



SUSTAINABILITY STATEMENT

As a responsible corporate citizen, we remain committed to balancing out our economic performance with responsible environmental and social considerations across the MNRB Group. Our aim on our sustainability journey is to deliver a sustainable performance and good stakeholder value whilst ensuring long-term value creation.

In this Sustainability Statement (the Statement), we continue to disclose our progress on our sustainability initiatives, performance and achievements for the financial year ended 31 March 2019 (FY2019). This Statement covers the operations of MNRB Holdings Berhad and its subsidiaries (collectively referred to as the “MNRB Group” or “we” or “our” or “us”). Our sustainability framework and reporting approach is guided by the Sustainability Reporting Guidelines and Toolkits issued by Bursa Malaysia Securities Berhad (Bursa Malaysia). Where applicable, comparable data from previous years has been included.

MNRB Group	
Reinsurance/ Retakaful	Malaysian Reinsurance Berhad (Malaysian Re)
	Malaysian Re (Dubai) Ltd. (MRDL)
Takaful IKHLAS	Takaful Ikhlas Family Berhad (Takaful IKHLAS Family)
	Takaful Ikhlas General Berhad (Takaful IKHLAS General)

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Continuing Our Sustainability Journey

Our Value Creation Story – Value for Business & Stakeholders

We believe that the success of our business depends on our ability to identify and address economic, environmental and social (EES) issues, which represent the risks and opportunities relevant to our business. Diagram 1 illustrates how we capitalise on various business inputs to create value for our business and stakeholders. These reference points are found throughout the Statement and form the key components of our value creation story as we report on the initiatives that we are undertaking to manage sustainability matters.

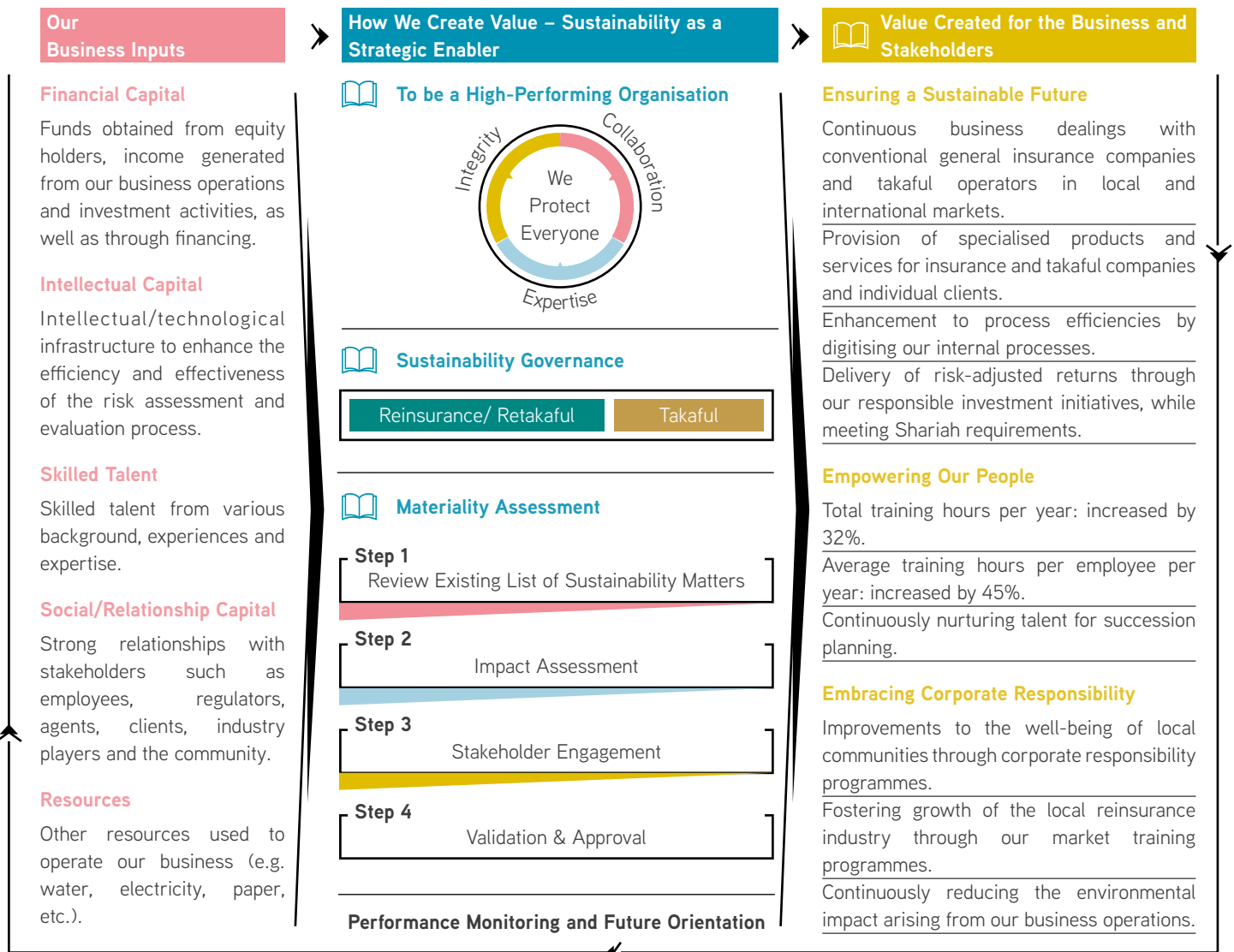


Diagram 1: Value Creation Model

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Becoming a High Performing Organisation – From Vision to Action

We take pride in being able to provide our clients with protection solutions (namely our reinsurance, takaful and retakaful solutions) that suit their needs, especially during unforeseen circumstances. In light of the evolving regulatory landscape, fluctuating economic conditions and the rise of technological advancements, it is crucial that the MNRB Group remains resilient and agile to ensure the long-term viability of our business.

With this in mind, we recently introduced a High-Performance Culture (HPC) programme

which we leverage on to deliver our aspiration of becoming a high-performing organisation. The initiation of the HPC programme began with sentiment checks through surveys and interviews. This enabled us to assess the baseline perceptions across our operations, leading to the enhancement of our Vision and Core Values. Following this, a series of culture awareness cascading workshops were conducted for all our employees across the MNRB Group.

Through our Vision, “We Protect Everyone”, we underpin our commitment to ensure

the stakeholders are protected through our array of solutions. Strengthened by our Core Values, we have translated our Vision into tangible sustainability initiatives across four Cultural Pillars, and some initiatives have reaped early results. Diagram 2 below illustrates the intrinsic connection between the Cultural Pillars, which is derived from our Vision and Core Values, and our sustainability initiatives. We believe that the HPC initiative will continue to serve as the underlying force to drive business growth for the MNRB Group while creating value for our stakeholders and society at large.

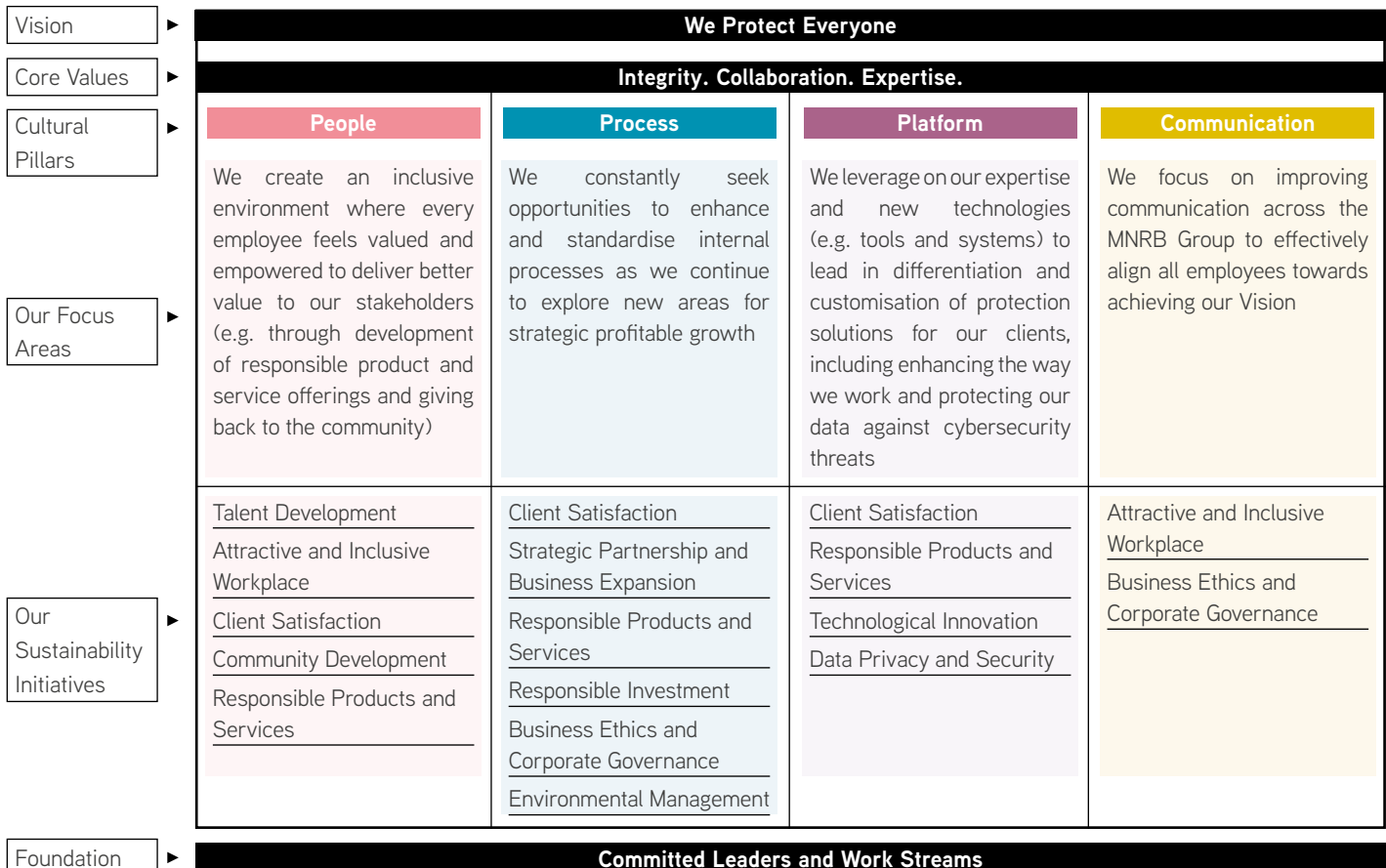


Diagram 2: Intrinsic Connection between HPC and Sustainability

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As we endeavour to incorporate sustainability into our business operations, we also draw inspiration from the global sustainability agenda, i.e. the United Nations Sustainable Development Goals (UN SDGs). In the “Value Created for the Business and Stakeholders” section of the Statement, alongside the description of our sustainability initiatives, icons representing the relevant Cultural Pillars and UN SDGs demonstrate our contribution to a larger cause.

Our Sustainability Governance

As per our previous Sustainability Statement, our sustainability governance structure remains unchanged. Our corporate strategy and performance are overseen by the Board of Directors and supported by the Risk Management Committee of the Board, Operational Risk Management Committee and Sustainability Working Group.

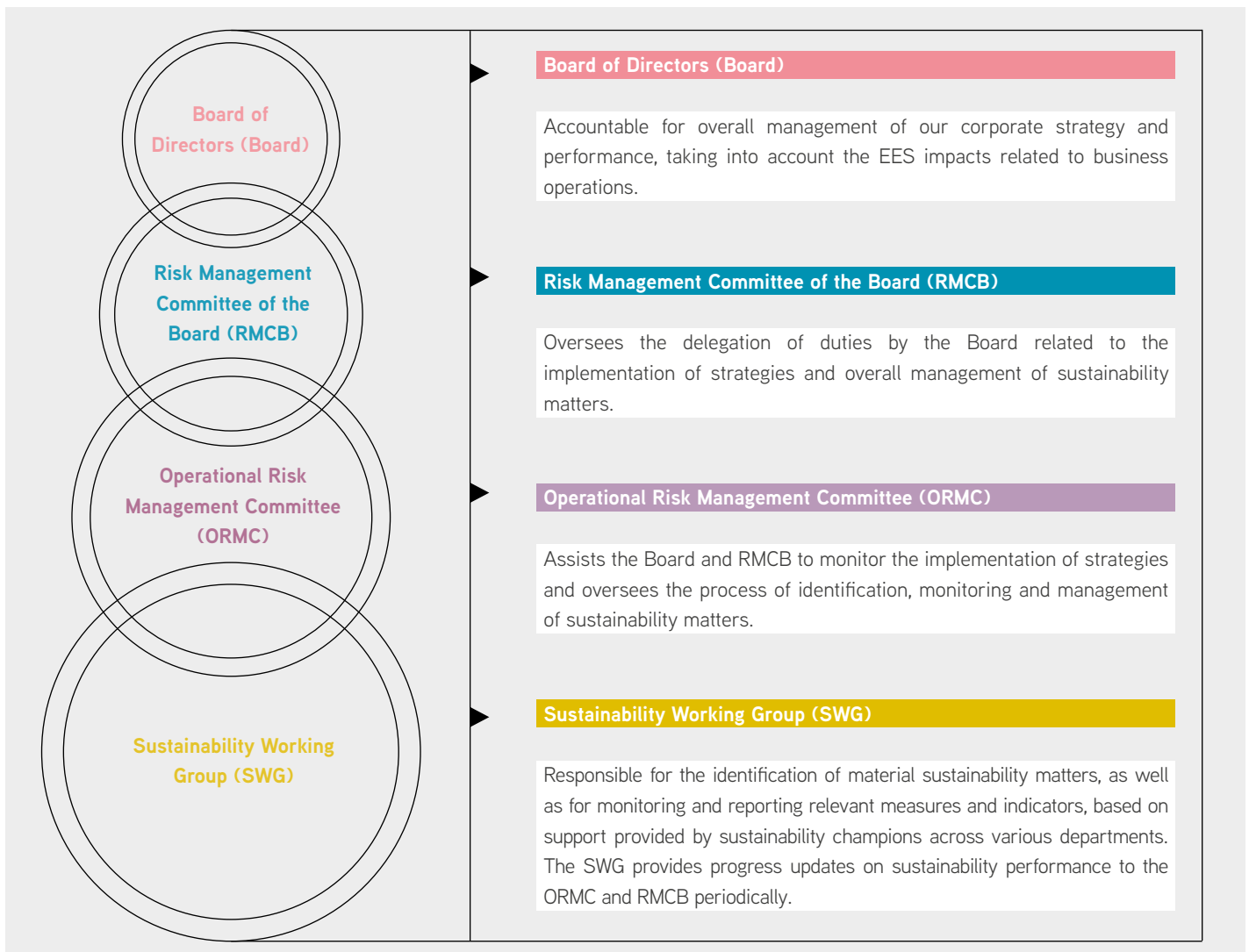


Diagram 3: Sustainability Governance

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Materiality Assessment – Harmonising Business & Stakeholder Perspectives

This year, we continue to adopt a structured approach as recommended by the Bursa Malaysia Sustainability Reporting Guide for materiality assessment. We revisited the materiality assessment process and expanded the scope of stakeholder engagement to cover both key internal and external stakeholder groups. Our four-step approach on harmonising business needs with stakeholder interests is summarised in Diagram 4 below.

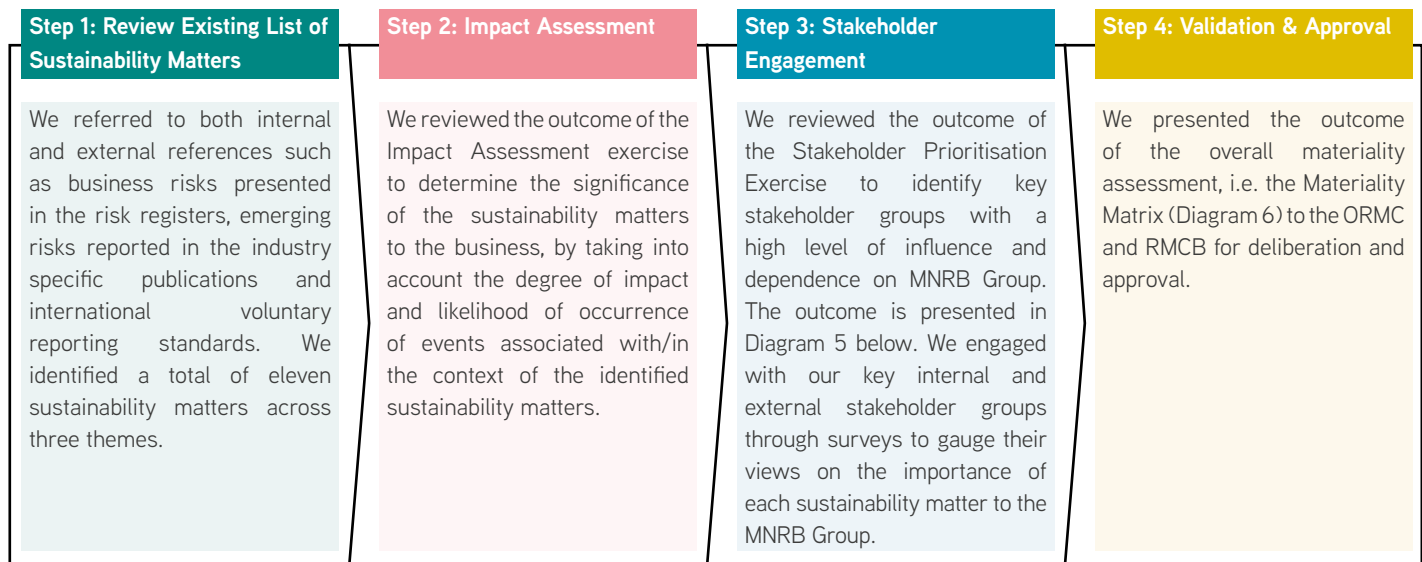


Diagram 4: Materiality Assessment Process

As shown in Diagram 5, the Board of Directors, Regulators/Government Bodies, Investors/Shareholders, Agents, Employees and Clients are perceived as key stakeholder groups with a high level of influence and dependence on the MNRB Group.

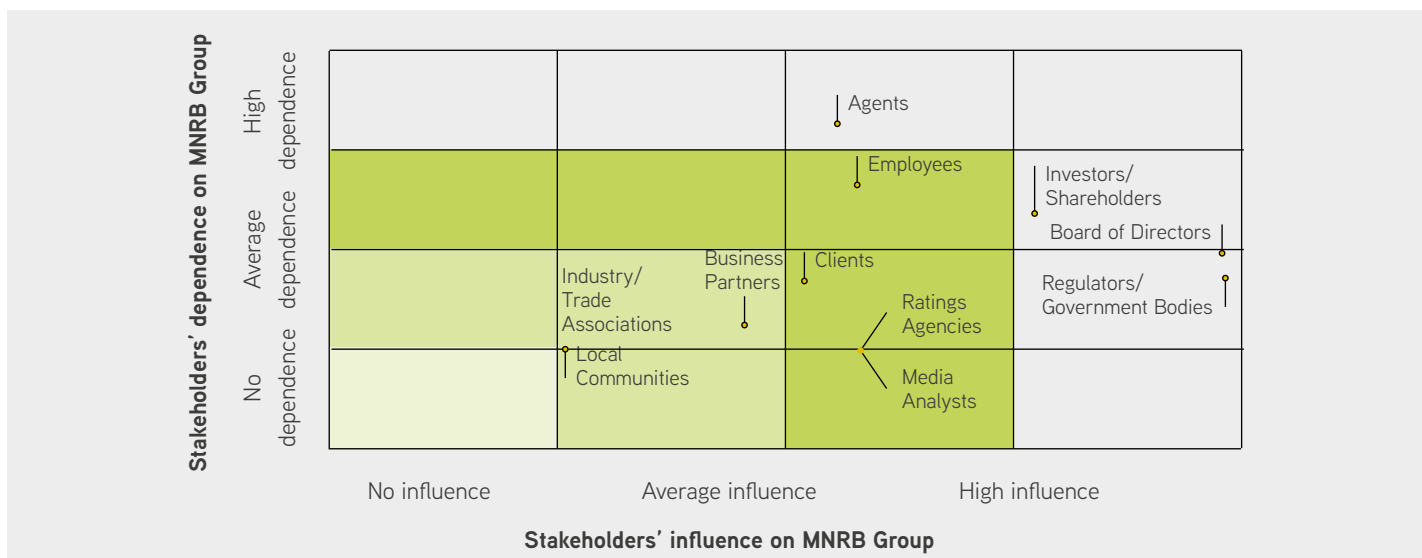


Diagram 5: Stakeholder Prioritisation Matrix

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Diagram 6 below illustrates our Materiality Matrix. Our sustainability matters are grouped into three themes, i.e. “Ensuring a Sustainable Future”, “Empowering our People” and “Embracing Corporate Responsibility”. Client satisfaction, strategic partnership and business expansion, responsible products and services, technological innovation, talent development, and data privacy and security are our top six material sustainability matters which are of high importance to our stakeholders and business. The efforts to manage and monitor the MNRB Group’s performance of these sustainability matters are discussed in the following sections of our Statement.



Diagram 6: Materiality Matrix

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Value Created for the Business & Stakeholders

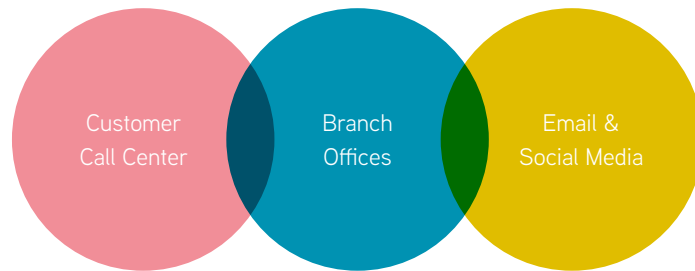
ENSURING A SUSTAINABLE FUTURE

<p>Client Satisfaction</p>	<p>People</p> 	<p>Process</p> 	<p>Platform</p> 	<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 	<p>9 INDUSTRY INNOVATION AND INFRASTRUCTURE</p> 
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As our business revolves around our clients, delivering quality services is vital to our growth. We remain vigilant and offer products and solutions that cater to their needs. This allows us to maximise the value we provide to our clients, leading to better business outcomes.

We have dedicated functions within Malaysian Re and Takaful IKHLAS to attend to our customers' needs. At Takaful IKHLAS, our Client Service Charter serves as a key enabler to guide us in building lifelong relationships with our clients through positive client experiences. The Client Service Charter was recently updated to reflect recent organisational changes. We engage our clients across all touch-points to better understand their expectations and improve the user experience. Within our targeted turnaround time, we endeavour to provide requisite updates to client queries and address complaints promptly.

Client touch-points across the MNRB Group



Other technological solutions used to enhance client interaction

<p>Malaysian Re – Customer Relationship Management System (CRM)</p>	<p>Takaful IKHLAS - Online Customer Account (OCA) & Call Management System (CMS)</p>
<p>A centralised customer management system deployed in Malaysian Re to facilitate customer data management while enabling the company to identify and address clients' needs in a more targeted manner.</p>	<p>An improved customer engagement system that helps Takaful IKHLAS to increase its touch-points for client interaction.</p>

During the reporting year, Takaful IKHLAS participated in a bi-annual Customer Satisfaction Survey, jointly organised by the industry associations, namely the Life Insurance Association of Malaysia (LIAM), Persatuan Insurans Am Malaysia (PIAM) and the Malaysian Takaful Association (MTA). The objective of this Survey is to measure the level of service provided by local insurance and takaful providers. The outcome of this survey shaped several initiatives within Takaful IKHLAS to enhance our clients' experiences, ensure timely responses to queries, and improve turnaround times for settling claims. Our continuous efforts have helped us foster better relationships with clients, resulting in an overall Net Promoter Score (NPS) of +16 (industry average: - 4).

We will continue to incorporate client feedback into our service offerings to provide solutions that meet their needs. By improving customer satisfaction and loyalty, we can expand our reach and subsequently contribute to positive business outcomes.

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Strategic Partnership & Business Expansion



In today’s rapidly-changing and competitive environment, the need for new ideas, skills and opportunities has become apparent. We believe in the power of strategic partnerships when creating new channels for value creation and embracing innovation to benefit our business and the community.

At Malaysian Re, our dedicated functions are tasked to oversee the overall management of partnerships and collaborations. Business optimisation is sustained by increasing participation in profitable businesses, securing new potential, and growing non-property lines. We are aware of our business growth and expansion in selected primary market segments. We tactically seek opportunities exploring critical areas of development and distribution in specialised and non-conventional products. This is in line with our Business Transformation 2020 (T20) Programme, which is a part of our vision and Key Performance Indicator (KPI) fulfilment.

In addition, we leverage on partnerships and various global platforms to facilitate knowledge transfer between our employees and others, as well as to ensure our employees’ skills are constantly upgraded as seen in Diagram 7.

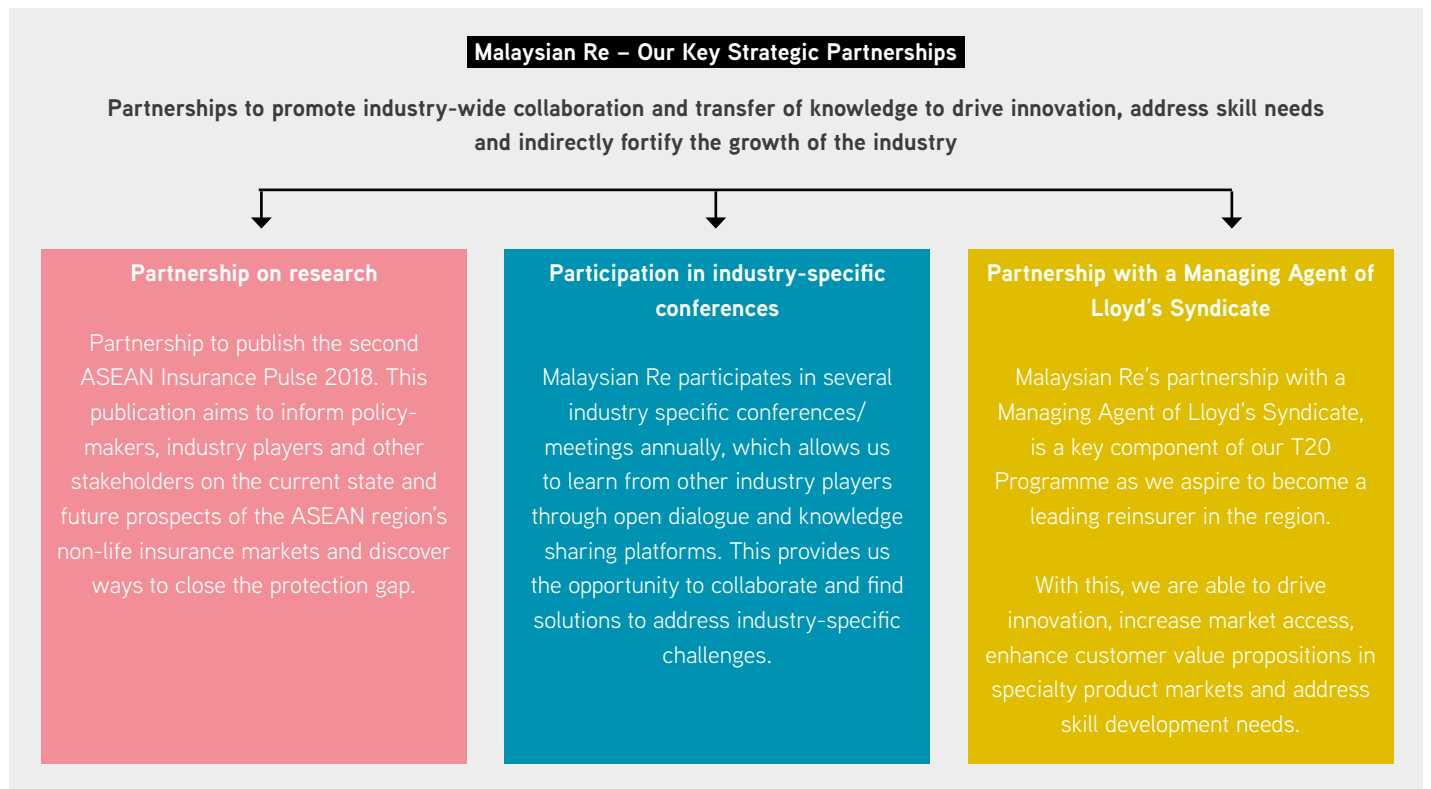


Diagram 7: Key Strategic Partnerships by Malaysian Re

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Our contributions to the local reinsurance and retakaful industry through a series of market services programmes are presented below.

Key Market Services Programmes

<p>Central Administration Bureau (CAB)</p>	<p>MMIP Services</p> <p>An Administration Manager to manage a high-risk insurance pool that provides motor insurance to vehicle owners who face difficulty in obtaining motor insurance from the commercial insurance market</p>	<p>Manager of Scheme for Insurance of Large and Specialised Risks (SILSR)</p> <p>Appointed by BNM to develop technical expertise and professionalism within the industry, facilitate favourable coverage at competitive terms and promote optimum retention</p>	<p>Secretariat of the Rating Committee</p> <p>Streamline and control premium charges and policy wordings to improve quality of products, whilst ensuring compliance with Intercompany Agreements on General Insurance Businesses</p>
<p>Facilitate efficient administration of accounting and claims, simplify settlements for facultative and coinsurance business to ensure efficient monthly settlement of net balance (i.e. premium and claims)</p>	<p>Secretariat to the Malaysian Energy Risks Consortium (MERIC)</p> <p>Develop underwriting skills and promote knowledge and skill sharing in the energy business in Malaysia</p>	<p>Manager of the Malaysian Aviation Pool (MAP)</p> <p>Provide underwriting services and insurance quotations to the general aviation business in Malaysia</p>	<p>Re-Banjir Tool</p> <p>Malaysian flood risk analysis tool for members of PIAM and MTA, allowing estimation of flood exposure and better understanding of the effects of flooding on portfolios</p>

Over the years, Takaful IKHLAS has been in strategic partnerships with leading local financial institutions and government agencies to develop products and services for targeted stakeholder groups. These stakeholder groups encompass people with disabilities, farmers, small and medium-sized enterprises (SMEs) as well as the lower income community. These partnerships signify the collaboration between financial institutions and government agencies to provide society with better access to affordable takaful products.

Takaful IKHLAS – Key Sustainable Takaful Products Catered to Targeted Stakeholder Groups

<p>1 People with disabilities</p> <p>Agro Nurani – partnership with a financial institution to develop a special protection plan with an affordable takaful contribution for Disabled Persons</p>	<p>3 Educational plan for families</p> <p>Takaful Amani Didik – partnership with an Islamic cooperative bank to offer affordable plans to families to save for their children’s education</p>	<p>4 Small & medium enterprises (SMEs)</p> <p>Affordable takaful protection for small traders, street vendors, etc. – partnership with a statutory body and a ministry of the Government of Malaysia</p>
<p>2 Lower income community</p> <p>Takaful Amani Plus – comprehensive and affordable protection for the lower income community, uniformed personnel of the police and army, as well as individuals who have occupations involving heavy machinery</p> <p>Agro Mabru-i – affordable product identified under the “Perlindungan Tenang” category as part of the MNRB Group’s initiative to assist underserved communities by providing affordable and easy-to-subscribe products</p>	<p>Agro Bestari-i – partnership with a financial institution to offer an affordable education plan, with regular takaful contributions, that provides protection against death/total and permanent disability of a child</p>	<p>Affordable takaful protection product for all cooperatives in Malaysia through regular contribution – partnership with a statutory body</p> <p>Affordable takaful protection product for SMEs – partnership with a statutory body</p>

Embarking on strategic partnerships benefits everyone. It enables us to broaden our scope and increase market accessibility. Employees are able to expand development opportunities by being exposed to new perspectives and expertise. Closer ties between complementary businesses allow companies to offer better solutions suited to our clients and the community, hence contributing to long-term business growth.

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Responsible Products & Services



Given that the global risk landscape is evolving rapidly, there is a need to boost our competencies and provide more effective protection solutions. In light of catastrophic events or individuals recovering from the impact of unforeseen circumstances, we strive to create effective protection solutions – in line with our Vision of “We Protect Everyone”. Our underwriting activities and business decisions are built on this. We define responsible products and services as solutions that effectively tackle the social challenges faced by our stakeholders.

How do we identify and develop responsible products and services?



Policies/Procedures and Framework Group Enterprise Risk Management Framework – prescribes the governance and guidance in managing risks that are embedded in the MNRB Group’s business and decision making processes. The Underwriting Guidelines, Product Management Framework and Pricing Policy have been put in place to manage risks that are being underwritten.



Cross-Departmental Collaboration The risk management team, product development team, actuarial team and underwriting team work collaboratively to ensure all aspects of risk exposure have been assessed and that we are able to cover adverse claims and absorb losses.



Robust Risk Management Process This process analyses the external environment, as well as identifies and assesses current and emerging EES risks.



Strong Underwriting and Pricing Disciplines This ensures our products/cedants/territories meet our minimum margin threshold, whilst observing strict compliance with Shariah principles for takaful products.

What do we mean by responsible products and services?

Malaysian Re

- ▶ Facultative business, proportional/non-proportional treaty reinsurance/retakaful
- ▶ Multi-year structured programmes, a niche lines of business
- ▶ Catastrophe modelling tools to support cedants in mitigating climate change risks
- ▶ Technical training for domestic and international clients

Takaful IKHLAS

- ▶ **IKHLAS Contractor All Risk Takaful**
Protection for contractors involved in the construction industry
- ▶ **IKHLAS Wanita Elegance Takaful**
Protection specially catered to assist in the struggles of female illnesses and cancers, including maternity risks
- ▶ **IKHLAS Basic Term Takaful**
Affordable protection plan
- ▶ **Foreign Workers Hospitalisation & Surgical Scheme**
One of the panel members appointed by the local ministry to protect the well-being and interests of foreign workers employed in Malaysia
- ▶ **Long-Term Houseowner Takaful for the public servant**
Protects residential properties of government civil services staff against fire and lightning as well as other perils like storm tempest, flood, impact damage and burst water pipes

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As a reputable reinsurer and retakaful services provider, our reputation is built on the trust that our stakeholders have in us. This is highly dependent on the quality and marketing of our products and services, the advice we provide to our customers, as well as the personal conduct and capability of our agents.

During the year, Takaful IKHLAS adopted the Balanced Score Card initiative which sets forth the objective of improving our agents' performance (in terms of the number of active agents and their productivity rate).

Responsible Marketing Initiatives

 <p>Insurance Policies, Forms, Brochures and Corporate Websites</p> <p>Simplify information presented in policies and brochures.</p> <p>Use simple language, visuals and icons in insurance forms and corporate websites.</p>	 <p>Takaful Agents</p> <p>Guided by the Agency Code of Ethics and Agency Minimum Qualitative Criteria/Maintenance of Contracts.</p> <p>Provide on-boarding programmes and a series of learning and development programmes to equip them with product knowledge while inculcating the principles of ethical selling.</p> <p>Agency Transformation Programme 2.0 to develop a reinvigorated Agency Force, with a focus on client services, marketing skills and product knowledge. Into its fifth year running, we managed to boost agents' production performance and increase their competency in terms of takaful advisory.</p> <p>IKHLAS Academy – a professional learning centre that delivers high quality, innovative and impactful training programmes to enhance the productivity and competency of our agents.</p>
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Sustainability requires meaningful convergence between our business interests and EES considerations. Being able to address our stakeholders' needs through responsible products and services is critical to our overall profitability, competitive market positioning and long-term financial viability.

Technological Innovation	 
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In today's world, technological innovation has become a vital tool which is enabling businesses to drive efficiency, address evolving risks and sustain profitability. At the MNRB Group, this is embodied within our HPC programme and is enabling faster, simpler solutions that strengthen our role as a responsible service provider.

Key initiatives to Improve Process Efficiency through the Application of Innovative Technology

<p>Malaysian Re – AIR Worldwide Catastrophe (CAT) Modelling Tool</p> <p>The AIR Worldwide CAT modelling tool we invested in provides real-time tracking of CAT modelling results which enables us to make an informed decision when presenting these findings to our clients.</p>	<p>Malaysian Re – Business Intelligence & Business Objects (BIBO)</p> <p>The BIBO system enables users to perform analyses which allow us to meet business objectives, focus on business KPI's, solve business challenges and identify opportunities.</p>
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Key initiatives to Improve Process Efficiency through the Application of Innovative Technology

Takaful IKHLAS – Electronics Claims Management System

This initiative digitalises claims management processes by leveraging on the Online Customer Accounts (OCA) portal, hence allowing online claims enquiry and e-claims submission processes.

Takaful IKHLAS – Business Process Improvement Framework

As a long-term initiative, we established a Business Process Improvement Framework aimed at achieving operational efficiency and enhancing after sales services. Technology is a key driver for business transformation via efficient delivery systems and digitalisation of processes. We ensure continuous improvement by leveraging on and enhancing existing platforms to promote process automation, including the integration of various internal and external platforms. By implementing document and output management systems, we are able to systematically manage documents via digital archiving, and streamline output to enable digital communication and distribution. The next phase of our framework shall place an emphasis on building a solid digital ecosystem. This is aimed at providing agile and integrated platforms involving re-engineered system architecture equipped with relevant components catered to digitalisation and emerging technologies.

Takaful IKHLAS – Point-of-Sales (i-POS) System

This tool allows agents to monitor proposal submissions and policy conversions, as well as manage policy premiums. It also acts as a source of communication between the company and the agents. The online portal is made available to both Bancatakaful and the Agency, and is currently being upgraded and enhanced to incorporate more user-friendly features.

Takaful IKHLAS – i-Family System

The system is a back-end application that streamlines internal processes, specifically for the proposal and certificate administration. It was built on a web-based architecture, allowing seamless integration with the front-end portal systems. In addition, the Workflow and Document Management System (DMS) function is embedded into this application for more efficient operations, including tasks assignments and re-routing functions.

Takaful IKHLAS – i-Smart Mobile Application

i-SMART is a front-end application tool which enables agents and banca distributors to use mobile platforms to facilitate paperless new business sales and submissions. It performs financial needs analysis to determine customers' best fit of financial needs, generates sales illustrations, including payment gateways and recurring payment facilities, as well as tracks agents' field activities.

Digitalisation simplifies standard processes for our employees and thus enables them to focus their efforts on the more complex cases to provide better services for our customers. We are currently exploring the use of Insuretech in providing end-to-end solutions. Moving forward, we will continue to capitalise on the latest technologies to enhance the MNRB Group's business operations as well as to develop and enhance our products and services.

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Data Privacy & Security



We are aware of the increasing frequency and sophistication of cybersecurity incidents directed at major financial and insurance institutions. The potential damage inflicted from these incidents could significantly affect the MNRB Group's financials and reputation.

Policies and procedures, such as the Group's Information Technology (IT) Security Policy, Company Information Protection Policy, Incident Reporting & Computer Incident Response Policy, and Mobile Devices & Mobile Computing Policy are cascaded down from the Group-level and extended to all our subsidiaries. This ensures that the Group as a whole is complying with the relevant regulatory requirements, including the Personal Data Protection Act 2010.

We continually invest and improve our IT security, infrastructure and processes to protect data and information entrusted to us by our stakeholders.

Initiatives to Ensure Data Protection and Security

Annual Penetration Test



Assesses the vulnerability of the MNRB Group's IT Infrastructure

Disaster Recovery Plan



Ensures data is protected and can be recovered in the event of a disaster

Annual Declaration on Information Security



Ensures existing and new employees declare and confirm their understanding of the MNRB Group's procedure on information security

Encryption Exercise and Core System Database Preventive Maintenance



Protects data and information belonging to our stakeholders

Social Engineering/Phishing Test



Educates employees on the warning signs/potential scams and enables the MNRB Group to assess potential risks of external threats

Awareness Training



Awareness training is conducted regularly to educate our employees on the governing regulations in relation to data privacy and security

Annual IT Audits



Ensures compliance with internal information security related policies and procedures across the MNRB Group

Data Loss Prevention and Data Relocation



Upgrades/relocates data and information to a more secure location for enhanced security

ICT Tips



Dissemination of information on the latest developments in relation to cybersecurity and highlights of our employees' role in supporting the MNRB Group's efforts to prevent cyber-attacks

The sustainability of our business is dependent on stakeholder trust and our ability to maintain a secure, confidential environment for them. We are continuously working to improve our data security through investments in both technology and employee awareness programmes.

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Business Ethics & Compliance



The MNRB Group acknowledges that it is vital to conduct business in compliance with ethical standards and applicable regulatory requirements. Our employees uphold the MNRB Group's values of integrity, collaboration and expertise in all their dealings, thereby safeguarding the interests of our stakeholders. Our internal policies and procedures address issues related to bribery, anti-corruption and money-laundering, and are regularly communicated to all employees.

Our Group Compliance Management Department (GCMD) and Compliance Review Committee are tasked with minimising financial and reputational risks from regulatory non-compliance in accordance with our Compliance Management Framework. Meanwhile, the MNRB Group's compliance with Shariah Principles is overseen by our Shariah Department and Group Shariah Committee.

Over the last five years, the GCMD has collaborated with the Risk Management Department and Shariah Department to

organise the i-COMPLY Programme. The objective of this annual programme is to raise our employees' awareness on compliance, risk management and corporate governance matters. Over the course of the financial year, the Programme Committee decided to review and enhance the Programme with improved and more effective activities to be implemented in the coming years. The chart below illustrates the other compliance and risk-related activities conducted during the year, as part of our initiatives to continue cultivating the awareness towards compliance and risk.

Initiatives to Ensure Business Ethics and Compliance

MNRB Group Anti-Fraud Policy ▼

Communicates our commitment to prevent and detect fraud as well as other irregularities such as bribery and corruption.

Compliance Reporting Systems ▼

Whistleblowing reporting mechanism (such as email) and Management Self-Identified Incident (MSII) e-Form submissions are reported to the Compliance Review Committee and Audit Committee.

Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT) ▼

Conducted annually for all employees and agents. AMLA awareness and assessment are offered via e-Learning modules and on-boarding training for all employees.

Electronic Compliance Tracking System (e-CTS) ▼

Monitors regulatory submissions and verification of compliance with the relevant regulatory guidelines.

Compliance Portal ▼

Internal compliance information pop-up messages/alerts via the intranet as part of an awareness initiative.

In addition, we have in place a number of other mechanisms to ensure transparent and compliant operations. These include the dissemination of applicable regulatory guidelines for all Management-level employees; awareness briefings on the latest regulatory developments; substantiation by the HODs that they are complying with internal policies; and the implementation of Risk Control Self-Assessments (RCSA) on processes and compliance monitoring mechanisms.

We carefully assess all counterparties or stakeholders that we are associated with. The MNRB Group's Procurement Policy and procedures ensure due diligence processes are in place to assess suppliers' background and qualifications prior to appointment and/or renewal of contracts. Examples of assessment criteria used include financial background, compliance with regulatory requirements (e.g. in the area of anti-fraud, anti-corruption, and bribery), suppliers' experience and capabilities on the subject matter and quality of their work, among other things.

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Responsible Investment



Investments remain an integral part of our business and we are committed to undertaking these in a responsible manner. We invest to attain optimum returns while balancing the risks involved, hence creating value for our stakeholders. The MNRB Group's investment management approach involves a systematic and structured investment process, focusing on capital preservation, liquidity management and return optimisation. The Investment Committee and the Board have oversight for the investment process which also takes into account EES criteria.

investment portfolios. The department safeguards portfolios by complying with approved Strategic Asset Allocations that have been thoroughly discussed and approved by the Board. All investments must adhere to strict permissible instruments and avoid exposure to impermissible sectors such as the gaming and alcohol-related sectors. Furthermore, the department ensures that our investments conform to Shariah principles as per the requirements of our takaful funds.

Guided by our Investment Policy Statement, our Group Investment Department and Group Investment Management Committee ensure proper risk management by prudently screening existing and potential

Our disciplined approach in relation to investment management has been instrumental in achieving our mission of producing risk-adjusted returns while meeting our obligations to all key stakeholders.

EMPOWERING OUR PEOPLE

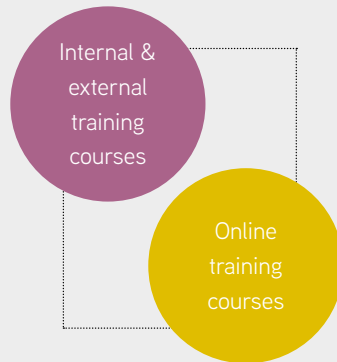
Talent Development



We recognise that our employees are crucial to the success of our business and we are committed to enhancing their capabilities. We believe continuous learning and development are essential to equip our people with the right skills, knowledge and competencies. This is embodied in our development framework and is necessary to support our business as we grow.

We endeavour to nurture a high-performance culture to generate growth. Our comprehensive development plans provide opportunities for our employees to enhance their skills, knowledge and capabilities. This is evident in the 45% increase in the average training hours per employee annually.

Avenues for Training & Development



Key Training Programmes in FY2019

- Group Integrated Assurance Approach
- Reinsurance & Technical Accounting
- Reverse Stress Testing International Best Practice
- The Takaful Rendezvous 2018
- Power Communication & Presentation
- Leadership Energy Summit 2018
- Key Drivers Coaching Programme
- Business Communication Skills
- Presentation Skills
- Developing and Empowering Tomorrow's Leaders

Total Training Hour/Year (Group-wide)

37,106 Training hours/year

Increased by 32%, in comparison to FY2018

Average Training Hour/Employee/Year (Group-wide)

51.6 Average training hour/employee/year

Increased by 45%, in comparison to FY2018

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Internal job rotation and attachment programmes are highly supported as diverse knowledge and skills of our employees could foster creativity and strengthen our problem-solving efforts.

Our Key Talent Development Programmes

Education Assistance Programme (EAP)

Programme to encourage employees to fast-track their progress to pursue industry-specific professional qualifications (e.g. Institute & Faculty of Actuaries (IFoA), the Malaysian Insurance Institute (MII), and the Society of Actuaries). During the reporting year, 63 employees participated in this programme.

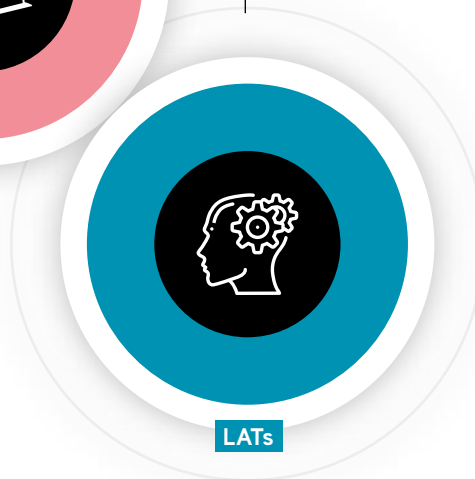
EAP



Leaders as Teachers (LATs)

A reinforcement programme for our employees/internal subject matter experts to conduct and contextualise learning materials for our employees to increase the transfer of newly-acquired knowledge. During the reporting year, 35 employees were engaged, an increase of 15 employees from FY2018.

LATs



To ensure that our pool of talent is well developed, we have established our Group Talent Programme. Candidates undergo a rigorous identification and selection process before being incepted into the talent pool. Post-inception, they are required to tailor their own Individual Development Plan (IDP) and attend our Structured Leadership Development Programme (SLDP). We also identify successors for our Mission Critical Positions (MCPs) and Operational Critical Positions (OCPs) from the talent pool. During the year, there was a 40% increase in the number of internally-filled MCPs and OCPs.

Our talent development programmes focus on utilising human capital to advance our business and create value over the short, medium and long-terms. We will continue to grow talent that complements our transformation efforts through initiatives and internal programmes including leadership and career development initiatives as well as succession plans.

The MNRB Group also supports local youth employment by providing local graduates with hands-on opportunities to obtain technical knowledge and soft skills through our internship programmes.

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Attractive & Inclusive Workplace



We recognise that the sustainable growth of our business is tied in to the well-being of our employees. To this end, we maintain a conducive work environment, offer competitive remuneration and benefits to our employees, as well as embrace the diversity of our people in the areas of gender, age, skills and experience. In doing this, we are able to steadily attract and retain a pool of top talent.

Our Recruitment Policy governs all aspects of employment practices. It embraces diversity and inclusion based on skills and expertise. Diagram 8 presents our employee profile. We recognise the value of having diverse talent across different gender and age groups, thereby enabling us to leverage on the wealth of experience and industry exposure of more experienced employees as well as the more creatively-inclined mindsets of younger employees. Our initiatives to support the development of local talent underscore our commitment to strengthen the Malaysian economy and fortify the growth of the local re/insurance and re/takaful industry as a whole.

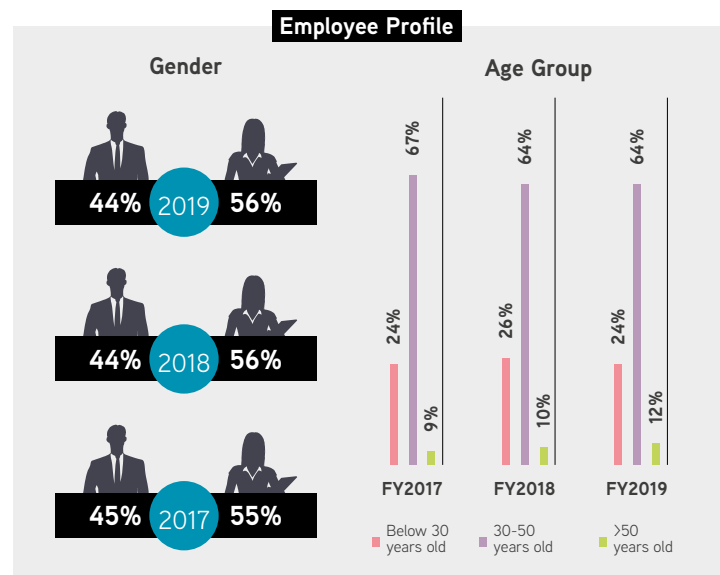


Diagram 8: Employee Profile

As a responsible employer, we are committed to continuously protecting our employees by providing a safe and conducive working environment. This includes being mindful of their health and well-being. Our key initiatives to maintain a healthy and conducive workplace are presented below.

Our Key Employee Well-being Initiatives



Long Service Awards

To recognise and reward our long-serving employees for their contributions



Nursing Room

Made available for nursing mothers



Flexible Working Hours (FWH)

All levels of employees can begin their work day at any time between 7.30am and 10.00am



Flexible Working Arrangement (FWA)

Executives are no longer desk bound and will have more control of time schedule and working environment



Health Week

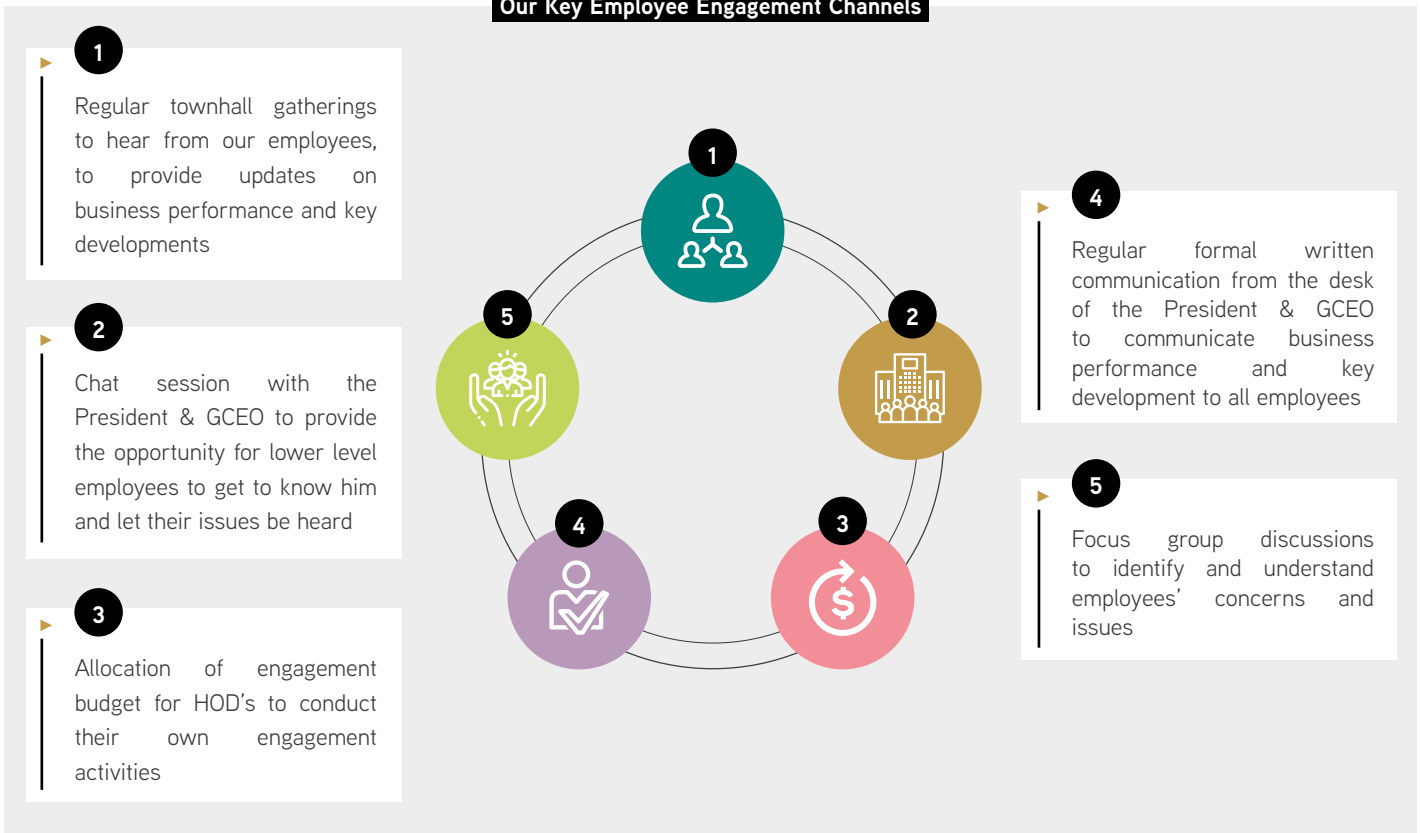
Our health week is held annually to encourage our staff to lead a healthier lifestyle. It educates our employees on key aspects of healthy living. The key programmes conducted during health week include:

- Annual Health Screening and Examination for all staff
- Health Talk
- Nutrition Counselling
- Healthy Food Promotion
- MNRB Fun Run and Brisk Walk - to encourage staff to participate in activities beneficial to their health

We recognise the importance of employee engagement in sustaining employee morale and productivity and have established various channels that promote employee engagement. Knowing that their feedback is heard and acted upon, our employees are more motivated and satisfied.

SUSTAINABILITY STATEMENT

Our Key Employee Engagement Channels



An enhanced sense of well-being motivates employees to contribute towards organisational success. To this end, we undertake an annual survey to gauge employee satisfaction levels. During the financial year in review, we recorded an average employee engagement score of 80%, in comparison to 79% in FY2017 and FY2018. We continuously develop action plans to address our employees' concerns and identifying improvement initiatives to increase satisfaction levels.

Our continuous initiatives have been successful in reducing our employee attrition rate across the years, as presented in Diagram 9.

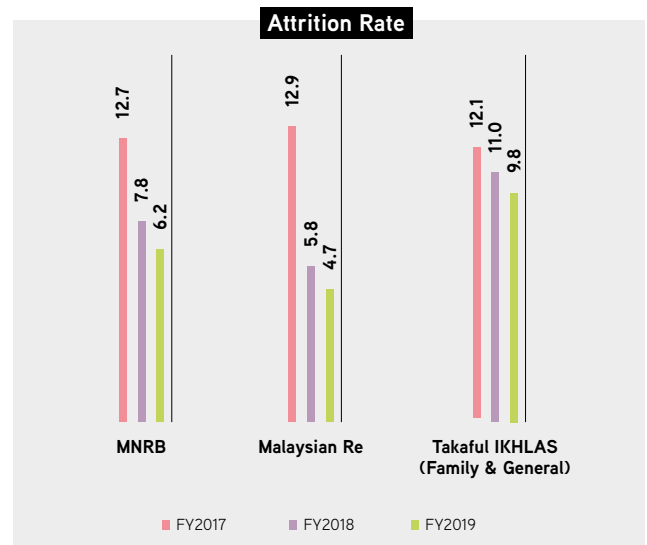


Diagram 9: Attrition Rate

SUSTAINABILITY STATEMENT

EMBRACING CORPORATE RESPONSIBILITY

Community
Development

people



As a business closely connected with meeting the needs of society, we remain committed to contributing to the community at large. We share the responsibility as a market leader to fortify the growth of the local reinsurance and retakaful industries by preparing and gearing up professionals with the right knowledge, skills and competencies required. Our key market training programmes are shown below.

Our Key Market Training Programmes



As a responsible corporate citizen, the MNRB Group hopes to bring positive change through monetary and non-monetary means. We are committed to doing this through our focus on education as it has the transformational power to strengthen communities and build resilience. We organise a variety of corporate responsibility programmes that promote the social inclusion of communities as well as which render support in elevating the quality of life for underprivileged and disadvantaged communities.

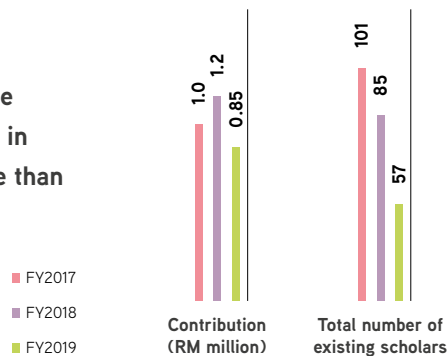
SUSTAINABILITY STATEMENT

Our Key Corporate Responsibility Programmes

MNRB Scholarship Fund

Established to assist promising Malaysian students by enabling them access to education and produce quality professionals for the development of the reinsurance and takaful industries. The fields of study are actuarial science, risk management, insurance/takaful .

Total amount of investment since commencement in year 1998: more than RM14 million



Minggu Saham Amanah Malaysia (MSAM)

Annual integrated investment education programme to increase awareness of Malaysians on the importance of investment and financial planning. This programme also provides an avenue for Takaful IKHLAS to introduce and create awareness on takaful products.

MNRB Ringgit Savvy Programme

An educational programme for primary and secondary school students to learn about the concept of investments and smart money management.

Support for Underserved Community

Collaborations between Takaful IKHLAS and other organisations (e.g. hospitals and other corporate organisations) to support those in needs through food distribution.

Program Lestari Cemerlang MNRB

A two-year partnership with a school located in rural areas to assist in improving the students' academic achievements through additional educational activities and learning facilities.

Our contributions

- Sponsorship of enrichment programmes – sponsorship of various educational programmes including educational camps, motivational talks and tuition classes for students sitting for public examinations.
- Sponsorship to upgrade school facility – e-Library to introduce the interactive learning approach to students, equipment for Robotics Club.
- Sponsorship of sportswear for schools' netball, hockey and athletic teams.
- Provision of MNRB scholarships to deserving students.

The outcomes for the beneficiaries

- Improvements in the pass mark i.e. Straight 'A' students.
- Improvements in co-curricular achievements i.e. students representing their school in sports tournament at the state and national levels.
- Improvements in the pass mark (across all subjects) by students sitting for Malaysian public examinations.
- Creation of new facilities for students such as the MNRB E-Learning Room and PPDa walkway (Laluan Pendidikan Pencegahan Dadah).
- Upgrades to school facilities such as the resource centre, school canteen and computer room.
- Opportunities for deserving graduates to start their career with the MNRB Group (currently there are three graduates joining MNRB Group).

Total amount of investment since commencement in year 2011: more than RM350,000

Beneficiaries: increased by 42% since FY2017

SUSTAINABILITY STATEMENT

Environmental Management



At MNRB Group, we undertake several measures to manage our surrounding environment and to reduce the environmental impacts arising from our business operations. Our key environmental management efforts are presented below.

Our Key Environmental Management Efforts

<p style="text-align: center;">Reducing carbon footprint</p> <p>We provide a daily shuttle service for our staff to and from the LRT station and provide web-based conferencing facilities to aid cross-border meetings with our Dubai office to reduce the need to travel. We maintain a green garden at the office compound. We replace plastic mineral water bottles with glass bottles and jugs during meetings and trainings</p>	<p style="text-align: center;">Reducing electricity consumption</p> <p>Switching to LED energy saving light bulbs. Replace the electrical and mechanical components of elevators for greater energy efficiency</p>	<p style="text-align: center;">Reducing water consumption</p> <p>We recently installed more efficient washroom facilities to reduce water consumption</p>	<p style="text-align: center;">Enhancing lifestyle</p> <p>We distributed metal utensils and environmental-friendly food containers to all employees</p>
<p style="text-align: center;">Reducing paper consumption</p> <p>We monitor the paper consumption in the Group and subsequently develop an environmental awareness campaign for all employees</p>	<p style="text-align: center;">Upgrading office building to ensure employees' health and safety</p> <p>Improving indoor air quality by upgrading air-conditioning facility</p>	<p style="text-align: center;">Recycling waste</p> <p>We have a proper waste management programme to handle recyclable materials</p>	

LOOKING AHEAD

The MNRB Group views sustainability as a continuous journey of improvement which will ensure the sustainable growth of our business without compromising the needs of our stakeholders. Moving forward, we remain committed to embedding sustainability into our operations and business strategies, by enhancing our internal processes as well as elevating our capabilities to create sustainable value for the business and all our stakeholders, and/or the community at large.