

## CODE OF CONDUCT & BUSINESS ETHICS

*The following Code of Conduct shall be strictly adhered to by all Officers of MNRB Holdings Berhad. All Officers are to ensure that their conduct complies with the spirit of this Code.*

### 1. BASIC PRINCIPLE

An Officer should conform strictly to the laws and regulations of Malaysia, as well as to accepted standards of business ethics, both locally and overseas, including those set out in this Code.

### 2. CONFLICT OF INTEREST

To avoid possible conflicts of interest and/or being imposed with a situation where an interest, benefit or right due to the Company has to be compromised, an Officer may not either directly or indirectly become involved in any venture, business or dealing either on their own or in partnership or with some other person or persons, unless prior written approval has been obtained from the President & GCEO.

### 3. ILLEGAL GRATIFICATION AND CORRUPT PRACTICES

#### Solicitation and/or Acceptances of Corrupt Payments

An Officer shall not solicit or accept gratification of any kind, be it in cash, gift or favour, either directly or indirectly or through another person or from any enterprise, in return for doing anything or refraining from doing anything relating to a business transaction between his principal and the enterprise.

#### Making Corrupt Payments

An Officer shall not offer, give or promise any gratification of any kind, directly or indirectly, to any employee of an enterprise or agent thereof as a means of persuading that person to do or refrain from doing anything relating to a business transaction between his principal and the enterprise. In particular, this prohibition applies to dealings with Government Departments, Statutory Bodies and Agencies.

#### Commissions

An Officer is not permitted to accept or pay commissions, or percentage of a commission as part of any payment arising from a commercial transaction other than to those legally entitled to such amounts.

### 4. GIFTS

It is appreciated that it is a common practice in Malaysia for firms having dealings with a company to send employees of that company gifts at festival times and at different occasions. This practice is not forbidden but such must be restricted to gifts of consumable goods (foods and drinks), flowers and other items of nominal value. The receipt of any other kind of gifts, directly or indirectly or the payment of bills incurred by an executive, by an enterprise having a business transaction, or any agent or any employee of such an enterprise, is strictly forbidden. If such gifts are offered, they must be refused on the grounds that they contravene Company regulations. It is the responsibility of an Officer to obtain permission from his Head of Division if he is in doubt as to whether a gift can be accepted due to its value.

### 5. ENTERTAINMENT

The entertainment of an Officer by a person or enterprise having a business transaction with the Company should be restricted to within reasonable bounds. Lavish entertainment which could influence an Officer in the performance of his duties is strictly forbidden.

## SUSTAINABILITY STATEMENT



### About the Sustainability Statement

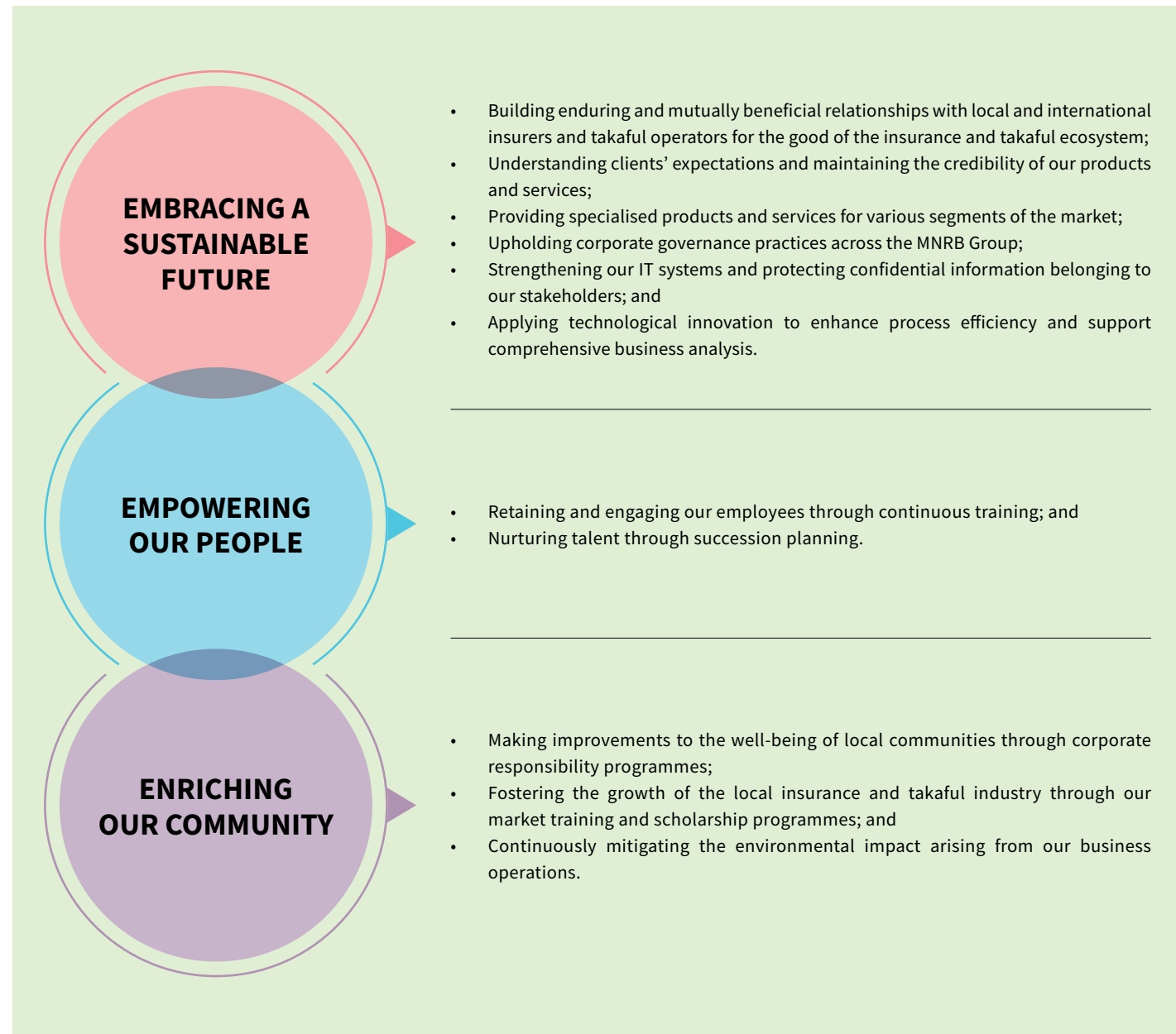
In continuing our sustainability journey, we remain committed to balancing out our economic performance with responsible environmental and social considerations across the MNRB Group. Our aim on our sustainability journey is to deliver a sustainable performance and good stakeholder value whilst ensuring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

Our Sustainability Statement (the Statement) serves to disclose the progress of our sustainability initiatives, performance and achievements for the financial year ended 31 March 2020 (FY2020). 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 information from previous years has been included.

Continuing Our Sustainability Journey

Our Sustainability Approach

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. We continue to adopt the UN Sustainable Development Goals (SDGs) as a framework for our Sustainability Approach. Within this framework, we continue to implement our sustainability agenda through our key themes:



Our Sustainability Governance

As per our previous Sustainability Statement, our sustainability governance structure remains unchanged. Our corporate sustainability 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 (SWG). Our membership and the responsibilities of the SWG are set out in our SWG Terms of Reference.

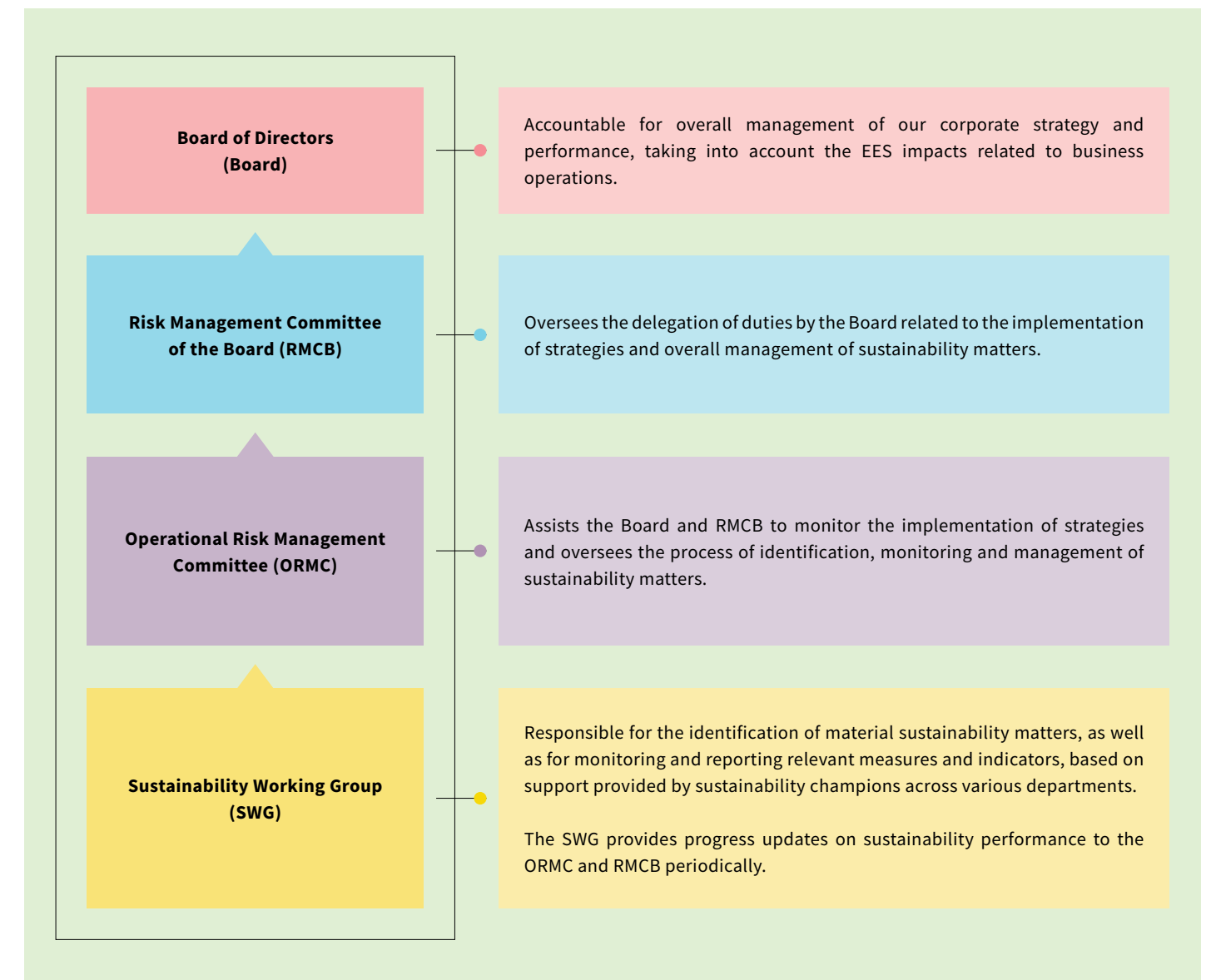


Diagram 1: Sustainability Governance

SUSTAINABILITY STATEMENT

Materiality Assessment – Harmonising Business & Stakeholder Perspectives

We continue to adopt a structured approach as recommended by the Bursa Malaysia Sustainability Reporting Guide for materiality assessment. Over the course of FY2020, we revisited the materiality assessment process and concluded that since there was no major change to the business operating environment, we would adopt the same sustainability materiality assessment as the last financial year (FY2019). In all this, we remain committed to our four-step approach on harmonising business needs with stakeholder interests as summarised in **Diagram 2** below. Our aim is to reassess our business conditions every year and make a decision as to whether to renew our materiality assessment process.

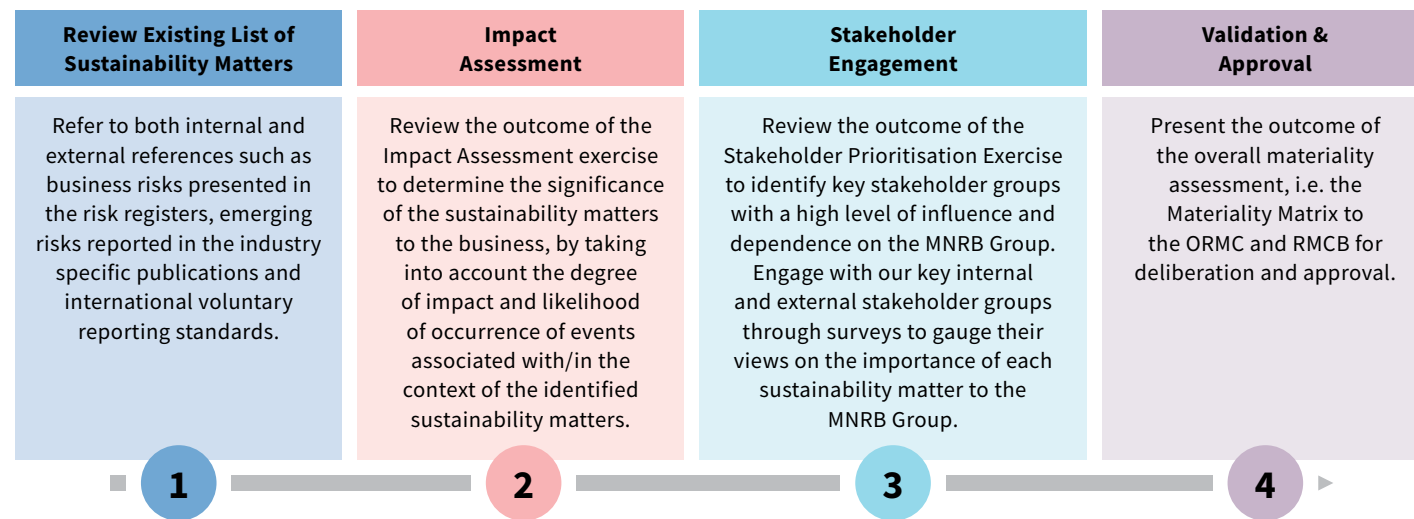


Diagram 2: Materiality Assessment Process

As shown in **Diagram 3**, 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.

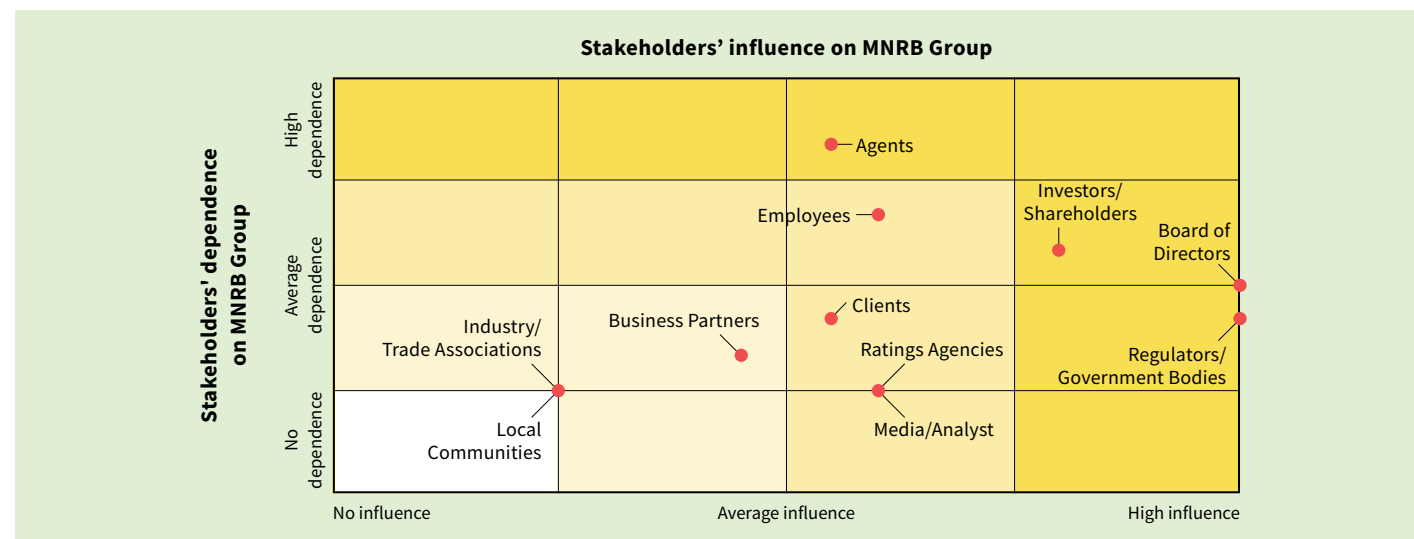


Diagram 3: Stakeholder Prioritisation Matrix

SUSTAINABILITY STATEMENT

**Diagram 4** below illustrates our Materiality Matrix. Our sustainability matters are grouped into three (3) themes, i.e. “Ensuring a Sustainable Future”, “Empowering our People” and “Enriching our Community”. Client satisfaction, strategic partnership and business expansion, responsible products and services, technological innovation, talent development, and data privacy and security are our top six (6) material sustainability matters which are of high importance to our stakeholders and business. The efforts to manage and monitor the MNRB Group’s performance in these six (6) areas are discussed in the subsequent sections of our Statement.

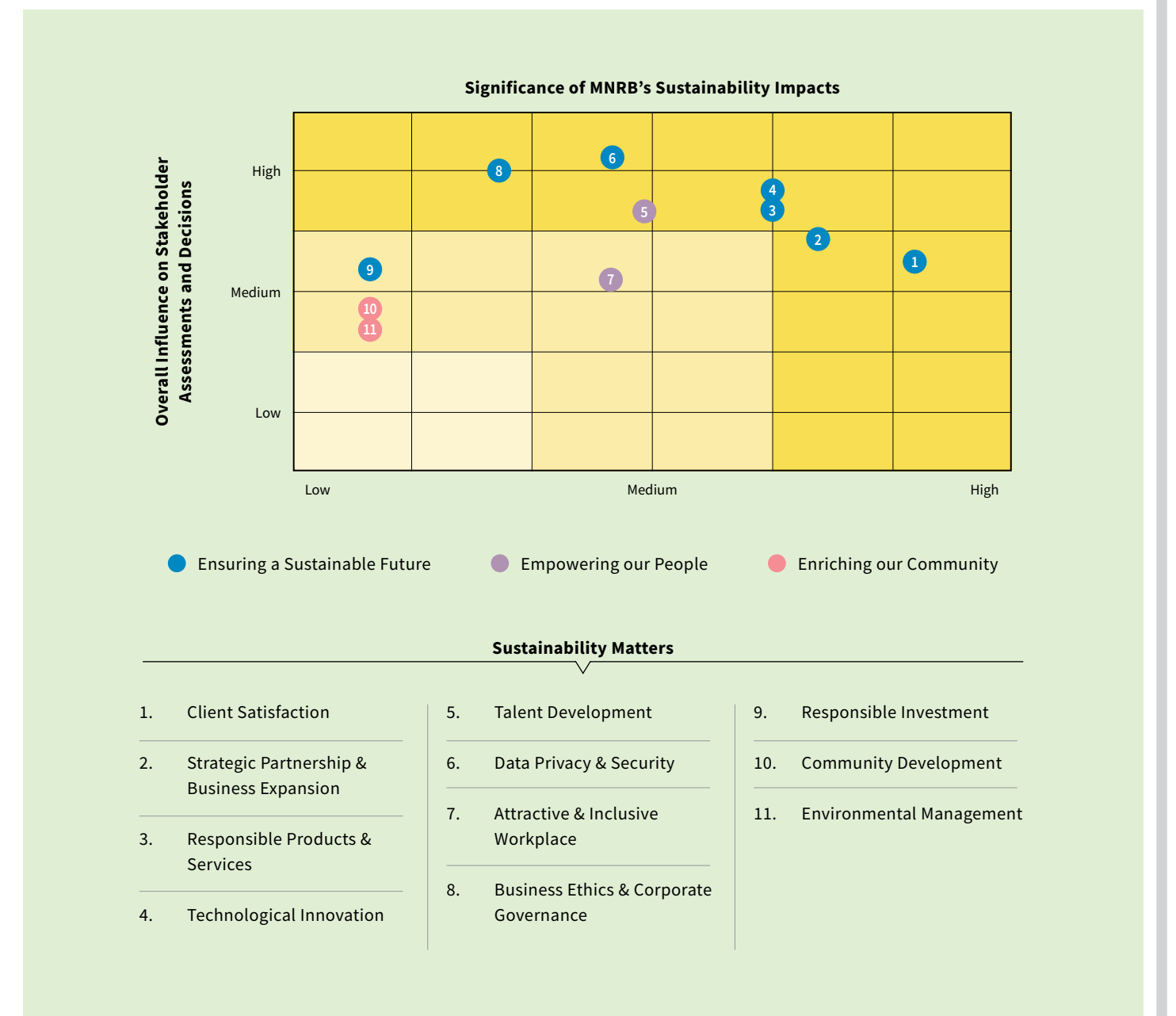


Diagram 4: Materiality Matrix

Value Created for the Business & Stakeholders

EMBRACING A SUSTAINABLE FUTURE

CLIENT SATISFACTION



As our business revolves around our clients, delivering quality services to them is vital to our growth. We remain responsible, 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 as well as both Takaful IKHLAS Family and General 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. We engage our clients across all touch-points to better understand their expectations and improve the customer/certificate holder experience. We endeavour to provide requisite updates to client queries and address complaints promptly within our targeted turnaround time. Our complaints handling procedure is based on Bank Negara Malaysia's or BNM's Complaints Handling Guideline requirements as at December 2019.

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.

i) The following table highlights the performance outcomes relating to the effectiveness of customer service at Takaful IKHLAS over the three-year (3-year) period from 2017-2019:

Complaints Handling Turnaround Time (TAT)	Targeted TAT			Actual TAT			Corrective Measures
	2017	2018	2019	2017	2018	2019	
Takaful IKHLAS Family	14 days*	14 days	14 days	12 days*	14 days	16 days	Close monitoring on TAT and follow up with complaint handlers.
Takaful IKHLAS General		14 days	14 days		11 days	5 days	

Notes:  
\* For 2017, the TAT statistics were reported under Takaful IKHLAS Berhad. The 12-month reporting period covers the months of January to December.

ii) The following table highlights the number of customer complaints received and resolved at Takaful IKHLAS over the three-year (3-year) period from 2017-2019:

Company	Number of Complaints Received			Number of Complaints Resolved			Remarks
	2017	2018	2019	2017	2018	2019	
Takaful IKHLAS Family	128*	76	74	100% resolved	100% resolved	100% resolved	As per actual BNM's requirement on Complaints Statistical Submission (including Ombudsman Financial Services cases)
Takaful IKHLAS General		46	72		100% resolved	100% resolved	

Notes:  
\* For 2017, the complaints statistics were reported under Takaful IKHLAS Berhad. The 12-month reporting period covers the months from January to December. Customer complaints were recorded during the reporting period and resolved within the TAT.

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 with overseeing 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 Value Creation Plan-Business Transformation 2020 (VCP-T20) Programme, which is part of our Vision and Key Performance Indicator (KPI) fulfilment. At our takaful subsidiaries, both Takaful IKHLAS Family and Takaful IKHLAS General have also embedded the VCPs in their strategic business plans.

Malaysian Re has also been involved in regional insurance industry activities such as the ASEAN Insurance Congress (AIC), Singapore International Reinsurance Conference (SIRC), East Asian Insurance Congress (EAIC), Asian Reinsurance Summit (ARS), among others, with the aim of furthering and developing international collaboration in the field of insurance and reinsurance.

In addition, we leverage on partnerships and various global platforms to facilitate knowledge transfer between our employees and others, as well as ensure our employees' skills are constantly upgraded. This is seen in **Diagram 5**.



SUSTAINABILITY STATEMENT

**Malaysian Re – Our Key Strategic Partnerships**  
\*New

Partnerships to promote industry-wide collaboration and transfer of knowledge to drive innovation, address skill needs and indirectly fortify the growth of the industry

**Partnership on research - ASEAN Insurance Pulse**

Malaysian Re's continuous commitment to supporting the overall integration of the ASEAN marketplace culminated in the launch of the 3rd edition of ASEAN Insurance Pulse 2019. The annual publication is undertaken in collaboration with a Zurich-based research agency. This publication aims to inform policymakers, industry players and other stakeholders on the current state and future prospects of the ASEAN region's non-life insurance markets as well as discover ways in which to close the protection gap.

**Participation in industry-specific conferences**

Malaysian Re participated in several industry specific conferences/ meetings annually, which allowed us to learn from other industry players through open dialogue and knowledge sharing platforms. This provided us the opportunity to collaborate and find solutions to address industry-specific challenges.

**Partnership with a Managing Agent of Lloyd's Syndicate**

Malaysian Re's partnership with a Managing Agent of Lloyd's Syndicate, is a key component of our VCP-T20 Programme as we aspire to become a leading reinsurer in the region. With this, we are able to drive innovation, increase market access, enhance customer value propositions in specialty product markets, address skills development needs.

**\*Partnership on research - Malaysian Insurance Highlights**

Malaysian Re launched the inaugural Malaysian Insurance Highlights (MIH) publication in December 2019. The annual publication contains vital statistics and key trends relating to the domestic insurance and takaful industry, along with the insights from industry executives and senior professionals.

**\*Partnership with a leading specialist Managing General Agent (MGA)**

Malaysian Re's partnership with a leading specialist MGA, sees Malaysian Re providing capacity in exchange for underwriting specialists with the aim of ensuring revenue diversification, expansion of the Company's geographical reach, and resource optimisation.

**\*Partnership with a reputable foreign reinsurer**

Malaysian Re's partnership with a reputable foreign reinsurer enables collaboration on the provision of quotations and the capacity to underwrite Engineering risk in Malaysia.

**\*Collaboration with regional national reinsurers**

Malaysian Re is collaborating with regional national reinsurers to garner reciprocal business while efficiently managing risks through aggregate optimisation and revenue diversification.

**\*Partnership with a reputable life reinsurer**

Malaysian Re's partnership with a reputable life reinsurer for expansion of its family retakaful business is enhancing the Malaysian Re Retakaful Division or MRRD's offering of sustainable family retakaful solutions to family takaful operators. At the same time, the life reinsurer provides assistance via underwriting technical pricing, product development, as well as global insights and experience analysis. The capability of MRRD to write both Family and General retakaful business strengthens Malaysian Re's ability to diversify its income streams in addition to the conventional general reinsurance business.

Diagram 5: Key Strategic Partnerships by Malaysian Re

SUSTAINABILITY STATEMENT

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

**Key Market Services Programmes**

**Central Administration Bureau (CAB)**

We facilitate efficient administration of accounting and claims, as well as simplify settlements for facultative and coinsurance businesses to ensure efficient monthly settlements of net balances (i.e. premium and claims).

**MMIP Services**

We serve as an Administration Manager that manages a high-risk insurance pool that provides motor insurance to vehicle owners who face difficulty in obtaining motor insurance from the commercial insurance market.

**Manager of Scheme for Insurance of Large and Specialised Risks (SILSR)**

We were appointed by BNM to develop technical expertise and professionalism within the industry, facilitate favourable coverage at competitive terms and promote optimum retention within the country.

**Secretariat of the Rating Committee**

We streamline and control premium charges and policy wordings to improve the quality of products, whilst ensuring compliance with Intercompany Agreements on General Insurance Businesses.

**Secretariat to the Malaysian Energy Risks Consortium (MERIC)**

We develop underwriting skills and promote knowledge and skill sharing within the energy business in Malaysia with a view to increasing local retention.

**Manager of the Malaysian Aviation Pool (MAP)**

We provide underwriting services and insurance quotations to the general aviation business in Malaysia (this is also for knowledge and skill sharing).

**Re-Banjir System**

We offer members of Persatuan Insurans Am Malaysia (PIAM) and Malaysian Takaful Association (MTA) a Malaysian flood risk analysis tool. Re-Banjir enables the estimation of flood exposure and a better understanding of the effects of flooding on portfolios.

Over the years, Takaful IKHLAS has been involved 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 members of the lower income B40 community. These partnerships signify the collaboration between financial institutions and government agencies to provide all components of society with better access to affordable takaful products.

These strategic partnerships benefit everyone: They enable us to broaden our scope and increase market accessibility, while employees are able to expand development opportunities by being exposed to new perspectives and expertise. Closer ties between complementary businesses also allow companies to offer solutions better suited to our clients and the community, hence contributing to long-term business growth.

Takaful IKHLAS Family and General – Key Strategic Partnerships	
Takaful IKHLAS Family	Takaful IKHLAS General
<p><b>Partnerships with Financial Institutions</b></p> <ul style="list-style-type: none"> <li>• <i>IKHLAS Takaful Gadai Janji (MRTT)</i>, a home financing protection plan.</li> <li>• <i>Takaful Amani Didik</i>, an education takaful plan, with the objective to encourage people to save money for their children’s education. Takaful lends assistance to ensure the objective is met.</li> <li>• <i>Agro Bestari-i</i>, an education takaful plan, with the objective to encourage people to save money for their children’s education. Takaful lends assistance to ensure this objective is met.</li> <li>• <i>Agro Nurani</i>, a takaful protection plan, specifically for persons with disabilities (PWD). It aims to increase takaful penetration rate amongst PWDs and is designed to be affordable with convenient claim processes.</li> <li>• <i>Agro Mabur-i</i>, affordable, accessible and easily understandable insurance and takaful products aimed at low income groups.</li> <li>• In January 2020, Takaful IKHLAS Family forged a strategic partnership with a conventional Life Company. This partnership is part of Takaful IKHLAS Family’s strategy to expand the agency force and to penetrate new markets. Under this arrangement, four (4) Takaful IKHLAS’ products were promoted, namely: <ul style="list-style-type: none"> <li>(i) <i>IKHLAS Preferred Term Takaful</i>;</li> <li>(ii) <i>IKHLAS Savings Prime Takaful</i> which focuses on health protection and savings;</li> <li>(iii) <i>IKHLAS Education Plus</i> which caters to children’s protection and savings; and</li> <li>(iv) <i>IKHLAS Wanita Elegance</i>, a protection specifically for women.</li> </ul> </li> </ul> <p>With the high potential growth and increasing demand for takaful, this strategic partnership will contribute positively to the growth of takaful-related products for Takaful IKHLAS Family and offer protection to Malaysians.</p>	<p><b>Partnerships with Financial Institutions</b></p> <ul style="list-style-type: none"> <li>• Takaful IKHLAS General is currently in collaboration with various financial institutions to distribute its range of general takaful products.</li> </ul> <p>These partnerships enable the Company to expand its outreach in the distribution of takaful products nationwide and expand takaful penetration. The partnerships aim to increase Takaful IKHLAS’ brand position in the market and enhance business turnover.</p> <p>These bancatakaful arrangements also provides customers with competitive products, risk management expertise as well as simplified and improved transaction processes via a one-stop-centre for new business, renewals and claims.</p>

Takaful IKHLAS Family and General – Key Strategic Partnerships	
Takaful IKHLAS Family	Takaful IKHLAS General
<p><b>Partnership with Government Bodies</b></p> <p>Takaful IKHLAS is collaborating with Lembaga Pembiayaan Perumahan Sektor Awam (LPPSA) to provide the <i>IKHLAS Mortgage Reducing Term Takaful</i>, a home financing protection plan, to government servants. It offers competitive pricing that enables government servants to lower their costs to own a home.</p>	<p><b>Partnership on Insurtech</b></p> <p>Takaful IKHLAS General’s collaboration with an Insurtech company (since 2019) has enabled the distribution of affordable <i>Personal Accident (PA)</i> coverage for travel.</p> <p>Insurtech refers to the use of technological innovation designed to optimise savings and efficiency from the current insurance industry model. Such collaboration bridges the gap between the fast-paced innovation of insurtech companies as well as the risk management and risk transfer capabilities of Takaful IKHLAS General. Currently, Takaful IKHLAS General provides a short-term PA coverage for bus commuters.</p> <p>Takaful IKHLAS General is also looking to work with other Insurtech companies.</p>
<p><b>Partnership with Government Bodies</b></p> <p>Takaful IKHLAS is collaborating with a few “community-based” organisations to develop asnaf (zakat recipients) into takaful entrepreneurs (takaful agents) by providing the knowledge and skills to help them generate their own income in a sustainable manner.</p>	<p><b>Partnership on Research</b></p> <p>A collaboration is underway with Universiti Sultan Zainal Abidin (UniSZA) which involves the provision of a research grant to UniSZA for the development of the <i>Crop Micro Takaful Scheme</i> for smallholder farmers in Malaysia.</p> <p>The research aims to determine a feasible structure for the provision of the <i>Crop Micro Takaful Scheme</i> to smallholder farmers.</p>
<p><b>Other Partnerships</b></p> <p>There are several collaborations underway with various institutions and agencies to offer the <i>Idaman Scheme</i>, a takaful protection scheme, via monthly contribution deduction for members and employees up to their retirement age. The scheme serves as added protection and savings for members (mostly in the B40 category) as they work until their retirement.</p>	

SUSTAINABILITY STATEMENT

RESPONSIBLE PRODUCTS & SERVICES



In line with our Vision of “**We Protect Everyone**”, we strive to provide reinsurance and takaful solutions that protect against emerging economic, environmental and social risks. From a sustainability perspective, additional focus is given towards risks that relate to climate change and the protection of socially disadvantaged groups. We define responsible products and services as solutions that effectively tackle the environmental and social challenges faced by our stakeholders.

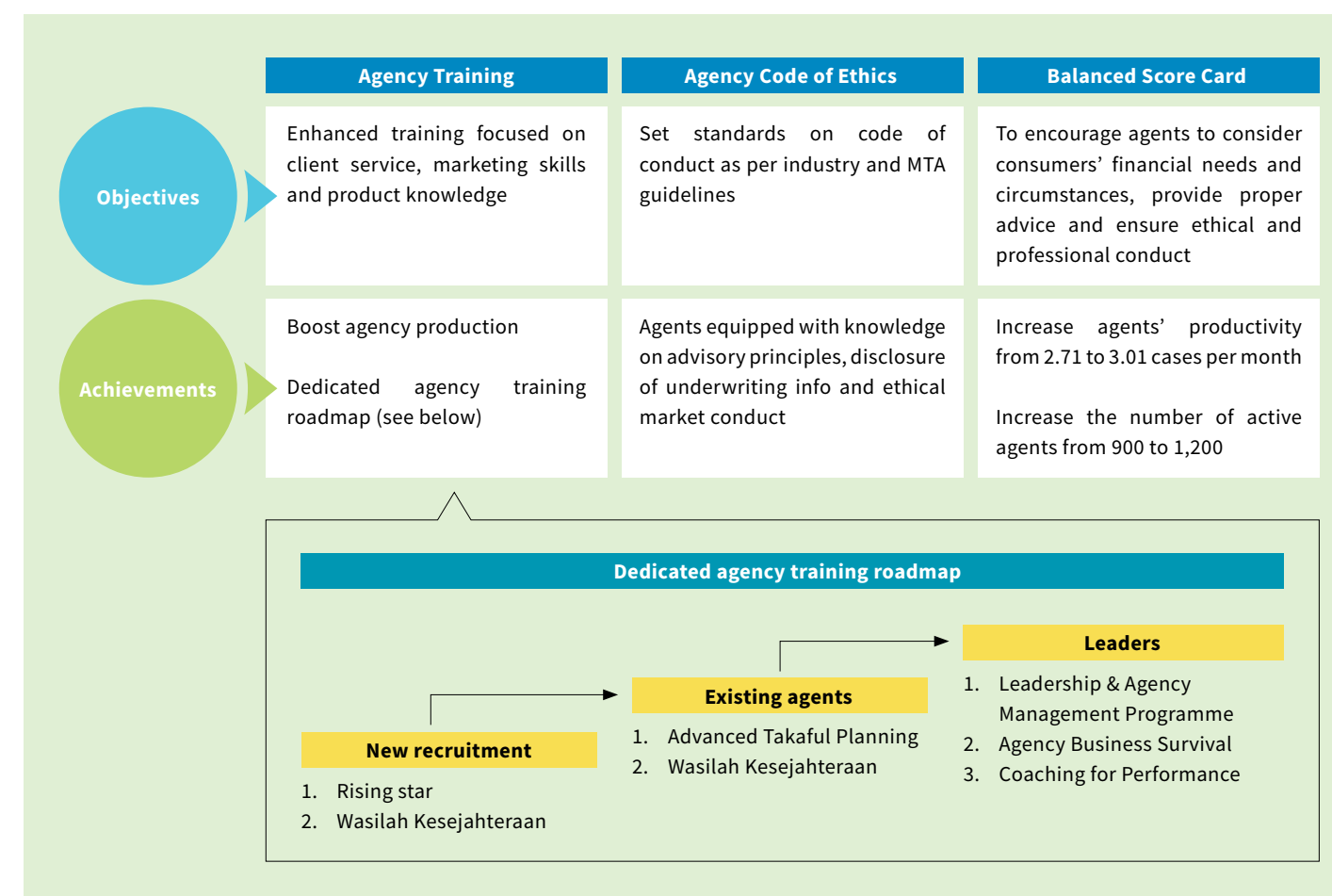
We work within our existing Underwriting Guidelines and Product Management Framework to develop products and services which address the challenges faced by the environment and socially-disadvantaged groups. Our efforts to date, include the following:

Affordable Takaful Products	Products for Specialised Communities	Products to address Climate Change
<p><i>Agro Madani:</i> Affordable Group Term Takaful (GTT) and Group Personal Accident (GPA).</p> <p><i>Takaful Prihatin:</i> Affordable GTT and GPA for business owners.</p> <p><i>Takaful Amani Plus:</i> Affordable GTT and GPA.</p> <p><i>IKHLAS Waqf &amp; Endowment:</i> Value-based initiative providing complimentary waqf and endowment benefits to individual participants.</p> <p><i>IKHLAS Basic Term Takaful:</i> Affordable Term Takaful.</p> <p><i>IKHLAS Value Term Takaful:</i> Affordable Term Takaful.</p>	<p><i>Agro Mabru-i:</i> GTT that provides coverage for the B40 segment under <i>Perlindungan Tenang</i>.</p> <p><i>IKHLAS Bus Safe Ride:</i> Provides travel protection for express bus passengers during their journey.</p> <p><i>Agro Nurani:</i> GTT and GPA that provides coverage for handicapped people registered with the Social Welfare Department.</p> <p>Agricultural Reinsurance: Reinsurance that protects against loss or damage to crops and livestock.</p>	<p>Property &amp; Engineering Reinsurance (Treaty &amp; Facultative): Reinsurance that protects against property risks.</p>

SUSTAINABILITY STATEMENT

As a reputable reinsurer, takaful 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 our customers, and the personal conduct and capability of our agents. We strive to ensure our products are marketed and sold in a responsible manner as well as ensure that our customers are getting the appropriate information best suited to their needs.

During the year, Takaful IKHLAS constantly ensures that their agents and intermediaries receive the proper training in sales conduct which is undertaken by our in-house training division, IKHLAS Academy:



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.

SUSTAINABILITY STATEMENT

TECHNOLOGICAL INNOVATION



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 High Performance Culture (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  
\*New

Group

<p><b>* Robotic Processing Automation (RPA)</b></p>	<p>RPA is a pilot initiative to drive automation within the Group with a few identified user case studies.</p> <p>RPA enables us to automate manual and repetitive human tasks on data entry and reconciliation, reduce human errors, as well as improve the turnaround time of the respective business processes which subsequently lends to improved productivity and reduced operational costs.</p> <p>Continuous feasibility studies and analyses are being undertaken to extend the adoption of RPA enterprise-wide to improve overall business process, enable more timely regulatory reporting and enhance accuracy.</p>
<p><b>* Human Resource System (HCMS) Modernisation</b></p>	<p>Our human resources function has been technologically refreshed with the implementation of the new system that provides end-to-end HR information on demand for strategic and tactical decisions to drive business growth and manage risks.</p> <p>The system enhances employee engagement and addresses daily routine difficulties.</p>
<p><b>* Innovation Lab (InnoLab) and Strategic Partnership Programme (STP)</b></p>	<p>The InnoLab and STP initiatives are platforms for the Group to accelerate technological innovation by enabling solutions conceptualisation and development performed by dedicated resources. This has the potential to be extended to technology partnerships, if required.</p> <p>This initiative enables business boundary expansion, new product development and creative technology innovation.</p> <p>Through a strategic technology partnership, this initiative fosters front-end channel innovation especially for the distribution channels, i.e. the agency and partners, as well as for customers via an enhanced digital experience.</p>

Malaysian Re

<p><b>Business Intelligent &amp; Business Objects (BIBO)</b></p>	<p>Continuous efforts are underway to improve the reporting functionality of the BIBO System.</p> <p>BIBO continues to drive efficiency via an online reporting capability that enables data driven decision making. This is giving us the agility to manoeuvre the required data and strengthen the reporting process.</p>
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SUSTAINABILITY STATEMENT

Key Initiatives to Improve Process Efficiency through the Application of Innovative Technology  
\*New

Takaful IKHLAS Family

<p><b>Agency Portal – Point-of-Sales (i-POS) System</b></p>	<p>In addition to its current function, i.e. to monitor proposal submissions, manage certificate contributions and act as a medium of communication between the Company and its agents, this newly enhanced system is now more user-friendly. It also provides direct linkage to quotations and sales illustrations, generates financial needs analysis, and enables online underwriting and approvals.</p>
<p><b>i-Family System</b></p>	<p>This system provides a full, fresh back-end policy administration with end-to-end business functionality such as new business, certificate servicing, claims, benefits payable, re-takaful and a finance integration module.</p> <p>It has a workflow capability and automated documentation processes that provide efficient document tracking, from scanning up to archiving. This is helping to streamline work processes for proposal and policy administration.</p>
<p><b>i-SMART Mobile Application</b></p>	<p>i-SMART is a front-end application tool which enables agents and banca distributors to use mobile platforms to facilitate new business sales and the submission process in a paperless manner.</p> <p>It performs financial needs analysis to determine what best fits customers' financial needs. It also generates sales illustrations, includes payment gateways and a recurring payment facility, as well as enables the tracking of agents' field activities.</p>
<p><b>* Online Customer Account (OCA)</b></p>	<p>This initiative takes the form of online self-service customer account (OCA) that allows customers to register online and perform enquiries about their certificate status, payment due, contribution amount and document references such as income tax and e-certificate.</p>

Takaful IKHLAS General

<p><b>* Insurtech Initiative</b></p>	<p>This initiative drives business innovation via partnerships and simple yet attractive products e.g. travel insurance for an online bus ticketing platform.</p> <p>It is also helping drive insurance adoption via on-demand travel micro insurance products.</p> <p>Pay as you drive motor takaful is an Insurtech solution that monitors driving behaviour via telematics and rewards cautious drivers with discounts on contributions.</p>
<p><b>* General Takaful System Re-engineering (GTSR)</b></p>	<p>The GTSR is a programme to refresh and improve the overall business process from sales to backend operations including system upgrades and enhancements.</p> <p>This initiative is yet to be implemented.</p>





SUSTAINABILITY STATEMENT

Key Initiatives to Improve Process Efficiency through the Application of Innovative Technology *New	
Takaful IKHLAS General	
* <b>Motor Takaful (MT) Portal</b>	The MT portal has improved the user interface of the Motor Takaful portal with its offer of a mobile friendly experience via a simplified end-to-end process for New Business and Renewals. It also offers the capability to work with other online motor partners.
* <b>General Partnership Portal</b>	This portal is used by Bancassurance partners for certificate and endorsement enquiry purposes. It also allows Banca partners to make requests for endorsement. It will be further enhanced to offer claims request and enquiry.  This helps reduce the process turnaround time and minimise the loss of documents in transit.
* <b>B2C Personal Accident System</b>	The Business to Customer (B2C) Personal Accident System enables customers to obtain Takaful proposals, quotations and make purchases online.  This user-friendly system allows customers to directly acquire information on insurance as well as Takaful certificates and cover via a mobile-friendly interface that includes email and SMS notifications for status updates of certificates.
* <b>IKHLAS-Q</b>	This is a pilot project to provide a user-friendly mobile application for sales agents to generate quotations for new vehicles.  The system aims to improve the overall turnaround time for new vehicle quotation requests and improve both the sales agent and customer experience.

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 Insurtech 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. We will also continue to further explore technological innovation in the areas of mobile applications, process automation, data analytics and online distribution, amongst others.

SUSTAINABILITY STATEMENT

BUSINESS ETHICS & CORPORATE GOVERNANCE



The MNRB Group acknowledges that it is vital to conduct business in compliance with ethical standards and applicable regulatory requirements. In line with this principle, 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. By adopting these policies and procedures, we aim to ensure that the Group and its employees consistently carry out business ethically and with integrity.

Following the introduction of new legislation and guidelines, namely Section 17A of the Malaysian Anti-Corruption Commission or MACC (Amendment) Act 2018 on Corporate Liability, as well as Companies Act 2016 and MCCC 2017, there is a growing demand for commercial companies like the MNRB Group to promote better corporate governance and legal compliance by requiring all its stakeholders to play a proactive role in preventing corrupt practices. In this context, the MNRB Group is expected to safeguard its businesses and ensure all commercial activities are carried out in an environment which is free from corruption.

The MNRB Group Code of Conduct for employees (Code of Conduct) is incorporated within the MNRB's Scheme of Service for strict adherence by all employees. Amongst others, it outlines the following principles:

- 1 Basic Principle – employees should conform strictly to the laws and regulations of Malaysia;
- 2 Conflict of Interest – employees may not either directly or indirectly become involved in any venture, business or dealing;
- 3 Zero tolerance towards any illegal gratification or corrupt practice, i.e. solicitation and/or making/accepting corrupt payments or commissions; and
- 4 Gifts and entertainment are to be restricted within reasonable bounds, i.e. gifts of consumable goods, flowers and other items, of nominal value.

In addition to the Code of Conduct, the MNRB Group has in place a Group Whistleblowing Policy, Fit & Proper Policy and Related Party Transaction Policy to govern the conduct of its officers.

As the Group has takaful and retakaful businesses under its stable, it has established the Shariah Governance Policy with the primary objective of strengthening the effectiveness of Shariah governance arrangements that are well-integrated within the business and risk strategies of the Company. The Policy sets out the strengthened oversight accountabilities of the Board, Group Shariah Committee and other key organs involved in the implementation of Shariah governance.

SUSTAINABILITY STATEMENT

SUSTAINABILITY STATEMENT

Initiatives to Ensure Business Ethics and Compliance

<p><b>Group Anti-Corruption and Bribery Policy</b></p> <p>Communicates our commitment to prevent and detect fraud as well as other irregularities such as bribery and corruption.</p>	<p><b>Group Whistleblowing Policy</b></p> <p>The Group Whistleblowing Policy provides an avenue for employees and members of the public to disclose any improper conduct in accordance with the procedures as provided under the policy. It provides protection for employees and members of the public who report such allegations without fear or reprisal.</p>	<p><b>MNRB Group Code of Conduct</b></p> <p>The Code of Conduct stipulates, amongst others, that all staff must conform strictly to the laws and regulations of Malaysia along with the accepted standards of business ethics as set out therein.</p>
<p><b>Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT)</b></p> <p>Awareness and refresher programmes are conducted annually for all employees and agents. These are offered via e-Learning modules for all staff and on-boarding for new employees.</p>	<p><b>Electronic Compliance Tracking System (e-CTS)</b></p> <p>Monitors regulatory submissions and verification of compliance with the relevant regulatory guidelines.</p>	<p><b>Compliance Portal</b></p> <p>Internal compliance information pop-up messages/alerts via the intranet as part of the Group's awareness initiatives.</p>
<p><b>Compliance Reporting Systems</b></p> <p>Whistleblowing hotline and Management Self-Identified Incident (MSII) e-Form submissions are reported to the Compliance Review Committee and Audit Committee.</p>	<p><b>Shariah Governance Policy</b></p> <p>In accordance with the regulatory Shariah Governance Framework, this policy is to ensure the Group operations and business activities are in accordance with Shariah principles.</p>	

Our Group Compliance Management Department (GCMD) and Compliance Review Committee are tasked with minimising financial and reputational risks arising from regulatory non-compliance in accordance with our Compliance Management Framework. The MNRB Group's compliance with Shariah Principles is guided by the Shariah Governance Framework and overseen by our Shariah and Business Advisory Department (SBAD), Shariah compliance and Audit function and the Group Shariah Committee, established at the Takaful subsidiary.

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; attestation by the Heads of Departments (HODs) that they are complying with internal policies; and the implementation of a Risk Control Self-Assessment (RCSA) approach for departmental self-assessment on processes and compliance monitoring mechanisms.

Over the years, the GCMD has collaborated with the Risk Management Department (RMD) and SBAD to organise a series of compliance and risk management awareness programmes. The objective of these programmes is to raise our employees' awareness on compliance, risk management and corporate governance matters. The chart above illustrates the initiatives to continue cultivating awareness of ethical conduct, compliance and risk.

Anchored by these fundamentals and in accordance with the MNRB Group Outsourcing Framework and Policy as well as the Group Procurement Policy and Procedures, we carefully assess all counterparties or stakeholders that we are associated with. This involves ensuring the necessary due diligence processes are in place to assess suppliers' background and qualifications prior to their appointment and/or renewal of contracts. Examples of assessment criteria used include suppliers' financial background, compliance with

regulatory requirements (e.g. in the area of anti-fraud, anti-bribery and corruption), suppliers' experience and capabilities on the subject matter, and the quality of their work, among other things.

The Group strives for full compliance with all regulatory policies and guidelines, as well its own internal Code of Conduct, internal policies and procedures.

To instil trust and confidence as well as to allow informed investment decisions by our shareholders, we disclose fair and balanced information of relevance, including the MNRB Group Corporate Governance Report via the MNRB Group Corporate website – [www.mnrb.com.my](http://www.mnrb.com.my).

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, Mobile Devices & Mobile Computing Policy, Bring Your Own Device Policy, Cryptography Policy and Media Disposal 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 Privacy

<p><b>Annual Penetration Testing</b></p> <p>To assess the vulnerability of our IT infrastructure (applicable to both the Group and its subsidiaries).</p>	<p><b>Encryption Exercise and Core System Database Preventive Maintenance</b></p> <p>To protect clients' data and ensure its availability.</p>	<p><b>Compliance Audit</b></p> <p>To ensure compliance with regulatory requirements and internal information security related policies.</p>
<p><b>IT Risk Management</b></p> <p>To provide oversight of technology operations management and cybersecurity management via the facilitation of risks, action plans and controls identification.</p>	<p><b>Disaster Recovery Plan</b></p> <p>To ensure business operations are up and running in the event of a disaster.</p>	<p><b>Awareness Test – social engineering test</b></p> <p>To measure staff awareness of cyber threats via the Annual Phishing test (began in the year 2017).</p>

### Initiatives to Ensure Data Protection and Privacy \*New

**\* Cybersecurity Conceptual Architecture**

To provide a comprehensive roadmap to continuously enhance the group-wide cyber security landscape.

**IT Audit**

To ensure the Group's IT systems are audited by both internal and external parties.

**Data Centre Relocation**

The Data centre (DC) for both Takaful IKHLAS subsidiaries has been relocated to a Tier-3 DC with increased security measures and availability. The DC relocation for MNRB/Malaysian Re will be completed in FY2021.

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.

### 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.

Guided by our Investment Policy Statement, our Group Investment Department and Group Investment Management Committee ensure proper risk management by prudently monitoring existing and screening potential investment portfolios. The department safeguards portfolios by complying with approved Strategic Asset Allocations that have been thoroughly discussed and approved by the Board. Although Environmental, Social and Governance (ESG) matters are not specifically mentioned in the policy statement, when assessing how the issuers are managing their risk and opportunities, we also take into account the ESG perspective.

All investments must also adhere to strict permissible instruments and avoid exposure to impermissible sectors such as gaming and alcohol-related sectors. Investments are only made with approved counterparties who meet the appropriate rating and other relevant criteria within approved credit limits, as stipulated in the investment policies and guidelines. Furthermore, the department ensures that our investments conform to Shariah principles as per the requirements of our takaful funds.

All financial assets are assessed at each reporting date to determine whether there is any objective evidence of impairment due to any significant events having an impact on the estimated future cash flows of the asset.

The Takaful contributions received are strictly invested in Shariah compliant instruments. These are regularly checked for compliance with Shariah principles through regular Shariah reviews and are reported to the Group Shariah Committee.

## 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 is 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.

Avenues for Training Development		
	FY 2019	FY 2020
1 Internal Training Courses	✓	✓
2 External Training Courses	✓	✓
3 Online Training Courses	✓	✓
4 Executive Coaching	✓	✓
5 Job Rotation	✓	✓

We believe a structured, targeted and continuous development intervention is essential in equipping our people with the right mindset, knowledge and skills.

### Key Training Programmes

FY 2019

1. Group Integrated Assurance Approach
2. Reinsurance & Technical Accounting
3. Reverse Stress Testing International Best Practice
4. The Takaful Rendezvous 2018
5. Power Communication & Presentation
6. Leadership Energy Summit 2018
7. Key Drivers Coaching Programme
8. Product Development with ARGO
9. Dynamic Analysis of Risk & Reinsurance Techniques (DART)
10. Developing & Empowering Tomorrow's Leaders
11. 9<sup>th</sup> ASEAN School for Young Insurance Managers (AYIM)

FY 2020

1. Mastering the Secrets of Successful Sales & Marketing Professionals with Finesse Corporate Grooming
2. Reinsurance Business Simulation
3. A Practical Workshop in Reinsurance Accounting
4. Basic Reinsurance & CAT Modelling
5. Asia Pacific Training Programme 2019
6. MNRB Group Ideathon 2019 Workshop
7. Liability Insurance Seminar 2019
8. International Reinsurance Management Training
9. 14<sup>th</sup> International Shariah Scholars Forum
10. 11<sup>th</sup> International Conference of Financial Crime and Terrorism Financing
11. Young Takaful Manager Leadership Programme (YTML)
12. Corporate Leader Advanced Programme
13. The Takaful Rendezvous 2019
14. Group Talent Programme – Structured Leadership Development Programme
15. Excellent Customer Service
16. YOU Lead 2019
17. 4<sup>th</sup> Robotic Process Automation Asia

SUSTAINABILITY STATEMENT

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.

Key Talent Development Programmes		
FY2019	<p><b>Education Assistance Programme (EAP)</b></p> <p>A programme to encourage employees to fast-track their progress to pursue industry-specific professional qualifications (e.g. Institute &amp; Faculty of Actuaries or IFoA, the Malaysian Insurance Institute or MII, and the Society of Actuaries). During the reporting year, 63 employees participated in this programme.</p>	<p><b>Leaders as Teachers (LATs)</b></p> <p>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.</p>
	<p><b>Education Assistance Programme (EAP)</b></p> <p>A programme to encourage employees to fast-track their progress to pursue industry-specific professional qualifications (e.g. Institute &amp; Faculty of Actuaries or IFoA, the Malaysian Insurance Institute or MII, and the Society of Actuaries). During the reporting year, 56 employees participated in this programme. In addition, one (1) of our scholars qualified to be an actuary.</p>	<p><b>Leaders as Teachers (LATs)</b></p> <p>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, 109 employees participated in this programme.</p>
FY2020	<p><b>Executive Coaching Programme</b></p> <p>A programme where we engaged professional coaches to help our senior management to gain self-awareness, clarify goals, achieve their development objectives and unlock their potential. During the reporting year, 12 employees were selected to undergo the programme for six (6) months.</p>	<p><b>Structured Leadership Development Programme (SLDP)</b></p> <p>In this programme, talents were trained and coached to enhance their leadership skills in the areas of Leading Self, Leading Team and Communication. This three (3) modules programme was developed based on the MNRB Group Leadership Competencies and conducted over a one (1) year period. It involved around 150 talents across different levels and companies within the MNRB Group.</p>

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 (MCP) and Operational Critical Positions (OCP) from the talent pool.

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.

SUSTAINABILITY STATEMENT

In addition, the Group participates in the PNB Graduate Executive Trainee (PNB GET) programme, in support of the Government's effort to intensify the employability and marketability of Malaysian graduates (locally or abroad). This programme aims to enhance these trainees' personal development and better equip them with the relevant skills for job placements. As at March 2020, we had already offered 53 permanent positions to qualified trainees, based on the available vacancies.

We also provide training for the industry and our business partners in an effort to further promote professionalism as well as the upskilling of the insurance and takaful industry.

Key Training Programmes for the Industry	
FY 2019	FY 2020
1. YOU Lead 2018	1. Young Takaful Manager Leadership Programme (YTML)
2. IKHLAS Academy – Rising Star	2. YOU Lead 2019
3. IKHLAS Academy – Wasilah Kesejahteraan	3. IKHLAS Academy – Rising Star
4. IKHLAS Academy – Advanced Takaful Planning	4. IKHLAS Academy – Wasilah Kesejahteraan
5. IKHLAS Academy – Leadership & Agency Management Programme	5. IKHLAS Academy – Advanced Takaful Planning
6. IKHLAS Academy – Agency Business Survival	6. IKHLAS Academy – Leadership & Agency Management Programme
	7. IKHLAS Academy – Agency Business Survival



SUSTAINABILITY STATEMENT

ATTRACTIVE & INCLUSIVE WORKPLACE



We recognise that the sustainable growth of our business is tied 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 6** below 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 6: Employee Profile

SUSTAINABILITY STATEMENT

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.

Key Well-being Initiatives		FY2019	FY2020
1.	<b>Long Service Awards</b> To recognise and reward our long-serving employees for their contributions.	√	√
2.	<b>Nursing Room</b> Made available for nursing mothers.	√	√
3.	<b>Flexible Working Hours (FWH)</b> All levels of employees can begin their work day at any time between 7:30 am and 10:00 am.	√	√
4.	<b>Flexible Working Arrangement (FWA)</b> Executives are no longer desk-bound and will have more control over their time schedules and working environment.	√	√
5.	<b>Health Week</b> Our health week is held annually to encourage our staff to lead a healthier lifestyle. It aims to educate our employees about key aspects of healthy living. The key programmes conducted during the health week include: <ul style="list-style-type: none"> <li>An Annual Health Screening and Examination for all staff;</li> <li>A Health Talk;</li> <li>Nutrition Counselling;</li> <li>Healthy Food Promotion; and</li> <li>MNRB Fun Run and Brisk Walk - to encourage staff to participate in activities beneficial to their health.</li> </ul>	√	√
6.	<b>Weekly/Monthly Sports activities</b> To encourage employees to make changes towards healthier lifestyle where activities such as Zumba, badminton and futsal are organised for interested employees.	√	√
7.	<b>Recreational Programmes</b> To foster positive collaboration and a strong esprit de corps among employees. Activities such as the train hunt, mall hunt, food hunt and bowling tournament have garnered overwhelming positive response from employees.	√	√
8.	<b>Occupational Safety &amp; Health initiatives</b> To care for employees' health and well-being. The OSH Committee has initiated/organised relevant activities including Basic Fireman and Firefighting training for Fire Marshals, First Aider Training, and an Ergonomic & Internal Air Quality Assessment for Bangunan Malaysian Re.	√	√

SUSTAINABILITY STATEMENT

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 keeps our employees motivated and satisfied.

Key Employee Engagement Channels			
		FY2019	FY2020
1.	Regular townhall gatherings to hear from our employees, to provide updates on business performance and key developments.	√	√
2.	Chat session with the President & GCEO to provide the opportunity for lower level employees to get to know him and let their issues be heard.	√	√
3.	Allocation of engagement budget for HOD's to conduct their own engagement activities.	√	√
4.	Regular formal written communication from the desk of the President & GCEO to communicate business performance and key developments to all employees.	√	√
5.	Focus group discussions to identify and understand employees' concerns and issues.	√	√
6.	Career discussion between HODs and employees as an avenue to provide clarity on career growth and development.	√	√
7.	iPTalks (our version of the popular "TED Talks") - conducted in the form of a competition for employees to share their passion with their colleagues and create fun at work.	√	√
8.	The Heart-To-Heart Mentoring Programme - a programme that promotes the demonstration of good behaviour based on the Group's Core Values.	X	√
9.	The regular check-in session or one-to-one session was introduced to foster health relationships between a supervisor and his/her subordinates and to provide clear direction and guidance to the staff.	X	√

√ = Include X = Not Include

SUSTAINABILITY STATEMENT

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 are continuously developing action plans to address our employees' concerns and identify improvement initiatives to increase employee satisfaction levels.

Company	Employee Engagement Index (EEI) Results		
	FY2018	FY2019	FY2020
MNRB	81%	82%	79%
Malaysian Re	80%	85%	90%
Takaful IKHLAS Family	79% (TIB)	78%	85%
Takaful IKHLAS General		79%	86%

The EEI is a leading indicator of employee satisfaction, loyalty, advocacy and pride towards the company.

Company	Employee Attrition Rate (%)		
	FY2018	FY2019	FY2020
MNRB	7.8	6.2	6.8
Malaysian Re	5.8	4.7	7.4
Takaful IKHLAS Family	11.0	9.8	6.0
Takaful IKHLAS General			5.9

EMBRACING CORPORATE RESPONSIBILITY

COMMUNITY DEVELOPMENT



The MNRB Group remains steadfast in its efforts to contribute to the needs of society in general as well as to specific target audiences. As a market leader, we share the responsibility for nurturing the growth of the local reinsurance and retakaful industries by preparing and gearing up professionals with the right knowledge, skills and competencies. Our key market training programmes are presented below.

Programme for Insurance Executive Development (PIED)	Young Emergent Leadership Showcase (YouLead!)	Technical Courses in Fire Risk Assessment and Special/Self-Rating (FRA)
This is designed for executives with at least two (2) years of work experience in the insurance industry, as well as those who are well versed in the knowledge of the four (4) classes of insurance (i.e. marine engineering, fire, property and liability).	A leadership programme for young emerging managers with high potential, it focuses on effective leadership fundamentals, deciphers key industry issues, and provides knowledge sharing/regulatory updates on the insurance industry by experts in their fields. A continuous support group is formed for each batch after the programme.	A programme designed to educate underwriting and marketing professionals from insurance companies with at least two years of experience. Participants are expected to conduct fire risk surveys and have a good grasp of the special/self-rating rules and computation.



SUSTAINABILITY STATEMENT

The MNRB Group remains committed to bringing positive change to communities through monetary and non-monetary means. To this end, we conduct corporate responsibility programmes that focus on education as we believe these have the transformational power to strengthen communities and build their resilience in a sustainable manner. These initiatives also serve to uphold and elevate the quality of life for the less privileged and deprived communities, as well as to promote the social inclusion of communities in general.

Our Key Corporate Responsibility Programmes

MNRB Scholarship Fund

Total Investment since the Funds' Inception in 1998:

**More than RM17,021,630**

A fund established to assist promising Malaysian students by providing them access to education so as to produce quality professionals for the development of the reinsurance and takaful industries. The fields of study include Actuarial Science, Risk Management, Insurance/Takaful, Accounting, Finance and ICT.

Year	Contribution (RM)	Total number of Scholars
FY2017	1.0 million	101
FY2018	1.2 million	85
FY2019	0.85 million	57
FY2020	0.35 million	40

Blood Donation

No. of donors: **91 donors** (in FY2020)

The objective of this charity programme is to support the noble mandate of the National Blood Centre (NBC) to increase the supply of blood supply to help less fortunate patients suffering from anaemia, leukaemia, haemophilia, etc.

PGM MNRB ADT Championship

A sponsorship initiative to support the Professional Golf of Malaysia (PGM) Tour and the Asian Development Tour (ADT) Championship in their efforts to develop a pool of professional Malaysian golfers.

Minggu Saham Amanah Malaysia (MSAM)

An annual integrated investment education programme to increase the public's awareness of the importance of investment and financial planning. Participation in this programme provides an avenue for Takaful IKHLAS to introduce and create awareness of its takaful products.

MNRB Ringgit Savvy Programme

No. of participants: **800** (in FY2018)  
**500** (in FY2019)  
**500** (in FY2020)

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

SUSTAINABILITY STATEMENT

Our Key Corporate Responsibility Programmes

\*New

\*Masjid Protect

No. of participants: **20%** of the mosque population (**4 certificates**)

An initiative to increase takaful penetration through a community-based platform i.e. mosques by enhancing financial literacy among the targeted market segment.

\*Program Bantuan Untuk Pendidikan (BUDI)

No. of participants: **50**

An initiative by MARA in collaboration with corporate entities to provide financial assistance to students from B40 families. It aims to provide equal opportunities for Maktab Rendah Sains MARA students from B40 families to succeed in their education.

\*COVID-19 Test Fund

Malaysian Re contributed RM76,924 to the PIAM Relief Fund.

Takaful IKHLAS Family and Takaful IKHLAS General contributed RM67,000 each to the Malaysian Takaful Association (MTA) (utilising their IKHLAS Charity Fund).

Malaysian Re has volunteered to play its role for national service as the administrator of the RM8 million COVID-19 Test Fund, set up by the industry. Effective 11 April 2020, Malaysian Re is tasked with managing the reimbursement process and ensuring no over utilisation.

\*Asnaf Entrepreneurship Programme (AEP)

No. of participants: **30**

An entrepreneurship programme organised in collaboration with the zakat authority to train eligible asnaf to become takaful agents by using zakat money.

\*IKHLAS Waqf & Endowment (IWE)

A total of RM3,000 has been paid to **UM AWQAF** in Dec 2019 for 3 participants. (There were **699,621 individual certificates as at March 2020**)

A value-based intermediation programme to benefit both the community and Takaful IKHLAS. This programme provides a complimentary benefit (Waqf and endowment) to all individual Takaful IKHLAS General participants. The Waqf and endowment will be channelled to the Waqf's beneficiary (Muslim) or endowment beneficiary (non-Muslim) under the participant's name, in the event of an accidental death.

SUSTAINABILITY STATEMENT

ENVIRONMENTAL MANAGEMENT



At the MNRB Group, we adopt multiple measures to preserve our surrounding environment and to mitigate any environmental impact from our business operations. Our main environmental management efforts are demonstrated below.

Our Main Environmental Management Efforts

Mitigating our Carbon Footprint

By reducing the need to travel, we are mitigating our carbon footprint. Currently we provide a daily shuttle service for our staff to and from the LRT station and our headquarters (HQ), Bangunan Malaysian Re, while web-based conferencing facilities at our HQ aid cross-border meetings with our Dubai office. We also maintain a green garden within the office compound of our HQ as well as have replaced plastic mineral water bottles with glass drinkware for use during meetings and training sessions.

Furthermore, we have the three C's (a convenience store, clinic and café) as tenants within our HQ building. Given these amenities, our staff and tenants do not have to drive out of the building.

Upgrading our Office Building to Safeguard Employee Health

**FY2019**  
**31**  
Air-conditioning related complaints

We have improved the indoor air quality (IAQ) at our building by upgrading the air-conditioning system. The rectification of air quality issues at affected floors in Bangunan Malaysian Re was undertaken by an appointed IAQ contractor in 2019, thus significantly reducing the number of complaints received.

**FY2020**  
**13**  
Air-conditioning related complaints

Recycling Waste

**FY2019**  
**31,856kg**  
Waste Recycled

We have in place a proper waste management programme to handle recyclable materials. A large quantity of recycled papers from old working/operational files was disposed in FY2019 following the periodic storage clean-up exercise.

**FY2020**  
**6,526kg**  
Waste Recycled



SUSTAINABILITY STATEMENT

Our Main Environmental Management Efforts

Conserving Electricity

**FY2019**  
**1,763,048 kWh**  
Electricity Consumption

To conserve energy, we have switched to LED energy saving light bulbs, while the electrical and mechanical components of elevators within the building have been replaced for greater energy efficiency. We are currently working to replace the elevator drive system which will also help us to reduce power consumption. Currently the elevator system consumes about 15% of the total power consumption. The efforts to date have contributed savings of just under 10% of our building's total power consumption.

**FY2020**  
**1,514,971 kWh**  
Electricity Consumption

We have also installed zonal light switches at corporate areas. This has helped to reduce power consumption especially among staff who need to stay back after office hours or work at the office during the weekends.

The significant reduction of more than 14% of total electricity consumption in FY2020 was attributable to the disposal of Ikhlas Point Tower 11 and relocation of staff to Tower 11A.

Reducing Water Consumption

**FY2019**  
**11,940 m<sup>3</sup>**  
Water Consumption

We have installed more resource efficient washroom fixtures to reduce water consumption.

**FY2020**  
**11,838 m<sup>3</sup>**  
Water Consumption

LOOKING AHEAD

The MNRB Group considers sustainability as an endless journey of improvement and we are committed to ensuring the sustainable growth of our business without compromising the needs of our stakeholders. The Group remains dedicated to incorporating sustainability into our operations and business strategies by refining our internal processes and bolstering our capabilities to create sustainable value for our business, our stakeholders, and society as a whole.

