



Liberty
Insurance.



**CLIMATE-RELATED
FINANCIAL DISCLOSURE
REPORT**

2025

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We are pleased to present Liberty General Insurance Berhad's ("LGIB") Climate-related Financial Disclosure Report FY2025. This report represents our commitment to transparently disclose the financial risk and opportunities associated with climate change.

As a leading general insurer in Malaysia, LGIB brings together the strength of the established brands of Liberty Insurance, Kurnia Insurance, and AmAssurance. This collective expertise enables us to integrate sustainability and climate-related risks and opportunities into our business strategy, reinforcing our commitment to responsible and sustainable practices.

This report has been prepared with reference to the Taskforce on Climate-related Financial Disclosures ("TCFD") Application Guide for Malaysian Financial Institutions, released by the Joint Committee on Climate Change ("JC3"). The TCFD Recommendations provides a globally recognised and robust framework for organisation to assess and disclose climate-related risks and opportunities. By aligning our reporting practices with the TCFD Recommendations, we aim to enhance our understanding of climate-related impacts on our business and improve our decision-making processes.



Message from the Chairman



Adil Ahmad

Chairman of the Board of Directors

It is my privilege to present LGIB's Climate-related Financial Disclosure Report for FY2025. As Chairman of the Board of Directors, I am pleased to share our continued progress in strengthening the way we assess, manage, and respond to climate-related risks and opportunities.

The global landscape continues to evolve rapidly, with climate change remaining one of the most significant challenges facing economies and societies today. As a leading general insurer in Malaysia, we play a vital role in helping individuals and business understand, mitigate, and transfer risks. By strengthening resilience for our customers and communities, we contribute to the stability and long-term growth of the broader socioeconomic system, in line with national aspirations.

This report reflects LGIB's ongoing commitment to enhancing our climate-related governance, risk management, and disclosure practices. Over the past year, we have taken further steps to strengthen oversight and embed climate considerations within our organisational processes. This includes enhancement to our governance and risk management process, as well as continued efforts to improve transparency in our emissions reporting and climate risk assessments.

Aligned with the TCFD Recommendations, our approach supports informed decision-making in the face of climate-related risks and opportunities. Our governance structure, from the Board of Directors and Board Committees to management workstreams, ensures that climate-related considerations are integrated into our strategic discussions and risk management processes. Through collaborative risk identification and structured assessments, we continue to enhance our understanding of climate-related risks and their potential impacts on our business and stakeholders.

This report is more than a disclosure exercise. It reflects LGIB's commitment to responsible stewardship, transparency, and long-term value creation. It represents the collective effort of our teams who continue to integrate sustainability considerations into our operations and strategic priorities.

On behalf of the Board of Directors, I would like to express my sincere appreciation to everyone who contributed to the preparation of this report and to the continued advancement of LGIB's climate journey. We remain committed to strengthening our approach to climate-related matters and to supporting a more resilient and sustainable future for the communities we serve.



Message from the CEO

Puneet Pasricha
Chief Executive Officer



“We are pleased to present LGIB’s Climate-related Financial Disclosure Report for FY2025, reflecting our continued commitment to responsible impact and the long-term sustainability of our business. Over the past year, we have strengthened our governance and risk management practices, while taking further steps to enhance our understanding of the impact of climate-related risks and emissions generated across our operations.”

Over the past year, LGIB has continued to make meaningful progress in strengthening our climate resilience and integrating sustainability considerations into our operations.

In FY2025, we further strengthened our governance and risk management practices to enhance effective oversight of climate-related risks. These efforts included the update of the Risk Management Committee’s Term of Reference (“ToR”) to explicitly incorporate the monitoring of sustainability risks, reinforcing the committee’s role in reviewing and endorsing these risks for the Board of Directors’ consideration.

We also enhanced our enterprise risk management controls through the update to our risk taxonomy, aligning with Liberty Mutual Group’s (“Liberty Mutual” or “Group”) enterprise risk framework and Malaysia’s regulatory expectations. In line with this integrated approach, climate risk is not defined as a standalone risk type. Instead, it is treated as a cross-cutting risk driver that influences existing risk categories through physical, transition, and litigation pathways. Consequently, tolerance for climate-related risk is embedded within the appetites and limits already established for those primary risk categories.

In addition, LGIB has taken an important step towards strengthening emissions transparency by commencing preliminary data assessments of selected Scope 3 greenhouse gas (“GHG”) emissions, specifically those arising from business travel and employee commuting.

Our efforts have been undertaken in close collaboration with Liberty Mutual, leveraging established methodologies and technical expertise.

While the climate and wider sustainability space continues to evolve, we remain committed to strengthening our capabilities in climate risk assessments and integrating climate considerations into our long-term strategic planning.

Looking ahead, LGIB will continue to refine our approach by strengthening policies, enhancing data collection processes, and advancing our risk management practices to ensure we remain well positioned to thoughtfully navigate the challenges and opportunities presented by climate change. Through this report, we reaffirm our commitment to transparency, accountability, and delivering sustainable value to our stakeholders.

In line with the TCFD Recommendations, this report follows a structured framework encompassing four (4) key areas – Governance, Strategy, Risk Management, and Metrics and Targets. Each section provide insights into LGIB’s approach to assessing, managing, and mitigating climate-related risks, while outlining our progress and future priorities.

As LGIB continues its climate reporting journey, we reaffirm our commitment to addressing climate-related risks and capturing emerging opportunities. We recognise the importance of transparent communication with our stakeholders, and this report represents another important step in strengthening our practices.





OUR GOVERNANCE STRUCTURE



At LGIB, climate-related governance is guided by our Sustainability Governance Structure (refer to **Figure 1** below) which holds governance safeguards to ensure effective oversight, informed decision-making and intentional cross-function collaboration. This structure supports our efforts in overseeing climate-related risks and opportunities, balancing the need to safeguard LGIB against the adverse impacts of climate change as well as to capitalise on opportunities that arise from the transition to a lower-carbon economy.

1.1 Board of Directors (“Board”) and Risk Management Committee (“RMC”)

Climate-related governance matters at LGIB are overseen by the Board which holds ultimate oversight responsibility on sustainability matters. As set out in the Board Charter, the Board is responsible in promoting sustainability considerations in LGIB's business strategies. The Board exercises their oversight by providing direction, challenge and oversight to the Senior Management Team (“SMT”) in integrating climate-related matters as a strategic decision-making consideration.

The Board is supported by the RMC, which acts as the dedicated Board-level Committee delegated to support the Board in overseeing sustainability-related matters, including climate-related risks. The RMC is responsible in providing confidence to the Board that LGIB is operating within approved risk appetites and risk thresholds. In May 2025, the RMC Terms of Reference (“ToR”) was updated to explicitly include the monitoring of sustainability risks as a specific responsibility of the RMC. The RMC is also responsible in reviewing, evaluating and endorsing these risks for the Board's approval.

Snehal Prabhu
Chief Operating Officer



“Strong governance is central to how LGIB manages climate-related matters. Through our governance framework, the Board and SMT maintain regular oversight of climate risks and opportunities, supported by structured discussion across various forums. In FY2025, we also strengthened this approach through organisation-wide awareness efforts, including Board capacity building to ensure our leadership remains active, aware and agile in guiding LGIB through its climate journey.”

1.2 Sustainability Operating Council (“SOC”)

At the management-level, the responsibility to integrate climate-related considerations into LGIB's business strategy and processes sit with the SOC. The SOC is comprised of LGIB's SMT including the Chief Executive Officer (“CEO”) who chairs the SOC, with the Chief Operating Officer (“COO”) serving as the Alternate Chairperson.

As set out in the SOC ToR, the SOC deliberates, monitors and drives LGIB's sustainability agenda including all sustainability-related initiatives and activities. Subsequently, these initiatives and activities are driven and implemented at the operational-level by the Implementation Taskforce. The SOC provides periodic updates to the Board on and sustainability-related matters, including those related to climate risks and opportunities.

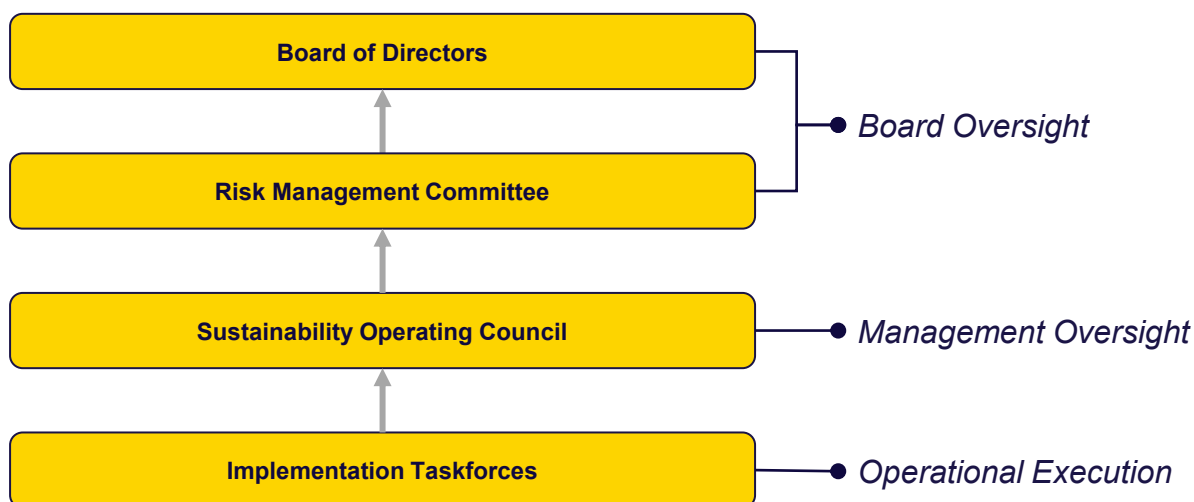


Figure 1: Our Sustainability Governance Structure



Role	Responsibility
Board of Directors	<ul style="list-style-type: none"> Provides oversight and decision-making on the integration of sustainability matters into strategy formulation. Guided by the Board Charter.
Risk Management Committee	<ul style="list-style-type: none"> Supports the Board in reviewing the effectiveness of LGIB in addressing and managing sustainability matters, including on climate-related matters. Guided by the Risk Management Committee Terms of Reference.
Sustainability Operating Council	<ul style="list-style-type: none"> Management-level Committee chaired by the CEO with SMT as members. Provides a platform for SMT to deliberate, monitor and drive LGIB's sustainability agenda, including on climate-related matters. Guided by the Sustainability Operating Council Terms of Reference.
Implementation Taskforces	<ul style="list-style-type: none"> Made up of representatives from the ESG, Risk Management, Actuarial, Company Secretarial and Talent Business Units. Leads the development and implementation of broad-based LGIB strategic sustainability initiatives. Guided by strategies and direction set by the SOC.

Figure 2: Roles and Responsibilities

1.3 Implementation Taskforce

The Implementation Taskforce is responsible for operationalising and embedding sustainability considerations across LGIB's operational footprint. The Implementation Taskforce is chaired by the Senior Vice President of the Operations Excellence & Sustainability Department.

The structure of the Implementation Taskforce ensures a comprehensive approach to identifying, developing, implementing and monitoring strategic sustainability initiatives. The Implementation Taskforce is also responsible for driving the successful execution of climate-related scenario analysis and stress testing activities of LGIB.

1.4 Collaboration with Liberty Mutual Group (“Liberty Mutual”)

LGIB collaborates with Liberty Mutual through Global Risk Solutions, the Community Investments and Sustainability Team, and the Global Sustainability Disclosure Governance (“GSDG”) Team to ensure alignment between LGIB's approach to sustainability and Liberty Mutual's overall direction. This collaboration ensures transparency and consistency in our climate-related disclosures, enabling us to drive our sustainability initiatives further and promote environmentally responsible practices throughout the organisation while ultimate responsibility and decision-making remain with LGIB's Board and SMT. Moreover, LGIB is able to leverage the resources of Liberty Mutual to inform strategic initiatives.



1.5 Capacity Building and Training Initiatives

At LGIB, capacity building initiatives for the Board and employees are recognised as a key enabler in empowering climate action. In 2025, all LGIB employees nationwide received a training session on “Sustainability Fundamentals,” which sought to enhance understanding in the following topical areas:

- LGIB’s Sustainability Approach;
- Environmental, Social and Governance elements;
- Greenhouse gas (“GHG”) emissions; and
- Climate-related risks and opportunities.

This compulsory organisation-wide training included all levels of employees including members of Senior Management with a total attendance of 1,817 staff.

Moving forward in 2026, LGIB intends to provide a targeted capacity building session for the Board which will include relevant topics such as the International Financial Reporting Standards (“IFRS”) Sustainability Disclosure Standards (i.e., IFRS S1 and IFRS S2), Liberty Mutual’s climate strategy, physical climate risks, climate transition risks and GHG emissions.

Moreover, this effort is reflective of the longer-term focus LGIB intends to adopt where the deep sector experience and knowledge of the Board is supplemented by periodic capacity building sessions on emerging areas of importance including sustainability and climate matters. The latest biodata of LGIB’s Board can be found on our [website](#).

Acknowledging the importance of effectiveness assessments with regard to sustainability and climate oversight, LGIB has enhanced its annual Board Effectiveness Evaluation to include these considerations. Specifically, the Board is assessed for its oversight effectiveness in the following areas:

- Sustainability Leadership (including Directors’ ability to stay abreast on Sustainability matters and incorporating sustainability considerations in its decision-making) ; and
- Sustainability Implementation (including Directors’ depth in relevant Sustainability deliberations).

1.6 Discussion on Sustainability and Climate Matters

In 2025, sustainability and climate-related discussions were held in various forums including Board, RMC and SOC meetings. These forums are a formalised method of ensuring the various components of the Sustainability Governance Structure are kept apprised of relevant developments at LGIB. The topics discussed mainly related to regulatory-related submissions and reporting for the prior year i.e., 2024. **Figure 3** outlines the frequency of deliberations as well as matters discussed:

Forum	Meeting Frequency	Relevant Topics of Discussion
Board Meetings	<ul style="list-style-type: none"> • Once every two (2) months or as required 	<ul style="list-style-type: none"> • Climate-related disclosures for 2024 • Climate Risk Stress Testing (“CRST”) results for 2024 • Climate Risk Management and Scenario Analysis (“CRMSA”) progress updates for 2024 • National Sustainability Reporting Framework (“NSRF”)
RMC Meetings	<ul style="list-style-type: none"> • Once every quarter or as required 	
SOC Meetings	<ul style="list-style-type: none"> • At least two (2) times per year 	
Implementation Taskforce Meetings	<ul style="list-style-type: none"> • As and when required 	

Figure 3: Sustainability and Climate-related Discussions in 2025





**OUR
STRATEGY**



2.1 Embedding Climate Considerations into Strategic Decision-Making

As a general insurer, LGIB remains committed to protecting individuals and businesses through comprehensive insurance solutions that respond to a changing risk landscape.

In 2025, we continued to review and refine our strategic approach to ensure it remains aligned with evolving climate-related risks and opportunities. This includes consideration of macroeconomic and geopolitical developments, regulatory expectations, technological advancements supporting decarbonisation, and insights derived from ongoing climate risk assessments.

In alignment with Liberty Mutual's Enterprise Climate Strategy, LGIB adopt a structured approach that is closely tied to our role as a risk expert - helping our customers identify, mitigate, and transfer risk. This approach supports our broader objective of serving our customers and communities, while contributing to the transition towards a low-carbon and climate-resilient economy.

To support this, LGIB continues to advance action and dialogue on climate-related matters through three (3) key pillars:

2.2.1 Advance Data and Discovery

Helping manage climate risk and advancing global understanding and conversation on data and risk discovery and application.

In 2025, LGIB maintained its commitment to strengthening climate risk understanding through active participation in local industry platforms, including the JC3.

We continued to support the development of data-driven methodologies to identify, assess, and manage climate exposures within the Malaysian context. These efforts enhance our ability to integrate climate considerations into our underwriting, risk assessment, and strategic decision-making, while contributing to broader industry-wide capability building.

2.2.2 Support the Adoption of Renewable and Decarbonisation Solutions

Accelerating innovative solutions that promote the adoption of renewables and decarbonisation through customer risk advisory, underwriting and investments.

LGIB continues to facilitate the adoption of low-carbon technologies through tailored insurance solutions designed to support the energy transition.

Through insurance products such as InsureMyTesla, we aim to facilitate the uptake of electric vehicles in Malaysia. InsureMyTesla is a comprehensive package, tailor-made with benefits specific for Tesla electric cars such as loss or accidental damage to a private electric charger, 24-hour towing to the nearest charging station, and towing due to accidents and breakdowns for total peace of mind.

At the same time, LGIB recognises that the transition to a low-carbon economy presents meaningful opportunities. As part of our long-term strategy, we continue to explore and develop:

- **Innovative insurance solutions** supporting climate-friendly technologies, including electric vehicles and renewable energy adoption; and
- **Sustainable investment approaches** aligned with responsible investment principles.

2.2.3 Support and Advocate for Greater Climate Resiliency

Driving engagement and support for climate resiliency efforts while leveraging our expertise to strengthen the built environment and bolster individual and community preparedness.

At LGIB, we have long focused on climate resiliency, which reduces the vulnerability of insured assets to climate-related risks and ensures the long-term viability of our business.

We define climate resiliency as the ability to prepare for, adapt to, and recover from the physical impacts of extreme weather. This focus presents a growing opportunity to develop insurance products and services that drive business growth, reduce exposure and create customer value.

LGIB has prioritised efforts to support and advocate for greater community climate resiliency. For example, we have developed a publicly-accessible climate risk awareness and preparedness campaign, focused on flood events - which remains a top climate risk in Malaysia.

This includes the release of an e-brochure aimed at educating and empowering the public on flood preparedness, including steps individuals and businesses could take at every stage of flood events - before, during and after.



2.2 Understanding Strategic Impacts of Climate Change

LGIB has begun looking at climate-related risks that may affect our operations, strategy, and customer value proposition. These risks were initially assessed through qualitative scenario analysis across short-, medium-, and long-term time horizons and will continue to be refined through future quantitative analysis, aligned to Liberty Mutual's methodology (refer to **Section 2.2.1 Liberty Mutual's Approach**).

To deepen our understanding of potential financial and operational impacts, LGIB is progressing towards a more data-driven quantitative climate risk assessment, as guided by Liberty Mutual's approach. This effort will support the development of targeted mitigation strategies and alignment with evolving industry practices.

2.2.1 Liberty Mutual's Approach

Liberty Mutual adopts a pragmatic, science-based approach to identifying and analysing the climate-related risks and opportunities impacting Liberty Mutual's business over the short-, medium-, and long-term.

This approach blends both a system-level and a portfolio-level perspective to understand physical and transition risks using the latest science and models, as described below:

- **System-level analysis** incorporates multiple macroeconomic factors alongside scientific conclusions stemming from modeling capabilities across geographic regions and economic sectors.
- **Portfolio-level analysis** adopts a sector-based, country-level perspective to understand how plausible future changes may affect Liberty Mutual.

This two-pronged approach gives a comprehensive view of emerging risks and opportunities across multiple time horizons and supports the adoption of practical strategies tailored to regional circumstances. Because the energy transition unfolds differently across sectors and geographies, countries are likely to adopt varied policy responses to mitigate climate impacts. Understanding these external dynamics is essential for assessing short-, medium-, and long-term risks and opportunities.

At the same time, Liberty Mutual recognises the strengths and limitations of current tools and models. Defining time horizons for climate-related risks is useful but requires a flexible approach that allows for evolving scientific insights and changing economic and policy landscapes. Given the distinct characteristics of physical and transition risks, Liberty Mutual evaluates each using different models and time horizons, as outlined in **Figure 4**.

Evaluating Physical Risks and Opportunities			
Time Horizon	Short-Term	Medium-Term	Long-Term
	0 to 10 years	10 to 25 years	25+ years
Tools and Processes	<ul style="list-style-type: none"> • Catastrophe models • Climate expertise 	<ul style="list-style-type: none"> • Risk assessments • Emissions pathway assumptions • Explicit parameter testing 	<ul style="list-style-type: none"> • Risk assessments • Qualitative approaches
Evaluating Transition Risks and Opportunities			
Time Horizon	Short-Term	Medium-Term	Long-Term
	0 to 5 years	5 to 15 years	15+ years
Tools and Processes	<ul style="list-style-type: none"> • Climate expertise • Data analytics • Economy and policy modelling • Integrated assessment model • Short-term scenarios 	<ul style="list-style-type: none"> • Integrated assessment models • Long-term models • Climate expertise 	<ul style="list-style-type: none"> • Integrated assessment models • Long-term models • Climate expertise

Figure 4: Liberty Mutual's Approach to Evaluating Physical and Transition Risks and Opportunities



2.3 Liberty Mutual's Scenario Analysis Methodology

Liberty Mutual utilizes a range of long-term scenarios to assess how transition and physical risks could affect the global economy and our operating environment. These scenarios include multiple NGFS pathways in the 2°C or lower range, evaluated at both the global and portfolio levels (refer to **Figure 5**). This approach ensures that we consider a spectrum of transition and physical risks across our portfolios, and strengthens our strategy's resilience

This pragmatic, systems-level, business-led climate strategy is designed to remain effective across a range of potential climate-related scenarios. In an orderly transition, the focus is on supporting innovative technologies and helping customers navigate the complexities of the transition.

In scenarios where physical risks are more pronounced, greater emphasis is placed on resilience, enabling customers and communities to prepare for, adapt to, and recover from climate-related impacts. Across all scenarios, the use of data, analytics and science supports an understanding of the pace of change and informs how strategy and actions are adjusted over time.

Recognising the maturity of our climate journey, LGIB has not yet undertaken a full quantitative climate scenario analysis, nor have we developed a dedicated scenario-driven strategy. Moving forward, LGIB will leverage upon Liberty Mutual's established methodology described above as a key reference point. This includes progressively adopting relevant methodologies and frameworks to enhance our capabilities over time, with the aim of developing more robust, data-driven and quantitative assessments that are aligned with Liberty Mutual's practices, regulatory expectations, and the Malaysian operating context.

NGFS Climate Scenarios				
Orderly	Assumes climate policies introduced early and become gradually more stringent High Transition Risk	1.1°C	Low Demand	Emissions reach zero around 2050.
		1.4°C	Net Zero 2050	Emissions reach zero around 2050, giving at least a 50% chance of limiting global warming to below 1.5°C by 2100.
		1.8°C	Below 2°C	Climate policy stringencies gradually increase, giving a 67% chance of limiting global warming below 2°C by 2100.
Disorderly	Policies are delayed or divergent across countries/ sectors High Transition and Policy Risk	1.7°C	Delayed Transition	Emissions do not decrease until 2030.
Too Little, Too Late	Late and uncoordinated transition fails to limit physical risks High Transition & High Physical Risk	2.4°C	Fragmented World	Delayed and divergent climate policy globally.
Hot House World	Some climate policies are implanted in some jurisdictions, but efforts globally are insufficient to halt significant global warming High Physical Risk	2.3°C	Nationally Determined Contributions ("NDCs")	Emissions continue to increase until 2080, leading to about 2.3°C of warming.
		3.0°C	Current Policies	Emissions grow, leading to about 3°C of warming.

Figure 5: Overview of NGFS Climate Scenarios¹

Notes: ¹ Sourced from [NGFS Scenarios Portal](#).





OUR RISK MANAGEMENT



3.1 Our Process for Identifying and Assessing Climate Risks

3.1.1 LGIB's Approach for Identifying and Assessing Climate Risks

As a general insurer, our core business involves identifying, mitigating and transferring risk. We remain committed to supporting our customers in understanding and managing significant risks, including those arising from climate change.

In assessing how climate-related risks affect our business, LGIB continues to align with the TCFD recommendations. We consider physical and transition risks as the primary drivers of climate-related financial impacts. In addition, given the potential implications for general insurers, we assess climate-related litigation, which the TCFD Recommendations classify under transition risks, as a distinct risk driver requiring standalone consideration.

- **Physical Risks** - Risk related to the physical impacts of climate change which can be event-driven (acute) or longer-term shifts (chronic) in climate patterns
- **Transition Risks** - Risk associated with the transition to a low-carbon economy and how an organization adapts or fails to adapt.
- **Litigation Risks** - Climate-related lawsuits brought against public and private entities for alleged failures relating to climate change.

LGIB's exposure to these risks arise primarily through our underwriting and investment activities, as well as our internal operations. Addressing these risks require a structured forward-looking approach embedded within our Enterprise Risk Management Framework (*refer to **Section 3.3: Integrating Climate Risks into Overall Risk Management***).

Effective risk management remains central to ensuring LGIB's resilience against climate-related risks. Climate considerations are therefore integrated into our risk categories, governance structures, and decision-making processes.

3.1.2 Liberty Mutual's Approach for Identifying and Assessing Climate Risks

In 2025, Liberty Mutual developed a Climate Risk Framework to formalise the management of climate-related risks across the enterprise. The framework establishes a consistent set of principles, standards, methodologies, and controls to enhance clarity in decision-making, strengthen understanding of climate-related exposures, and support the identification of risk management gaps and opportunities.

Jonathan Chong Kian Kiong
Chief Risk Officer



"In 2025, we enhanced our risk management approach by aligning our risk taxonomy with Liberty Mutual's existing approach and ensuring that climate risk drivers are considered alongside our existing risk categories.

This integrated approach enables us to better identify, assess and monitor climate-related risks while supporting informed decision-making across the business."

The framework spans the full risk management lifecycle and is structured around four (4) core components - Identification, Assessment, Response, and Monitoring - forming a continuous and iterative cycle.

This approach supports the integration of climate considerations into decision-making across underwriting, investments, and broader business activities.

Under Liberty Mutual's Climate Risk Framework, risk identification is an ongoing process aimed at enhancing transparency and understanding of climate-related risk exposures. Risks may arise from both internal and external sources and include emerging risks, evolving exposures, and previously unidentified risk drivers.

Climate risk assessment incorporates a combination of qualitative and quantitative approaches. This includes the use of expert judgment, data-driven analysis, and scenario-based methodologies to evaluate the potential impact of climate drivers across short-, medium-, and long-term horizons. These insights support risk-informed decision-making across underwriting, pricing, investment, and capital allocation activities.



a. Qualitative Assessment

Qualitative assessments play a key role in evaluating climate-related risks, particularly for physical risks where uncertainty and complexity remain high. This approach combines scientific evidence, expert judgement, and insurance industry experience to provide a forward-looking view of potential risk exposures.

In addition to tools such as catastrophe models, qualitative assessments are informed by broader climate science inputs, including global climate projections, regional hazard studies, and engineering insights. This enables a more comprehensive understanding of how climate risks may evolve over time.

A structured risk transmission is applied to assess how climate drivers interact with enterprise risk categories. Risk are evaluated based on relative exposure levels, considering both potential downside impacts and emerging opportunities. These assessments supports prioritisation across key business areas and inform the development of appropriate risk response strategies.

b. Quantitative Assessment

Complementing qualitative analysis, quantitative assessments are conducted to evaluate the potential financial and operational impacts of climate-related risks under a range of forward-looking scenarios.

These assessments utilise methodologies such as catastrophe modelling, scenario analysis, and sensitivity testing to translate climate risk drivers into measurable insights. They support the evaluation of impacts on underwriting performance, investment portfolios, and capital requirements.

Recognising the uncertainty in climate models and data, an iterative approach is adopted to continuously refine assumptions and methodologies. Scenario analysis including climate transition pathways and physical risk scenarios, is used to:

- Assess potential impacts across different time horizons;
- Evaluate the resilience of business strategies and risk appetite; and
- Support strategic planning and capital management decisions.

Output from these analyses are periodically reviewed and updated to reflect evolving scientific, regulatory, and market developments, ensuring continued relevance in decision-making.

While the Climate Risk Framework is currently implemented at the Group-level, LGIB will progressively assess applying these elements into LGIB's Enterprise Risk Management Framework (refer to **Section 3.3: Integrating Climate Risks into Overall Risk Management**). This would include local risk management processes, in a manner that is aligned with our governance structure, operational needs, and regulatory expectations in Malaysia.

Currently at the local level, LGIB continues to adopt the existing Risk and Control Self-Assessment ("RCSA") methodology as the primary approach for identifying and assessing climate-related risks. The introduction of Liberty Mutual's Climate Risk Framework provides a valuable reference point for enhancing our current practices.

3.2 Our Approach to Managing Climate-related Risks

LGIB continues to embed climate-related considerations into its business strategy through established governance structures, policies, and risk management mechanisms.

In 2025, we maintained and strengthened the foundational frameworks that guide our sustainability agenda, ensuring continued alignment with regulatory expectations, industry developments, and Group-level strategic direction.

3.2.1 Board-approved Governance Framework

LGIB's Sustainability Framework aligns with Liberty Mutual's overall sustainability direction and strategic priorities, including on climate change.

The framework further strengthens alignment with Liberty Mutual's approach and strategy, reinforcing consistency between local execution and Group-level direction, while ensuring relevance to the Malaysian operating context.

3.2.2 Climate Disclosure Policy

LGIB continues to operationalise its Climate Disclosure Policy as the guiding document for our climate-related reporting practices.

The policy outlines the principles that underpin our climate disclosures, promoting transparency, consistency, and accountability. It provides a structured framework for the continuous refinement of publicly disclosed climate reports, ensuring alignment with regulatory requirements and evolving best practices.



3.2.3 Risk Appetite Statement (“RAS”)

LGIB maintains a proactive approach in integrating climate-related risks within its RAS, reinforcing the importance of climate considerations in strategic and operational decision-making.

The RAS continues to incorporate sustainability and climate risk guardrails, ensuring that underwriting, investment, and broader business activities remain aligned with prudent risk management and responsible business principles.

3.2.4 Climate-related Considerations in Underwriting

As a leading general insurer, we consider climate principles within our underwriting practices, supporting our overall climate risk management approach. LGIB views the management of climate-related risks and the transition to a climate resilient economy as both a business imperative and an opportunity for innovation, sustainable growth, and societal adaptation. Through this dual lens, we are focused on helping customers, partners, and communities to become more resilient in the face of changing climate conditions while continuously strengthening our risk management practices to support our long-term resilience and contribute to a more sustainable future.

To this end, we are embedding sustainability, including climate risk considerations, into our decision-making processes and underwriting approach to ensure we remain a stable and adaptive insurer, always risk-aware and forward-looking.

Our underwriting activities are governed by established guidelines and sectoral considerations that define acceptance criteria, referral requirements, and capacity limits for higher-risk exposures. These are supported by periodic portfolio reviews to monitor emerging trends. Climate risk models, including catastrophe models and other relevant tools, inform pricing, risk selection, and accumulation management.

Ongoing monitoring provides a dynamic view of how climate-related risks evolve and supports timely management as science, data and external conditions change. We continue to build our climate risk capabilities to strengthen underwriting decisions, portfolio steering, and strategic planning within the Malaysian context.

a. Underwriting Restrictions on Thermal Coal Exposure

As part of our commitment to sustainable business practices and in alignment with Liberty Mutual’s global underwriting policy on thermal coal, LGIB has implemented the Coal Underwriting Guidelines.

These guidelines were developed to support informed underwriting decisions in relation to climate risks, particularly those linked to the transition to a low-carbon economy.

LGIB recognises the growing regulatory and industry expectations around climate-related risks, and the Coal Underwriting Guidelines serve as a framework to guide underwriters in making responsible and risk-conscious decisions, in line with Malaysia’s evolving climate landscape.

3.2.5 Sustainable Investments: Integrating Sustainability and Climate-Related Factors

a. Investment Restrictions on Thermal Coal Exposure

LGIB is committed to responsible investment practices by restricting direct investment in:

- Companies that derive more than 25% of their revenue from thermal coal mining; and
- Utility companies where more than 25% of their electricity production comes from thermal coal.

b. Updating Investment Guidelines for Climate Considerations

To enhance climate-related resilience in our investment portfolio, LGIB has:

- Updated our Investment Guidelines to include climate-related factors, ensuring consistency with Liberty Mutual’s Coal Policy; and
- Incorporated sustainability screening criteria into the investment review process, reducing exposure to high-carbon assets.

LGIB’s investment function has also integrated climate-related considerations into its internal investment classification methodology, aligning with Bank Negara Malaysia’s Climate Change and Principle-Based Taxonomy (“CCPT”). This ensures that investment decisions support climate risk mitigation and sustainable growth.

By embedding climate-related risks into investment decisions, LGIB ensures that our portfolio remains resilient and aligned with long-term climate goals.



3.3 Integrating Climate Risks into Overall Risk Management

LGIB's Enterprise Risk Management ("ERM") Framework provides a structured and consistent approach to identifying, assessing, and managing risks, including climate-related risks.

In line with our overall climate risk management approach, the ERM Framework incorporates relevant principles and requirements from Bank Negara Malaysia's Policy Document on CRMSA.

The framework ensures that risks are:

- Mapped across existing risk categories, aligning with our overall risk governance;
- Integrated into decision-making at all levels of the organisation; and
- Monitored through governance structures, with climate risks reported to the RMC.

In FY2025, LGIB further strengthened its risk management practices through an update to its risk taxonomy, aligning it with Liberty Mutual's enterprise risk taxonomy while ensuring compliance with Malaysia's key regulatory expectations.

Under the updated risk taxonomy, LGIB's key risk categories comprise:

- Operational Risk
- Credit Risk
- Insurance Risk
- Liquidity Risk
- Market Risk
- Strategic Risk

Climate-related risks are not managed as a standalone risk category but are assessed in conjunction with the relevant risk categories outlined above. This integrated approach ensures that climate considerations are embedded within existing risk evaluation and decision-making processes across the organisation.

In this context, physical risks, transition risks, and litigation risks are treated as climate-related risk drivers that guide the identification, assessment, and monitoring of climate risks.





OUR METRICS AND TARGETS



LGIB is committed to being transparent and accountable about how we evaluate and manage climate-related risks and opportunities. In addition to annually reporting our performance through this Climate-related Financial Disclosure Report, we continue to systematically measure and disclose data on both Scope 1 and Scope 2 GHG emissions.

4.1 Scope 1 and Scope 2 GHG Emissions

In FY2025, the organisation recorded a total of 1,533.8 MTCO₂e of GHG emissions, representing an approximate 10.8% reduction compared to FY2024.

This comprised 21.9 MTCO₂e of Scope 1 GHG emissions and 1,511.9 MTCO₂e of Scope 2 GHG emissions, reflecting a decrease of approximately 73.6% and 7.7%, respectively.

Electricity consumption within our buildings remains the primary contributor to our operational GHG emissions, accounting for approximately 98.6% of total emissions, consistent with FY2024 where Scope 2 emissions represented the majority of overall emissions. Scope 1 emissions represent a smaller proportion at approximately 1.4%, primarily associated with fuel consumption from our vehicle fleet.

The reduction in Scope 1 emissions is largely attributable to our strategic partnership with a roadside assistance provider, which resulted in these emissions no longer being within the operational control of LGIB.

4.2 Data Assurance

To enhance the credibility and reliability of our climate-related disclosures, LGIB continues to leverage the assurance process conducted at the parent-company level. The 2025 GHG Inventory, covering Scope 1 and Scope 2 emissions, has undergone Limited Assurance by Ernst & Young for Liberty Mutual.

4.3 Climate-related Targets

In 2021, Liberty Mutual announced a commitment to a 50% reduction of Scope 1 and Scope 2 GHG emissions from 2019 levels by 2030. In 2024, Liberty Mutual achieved a 20% reduction from 2023 levels, resulting in a cumulative 56% reduction from the 2019 baseline, achieving the 50% reduction in Scope 1 and 2 emissions target ahead of schedule.

Total GHG Emission per Scope

Scope (MTCO ₂ e)	FY2024	FY2025
Scope 1	83.0	21.9
Scope 2 (Location-based)	1,637.3	1,511.9
Total GHG Emissions	1,720.3	1,533.8

Figure 7: Current and Historical GHG Emissions

In line with our commitment to sustainability and transparency, LGIB continues to progress towards establishing climate-related targets that are viable, realistic, and aligned with Liberty Mutual's climate commitment.

We adopt a pragmatic and informed approach in developing these targets, ensuring that they are supported by a robust understanding of our operational emissions, climate-related risks, and emerging opportunities

Through this approach, we aim to establish meaningful climate-related targets that enable LGIB to contribute proactively towards a sustainable and climate-resilient future.

4.4 Progress on Scope 3 GHG Emissions

As part of our ongoing efforts to enhance emissions transparency, LGIB has commenced preliminary data assessments of selected Scope 3 GHG emissions categories.

In FY2025, we began evaluating emissions arising from business travel (Category 6) and employee commuting (Category 7), representing an important step towards broadening our understanding of indirect value-chain emissions associated with our operations.

This work is being carried out in close collaboration with Liberty Mutual, leveraging established parent-company level methodologies and technical expertise to ensure consistency, accuracy, and alignment with global reporting practices.

The inclusion of Scope 3 consideration marks an important milestone in LGIB's climate journey, enabling us to progressively understand the full scale of emissions linked to our business activities. Over time, this will support a more comprehensive assessment our climate impact and inform the development of future climate-related targets and strategies.



Cautionary Statement Regarding This Report

This report has been prepared solely for informational purposes from sources understood by the Company to be reliable at the time included in this report. Liberty General Insurance Berhad (the Company) does not guarantee the accuracy, completeness, timeliness, or availability of the contents of this report. The Company is not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the contents of this report. In no event shall the Company be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special, or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the contents of this report even if advised of the possibility of such damages. The Company's opinions, quotes, and analyses are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or to make any investment or insurance-related decisions and do not address the suitability of any security or insurance policy. The contents of this report should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors, and/or clients when making investment, insurance-related, and other business decisions.

This report contains forward looking statements that are intended to enhance the reader's ability to assess the Company's future financial and business performance. Forward looking statements include, but are not limited to, statements that represent the Company's beliefs concerning future operations, strategies, financial results, or other developments, and contain words and phrases such as "may," "expects," "should," "believes," "anticipates," "estimates," "intends" or similar expressions. Because these forward-looking statements are based on estimates and assumptions that are subject to significant business, environmental, economic, and competitive uncertainties, many of which are beyond the Company's control or are subject to change, actual results could be materially different.

The Company's forward-looking statements speak only as of the date of this report or as of the date they are made and should be regarded solely as the Company's current plans, estimates and beliefs. The Company assumes no obligation to update these forward-looking statements or the contents of this report following publication in any form or format. For a discussion of the Company's financial information, visit the Company's Investor Relations website at www.libertymutualgroup.com/investors.

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Except where noted, the information covered in this report highlights our performance and initiatives in fiscal year 2025.

The inclusion of information in this report should not be construed as a characterization regarding the materiality or financial impact (or potential impact) of that information.

Contact us

For questions or comments regarding this report, please contact us at:

Liberty General Insurance Berhad
197801007153 (44191-P)

**Liberty Insurance Tower, CT9, Pavilion Damansara Heights, 3
Jalan Damanlela,**

Pusat Bandar Damansara, 50490 Kuala Lumpur

General Line: +603 2268 3333 | Fax: +603 2268 2222

Visit us online: www.libertyinsurance.com.my