

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) REPORT 2024

Speed, Service & Tender Loving Care

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2024 marks the beginning of a journey by The Pacific Insurance Berhad (TPIB) towards climate reporting. The TCFD is in line with our ongoing efforts to enhance TPIB's climate-aligned disclosures, while abiding by the requirements stipulated by local regulations.

Introduction

Executive Summary of the TPIB TCFD Report 2024

To communicate our initiatives and response to the on-going climate agenda, we are pleased to present the **TPIB TCFD Report 2024**. This inaugural report, which is built upon our ethos of ***Progress Over Perfection***, is aligned to the TCFD Framework, addressing recommended disclosures in four (4) thematic areas.

With the TCFD Application Guide For Malaysian Financial Institutions issued by the Joint Committee on Climate Change (JC3) as guidance, we adopted a suite of **‘Basic’** recommendations, with an aspiration to continuously addressing the gaps and progress towards full climate risk disclosures in subsequent financial years.

In essence, this report aims to provide our valued stakeholders with relevant insights into how climate change might potentially affect our business, and our corresponding efforts to address these effects as we strive to become a sustainable insurer with ***Speed, Service & Tender Loving Care (SSTLC)*** at heart.

About the TCFD

The global landscape on climate risk disclosures is rapidly evolving. Even prior to 2024, TCFD has gathered over 5,000 supporters in over 100 jurisdictions with a combined market capitalization of close to USD30 trillion. The commitment expressed by the G7 finance ministers to support mandatory climate risk disclosures has created more urgency for companies worldwide to participate in TCFD-aligned reporting.

The Task Force on Climate-related Finance Disclosures (TCFD) was established by the Financial Stability Board (FSB) in order to facilitate effective decision-making in reference to climate-related risks and opportunities.

The TCFD began as a voluntary disclosure framework which aimed to increase access to decision-useful, climate-related information for participants in financial markets, including investors, lenders, insurers, and other stakeholders. Since the launch of their recommendations in 2017, TCFD adoption has grown significantly, with regulators across the world, including in Malaysia, pushing for more robust climate-related disclosures that are aligned with the TCFD framework.

TCFD revolves around eleven (11) recommendations structured around four (4) thematic areas (Figure 1). Each recommendation seeks to increase accountability on the impact of climate-related risks and opportunities on a company's operations and financials



Figure 1: The four (4) thematic areas of TCFD

The 11 TCFD Disclosure Recommendations

GOVERNANCE

1

Describe the Board's oversight in climate-related risks and opportunities

2

Describe management's role in accessing and managing climate-related risks and opportunities.

STRATEGY

1

Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.

2

Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

3

Describe the resilience of the organisation strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

RISK MANAGEMENT

1

Describe the organisation's processes for identifying and assessing climate-related risks.

2

Describe the organisation's process for managing climate-related risks.

3

Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

METRICS & TARGETS

1

Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

2

Disclose Scope 1, Scope 2, and, if appropriate Scope 3 greenhouse gas (GHG) emissions, and the related risks.

3

Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

The State of TPIB's Current and Future Climate Reports

TPIB's Support For TCFD and Move to ISSB

Following the launch of the National Sustainability Reporting Framework (NSRF) by the Malaysian Ministry of Finance in September 2024, TPIB shall remain aligned and compliant with the directives and policies issued by Bank Negara Malaysia (BNM) in regard to the phased adoption of the ISSB-aligned reporting, specifically the IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*, and IFRS S2 *Climate-related Disclosures* (collectively referred to as the ISSB Standards).

Governance

TPIB Sustainability & Climate Governance

Governance as identified in the TCFD Framework encompasses all policies, rules, responsibilities and decision-making processes essential for managing climate-related risks and opportunities. These disclosures play a critical role in an institution's overall management strategy, ensuring that climate-related obstacles are effectively addressed.

TPIB, as a member of the Fairfax Group, operates on a decentralized operating model. This grants TPIB's local Board and senior management the ultimate responsibility and approval for decisions in regard to the company's direction and performance.

The active involvement of both the Board of Directors and senior management members is vital to oversight, particularly in fostering accountability towards and integration of climate considerations into various aspects of the organization be it its governance framework, policies and procedures, and others.

For sustainability as well as climate-related matters, TPIB has a management-level committee known as the Sustainability Steering Committee which supports the Board in executing all relevant strategies and action plans.

MEMBERS OF GOVERNANCE

BOARD LEVEL

BOARD OF DIRECTORS

The Board of Directors has ultimate oversight over TPIB's sustainability matters, including climate-related matters. Likewise, the Board has the ultimate accountability and responsibility to safeguard the Company's resilience against adverse impacts of climate change.

To ensure that TPIB and its management system are effective and efficient in monitoring and responding to climate risks and opportunities, the Board reviews and approves all relevant sustainability related strategies, action plans and goals.

The Board is apprised on all sustainability-related matters through the quarterly Board meetings where progress on initiatives are presented, and approvals, if any, are sought.

The individual profiles of the Directors are provided under the Directors' Report of the TPIB audited Financial Statements FY2024.

MANAGEMENT LEVEL

SUSTAINABILITY STEERING COMMITTEE

TPIB's management-level governance in regard to climate and other sustainability matters is spearheaded by the TPIB Sustainability Steering Committee ("the Steering Committee"), which was established in March 2024 upon the Board's approval.

The Steering Committee serves as the primary body responsible for the day-to-day management of climate and sustainability related issues, by developing and implementing relevant policies and procedures, and other systems in place.

The Steering Committee, of which members are outlined on the following page, bands together a number of senior management personnel and subject matter experts from various departments and functions to ensure varied and optimal competencies.

GOVERNANCE STRUCTURE

Board of Directors		
TPIB Sustainability Steering Committee (SSC)		
Chair: Chief Executive Officer	Members (13): <ol style="list-style-type: none">1. Senior Executive Vice President2. Chief Financial Officer3. Appointed Actuary4. Chief People & Administration Officer5. Chief Technology Officer6. Chief Distribution Officer (Non-Broking)7. Head of Broking8. Head of Personal Lines Underwriting9. Head of Commercial Lines Underwriting10. Head of Claims11. Chief Risk Officer (<i>Non-voting</i>)12. Chief Legal & Compliance Officer (<i>Non-voting</i>)13. Chief Internal Auditor (<i>Non-voting</i>)	Secretariat: Corporate Affairs & ESG
GOVERNANCE BODY	STRUCTURE & REPORTING LINE	MEETING FREQUENCY & AGENDA
Board of Directors	<ul style="list-style-type: none">• Led and chaired by the Chairman of the Board.• Supported by the Sustainability Steering Committee.	At least four times a year to be apprised on all sustainability related matters including but not limited to notation and/or approval on TPIB’ climate reporting progress, proposed climate-related metrics and companywide sustainability programs for stakeholders.
Sustainability Steering Committee	<ul style="list-style-type: none">• Led and chaired by the Chief Executive Officer with the Corporate Affairs & ESG Department as Secretariat.• Supported by various departments and functions.	At least four times a year to discuss plans, proposals and progress on all sustainability and climate related strategies, action plans and goals.

BUILDING CLIMATE-RELATED COMPETENCIES

At TPIB, continuous learning programs are essential in enhancing leadership and talent capabilities. As such, the Board and senior management periodically participate in climate-related training and awareness sessions, whether conducted internally or externally.

Below is a list of all climate-related training sessions attended by the Board in the year 2024, either collectively or individually, as per the Directors' Report of the TPIB audited Financial Statements FY2024:

- “Navigating Sustainability Reporting” by PwC.
- “Directors' Masterclass in Climate Governance 2024: Boardroom Dynamics in Climate Talks” by FIDE FORUM.
- “FIDE FORUM – CGM Masterclass: Latest Developments in Climate-Aligned Executive Compensation” by FIDE FORUM.
- “Board Leadership Centre-The Risk Landscape: Navigating Climate Transition Risks in a Circular Economy” by KPMG.

Selected members of senior management also, in the same year, attended climate-focused training sessions including but not limited to:

- “Navigating Sustainability Reporting” by PwC.
- “CRMSA & CRST Workshop” by Moody's, in collaboration with the Joint Committee on Climate Change (JC3).
- “Measuring What Matters: Designing Climate-Related Metrics & Targets for Banks and ITOs” by Oliver Wyman and KPMG, in collaboration with JC3.

Strategy

Overview of TPIB Climate Change Strategy

OUR CLIMATE TRANSITION PLAN

The essence of TPIB's climate change strategy is captured inside our Board-approved Climate Transition Plan ("the Plan"). The Plan, which was initially approved in 2022, sets out general strategies and initiatives that may be undertaken by the Company in responding to the risks and opportunities that emerge as a result of changes in climate. Notably, the Plan, guided by our Risk Appetite Statement (explored more in the Risk Management Section), hinges upon the following key developments:

1

Moving Towards Low Carbon Nation

As part of its Nationally Determined Contributions (NDCs), Malaysia being a signatory of the Paris Agreement is committed to reducing 45% of its economy-wide carbon intensity (against GDP) by 2030. We expect opportunities as the Government intensifies focus on renewable energies and electric vehicles, following the launch of the National Energy Transition Roadmap (NETR) in 2024.

2

Carbon Tax Is On The Way

The Government will be imposing carbon tax by 2026 starting with selected industries (as per the Proposed Malaysia Budget 2025). As a Company, we have commenced GHG calculation in 2024 to monitor our own carbon emissions.

3

More Extreme Weather Events

We focus on improving our business continuity capabilities and increase public awareness for insurance protection, as according to the IPCC AR6 Report, more extreme weather events are linked to increase in global temperatures.

4

Climate-Related Disclosures

To be published by Malaysian financial institutions incorporating TCFD recommendations in 2024, and ISSB Standards in proceeding reporting years, following the launch of the NSRF (refer to page 6).

KEY PILLARS OF TPIB CLIMATE TRANSITION PLAN

Pillar 1: Embed climate issues into our decision making	Theme	Objectives
	Reengineer existing process to reduce carbon footprint	<ul style="list-style-type: none">• Reduce staff travel and fuel claims which directly reduces emission.• Reduce paper consumption.• Reduce energy consumption which directly reduces emission

Pillar 2: Develop climate risk solutions for customers	Themes	Objectives
	Develop ‘green’ insurance products	<ul style="list-style-type: none">• Encourage customers to adopt “greener options” by providing coverage, incentives and favorable pricing rate.
	Work with business partners (agents, brokers, Reinsurers) to support literacy programs on climate change risk	<ul style="list-style-type: none">• Opportunity for dialogue with intermediaries on their climate risks strategy (to manage supply chain distribution risk).• Increase precision and insight on flood risk

Pillar 3: Support stakeholders to promote awareness	Themes	Objectives
	Public awareness campaign	<ul style="list-style-type: none">• Showcase our solidarity in the sustainability and provide an additional platform for a wider out reach on the movement or activities organized by NGO.
	Training and employee engagement	<ul style="list-style-type: none">• Increase internal capabilities in climate change and sustainability.• Improve staff recruitment and retention, as sustainability is becoming an important consideration criterion for job seekers.

Pillar 4: Demonstrate accountability via transparent disclosures	Themes	Objectives
	Assess, measure and monitor progress in managing Climate Change risk	<ul style="list-style-type: none">• Proactively manage the physical risks impacting the company’s assets, staff safety and business continuity readiness.• Forward planning of transition risks impacting the company’s financial and capital level.
	Comply with disclosure guidelines	<ul style="list-style-type: none">• Provide disclosures that would enable stakeholders better understand and assess TPIB’s exposure to and management of climate risks in a transparent manner.

ASSESSING CLIMATE-RELATED RISKS

Given the inherently short-term nature of our business, we annually assess the resilience of our underwriting portfolio against various perils to ensure we are able to maintain a robust financial position all year round. One way we do this is by transferring the risks we underwrite to reinsurance companies. Reinsurance not only increase our risk-taking capacity, but also limit our insurance liabilities by protecting us against catastrophic losses, especially those that are nature and climate-related.

CATASTROPHIC MODELLING

We purchase treaty reinsurance through our reinsurance brokers who has performed a flood loss modelling to estimate our Company's net exposure and treaty exposure for the fire insurance class (as of June 2024). The flood loss model is generated by the RMS HD application, which relies on a suite of data we provided such as construction and street address (for longitude and latitude geocoding), detailed occupancy, PIAM codes for trade/occupation classification, and others.

Based on the modelling performed by our reinsurance broker, we then assess our financial position, determine the amount of risk that need to be ceded to our reinsurer, and hence strengthening resilience of our underwriting portfolio. Detailed breakdown of our reinsurance contracts and reinsurance claims liabilities are contained within the Notes to the Financial Statements FY2024.

CLIMATE SCENARIO ANALYSIS

A more detailed climate-related risks assessment incorporating globally adopted and science-backed future climate pathways is being undertaken by TPIB via the BNM-mandated Climate Risk Stress Testing (CRST). This exercise, which is due for completion by end of 2025, shall satisfy the scenario analysis requirement of the BNM Climate Risk Management & Scenario Analysis (CRMSA) Policy Document.

BEYOND INSURANCE

Awareness, training and engagement are key to our climate change strategy, as outlined in Pillar 3 of our Climate Transition Plan.

In 2024, we rolled out regular communications covering various sustainability and climate topics inside the company's monthly newsletter, The Monthly Buzz. In the same year, we also launched a series of corporate social responsibility (CSR) activities primarily with organizations such as Free Tree Society, and others for our employees in addressing the impacts of climate change risks within communities. We then continued our stride in charitable giving by donating RM7,000 to Sekolah Kebangsaan Padang Kubu in Kemaman, Terengganu with collaboration with the Financial Industry Collective Outreach (FINCO) to aid with the school's flood relief efforts.



The inaugural TPIB ESG Week was held in September, bringing employees to a series of sustainability-related talks and activities such as the Eco Market, giving employees the opportunity to purchase goods from local social enterprises of which proceeds are used towards supporting social and environmental causes.

In addition to the above, several of our employees attended sustainability and climate-related trainings and engagements, primarily conducted by Bank Negara Malaysia through the JC3 in collaboration with other professional services firms and international organization (refer to page 12 of the report).

Risk Management

Managing Climate Related Matters at TPIB

At TPIB, our Enterprise Risk Management Framework (ERMF) is the cornerstone of our risk management function (Figure 2). As such, we have integrated climate change risk into our existing ERMF primarily because climate-related risks can manifest into various known financial and business risks, in-turn affecting the achievement of TPIB's strategic objectives.

TPIB ENTERPRISE RISK MANAGEMENT FRAMEWORK (ERMF)

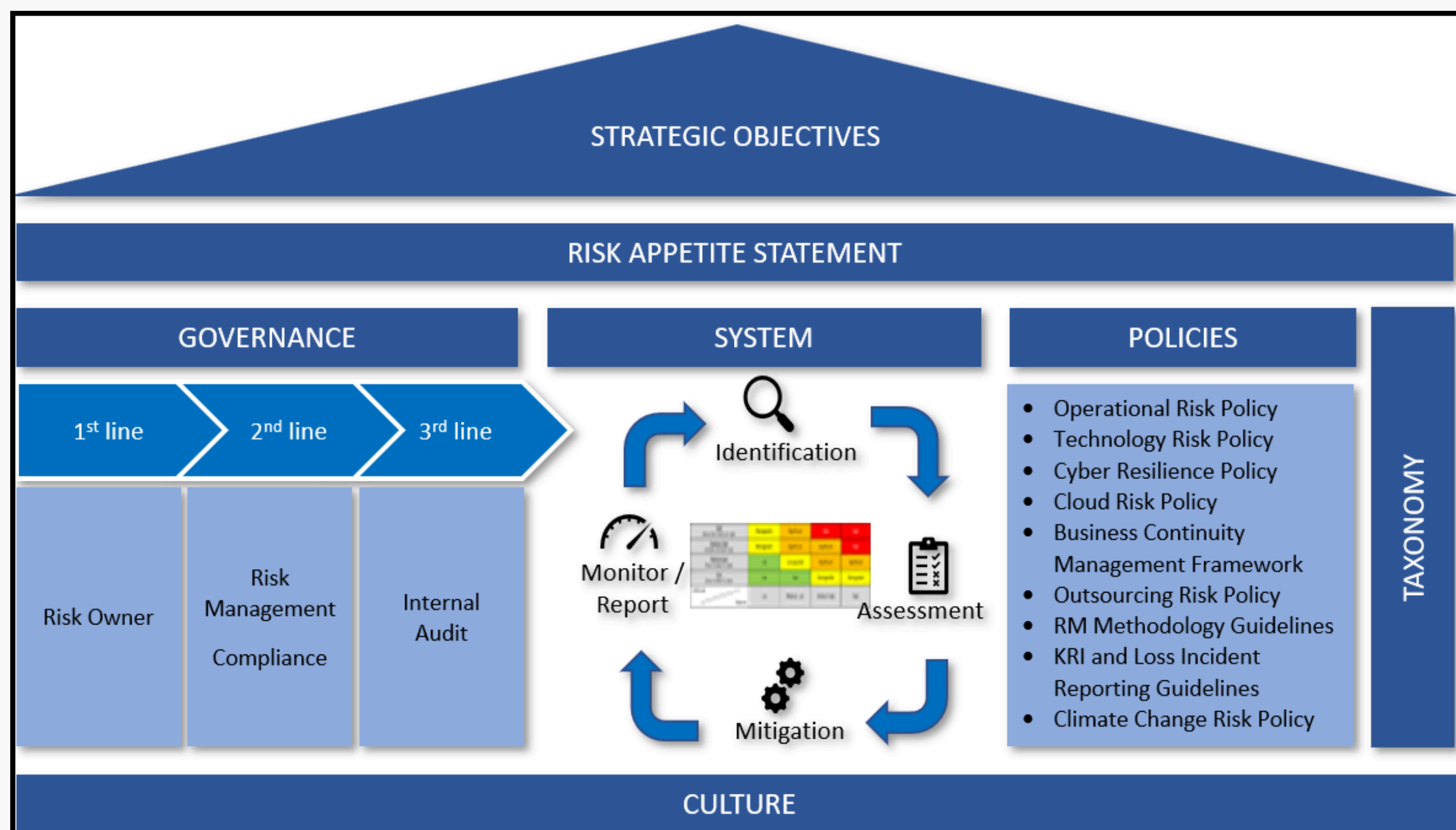


Figure 2: TPIB Enterprise Risk Management Framework

The ERMF is built upon the 'Three Lines of Defense' model and is comprised of six (6) key elements namely Risk Appetite Statement (RAS), Risk Governance, Risk System, Risk Policies, Risk Taxonomy and Risk Culture. These elements are explored further in the following pages.

OUR RISK APPETITE STATEMENT

The Board has embedded climate change risk into the Risk Appetite Statement in recognition of its gravity towards the Company’s sustainability.

The Climate Change risk appetite, along with appropriate risk metrics, are as follows:

Risk Appetite	TPIB has the appetite to align its business strategy to be consistent with relevant national and international frameworks on climate change risk and sustainability.
Risk Tolerance	TPIB intends to embed, in an orderly manner, the consideration of climate change risk in its insurance business and investment decision making process.
Metrics 1	Scope 1: Direct emissions from owned or controlled sources. <ul style="list-style-type: none">• Petrol consumption from vehicles owned by TPIB.
Metrics 2	Scope 2: Indirect emissions from purchased electricity consumed by reporting entity. <ul style="list-style-type: none">• Electricity consumption from buildings occupied by TPIB.
Metrics 3	Scope 3: Indirect emissions from assets not owned or activities not controlled by the reporting entity along its value chain. <ul style="list-style-type: none">• Emission from transportation (business related air and road travel, and employee commuting).

OUR RISK GOVERNANCE: THE 3 LINES OF DEFENSE



First Line	<p>The first line of defense includes business units and functional units where risks and reward decisions are made.</p> <p>Relevant staff in the first line of defense should perform climate-related risk assessments during:</p> <ul style="list-style-type: none">• On-boarding of new policyholders and periodic review of existing policyholders, especially those in sectors that are vulnerable to climate change risks.• Placement of investment or asset allocation as guided by the Investment Policy• Annual risk profiling exercise in managing physical and transition risks. <p>In addition, relevant staff in the first line should have sufficient training and understanding to identify and assess potential climate-related risks such as the transmission channels of risks as well as mitigation and adaption plans when responding to climate change.</p>
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Second Line	<p>Risk Management Department is responsible for overseeing climate-related risks in business activities. This includes on-going risks monitoring, developing and reviewing relevant policies and procedures on climate-related risks as well as ensuring that the definition and measurement of climate-related risks are consistent across the Company.</p> <p>The Risk Management Department shall undertake independent assessment and monitoring of climate-related risks, including challenging the assessment conducted by the business units.</p> <p>The Risk Management Department shall develop relevant metrics and tools to manage climate-related risks.</p> <p>The Legal & Compliance Department is responsible for monitoring compliance with applicable laws, regulations and internal policies</p>
Third Line	<p>The third line of defense is provided by an independent internal audit function.</p> <p>Internal Audit Department is responsible for providing assurance on the robustness and effectiveness of the financial institution’s climate-related risk management framework, internal controls and business practices.</p>

OUR RISK MANAGEMENT CYCLE

The risk management cycle (Figure 3) for climate change risk is similar to that described in the ERMF. The process of risk identification, assessment/measurement, mitigation and reporting are embedded in the annual Risk Profiling exercise.

Risk identification includes identifying business segment, customers and own operations that are exposed to climate change risks.

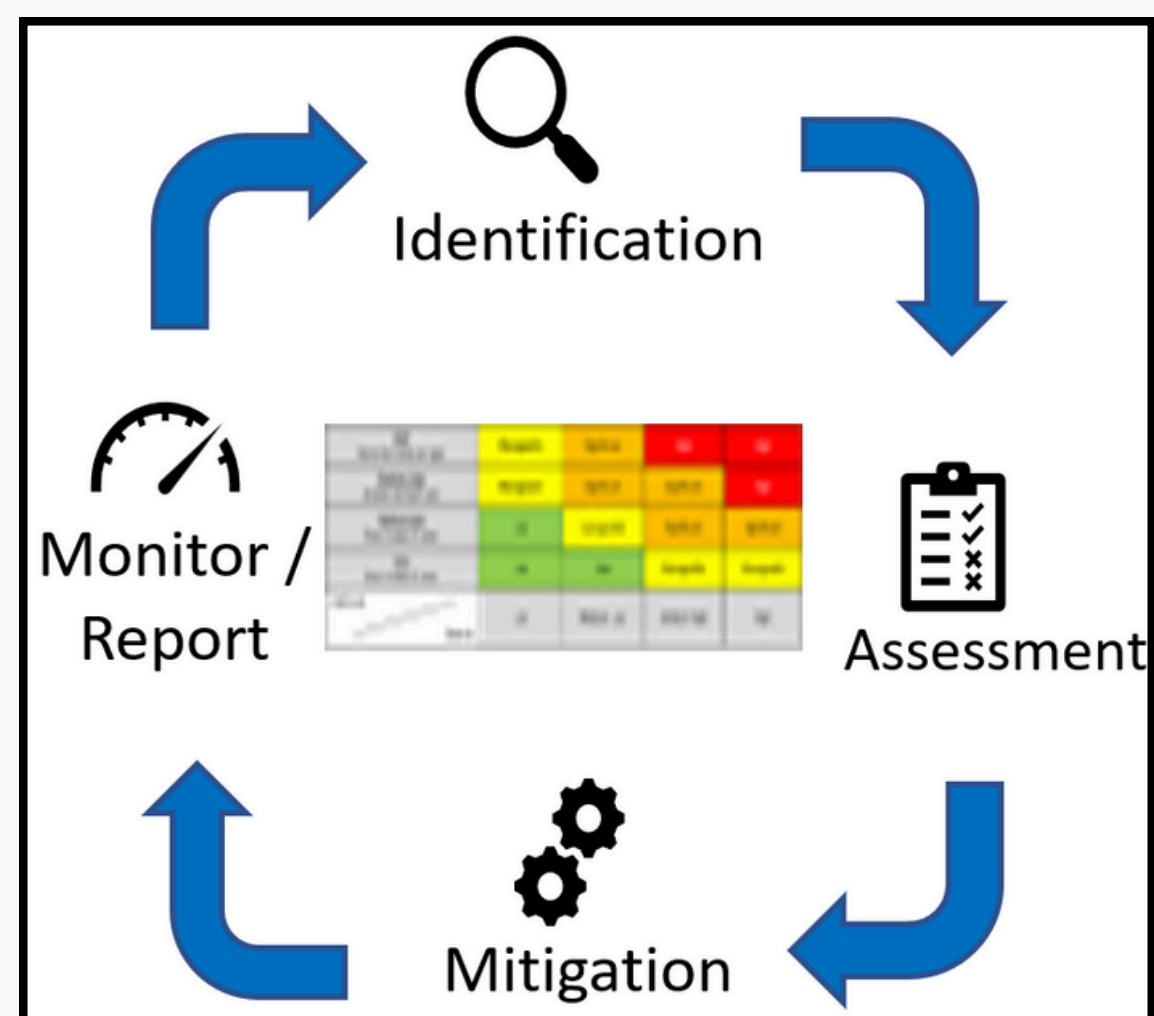


Figure 3: TPIB Risk Management Cycle

Risk assessment measures the climate change risks identified by either of the following approach.

- Top-down approach is the mapping of exposures at an aggregate level using key drivers such as geographic location, specific industry with high emissions or by types of insurance products.
- Bottom-up approach identify and aggregate risks at the assets, investment or counterparty level to provide a portfolio level risk assessment. The semi-annual Climate Change and Principles-Based Taxonomy (CCPT) reporting is an example of risk assessment for counterparties exposure.

Appropriate controls shall be put in place in managing current and potential impact of material climate change risk in line with the risk appetite and business strategy. This may include increase business continuity capabilities against extreme climate event, repricing and limiting underwriting exposure on industry / sectorial with high emissions or gradually exit from non-green investments portfolio.

Monitoring of the GHG metrices - Scope 1, Scope 2 and to Scope 3 (limited) - and internal reporting of climate change risk is done periodically via the Risk Management Dashboard report.

For external reporting of climate change risk, TPIB is guided by the CCPT reporting, TCFD or other relevant reporting requirements as determined by BNM.

INTEGRATION OF CLIMATE CHANGE INTO THE ERMF

The Climate Change Risk Policy (CCRP) is an integral part of our ERMF as it interacts with other types of risk facing the Company. To this, a Climate Change Risk Taxonomy has been added to the ERMF.

Risk Taxonomy	Sub Risks	Descriptions
Climate Change	<ul style="list-style-type: none">PhysicalTransitionLiability	<p>Refers to financial risks from climate change, which includes physical, transition and liability risks. It could be a direct risk (e.g. flood, drought, heat wave) or a driver to other risk types (e.g. business disruption, increase in insurance claims)</p> <p>Refer to the proceeding page for detailed descriptions of climate change risks.</p>

CLIMATE CHANGE RISKS

The adoption of the Plan and the Company's wider climate change strategy was due to the fact that climate change risks are an important topic for our internal and external stakeholders. Accordingly, a climate change risk taxonomy has been embedded into the Company's ERMF. Climate change risks are classified into three (3) categories:

- **Physical Risks:** Risks from climate change, such as acute events like storms and floods (event-driven), and chronic events like increased temperatures and sea levels (driven by longer-term shifts in climate patterns) that can damage properties, endanger staff well-being, reduce productivity and disrupt business operations.
- **Transition Risks:** Risks from the transition to a low-carbon economy, driven by policy action, technology developments, or changes in market and consumer behaviors.
- **Liability Risks:** Risks resulting from the potential litigation or regulatory exposure against companies that are deemed to contribute to climate change or inadequately respond to its impact. Also include risks that stem from parties seeking compensation for losses suffered from the physical or transition risks; the liability risk exposure mainly made up of climate related liabilities transferred / underwritten by the Company.

Given the nature of climate change risks (ie. such as extreme weather events, changes in consumer behaviors and others) which are beyond the control of TPIB, the fundamental function of our risk management process then is to to manage the actual financial and business risks which are driven by said climate change risks.

Refer to Figure 4 in the next page to see how climate change risks drive or manifest into the different types of financial and business risks through micro and macroeconomic transmissions.

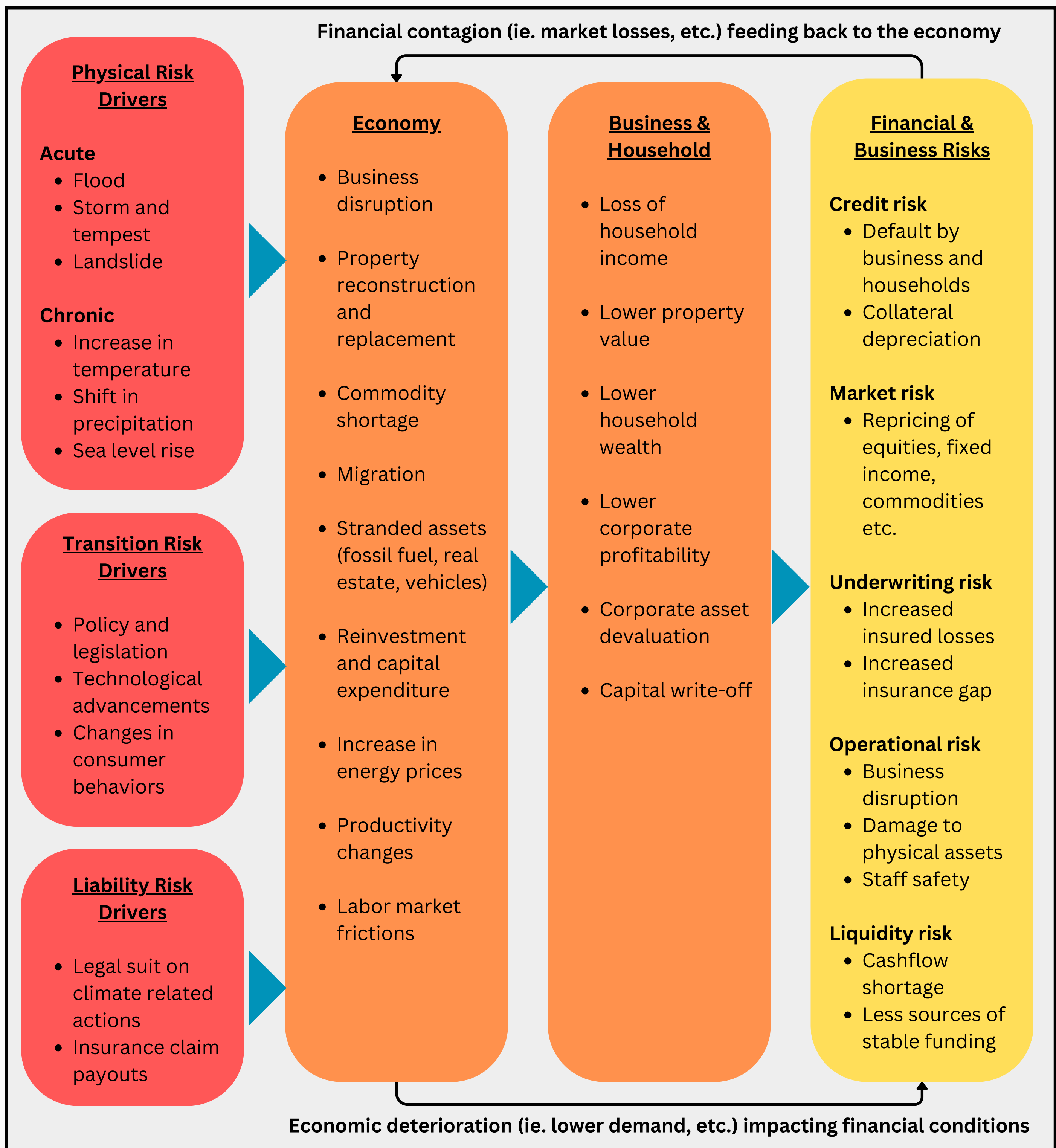


Figure 4: Mapping of transmission channels and impact of climate risk to other risk types

Metrics & Targets

Measuring What Matters

TPIB's climate-related metrics and targets are determined and proposed by the Sustainability Steering Committee based on a series of internal and external factors, which are then presented to the Board for their approval. Internal factors include risk appetite as per TPIB Climate Change Risk Policy, as well as objectives stipulated under the TPIB Sustainability Framework and TPIB Climate Transition Plan. External factors include requirements and/or expectations by regulatory, industry and key stakeholders.

Progress towards the achievement of the established targets will be reported to the Board every quarter. The achievement of the targets, nevertheless, remain on the collective commitment and action of various departments and business units across TPIB.

TPIB has chosen its metrics and set its targets based on the following best practices criteria:

Decision-useful:

Chosen metrics provide reasonable understanding of relevant climate risks and opportunities that are present to TPIB which affect decision-making.

Clear and understandable:

Chosen metrics are clearly defined and elaborated qualitatively and quantitatively, where applicable.

Consistent over time:

Chosen metrics maintained and reported periodically to ensure comparability of disclosures over time. Any changes in the methodology employed or data shall be explained accordingly.

GHG EMISSIONS

We have commenced the baseline calculation of our greenhouse gas (GHG) emissions across all our offices nationwide for the financial year ending 31 December 2024.

Our emissions scopes for 2024 cover Scope 1, 2 and 3 as defined under the Greenhouse Gas (“GHG”) Protocol Standard.

GHG emissions for TPIB are calculated using methodologies consistent with the following standards and guidance as appropriate:

- Greenhouse Gas (GHG) Protocol: A Corporate Accounting and Reporting Standard
- GHG Protocol: Scope 2 Guidance (an amendment to the GHG Protocol Corporate Standard)
- GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard
- GHG Protocol Technical Guidance for Calculating Scope 3 Emissions

For the purposes of calculating and reporting its Scopes 1, 2 and 3 emissions totals, the organizational boundary of TPIB is set as to cover only operations it fully controls and wholly owns. Essentially, only Scopes 1, 2 and 3 emissions generated from TPIB’s 1 head office and 12 branch offices nationwide are accounted for.

Below are the emissions scopes and methodologies for our 2024 calculations:

SCOPE 1: DIRECT EMISSIONS	SCOPE 2: INDIRECT EMISSIONS	SCOPE 3: OTHER INDIRECT EMISSIONS
<p>Mobile Combustions</p> <p>Covers emissions from vehicles owned by TPIB. The fuel-based method was used in calculating emissions.</p>	<p>Purchased Electricity</p> <p>Covers emissions generated from electricity purchased from the grid. The location-based method was used in calculating emissions.</p>	<p>Category 6: Business Travel</p> <p>Covers emissions generated by employee travel for work-related purposes on vehicles owned, or operated by third parties, except bus and rail (including light rail). The distance-based method was used in calculating emissions.</p> <p>Category 7: Employee Commuting</p> <p>Covers emissions generated by employees travelling to and from work. In December 2024, we inaugurated a companywide survey to gain insights into our employees' commuting preferences. The distance-based method was used in calculating emissions.</p>

2024 GHG DATA TABLE

GHG Emissions (in KgCO2e)	2024
Scope 1: Direct Emissions	
Owned Vehicles	17,716
Scope 2: Indirect Emissions	
Purchased Electricity	332,043
Total Scope 1 & 2:	349,759
Scope 3: Other Indirect Emissions	
Category 6: Business Travel	152,583
Category 7: Employee Commuting	451,470
Total Scope 3:	604,053
Total GHG Emissions:	953,812
KgCOe2 Per Employee: <i>*Based on the average monthly employee of 442.</i>	2,158

The GHG emissions figures above were computed on a best effort basis using datasets collected from available platforms and sources such as employee claims system, electricity bills, as well as employee survey. Where relevant, assumptions, estimations and extrapolations were reasonably applied to derive certain GHG emissions figures. References to emissions factors used are made on page 36 of this report. Kindly note that the above figures have not been subjected to verification by an independent third party.

OTHER METRICS & TARGETS

In addition to being the GHG emissions baseline year, 2024 also serves as the first year that TPIB sets in place other climate-related metrics and targets for its business operations. TPIB’s key approach is to categorize said metrics and targets based on the TPIB Sustainability Pillars which form the bedrock of TPIB Sustainability Framework. The metrics and targets are also categorized based on different time horizons.

Short-Term Metrics & Targets (1 - 3 years)

Sustainability Pillar	Metrics Description	Targets	Remarks
Sustainable Communities	Category: Client Engagement		
	Volume of engagement on climate-related risks and opportunities with clients. Unit: Number of engagement	Over the short-term horizon, TPIB intends to conduct a minimum of two (2) engagements with insureds regarding sustainability and climate change risks and opportunities	<p>This target is aligned with TPIB’s Sustainable Communities pillar as per the TPIB Sustainability Framework. Both the Sustainability Framework and this metric was approved by the Board in 2024.</p> <p>In 2023, in collaboration with our brokering partner, we engaged with a key client in the power generation industry to learn and discuss their decarbonization agenda. With this metric and target, TPIB aims to replicate similar engagement with other clients, especially those operating in carbon-intensive sectors.</p>

Medium to Long-Term Metrics & Targets (>3 years)

Sustainability Pillar	Metrics Description	Targets	Remarks
Sustainable Products & Services	Category: Climate-Related Opportunities		
	<p>Number of green insurance solutions provided to support climate mitigation and adaptation efforts.</p> <p>Unit: Number of insurance solutions</p>	<p>Over the medium to long-term horizon, TPIB intends to roll out a minimum of two (2) new green insurance solutions that may comprise of product add-ons/bundle, or an entire new product, in addition to the existing products/solutions.</p>	<p>In 2024, TPIB has provided insurance coverage for the following climate management activities:</p> <ul style="list-style-type: none">• Flood (under Motor, Fire and Other Classes)• Crops/Plantations• Electric/Hybrid Cars• Solar-energy production• Hydro-energy production• Bioenergy under FIAR Class• Bioenergy under Fire Class <p>Key figures regarding the insurance coverages listed above (ie. number of policy certificates issued, number of claims, as well as gross and net earned premiums) were submitted to BNM as part of the biennial CCPT Reporting exercise.</p>

Medium to Long-Term Metrics & Targets (>3 years)

Sustainability Pillar	Metrics Description	Targets	Remarks
Sustainable Workplace	Category: Carbon Footprint		
	<p>Emissions of the following:</p> <ul style="list-style-type: none">• Scope 1: Owned Vehicles• Scope 2: Purchased Electricity• Scope 3: Business Travel & Employee Commute <p>Unit: KgCO2e</p>	No target was set in 2024. See Remarks column for elaboration.	<p>TPIB shall devise a reduction target for at least Scope 2 once comparable data is made available.</p> <p>Devising a reduction target for Scope 3, however, will not only require comparative data, but also those of enhanced comprehensiveness and granularity.</p> <p>For a Scope 3 reduction target to be credible, TPIB may also be required to measure other categories of Scope 3 emissions (in addition to Business Travel and Employee Commuting).</p> <p>Unless expressly specified a by regulatory requirement, TPIB shall first build capabilities prior to setting a Scope 3 reduction target.</p>

Medium to Long-Term Metrics & Targets (>3 years)

	Category: Carbon Footprint		
	Source	Target	Details
			<p>For 2024, below are the sources of the emissions factors used in computing our GHG emissions:</p> <p>Scope 1 (Mobile Combustions)</p> <ul style="list-style-type: none">• Petrol Car: UK Department for Environment, Food & Rural Affairs (DEFRA) 2024 <p>Scope 2 (Purchased Electricity)</p> <ul style="list-style-type: none">• Peninsula Malaysia and Sabah: Energy Commission 2022 Grid EF• Sarawak: Sarawak Energy Berhad 2022 Grid EF <p>Scope 3 (Business Travel & Employee Commuting)</p> <ul style="list-style-type: none">• Land Travel (Car, Motorcycle and Rail): UK Department for Environment, Food & Rural Affairs (DEFRA) 2024• Air Travel: International Civil Aviation Organization (ICAO) Carbon Emissions Calculator, the official United Nations tool approved internationally to quantify CO2 footprint.

Glossary

GLOSSARY

A compiled list of relevant term acronyms used throughout the report.

BNM	Bank Negara Malaysia
CCPT	Climate Change and Principles-Based Taxonomy
CCRP	Climate Change Risk Policy
CDO (Non-Broking)	Chief Distribution Officer (Non-Broking)
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIA	Chief Internal Auditor
CLCO	Chief Legal & Compliance Officer
CLUW	Commercial Lines Underwriting
CPAO	Chief People & Administration Officer
CRMSA	Climate Risk Management & Scenario Analysis
CRO	Chief Risk Officer
CRST	Climate Risk Stress Testing
CSR	Corporate Social Responsibility
CTO	Chief Technology Officer
ERMF	Enterprise Risk Management Framework
ESG	Environmental, Social, and Governance

FSB	Financial Stability Board
GHG	Greenhouse Gas
GDP	Gross Domestic Product
G7	The Group of Seven
IATA	International Air Transport Association
IFRS	International Financial Reporting Standard
IPCC	Intergovernmental Panel on Climate Change
ISSB	International Sustainability Standards Board
JC3	Joint Committee on Climate Change
kgCO2e	Kilogram of Carbon Dioxide Equivalent
km	Kilometer
kWh	Kilowatt Hour
NDC	Nationally Determined Contributions
NETR	National Energy Transition Roadmap
NSRF	National Sustainability Reporting Framework
PIAM	Persatuan Insurans Am Malaysia
PLUW	Personal Lines Underwriting
SEVP	Senior Executive Vice President
SSTLC	Speed, Service & Tender Loving Care
TCFD	Taskforce on Climate-Related Financial Disclosures

Cautionary Statements

Climate-Related Data, Metrics, and Forward-Looking Statements

This report includes several forward-looking statements regarding TPIB's climate-related targets, goals, commitments, and the methods TPIB currently uses or plans to use to evaluate progress towards these ("climate-related forward-looking statements").

Given the unpredictable nature of climate change and its potential future impacts, along with the uncertainty surrounding future policies and market responses to climate-related issues and the effectiveness of such responses, TPIB may need to reassess its progress towards its climate goals and targets. Additionally, TPIB may need to update its methodologies and revise its overall approach to climate analysis as market practices, data quality, and availability evolve rapidly.

No assurance can be given by or on behalf of TPIB as to the likelihood or reasonableness of any estimates, forecasts, targets, ambitions, or returns presented in this report. Readers are advised that various external factors, as well as those specific to TPIB, could lead to actual outcomes, results, performance, or other future events deviating significantly from what is stated, implied, or reflected in any climate-related forward-looking statement or metric, due to a range of risks, uncertainties, and other factors, including those mentioned on the following page.

Changes in the climate regulatory landscape

This involves changes in government approach and regulatory treatment in relation to climate disclosures and reporting requirements, and the current lack of a single standardized regulatory approach to climate across all sectors and markets.

Variation in reporting standards

Climate reporting standards are still developing and are not standardized or comparable across all sectors and markets, new reporting standards in relation to different climate-related metrics are still emerging.

Data availability, accuracy, verifiability, and data gaps

Disclosures are limited by the availability of high quality data in some areas and TPIB's own ability to timely collect and process such data as required. Still, TPIB expects its data quality scores to improve over time, as companies continue to expand their disclosures to meet growing regulatory and stakeholder expectations.

Developing methodologies and assumptions

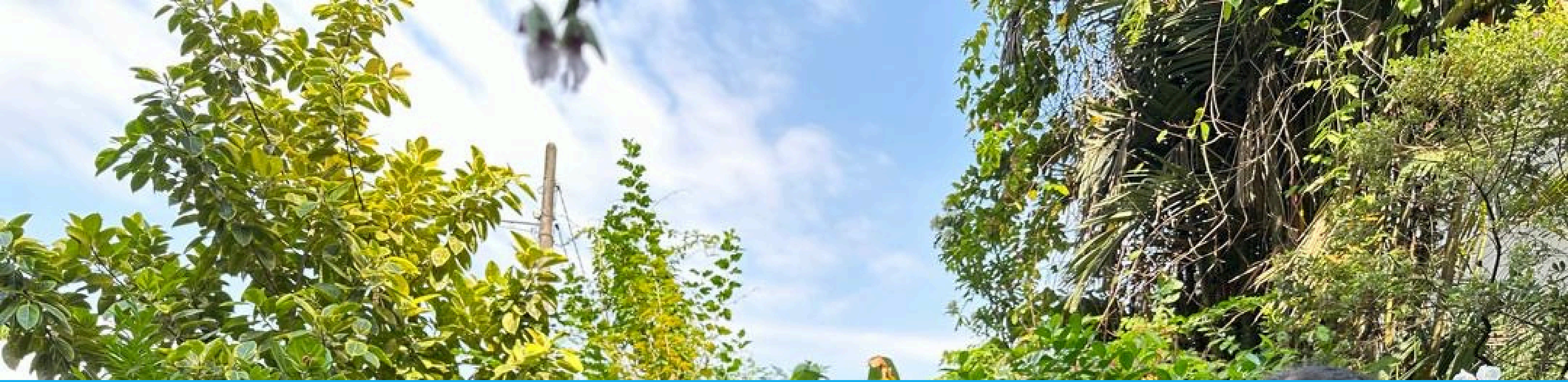
The methodologies and/or assumptions TPIB uses to craft its climate-related strategies and set climate-related targets may develop over time in line with market practice, regulation and/or developments in science, where applicable.

Contact Us

Feedback from our diverse set of stakeholders is crucial for us to continue improving on our sustainability performance and disclosure practices.

If you have any questions, comments or feedback please contact our Corporate Affairs & ESG Department at customerservice@pacificinsurance.com.my or write to the address below:

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