets or low transition risk issuers provided drivers of return and relative values are favourable.
- Capital Allocation to green assets, climate-aligned opportunities, transition enablers, and nature-based solutions which could meet our environmental, social and return objectives.

We plan to adopt FWD Group's climate action plan to balance emissions reduction with supporting transition effort. We would encourage our fund managers to prioritise issuers aligned with our sustainability goals and manage exposure to those with higher transition risk.

2025 Climate Risk KPIs and Metrics

This datasheet summarises our performance on key Climate Risk indicators.

	2025	2024
Climate		
Absolute GHG emissions		
Scope 1 GHG emissions (tCO_2e)		
Mobile combustion (owned vehicles)	10.27	1.26
Scope 2 GHG emissions (tCO_2e) (location-based)	248.22	282.92
FWDIB total Scope 1 + 2 (tCO_2e)	258.49	284.18
Intensity GHG emissions (by employee)		
Scope 1 GHG emissions ($kgCO_2e$/employee)	48.01	5.37
Scope 2 GHG emissions ($kgCO_2e$/employee)	1,159.89	1,209.07
FWDIB total Scope 1 + 2 ($kgCO_2e$/employee)	1,207.90	1,214.44
Electricity		
Purchased electricity (kWh)	401,840	448,300
Intensity energy use (by employee)		
Purchased electricity (kWh/employee)	1,786.00	1,738.00
Water		
Purchased water (m^3)	837	764
Purchased water (m^3/employee)	3.72	2.96

GHG and energy data

Information on data collection, scope, methodologies, assumptions and source of conversion factors used, for the reporting of emissions and energy consumption:

- GHG data includes scope 1 and 2 emissions from 1 January to 31 December 2025.
- FWDIB uses operational control to consolidate GHG emissions and follows the Greenhouse Gas (GHG) Protocol Corporate Accounting Standard ("GHG Protocol").
- FWDIB has operational control over an operation (e.g. office facility) if FWD Insurance has full authority to introduce and implement operating policies. This includes corporate offices that FWDIB manages and operates for own use, agency offices where FWDIB determines the office location and establishment. Operations that do not fall under this scope include general agency and bancassurance partners.
- Scope 1 GHG emissions include direct emissions that occur from energy sources that are owned or controlled by the company, such as combustion of fuels in mobile sources (i.e. motor vehicles).
- Scope 2 GHG emissions include indirect GHG emissions from the generation of purchased electricity consumed by our office operations.
- Carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O) are included in our GHG calculations.
- Lower heating values were referenced from Department of Environment, Food & Rural Affairs, UK ("DEFRA") and used for net calorific values of diesel and petrol/gasoline conversion to MWh.
- Where possible, actual consumption data, supported through primary data sources are used to calculate emissions, a small amount of consumption data were estimated using a proxy-based methodology since reporting was established.
- Where estimations are required, the following methodology would be used:

- If actual data exist for previous month, pro-rated daily consumption will be used to estimate consumption for the following month based on number of days to be accrued that month.
- If actual data did not exist for a premise for more than 2 months period or was unavailable because there are no independent meters or have been included in rental costs, the intensity ratio by square meter from the same month of similar premises in the same region would be used to estimate monthly consumptions.
- Where the above could not be applied, the intensity ratio by square meter of the same month of the previous year's data would be used.

- All employee intensity ratio includes all employees (on permanent and fixed-term contracts, excluding interns).

Water consumption

- Water consumption data are reported for our offices where measurement records or utility bills are available and excludes offices where we do not have independent water meters or where it is included in rental costs.