



Etiqua's Sustainability Progress 2023

Making the World a Better Place

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On March 21, 2023, Etiqa became the first insurer in Malaysia to sign the United Nations' (UN) Principles for Sustainable Insurance (PSI) under the UN Environment Programme Finance Initiative (UNEP FI).

Introduction

In 2019, in response to the Malaysian Central Bank's call to adopt the Islamic version of Environmental, Social, and Governance (ESG), known as Value-Based Intermediation (VBI), we initiated our transformative sustainability journey with the support of our shareholders, Maybank and Ageas. Our journey was also facilitated by Maybank's sustainability framework.

In 2023, we continued the momentum from previous years, further integrating ESG principles into our business strategy and operations. As a regional player, we have started to export our sustainability practices to other ASEAN countries, thus extending our sustainability footprint and driving positive change across borders.

The decision to sign up to the UN PSI reaffirms Etiqa's commitment to sustainability, solidifying its position as a leading sustainable insurer. Our efforts, guided by the principles, shape our business to make the world a better place.



About Etiga

Etiga is a leading ASEAN insurance and takaful player and part of the Maybank Group, a leading banking conglomerate in ASEAN.

We offer a full range of Life and General Insurance policies, as well as Family and General Takaful plans via more than 10,000 agents, 46 branches, and 17 offices. It also has a bancassurance network comprising over 490 branches, cooperatives, brokers, and online platforms across Malaysia, Singapore, Indonesia, the Philippines, and Cambodia.



Our Purpose

An Insurance and Takaful company that wants to Make the World a Better Place

Our Vision

To be a leading ASEAN insurer

eTiQa

Our Core Beliefs



Ethical

We strive to make profits from work that benefits Humanity



Trustworthy

We provide Fast and Easy service with the Best Advice



Inclusive

We want our business Partners to grow with us



Questioning

We don't stop Learning



Authentic

We practice Candour



Nurturing

We treat customers like Family

Our Sustainability Journey Across the Years

Etiqua's Sustainability Journey 2019-2023

From establishing governance in 2019 to raising awareness, capturing baseline data, and venturing into externally facing initiatives, Etiqua's Sustainability Journey is a progression marked by purposeful steps and continued momentum.

2019

Setting up the Governance

October

VBI Steering Committee set up - Awareness program initiated

November

1st issuance of ESG/VBI Digest (on a monthly basis)

2020

Spreading the Awareness

January

Sustainability Offsite 1.0 - Education and Awareness to Management

January

Launch of Etiqua's Recycling Program (iCycle bin)

July

Sustainability Offsite 2.0 - Management's high-level decision to integrate ESG into procurement, investment and underwriting processes

August

Education: 1st Webinar session with staff on Recycling and workshop partnership with SwissRe

October

Inclusion of ESG as a topic during Reinsurance renewal

December

Education: 2nd Webinar Session with staff on Upcycling Workshop

December

Approval of Etiqua's Sustainability Roadmap, to include 4 dimensions of Staff and Community, Suppliers, Investment and Underwriting

Etiqua's Sustainability Journey 2019-2023

From establishing governance in 2019 to raising awareness, capturing baseline data, and venturing into externally facing initiatives, Etiqua's Sustainability Journey is a progression marked by purposeful steps and continued momentum.

2021

Capturing the Baseline Data

March

1st issuance of Regional ESG Digest

August

1st issuance of Sustainability News

August

Project: Green Assessment and Dashboard for Etiqua Malaysia by Greentech

September

Setting up of Etiqua's Sustainability Governance

September

Data consolidation to calculate Etiqua's carbon footprint

October

Approval of Etiqua's 3 ESG ambitions

October

Roll out of 'Drive Less Save More'

December

Launch of EV Chargers at Dataran Maybank

December

Set up of Etiqua's VBI and Sustainability Steering Committee

December

Approval of ESG Risk Management Framework

Etiqua's Sustainability Journey 2019-2023

From establishing governance in 2019 to raising awareness, capturing baseline data, and venturing into externally facing initiatives, Etiqua's Sustainability Journey is a progression marked by purposeful steps and continued momentum.

2022

Moving onto Externally Facing Initiatives

March - April

Clean Water Projects in Pahang and Kedah

April

Food and aid contribution to flood-affected villagers in Kelantan

May

Sustainability webpage featuring Etiqua's Sustainability statement on myetiqua.com

July

Launch of affordable life and critical illness protection under EPF's i-Lindung platform

October

Marine Restoration: Coral Adoption with LEGES Divers

October

Launch of Electric Vehicle (EV) Home Charger add-on coverage

November

Launch of i-CARE OKU Online Takaful

December

Launch of Free Mammogram Programme (Phase 5) and Etiqua's National Mobile Screening Programme

December

Launch of Clean Water Project in Cambodia with WaterAid

Etiqua's Sustainability Journey 2019-2023

From establishing governance in 2019 to raising awareness, capturing baseline data, and venturing into externally facing initiatives, Etiqua's Sustainability Journey is a progression marked by purposeful steps and continued momentum.

2023

Continuing the momentum

January

Launch of Free Cervical Screening Programme (Phase 3)

February

New Recycling Contract with AFES

February - March

Clean Water Project in Kedah

March

First Signatory in Malaysia and 3rd in Singapore on the UN PSI

May

Launch of Solar Energy Shortfall Insurance (SESI)

June

Launch of Etiqua Rahmah PA

July

Launch of Tesla Ensure

August

Etiqua's 1st Sustainability Day

August

Launch of MyRumah

August

Workshop on ESG for the Insurance Regulator in Cambodia

August

Launch of Asuransi Proteksi PAS in Indonesia

October

Introduction of new EPF i-Lindung Plus

November

Launch of #smartplus Takaful (Smart #1)

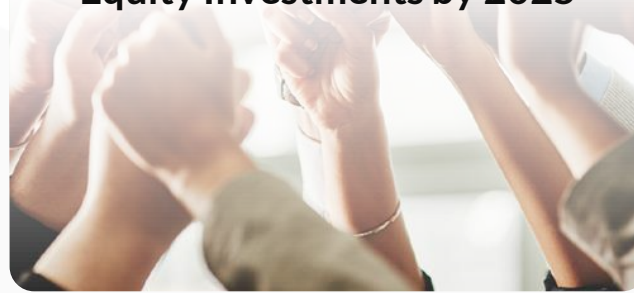
Navigating The Journey

Etiqua's Sustainability Ambitions

Our Sustainability Ambitions are aligned with the Maybank Group's Sustainability Commitments. Through a timeline between 2025 to 2030, we have set four Sustainability Ambitions.

Ambition 1

To not underwrite any Greenfield Coal Power Generation Plant and meet the internal ESG Requirements for Equity Investments by 2025



Ambition 2

Improve the lives of 900,000 households across ASEAN by 2025



Ambition 3

Achieve Carbon Neutral status for Scope 1 & 2 emissions by 2030 and Net Zero Carbon Equivalent position by 2050



Ambition 4

To achieve 80,000 hours per annum on engagements and activities related to sustainability



Etiqua's Sustainability Focus Areas

Our Sustainability Focus Areas are aligned with the four core dimensions that are impacted by Environment, Social, and Governance (ESG) developments in the context of an insurer.

We believe that these four core dimensions allow us to align our business to the key issues pertinent to sustainability, which are related to the climate, environment, community, and financial resilience. In doing so, Etiqa is committed to contributing to the United Nations' Sustainable Development Goals (UN SDG).

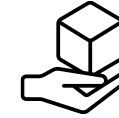
Dimension 1



Staff and Community

Create sustainable value for the environment by changing the mindset and culture of the company, staff and community.

Dimension 2



Supplier

To educate and advocate sustainable practices to our suppliers so that they as our business partners, can grow together with us.

Dimension 3



Investment

To identify the sustainability of our investment assets and promote investment into assets that are sustainable or transitioning towards greater sustainability.

Dimension 4



Underwriting / Clients

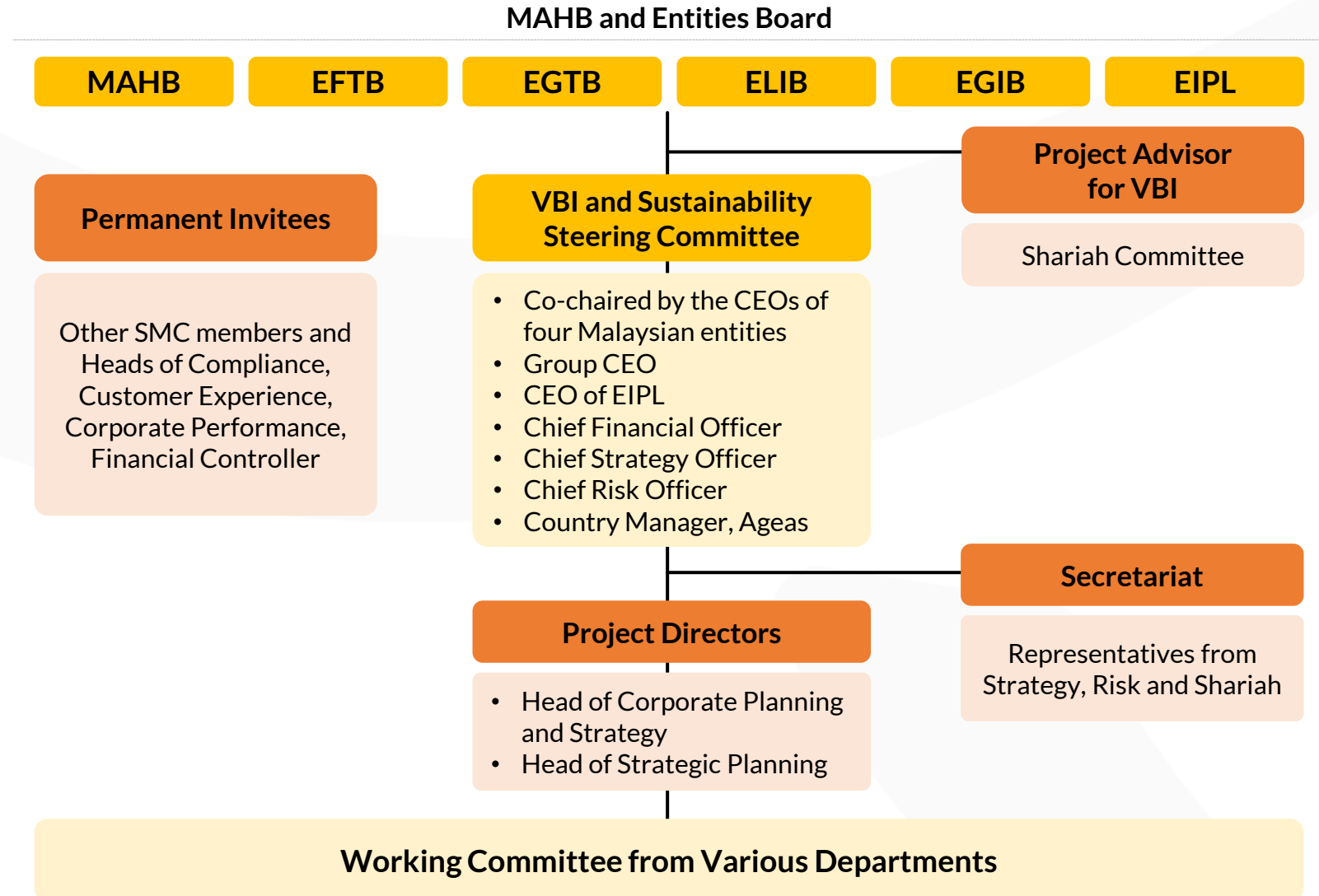
Expand our existing green clientele and provide more innovative green products and services.

Etiqua's Sustainability Governance

Etiqua's Sustainability Governance, supported by our Senior Management, guides our sustainability journey. It is overseen by the Value-Based Intermediation and Sustainability Steering Committee (VBIS SC) which is co-chaired by the CEOs of our Malaysian entities.

The VBIS SC meets monthly to monitor progress and plan Etiqua's next steps, providing quarterly updates to the Board for guidance.

VBI and Sustainability Steering Committee Structure



Sustainability Across Investments and Products

Etiqua integrates ESG factors into our investment decision framework, reflected in the investment ESG grade, showcasing our commitment to evaluating investments based on these principles.

Etiqua designs sustainable products that provide support to societal challenges, with ESG benefits and commitment to public health and environmental protection throughout their life cycle.



Investment Management

The ESG integration in financial analysis and investment decisions at Etiqua adheres to key principles:

- excluding ESG blacklist activities to align with Maybank Group or client mandate (e.g., alcohol, weapon, etc.);
- integrating ESG factors in financial decisions; and
- consider ESG factors during ad hoc engagement and proxy voting with the companies.

The Investment Portfolio Management Committee oversees and finalizes investment decisions.



Product Development

The core criteria for sustainable product design encompasses ESG values and extends beyond the traditional insurance role, aligning with at least one of the ESG pillars.

For Life/Family products, the focus is on contributing more to the social pillar, especially for the underinsured and underserved groups. Meanwhile, for General products, emphasis is placed on both environmental and social pillars.

The Product Management Committee supervises and concludes the product development process.

Engagement in Sustainable Practices and Industry Committees

Etiqua offers necessary support in alignment with requests from Governments, Regulators, and pertinent stakeholders concerning sustainability initiatives.

In 2023, Etiqua actively addressed numerous requests from regulatory bodies and governments, offering insights on industry inquiries and providing feedback on sustainability-related policy statements. This encompassed engagements concerning evolving regulatory frameworks, particularly as regulatory authorities work on pertinent sustainable disclosure standards.

Etiqua is actively engaged in various specialised units within the insurance industry, with its senior management representing the organisation in key committees such as:



Joint Committee
on Climate Change

Joint Committee on Climate Change (JC3)

Established in 2019, JC3 comprises Bank Negara Malaysia, Securities Commission, Bursa Malaysia, and 21 industry players, including Etiqua. Under JC3, Etiqua participated in the development of:

- Climate Change and Principle-based Taxonomy (CCPT)
- Climate Risk Management and Scenario Analysis (CRMSA)



Value-Based Intermediation Task Force

Established in 2019, the task force consists of 16 takaful operators, including Etiqua to build the Value-Based Intermediation for Takaful (VBIT) Framework which was launched in June 2021.

In 2021, Etiqua joined a workstream to develop the VBIT Roadmap 2022 which was launched in October 2022.

Sustainability and Thought Leadership Initiatives

Etiqua's thought leadership initiatives exemplify our dedication to the sustainability agenda. From sharing insights on sustainable insurance practices to addressing regulatory roles in fostering sustainability, we aim to lead and inspire positive change within the insurance industry.



6 November 2023

Etiqua's Group CEO, Kamaludin Ahmad, was interviewed by The Edge and shared insights on how Etiqua is reaffirming its position as a leading sustainable insurer / takaful operator. [i](#)



20 September 2023

Etiqua's Group CEO, Kamaludin Ahmad, presented on "Sharia Insurance | ESG | Digital" at the IFG International Conference 2023. [i](#)



15 September 2023

Etiqua's Chief Strategy Officer, Chris Eng, was interviewed by Bursa Malaysia on the topic of Bracing for Climate Realities: How ESG is Influencing Insurers' Strategies in Malaysia. [i](#)



11 August 2023

Etiqua's Chief Strategy Officer, Chris Eng, conducted a training session for the Insurance Regulator Cambodia on "How Regulators Can Assist in the Adoption of Sustainability for the Insurance Sector."



24 May 2023

Etiqua's Chief Strategy Officer, Chris Eng presented on "Transforming Towards A Sustainable Insurer" at the Insurance Asia Forum 2023.



1 March 2023

Etiqua's Chief Strategy Officer, Chris Eng presented "Etiqua's Sustainability Journey 2019 - 2023" at the Ageas Asia Sustainability Conference.

Sustainability and Thought Leadership Initiatives



Figure 1



Figure 2



Figure 3



Figure 1: Etika's Group CEO, Kamaludin Ahmad at the IFG International Conference 2023.

Figure 2: Etika's Chief Strategy Officer, Chris Eng, conducted a training session for the Insurance Regulator Cambodia.

Figure 3: Etika's advertorial page on The Edge, featuring an interview with Group CEO, Kamaludin Ahmad.

Transition Support through Collaboration

We have maintained our engagements with strategic ESG business partners to stimulate and encourage the transition towards a more sustainable world through collaborations at different levels.



To promote ESG awareness among Etiqans, we have partnered with ESG-focused organisations.

We launched a Recycling Program with Alam Flora Environmental Solutions, participated in the Marine Conservation Project in Pulau Tioman with Ekomar and Kelab Leges Divers, and partnered with ParkEasy and Green EV Charge as our EV Charger providers in Etiqa buildings, demonstrating our dedication to sustainability.

In 2021, we collaborated with the Malaysian Green Technology and Climate Change Corporation on a Green Assessment and Dashboard Project for Etiqa Malaysia.



Etiqa's sustainability journey is enriched by collaboration with ESG rating providers, reinsurers, and brokers.

Etiqa, including our Board of Directors and Management, actively collaborates with external professional bodies to enhance our collective understanding of ESG knowledge.

Together, they support Etiqa in integrating ESG principles into our business strategy and practices, fostering a more sustainable future.

Community Empowerment through CSR and CZR Programmes

We have maintained our collaboration with strategic ESG partners to contribute to the well-being of local communities, with a specific focus on community welfare, education and awareness.



Corporate Social Responsibility (CSR) programmes in 2023

- Free Cervical Screening Programme with ROSE Foundation
- Free Mammogram Programme and Etiqa's National Mobile Screening Programme with National Cancer Society Malaysia
- Clean Water Projects in Malaysia and Cambodia
- Etiqa Cares Youth Centre with Adab Youth Garage

Corporate Zakat Responsibility (CZR) programmes in 2023

- Entrepreneurship Program: ISHRAF 3.0
- Etiqa Education Programmes
- Etiqa Trail of the Concerned Programme / Jejak Prihatin
- Etiqa Seine / Trawl Net Aid to Poor Fishermen Programme
- Etiqa Community Programmes

Community Empowerment through CSR and CZR Programs



Figure 1



Figure 2



Figure 3



Figure 4



Figure 5

Figure 1: Clean Water Projects in rural villages

Figure 2: Free Mammogram Programme and Etiqa's National Mobile Screening Programme with National Cancer Society Malaysia

Figure 3: Free Cervical Screening Programme with ROSE Foundation

Figure 4: Jetty refurbishment with Islamic Aid Malaysia

Figure 5: Etiqa Cares Youth Centre with Adab Youth Garage

Achievement Highlights

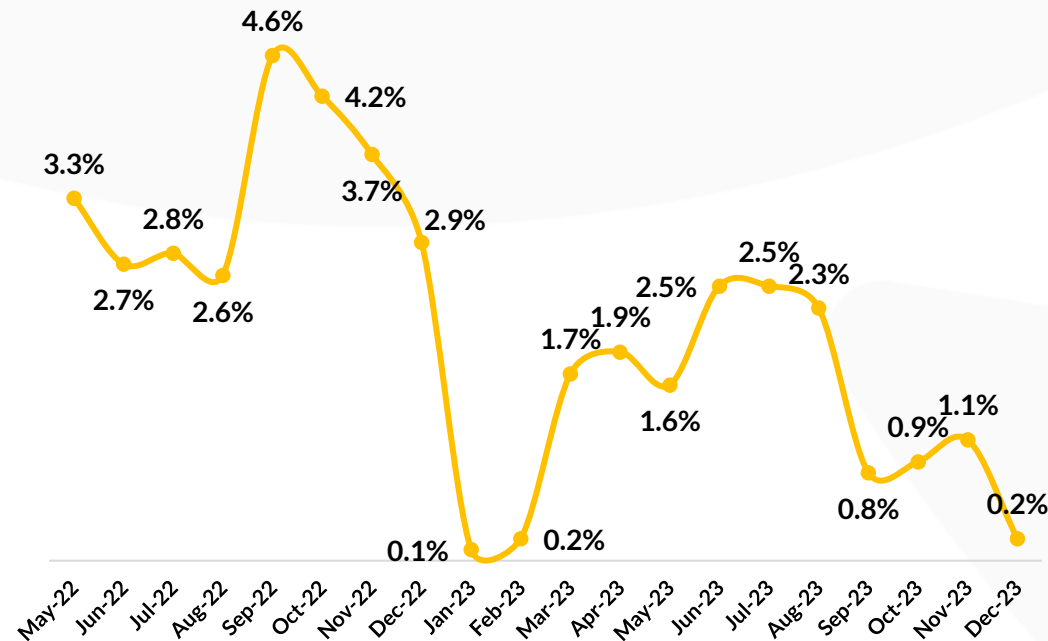
Etiqua Sustainability Ambitions

Ambition 1

To not underwrite any Greenfield Coal Power Generation Plant and meet the internal ESG Requirements for Equity Investments by 2025

Etiqua's Ambition 1 fosters sustainable value creation that transcends short-term gains by strategically integrating Environmental, Social, and Governance (ESG) principles into our underwriting practices and equity investments. Etiqua has committed to not underwrite any greenfield coal power generation plant. For our investments, we assess companies' ESG risk ratings through stakeholder engagement and the integration of ESG factors into financial decisions. This strategic shift demonstrates our commitment to sustainable investments, aligning closely with our sustainability goals.

Percentage of Equity Investment with a Severe ESG Risk Rating



The proportion of our equity investments with a Severe ESG Risk Rating has dropped to

0.2%

Etiqua Sustainability Ambitions

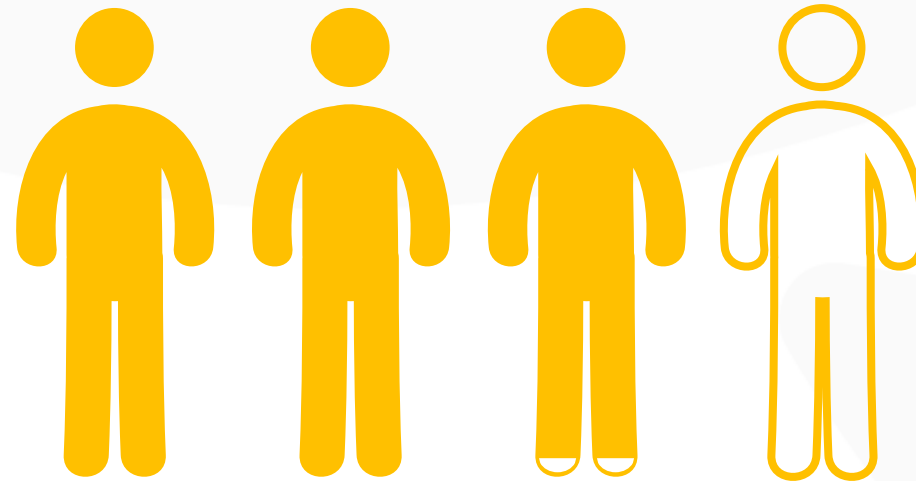
Ambition 2

Improve the lives of 900,000 households by 2025



Ambition 2 entails expanding cost-effective and easily accessible products for the underserved and underinsured. Our strategy involves improving affordability, accessibility, and protection value to meet customer demands, aligning with our goal of enhancing coverage and fostering financial inclusion. Additionally, we remain dedicated to our Corporate Social Responsibility (CSR) and Corporate Zakat Responsibility (CZR) initiatives.

From 2021 until December 2023, we have improved the livelihoods of 669,680 households.



We uplifted livelihoods by offering affordable products and engaging in impactful CSR and CZR initiatives.

74%
of the cumulative
2025 target

CSR	19,794 households
CZR	73,157 households
Product	576,729 households

Etiqua Sustainability Ambitions

Ambition 3

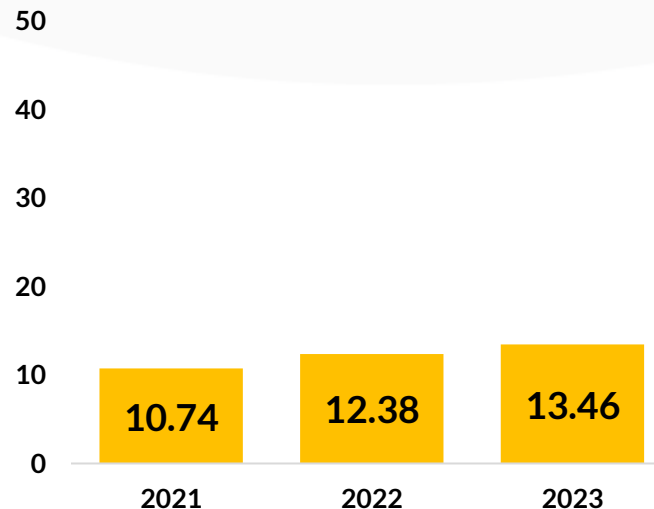
Achieve Carbon Neutral status for Scope 1 & 2 emissions by 2030 and Net Zero Carbon Equivalent position by 2050



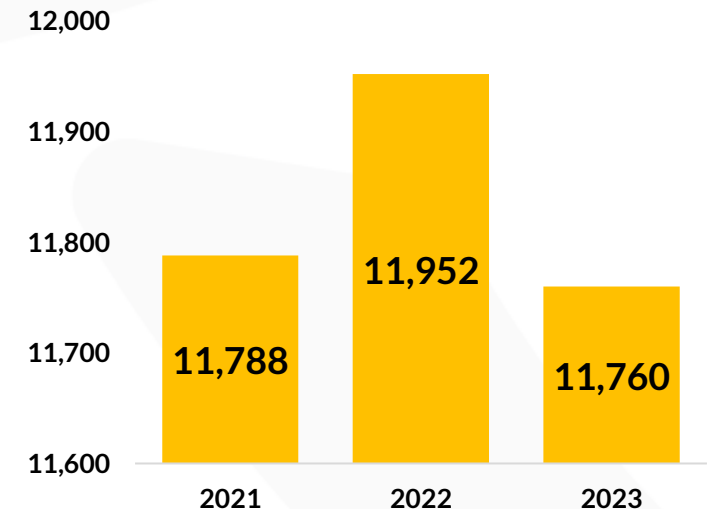
Ambition 3 aligns with Maybank's sustainability goals for carbon neutrality by 2030 and net zero by 2050. In 2021, Maybank partnered with TNBX Sdn Bhd to purchase mRECs, offsetting 70% of the Maybank Group's Scope 2 emissions.

Our ongoing efforts through various initiatives have yielded positive outcomes, showcasing a significant reduction in electricity usage across all Etiqua premises. Even with more staff returning to work in the office, we recorded lower Scope 2 emissions in 2023 compared to 2021 and 2022. We are also in the process of transitioning Etiqua's company cars to Electric Vehicles to reduce Scope 1 emissions.

**Scope 1
CO₂ Emission from Fuel Consumption
(tonnes of CO₂ equivalent)**



**Scope 2
CO₂ Emission from Electricity
(tonnes of CO₂ equivalent)**



Etiqua Sustainability Ambitions

Ambition 4

To achieve 80,000 hours per annum on engagements and activities related to sustainability

In Ambition 4, Etiqua emphasises that sustainability engagement not only aligns employees with the organisation's sustainability goals but also boosts workplace satisfaction and enhances Etiqua's reputation, thereby positively impacting both the environment and society. Employee participation fosters long-term organisational success and resilience in an ever-changing business landscape.

Sustainability Hours recorded by Etiquans in 2023



119%

of the 2023 target of Sustainability Hours

The Sustainability Hours were mainly driven by various Employee Engagement activities i.e., Etiqua Sustainability Day, Etiqua Recreational Centre usage, Etiqua Townhall and Festival Celebrations.

Green and Vulnerable Portfolios

We diligently monitor the comparison between our green and vulnerable portfolios to assess our impact and progress toward a more sustainable future.

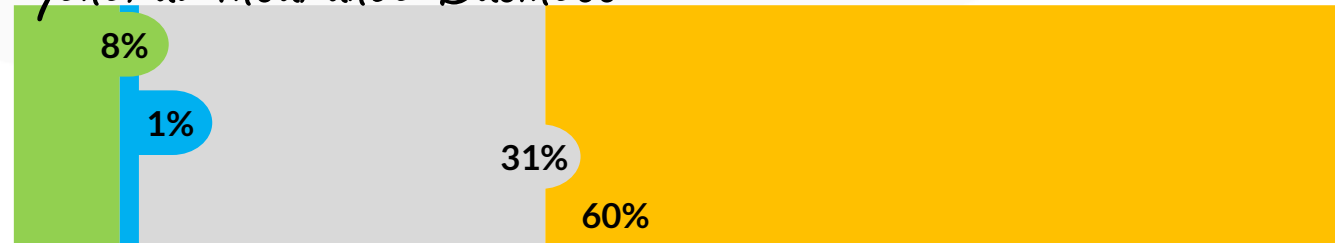
This analysis enables us to make informed decisions, allocate resources effectively, and continuously improve our sustainability initiatives, ensuring we are on the right path towards achieving our environmental and social responsibility goals.

ESG Risk for Underwritten Portfolios as at Q4 2023, Gross Written Premium (in % of exposure)

General Takaful Business



General Insurance Business



Legend:

Green	Renewable Energy such as Solar, Hydro, Biogas, Biomass, EV cars, anything that relates in helping the ESG pillars.	Others	Other than the Green, Vulnerable and Transition categories.
Vulnerable	Coal, Mining, Forestry and Logging, Palm Oil, Oil and Gas, Power (exclude solar which is green and transition sector), Construction.	Transition	Gas-fired power

Fostering Sustainability with Suppliers

At Etiqa, we firmly believe that sustainability is a shared responsibility that extends beyond our organisation. We take pride in fostering a collaborative environment where our suppliers are not just partners in business but also partners in our commitment to a greener and more socially responsible future.

We encourage our suppliers to join us on a transformative sustainability journey in “Making The World A Better Place”.

Until 2023, we have conducted sustainability assessments on 26 key suppliers from various departments, including Property, Operations, IT, Reinsurance, and Professional Services, classifying them into Tiers 1, 2, and 3.



For Tier 3 suppliers, we initiate discussions on their sustainability plans and encourage them to adopt sustainable practices using Etiqa as an example.

Etiqua's 1st Sustainability Day

On August 14, 2023, Etiqa organised its very first Sustainability Day. This event was organised primarily to educate Etiqans and the public on Etiqa's sustainability efforts over the years (2019-2023).

Among the presentations were a sharing session on Etiqa's progress in its sustainability journey, two presentations on Etiqa's ESG products, and talks from 3 guest speakers from Etiqa's ESG partners.



Figure 1



Figure 2



Figure 3



Figure 4

Figure 1: The launch of Alam Flora Environmental Solutions (AFES) recycling bin by our Chairman and Board Members
 Figure 2: Chris Eng, Etiqa's Chief Strategy Officer sharing where Etiqa is in its sustainability journey
 Figure 3: Prof Dr Woo from ROSE Foundation speaking passionately to the crowd
 Figure 4: The sit-in sessions of the day

Sustainable Insurance and Takaful Products

At Etiqa, our primary focus is developing innovative products and services that mitigate risk and have a substantial positive impact on ESG issues.

Through ESG integration, we aim to achieve a harmonious balance between financial success and a more prosperous, socially responsible, and eco-conscious future for all stakeholders.

New Products launched in 2023



ESG Financial Perspectives

Etiqa's ESG Financial Perspectives were surveys which explored the financial fitness of young adults in Singapore and the retirement attitudes of Malaysians, shedding light on sustainable financial planning and well-being.

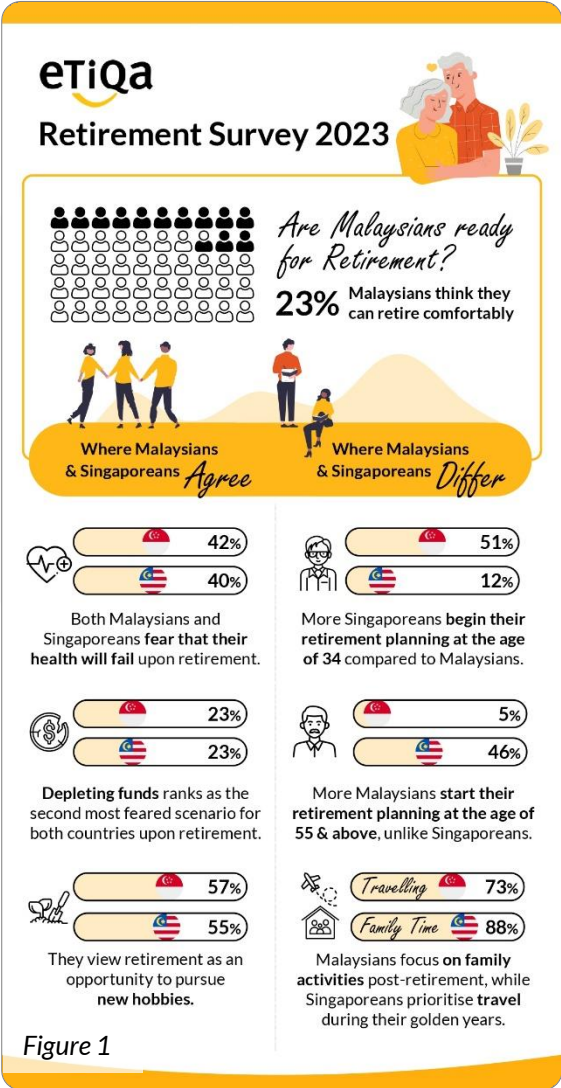


Figure 1



Figure 2

Figure 1: Etiqa's Retirement Survey 2023 in Malaysia is the progression from the 2022 survey conducted in Singapore, comparing retirement attitudes and preparations between the two countries. The survey interviewed 804 Malaysians aged 20-60 from all states.

Figure 2: In May 2023, Etiqa Insurance Singapore, in collaboration with Kantar, surveyed 1,024 individuals, aged 18-42 (Gen Z and Millennials). The study explores financial goals, attitudes, and aspirations, aiming to enhance overall financial well-being.

We share our progress transparently with customers and the public through consistent communication and social media updates.

Every bit of effort helps save our planet

Malaysians consume about **80 billion** sheets of paper each year. This is equivalent to the deforestation of more than **10 million** trees annually. Etiqa would like encourage all customers to share their mobile number & email address with us so that we can communicate digitally & reduce physical hard copies. Together, we can reduce paper usage.

Let's save our planet.

Liked by [nordi.nazaruddin](#) and **69 others**

myetiqa Recently, Etiqa visited the National Cancer Society Malaysia (NCSM) Head Office in Kuala Lumpur. Etiqa has been in collaboration with NCSM since 2017 through Etiqa's Free Mammogram Programme, which is a programme established to offer free mammogram to women of the B40 community, aged 40 and above.

To date, over 27,500 women across Peninsular Malaysia have benefitted from this programme. From that, a total of 592 women were detected with abnormalities, and 93 were diagnosed with cancer. These women were all referred to the nearest general hospitals for treatment.

[@nationalcancersocietymy](#)

[#EtiqaMalaysia](#) [#myetiqa](#) [#CSR](#) [#NCSM](#)

25 likes

myetiqa A big shout out to Etiqa's Super Premier Workshop partner, Eurozone Automobile, who have started off on their Sustainability Journey. Their premise is now equipped with ESG features such as an EV charging point, safe disposal of car repair related waste and staff enablement efforts including state-of-the-art digital tools which allow their staff to scale up the learning curve faster. Eurozone is looking to go beyond its current premium customer service (mini gym, surau and games equipment) and embrace the next wave of progress in Sustainability that includes services for EV which they see will ramp up in numbers in coming years. Etiqa invites all our partners to join us on this transformative sustainability journey in "Making The World A Better Place".

[#myetiqa](#) [#etiqaMalaysia](#) [#sustainability](#) [#esg](#)

100 likes

myetiqa Penantian penduduk Kampung Charuk Puteh, Baling, Kedah selama 20 tahun untuk mendapatkan bekalan air bersih berakhir apabila Projek Bekalan Air Bersih Etiqa telah siap sepenuhnya pada hari ini.

Majlis perasmian projek ini telah disempurnakan oleh Encik Zafri Ab Halim, Ketua Pegawai Eksekutif, Etiqa Family Takaful Berhad bersama Zawahir Abdullah, Presiden, Islamic Aid Malaysia.

[#myetiqa](#) [#etiqaCares](#) [#EtiqaMalaysia](#) [#cleanwater](#) [#csr](#)

79 likes

myetiqa Etiqa today launched its latest Etiqa Cares Centre at Pangsapuri Wakaf Siti & Hajjah Norijah, Penang with Adab Youth Garage.

The centre was officiated by the Penang's Deputy Chief Minister 1, YB Dato' Dr. Mohamad bin Abdul Hamid alongside the Chief Executive Officer of Etiqa General Insurance Berhad, Fuhairudin Mohamad Yusof and Chief Executive Officer of AYG, Nizam Samsudin.

This is the fifth Etiqa Cares Centre following the establishment of a centre in Johor and 3 centres in the Klang Valley.

[#myetiqa](#) [#EtiqaMalaysia](#) [#etiqaCares](#)

Embracing the Bright Future

Advancing Sustainability Initiatives

Etiqua's upcoming strategy entails reinforcing our role as the leading Electric Vehicle (EV) insurer and provider of socially responsible products in Malaysia.

Our objectives include the production of the annual UN PSI report for validation, hosting industry talks on Sustainable Insurance, and enhancing collaborations with insurance regulators across ASEAN to advance our sustainability initiatives.

Position Etiqa as the Leading Sustainable Insurer and Takaful Operator in Malaysia



- Increase presence on the panels of motor brands providing EVs in Malaysia.
- Development of ESG products aimed to uplift the underinsured and underserved communities.

First in Malaysia to sign up to the UN Principles of Sustainable Insurance



- Produce the annual UN PSI report for validation.

Carry out ESG Training to Insurance Regulators and Industry



- Industry talks on sustainable insurance to raise awareness.
- Sustainability-related engagements with insurance regulators across ASEAN.

Conclusion

Kamaludin Ahmad, Etika's Group CEO

In 2019, we embraced the Malaysian Central Bank's (Bank Negara Malaysia) notion to adopt the Islamic version of ESG, known as Value Based Intermediation (VBI) in that to be sustainable and to solidify our position in the equation of People, Planet, and Profit, in the way we carry out our Insurance and Takaful business. Since then, we have gone through a 5-year journey (2019-2023) of setting our sustainability governance, spreading sustainability awareness, tracking our sustainability-related baselines, moving towards externally facing sustainable initiatives, and continuing the pace.

We are now honoured to be able to declare to the global community that we are ready to transparently disclose our progress in sustainability according to the 4 Principles of UN PSI. With this declaration, we look forward to "Making the World a Better Place", together with other leaders in leaving a sustainable legacy for our future generations.

Glossary

Biogas	A renewable fuel that is produced when organic matter, such as food or animal waste, is broken down by microorganisms in the absence of oxygen.	JC3	The <u>Joint Committee on Climate Change</u> is a platform established in BNM to build climate resilience in the financial sector.
Biomass	A renewable organic material derived from plants and animals.	mRECs	A <u>Malaysia Renewable Energy Certificate</u> is an e-certificate representing the delivery of one megawatt-hour (MWh) of renewable energy to the grid in Malaysia. After the energy is fed into the grid, the REC can be sold as a commodity on the open market.
Carbon Neutral	Achieving a balance between the amount of carbon dioxide emitted and the amount removed from the atmosphere, resulting in no net increase in atmospheric carbon dioxide levels.	PSI	The <u>Principles for Sustainable Insurance</u> are a framework for the global insurance industry to address ESG risks and opportunities.
Carbon Footprint	The total amount of greenhouse gases, primarily carbon dioxide, emitted directly or indirectly by human activities, usually expressed in equivalent tons of carbon dioxide emitted per year.	Scope 1	Direct greenhouse gas emissions owned or controlled by an organisation.
CCPT	The <u>Climate Change Principle-based Taxonomy</u> , published by Bank Negara Malaysia (BNM), is a framework aiding financial institutions in identifying and categorising economic activities with potential contributions to climate change.	Scope 2	Indirect greenhouse gas emissions resulting from the consumption of purchased or acquired electricity, heat, or steam used by an organisation.
CRMSA	The Policy Document on <u>Climate Risk Management and Scenario Analysis</u> , issued by BNM, outlines principles and requirements for financial institutions to manage climate risk and conduct scenario analysis.	Sustainability	Meeting present needs without compromising future generations, considering environmental, social, and economic factors.
CSR	<u>Corporate Social Responsibility</u> is the business initiatives aimed at benefiting society and the environment, beyond legal obligations.	Underinsured / Underserved	Refers to populations or individuals lacking access to adequate healthcare services or insurance coverage, often due to financial, geographic, or social barriers.
CZR	<u>Corporate Zakat Responsibility</u> is the practice of companies fulfilling their Islamic duty to contribute zakat to support social welfare and community development.	VBI	<u>Value-based intermediation</u> , introduced by Bank Negara Malaysia, is a concept promoting Islamic finance practices aligned with Shariah principles, aiming for positive and sustainable impacts on the economy, community, and environment.
Green Clientele	Organisations that prioritise environmental responsibility and eco-friendly operations, demonstrating a commitment to sustainability and minimising their ecological footprint.		

Abbreviations

AFES	Alam Flora Environmental Solutions
CCPT	Climate Change and Principle-based Taxonomy
CRMSA	Climate Risk Management and Scenario Analysis
EFTB	Etiqua Family Takaful Berhad
EGIB	Etiqua General Insurance Berhad
EGTB	Etiqua General Takaful Berhad
EIPL	Etiqua International Pte. Ltd
EKOMAR	Pusat Penyelidikan Ekosistem Marin (Centre for Marine Ecosystem Research)
ELIB	Etiqua Life Insurance Berhad
EPF	Employees' Provident Fund
ESG	Environmental, Social, and Governance
EV	Electric Vehicle
IFG	Indonesia Financial Group
JC3	Joint Committee on Climate Change
MAHB	Maybank Ageas Holdings Berhad
mRECs	Malaysia Renewable Energy Certificate
SMC	Senior Management Committee
UNEP FI	United Nations Environment Programme Finance Initiative
UN PSI	United Nations Principles for Sustainable Insurance
UN SDG	United Nations Sustainable Development Goals
VBI	Value-Based Intermediation
VBIS SC	Value-Based Intermediation Sustainability and Steering Committee
VBIT	Value-Based Intermediation for Takaful



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We welcome your questions, comments, and feedback. Please feel free to reach out to us at sustainability@etiqa.com.my.

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