

AIA MALAYSIA

**TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES REPORT
(TCFD) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

AIA MALAYSIA

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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AIA MALAYSIA TCFD Report 2025

INTRODUCTION

This report outlines AIA Malaysia's climate-related financial disclosures that are aligned with the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD). The purpose of the TCFD Report is to disclose material climate-related risks and opportunities, covering the core elements of Governance, Strategy, Risk Management, Metrics and Targets, to meet the needs of the Company's stakeholders.

In December 2021, AIA Group (the "Group") aligned its targets with the Science Based Targets initiative (SBTi) to address climate risks and opportunities. To achieve this, AIA Group aims for a 46.2% reduction in Scope 1 and 2 emissions by 2030, aligned with the 1.5°C pathway in accordance with the Paris Agreement. Beyond 2030, AIA Group remains steadfast in its goal of achieving net-zero by 2050.¹

AIA Group published its inaugural Climate Transition Plan (CTP)¹ in 2023, detailing its plans and strategy to achieve its climate targets. The document articulates the Group's climate vision and strategy, outlining both near-term targets and long-term commitments in detail. It also includes an execution plan for the Group to manage climate-related risks and opportunities across the Group's Operations, Investments, and Life and Health insurance portfolio.

AIA's climate commitments share a common goal with the Maqasid Al-Shariah, as introduced by the Malaysian Takaful Association's Value-Based Intermediation in Takaful 2021.

The protection of the environment is embedded in the principles and intention of Shariah and there is a moral imperative, as reflected by Shariah views for boards, management and employees of companies to assess their impact on the environment.²

¹ AIA Climate Transition Plan 2023. https://www.aia.com/content/dam/group-wise/en/docs/ESG/AIA_Climate_Transition_Plan_2023.pdf

² National Sustainability Reporting Framework (2024). <https://www.sc.com.my/api/documentms/download.ashx?id=e98c3900-7b35-4cf5-a07d-fd17acf8734e>

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GOVERNANCE

OVERSIGHT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES

Importance of a robust governance structure

Effective governance is essential to AIA's business and underpins our commitment to responsible business conduct. Our Board and senior management provide robust oversight, ensuring that responsible operations remain central to our organisational culture. Our governance framework evolves as we expand our business and continue to embed our sustainability strategy into our operations.

GOVERNANCE AT BOARD LEVEL

Board responsibility and oversight of climate-related risks and opportunities

The Board oversees the Company's strategy and operations with the integration of climate considerations. It sets our risk appetite and implements an effective Risk Management Framework (RMF) to include climate-related risk perspectives.

Regular meetings ensure clear oversight of climate-related risks and opportunities across all levels of management.

The table below summarises the Board committees' responsibilities on sustainability, including climate-related topics.

BOARD COMMITTEES' RESPONSIBILITIES ON CLIMATE-RELATED MATTERS		
Governance Body	Roles and Responsibilities	Reporting Frequency
Board of Directors	- Oversees AIA's risk-management activities, including climate-related risks and opportunities. - Oversees the implementation of an effective RMF framework. - Monitors overall progress of AIA's climate commitments.	Receives updates from respective committees
Board Risk Management Committee (RMC)	- Determines the Company's risk appetite and ensures that the Company establishes and maintains an appropriate and effective risk management framework, including considerations for climate-related risks. - Ensures that the material risks, including climate-related risks, are identified with mitigation actions in place. - Where material, climate-related risks and opportunities are assessed and escalated to the Board of Directors.	At least four times annually

Board skills and competencies

Maintaining the Board competency mapping database which identifies the strength and development areas of all of its Directors is crucial for developing and implementing strategies that address climate-related risks and opportunities.

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GOVERNANCE (CONTINUED)

GOVERNANCE AT BOARD LEVEL (CONTINUED)

To maintain relevant understanding of the topic, members of the Board undergo trainings on climate and environmental-related matters. In 2025, members of the Board received training on climate-related matters, including ESG issues and climate risks, as outlined in the following table:

No.	Description
1	AIA 2025 Climate Risk Stress Testing
2	AIA Maqasid Shariah At The Helm: Navigating The Future Of Takaful
3	Human Rights Day Forum 2025: "Protecting Our Future Generations: Human Rights For All"
4	Sasana Symposium 2025: Structural Reforms - Building A Resilient Malaysia
5	4th Asian Economy Impact - Climate Change Risk
6	Climate Change Risk Management and Disclosure
7	Malaysia Carbon Market Forum 2025: Empowering Regional Climate Actions through the ASEAN Common Carbon Framework
8	The importance of Sustainability and ESG in Today's Reporting Environment
9	Fundamentals of ESGF Certificate - The Evolution and Future of ESG Reporting

GOVERNANCE AT MANAGEMENT LEVEL

The Chief Executive Officer chairs the ESG Committee serving as the highest-ranking official responsible for sustainability-related issues.

The Head of Sustainability reports to the Chief Financial Officer and is responsible for integrating the Company's climate strategy across business operations, leading the Sustainability function and driving the Company's overall sustainability efforts.

The Head of Sustainability is also responsible for overseeing the achievement of KPIs to support AIA Group's net-zero transition commitment for 2050.

The Chief Investment Officer (CIO) serves as the highest-ranking management officer for AIA Malaysia's investment portfolios, reporting to the Chief Executive Officer. The CIO oversees the Sustainable Investment pillar of AIA's climate strategy and the progress towards investment targets.

AIA has management-level committees to ensure effective oversight and implementation of climate-related strategies, aligning the Company's efforts with the sustainability goals.

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GOVERNANCE (CONTINUED)

GOVERNANCE AT MANAGEMENT LEVEL (CONTINUED)

The specific sustainability responsibilities of these management-level committees, including for climate-related topics, are outlined in the following table.

MANAGEMENT COMMITTEES' RESPONSIBILITIES ON CLIMATE-RELATED MATTERS			
Governance Body	Roles and Responsibilities	Management Structure and Reporting Line	Reporting Frequency
ESG Committee	• Acts as AIA's overarching body for ESG-related matters, including climate-related matters³. • Develops, monitors and supports the implementation of the ESG strategy (including providing progress updates on the Company's ESG strategy to the Board). • Sets ESG policies and objectives, targets and KPIs⁴. • Monitors and reviews ESG and climate performance against ambitions and targets. • Escalates ESG risks to the Board through the Risk Committee, when needed. • Oversees ESG reporting and disclosure. • Provides updates to the Board and senior management on ESG matters, on an as needed basis. • Shares and reports on pertinent issues around ESG amongst the business, as necessary.	• Chaired by Chief Executive Officer	At least four times annually
Operational Risk Committee, Financial Risk Committee, Management Risk Management Committee (MRMC)	• Ensures that the material risks, including climate-related risks, have been identified, monitored and mitigated. • Reviews the adequacy and effectiveness of the risk management framework that relates to the Company's management of material risks, including climate-related risks.	• Chaired by Chief Executive Officer	At least four times annually

Linkage to incentives and remuneration

A portion of the Head of Sustainability's compensation is linked to the Company's performance for sustainability and climate targets.

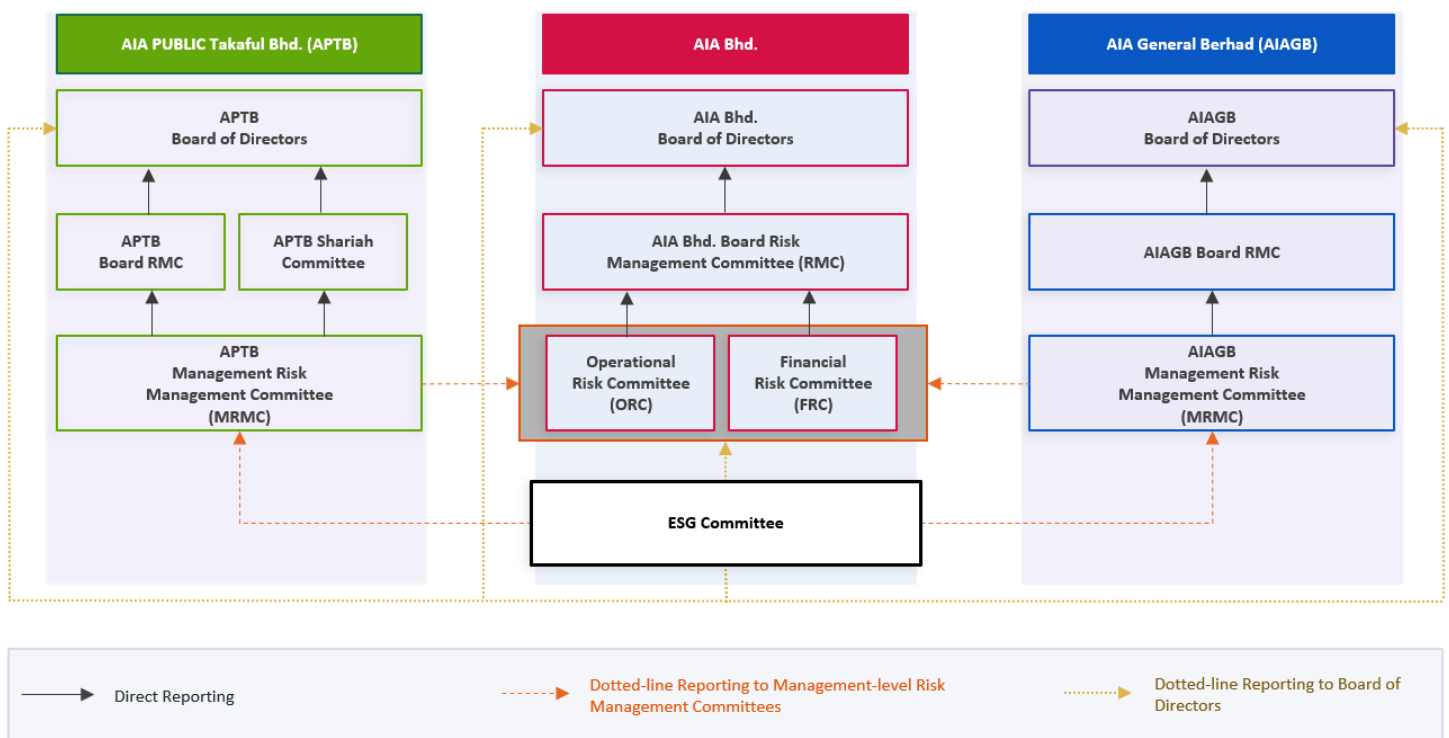
^{3,4} The ESG Committee's aforementioned responsibility is limited to non-investment matters only.

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GOVERNANCE (CONTINUED)

GOVERNANCE AT MANAGEMENT LEVEL (CONTINUED)

Overview of Management Oversight and Functional Bodies



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STRATEGY

AIA'S CLIMATE CHANGE STRATEGY

In 2021, AIA Group established its sustainability strategy — a long-term programme focused on identifying, assessing and managing physical, transition and liability risks and opportunities associated with climate change. This strategy supports AIA Group's pledge to reach net zero GHG emissions by 2050.

In 2023, AIA Group became the first pan-Asian life and health insurer to obtain SBTi-validated near-term targets. AIA Group also released its initial Climate Transition Plan (CTP) in 2023 to support these near-term targets with tangible actions. In 2025, AIA Group continues to disclose progress tracking against these near-term targets in the AIA Group Sustainability Report 2025.

AIA Malaysia's climate change strategy is closely aligned with AIA Group, adapted to meet local stakeholder and regulatory expectations, ensuring climate-related risks and opportunities are adequately managed.

CLIMATE RISKS AND OPPORTUNITIES

Climate risks are an important topic for internal and external stakeholders, and are classified into three categories:

1. Physical risks from climate change, such as acute events like storms and floods (event-driven), and chronic events like increased temperatures and sea levels (driven by longer-term shifts in climate patterns)
2. Transition risks, which are the costs of transitioning to a low-carbon economy, driven by policy action, technology or market changes
3. Liability risks resulting from potential litigation or regulatory exposure against companies that are deemed to contribute to climate change or inadequately respond to its impacts.

The table on the following page provides an overview of common climate-related risks that may present within our taxonomy. Our journey in climate risk management will mature as we collect more granular data and methodologies become more developed, refined and robust.

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STRATEGY (CONTINUED)

TYPICAL CLIMATE-RELATED RISKS FOR LIFE AND HEALTH INSURANCE		COMMON MANIFESTATIONS	PRIMARY EXPOSURE TO INSURERS	EXPOSURE TO INSURANCE LIABILITIES	EXPOSURE TO INVESTMENT ASSETS
 Physical	Acute	→ Increased severity of extreme weather events such as cyclones and floods	→ Business operations risk → Insurance risk → Market risk → Other financial risks	●	●
	Chronic	→ Changes in precipitation patterns and extreme variability in weather patterns		●	●
		→ Rising mean temperatures		●	●
		→ Rising sea levels		●	●
 Transition	Policy and legal	→ Increased carbon pricing	→ Business operations risk → Other financial risks → Insurance risk → Persistency risk → Expense risk → Reputational risk	●	●
		→ Enhanced emissions reporting obligations		●	●
	Market and technology	→ Substitution of existing products and services with lower emissions options		●	●
		→ Costs of transition to lower emissions technology		●	●
		→ Changing customer behaviour		●	●
	Reputation	→ Shifts in consumer preferences		●	●
		→ Increased stakeholder concerns or negative stakeholder feedback		●	●
 Liability	Litigation	→ Exposure to litigation	→ Legal and regulatory risk	●	●
	Regulatory Law Enforcement	→ Mandatory disclosure of climate-related information	→ Business operations risk	●	●

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STRATEGY (CONTINUED)

AIA'S CLIMATE RESILIENCE, SCENARIO ANALYSIS AND STRESS TEST

Climate scenario analysis is important in identifying and assessing climate-related risks under different conditions.

AIA Group's 2023 scenario analysis examined the resilience of our Investment, Operations, and Life/Takaful and Health (Liabilities) portfolios against three Group-wide scenarios to consider AIA's resilience to withstand climate-related risks and impacts across various time periods. Climate-related opportunities differ across these scenarios.

AIA Group used the scenarios developed by the Network for Greening the Financial System (NGFS)⁵ as the primary data source for identifying and understanding transition risks. AIA Group has also incorporated data from the Intergovernmental Panel on Climate Change (IPCC), specifically scenarios (SSP1⁶+RCP2.6⁷ and SSP5+RCP8.5), for greater granularity in climate peril data for physical risk evaluations.

AIA Group's current approach assumes no correlation between different hazards. Recognising that global average temperatures have already exceeded 1.5°C above pre-industrial levels^{8,9}, we consider the temperature rise pathway SSP1+RCP1.9 to be unlikely. We will continue working with AIA Group to evolve our approach to climate scenario analysis as new credible data and methodologies become available.

See the graphics on the following page for the NGFS¹⁰ and IPCC scenarios.⁶

⁵ NGFS is a group of central banks and supervisors who share best practices, contribute to developing climate and environment risk management in the financial sector, and mobilise mainstream finance to support the transition to a sustainable economy.

⁶ Shared Socioeconomic Pathway.

⁷ Representative Concentration Pathway.

⁸ Chen, D., Rojas, M., Samset, B. H., Cobb, K., Diongue Niang, A., Edwards, P., Emori, S., Faria, S. H., Hawkins, E., Hope, P., Huybrechts, P., Meinshausen, M., Mustafa, S. K., Plattner, G. K., & Treguier, A. M. (2021). *Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change* (Report No. 6). Cambridge University Press. <https://doi.org/10.1017/9781009157896.003>

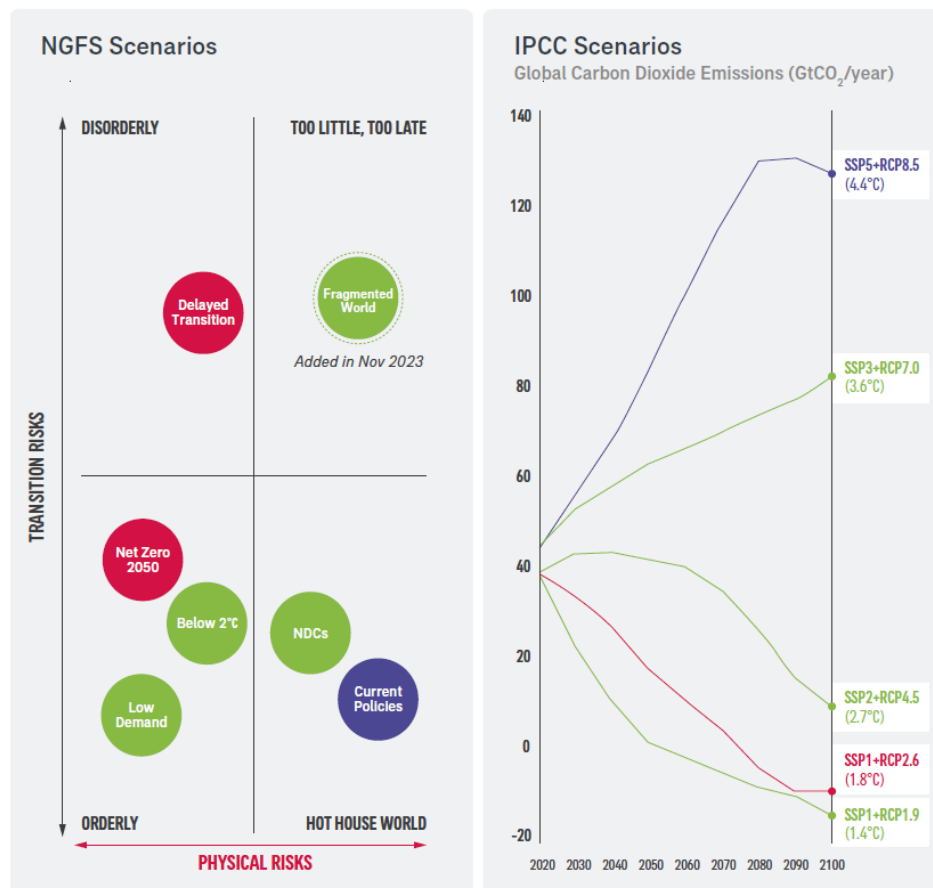
⁹ Copernicus Climate Change Service. (2023, August 8). July 2023: Global air and ocean temperatures reach new record highs. <https://climate.copernicus.eu/july-2023-global-air-and-ocean-temperatures-reach-new-record-highs>

¹⁰ NGFS (Network for Greening the Financial System). (2023). *Climate Scenarios for Central Banks and Supervisors: Phase IV*. Retrieved from https://www.ngfs.net/sites/default/files/medias/documents/ngfs_climate_scenarios_for_central_banks_and_supervisors_phase_iv.pdf

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STRATEGY (CONTINUED)

AIA'S CLIMATE RESILIENCE, SCENARIO ANALYSIS AND STRESS TEST (CONTINUED)



AIA Group assessed physical and transition risks over three distinct time horizons. AIA Group continues to use the time horizons in alignment with global best practices.

The graphic below illustrates the different time horizons defined as well as the alignment with AIA Group's planning and net-zero pathway.

SHORT TERM (0-3 YEARS)

Aligned with our strategic planning cycle

MEDIUM TERM (3-10 YEARS)

Aligned with our near-term SBTs, providing a sufficient timeframe for various climate-related pathways to unfold.

LONG TERM (10-30 YEARS)

Aligned with our long-term net-zero commitments, offering sufficient time to observe long-term climate impacts.

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STRATEGY (CONTINUED)

AIA'S CLIMATE RESILIENCE, SCENARIO ANALYSIS AND STRESS TEST (CONTINUED)

The three NGFS scenarios chosen were shaped by AIA Group's vision of potential future conditions:

1. **Net-zero 2050:** This scenario assumes immediate and stringent policy action combined with innovation to limit global warming to 1.5°C. Carbon dioxide removal techniques are utilised to expedite decarbonisation but are kept within sustainable levels of bioenergy production. Global net-zero CO₂ emissions are achieved by 2050, with some markets like the US, EU and Japan also reaching net-zero for all greenhouse gases.
2. **Delayed Transition:** This scenario assumes that annual emissions do not decrease until 2030, followed by the implementation of strong policies to limit warming to below 1.8°C. Climate policies and actions vary significantly across different markets and regions, with limited CO₂ removal. As a result, emissions temporarily exceed the carbon budget and then decline more rapidly than in other scenarios, leading to increased transition and physical risks in some markets compared to the Net-zero 2050 scenario.
3. **Current Policies:** This scenario assumes the continuation of currently implemented climate policies with no additional action. Emissions continue to rise until 2080, resulting in 2.9°C of warming and leading to severe physical risks.

These scenarios identified help us deepen our understanding of the potential implications of climate change on our business, strategies and financial performance under different conditions, and enable us to address potential climate-related risks and opportunities.

In 2025, AIA conducted a climate stress test exercise, under the different climate pathways defined by Bank Negara Malaysia in its Climate Risk Stress Testing Methodology Paper. These scenarios are based on publicly available data from authoritative sources, including regional and international climate projections.

Methodology Summary

AIA incorporates both quantitative and qualitative elements when conducting scenario analysis and stress testing. This approach considers the materiality of climate risks to each portfolio, the availability of reliable data, measurement uncertainty, and resource requirements. The material climate-related risks and mitigation strategies identified from the scenario analysis and stress testing exercises are summarised in the following pages.

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STRATEGY (CONTINUED)

MATERIAL CLIMATE-RELATED RISKS AND OPPORTUNITY

Material climate risks and mitigation strategies

RISK CLASSIFICATION	RISK DRIVER	RISK DESCRIPTION	FINANCIAL EFFECT	MITIGATION STRATEGIES
Reputational Risk <i>(Financial Services Industry Risk Classification)</i> Transition Risk <i>(Climate-related Risk Classification)</i>	Regulator and stakeholder concern or regulator and stakeholder feedback	AIA's long-standing reputation for responsible business practices is essential for delivering sustainable, long-term value to our stakeholders. However, this reputation faces potential threats from climate change related risks, especially increased regulator and stakeholder concerns or negative feedback. This risk occurs primarily in the upstream value chain which includes failure to act on climate change and possible concerns of 'greenwashing', which may influence consumer preferences and raise stakeholder concerns.	• We are vulnerable to this risk, with the primary effect being decreased revenues due to reduced demand for products and services. • The impact on our solvency position is relatively immaterial, and we do not expect any breaches of Regulatory Capital Risk Tolerance. While it may be difficult to anticipate/gauge the impact for the medium to long term, we will closely monitor regulatory and customer activities in our markets, as well as stakeholder expectations.	Regulator and stakeholder engagement: AIA engages in multiple channels to capture feedback and opinions from a variety of stakeholders. This approach helps us align our actions with stakeholder expectations. Our ESG Committee regularly briefs the senior management on the outcomes of these engagements. AIA actively participates in industry platforms and committees, such as being the co-chair of Bank Negara Malaysia's Physical Risk Working Group under the Joint Committee of Climate Change, and a member of the Disclosures sub-committee. Participation in these industry committees helps us identify potential developments early and allows us to provide stewardship on ESG and climate action issues.

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STRATEGY (CONTINUED)

MATERIAL CLIMATE-RELATED RISKS AND OPPORTUNITY (CONTINUED)

Material climate risks and mitigation strategies (continued)

RISK CLASSIFICATION	RISK DRIVER	RISK DESCRIPTION	FINANCIAL EFFECT	MITIGATION STRATEGIES
Market Risk <i>(Financial Services Industry Risk Classification)</i> Transition Risk <i>(Climate-related Risk Classification)</i>	Transition to lower emissions technology and products Increased carbon pricing	AIA makes large investments in diversified assets and portfolios of companies. The impact of climate change on various asset classes can be substantial if changes in asset values are not sufficiently understood and managed. There is a significant possibility that stranded assets in carbon-intensive industries may rise due to a systemic shift towards a low-carbon future. Inadequate valuation of these assets and the lack of integration in investment decisions could negatively affect the performance of our investment portfolio.	Devaluation of collateral and the potential for stranded, illiquid assets.	Greater due diligence: We integrate on a mandatory basis, the consideration of various ESG factors in our bottom-up investment process applicable to general account assets. We have our proprietary ESG Rating Scorecard which applies to our directly managed general account assets. We have also a distinct scorecard in relation to our general account assets to assess external asset managers on their ESG frameworks and processes. We also engage with our investee companies to understand their position on various climate risks.

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STRATEGY (CONTINUED)

MATERIAL CLIMATE-RELATED RISKS AND OPPORTUNITY (CONTINUED)

Material climate opportunity and realisation strategy

OPPORTUNITY TYPE	OPPORTUNITY DESCRIPTION	RESULT AND ACTION TO REALISE THE OPPORTUNITY
Increased diversification of financial assets	As an asset owner, this opportunity primarily occurs in our investment portfolio. AIA plays a crucial role in supporting the development of capital markets by participating in sustainable financing within the communities in which we operate. Through the mobilisation, aggregation and productive deployment of long-term capital, we provide access to important investments that fund infrastructure and support both economic prosperity and sustainable outcomes. We actively engage with our investees, peers and the public sector to share technical expertise and perspectives on sustainability, helping us deliver on our Purpose. Our support may result in the continued investment in instruments such as green bonds/sukuk, sustainability bonds/sukuk, renewable energy and alternative energy infrastructure within AIA's investment portfolio.	AIA has been investing in companies that demonstrate sound ESG practices as part of our bottom-up investment process. This strategy allows us to seek and earn financial returns by driving sustainable outcomes and behaviours that are consistent with the values outlined in our Sustainable Investment pillar.

Other climate-related impacts on AIA's strategy and financial planning

Impacts on strategy and our responses

We have a responsibility to our customers, employees, shareholders and stakeholders to take strong, decisive action on climate change. One climate-related opportunity that has influenced AIA Group's strategy is the increased demand for funds that invest in companies with positive environmental credentials. Additionally, AIA Group also requires in-scope front-line investment professionals to obtain CFA Sustainable Investing Certificate (formerly known as the Certificate in ESG Investing).

Impacts on financial planning and our responses

AIA Group's capital allocation and asset planning have been impacted by climate-related risks. We allocate capital to companies with strong sustainability practices to manage long-term risks, investing for the future and lowering AIA's exposure to the risk of stranded assets in a future low-carbon economy.

One example is AIA Group's coal exclusion policy, whereby, following the complete divestment from coal in the general account investment portfolio, the Group remains committed to making no new investments in businesses directly involved in either mining coal or generating electricity from coal. Meanwhile, we retain the ability to invest in green or social bonds/sukuk issued by such companies if they genuinely meet our requirements, including the use of proceeds and objectives.

The effects of the material risks and opportunities have been separately identified and disclosed above. However, given the nascent stage of analysis in quantifying financial impacts, the level of measurement uncertainty is deemed too high to allow for meaningful quantitative disclosure.

RISK MANAGEMENT

CLIMATE RISK MANAGEMENT OVERVIEW AND INTEGRATION

The RMF is built on a 'Three Lines' model. This framework comprises five essential components: Risk Governance, Risk Culture, Risk Strategy and Appetite, Risk Management Process and Risk Reporting, Systems and Tools.

The table outlines the roles and responsibilities of AIA's Three Lines.

THREE LINES OF DEFENCE	ROLE (BUSINESS UNITS AND LEADERSHIP)	RESPONSIBILITIES
First Line	Business Management	Responsible for operating within the RMF and implementing controls to mitigate risks, including climate-related risks.
Second Line	Risk and Compliance	Ensures the appropriateness and effectiveness of the RMF to ensure that risks, including climate-related risks, are effectively managed.
Third Line	Internal Audit	Independent assessment of overall effectiveness of risk management, controls and governance, including those relating to climate-related risks.

We effectively manage climate-related risks across our organisation, including direct operations and value chain.

Our approach is guided by:

- **Regulatory Alignment:** We closely monitor any climate-related regulatory developments from Bank Negara Malaysia, to ensure compliance with evolving regulatory expectations.
- **Stakeholder Engagement:** It is central to our strategy to engage with our stakeholders to ensure that we meet stakeholders' expectations with respect to climate-related activities.
- **Risk Types:** The definition of climate risk in our risk landscape covers physical, transition and liability risks. This covers acute physical risks such as extreme weather events and chronic physical risks such as sea level rises, but may also include policy changes, reputational shifts, technological transitions and liability exposures. As the nature of climate risk is transverse, it can present itself across existing taxonomies in our risk landscape.
- **Tools and Methods:** We deploy a range of tools and methodologies for addressing climate-related risks, including scenario analysis, risk models, stress tests as well as leveraging IPCC and NGFS databases and input from external experts.

RISK IDENTIFICATION

AIA considers climate-related risk as a transverse risk across its risk landscape considering physical, transition and liability risks arising from climate related events including potential transmission channels. This category of risk is still in a nascent stage with ongoing developments to the climate risk assessment models as more credible data points become available.

For example:

- We factor the climate-related events or trends into business continuity, which enable us to minimise and/ or limit any potential disruption/ impact to organisation's operations, premises, systems and people.
- We perform scenario analysis and stress testing as necessary, incorporating potential climate triggers that may have operational, financial and/ or strategic impact to the organisation's objectives, assets and liabilities.

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RISK MANAGEMENT (CONTINUED)

ASSESSMENT AND MEASUREMENT

AIA has conducted a climate risk scenario analysis assessment covering Investments, Operations and Life and Health (Liabilities). This bottom-up approach evaluated the impacts of transition and physical risks across the short, medium and long term.

We will continue to reassess climate-related risks as new data points, methodologies and guidance become available.

MANAGEMENT AND MONITORING

Our RMF outlines essential controls and procedures to effectively identify, assess, manage and monitor any material climate risks. The risk management process includes but is not limited to:

- **Management and Response:** Executives in the First Line play a vital role in executing targeted actions and risk mitigation strategies to address risks considered outside of risk tolerances. This includes transferring, mitigating or eliminating such risks and ensuring material risk developments are escalated in a timely manner.
- **Risk Monitoring:** Continuous evaluation of risks against approved risk tolerances and risk limits provides a comprehensive understanding of both current and future risk profiles. An understanding of risk implications supports an informed decision-making process.
- **Risk Controls:** As with all risks within the AIA risk landscape, climate-related risks are managed through an effective internal control system which operates to maintain exposures within acceptable residual levels.

By adhering to these structured approaches within our RMF, AIA demonstrates a proactive approach in its risk management practices, especially in the context of evolving/dynamic climate-related risks.

ILLUSTRATION OF AIA'S CLIMATE-RELATED RISK MANAGEMENT PROCESS

The following graphic depicts AIA's risk management process, highlighting our approach to identifying, assessing and managing climate-related risks. This process includes the assessment of physical, transitional and liability risks associated with climate change, including any relevant trade-offs, and the strategies we implement in response to these challenges.

- **Physical Risks:** We evaluate event-driven risks such as floods, storms, and wildfires (acute), as well as those arising from longer-term shifts in climate patterns (chronic). For acute physical risks, AIA properties and facilities are assessed for potential financial losses, business interruptions and reduced real estate values.
- **Transitional Risks:** Transitional climate risks refer to the potential financial risks associated with the transition to a low-carbon economy. We monitor regulatory changes in our markets, indications of shifts in external stakeholder expectations, and changes in technology which may impact AIA's operations or portfolio values. In time, we anticipate that climate-related scenario analysis will provide additional insights into the impact on operations, financial performance and investment opportunities, especially in the mid to longer term timeframe. In the interim, AIA will continue in its strategic commitment to achieving sustainable business models, sustainable investing and reducing our carbon footprint.

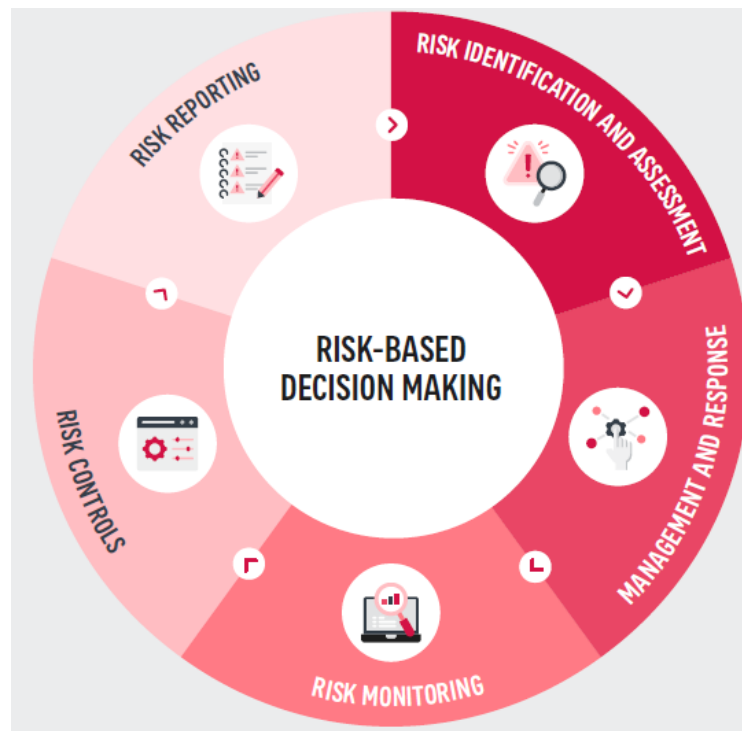
RISK MANAGEMENT (CONTINUED)

ILLUSTRATION OF AIA'S CLIMATE-RELATED RISK MANAGEMENT PROCESS (CONTINUED)

- **Liability Risks:** The potential legal and financial risks associated with climate change are attentively surveilled. Regulatory and legal activities, along with stakeholder expectations, are comprehensively monitored, facilitating proactive risk mitigation.

The quality of climate-related data is of paramount importance. Therefore, AIA Group seeks external limited assurance on key metrics, such as emissions, to ensure their accuracy and reliability. AIA Group has engaged an external agency to verify the Group's published relevant emissions data. The agency has provided limited assurance on the 2025 published relevant emissions data and has issued an assurance statement on page 35-36 of the AIA Group Sustainability Report 2025.

By adhering to these established procedures, we will continue monitoring and adapting our risk management processes in response to evolving climate risks, integrating these efforts into our comprehensive risk management strategy.



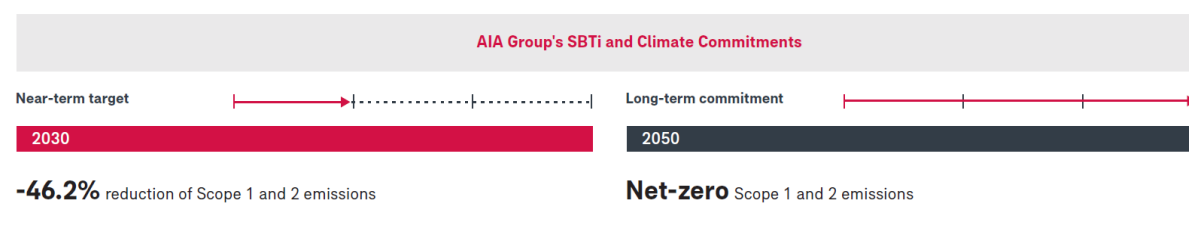
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METRICS AND TARGETS

CARBON EMISSIONS METRICS AND TARGETS

SBTi progress tracking and validation

AIA Group targets a 46.2% reduction in Scope 1 and 2 emissions by 2030, aligned with the 1.5°C pathway in accordance with the Paris Agreement. Beyond 2030, AIA Group is committed to its goal of achieving net-zero by 2050. Additional information about the GHG reduction targets, including how AIA Group calculates, assures and reviews the SBTs are outlined in AIA Group's CTP 2023.¹¹



Carbon Credits

AIA Group follows SBTi's guidance on the use of carbon credits and offsets for renewable energy instruments. Currently, SBTi does not recognise carbon credits as a credible decarbonisation lever towards near-term targets, except when they are used to neutralise residual emissions or finance climate mitigation beyond science-based emission reduction targets. Hence, AIA Group's near-term targets are all gross targets. We will continue to monitor the guidelines related to carbon credits and offsets periodically to ensure compliance.

Internal Carbon Pricing

AIA Group is currently exploring an Internal Carbon Price (ICP) derived from its operational decarbonisation engagement efforts, primarily focused on reducing emissions from business travel. The ICP mechanism is designed to evolve over time, starting with a low initial price to signal the importance of carbon accountability without disrupting normal operations. This price is meant to gradually increase to reflect the cost of appropriate decarbonisation solutions for business travel-related emissions.

To ensure relevance and credibility, AIA Group benchmarks its ICP against the cost of Sustainable Aviation Fuel (SAF) credits, aligning the mechanism with market-based decarbonisation solutions. At present, AIA Group is exploring how to pilot ICP in selected Business Units (BUs). Proceeds collected through the ICP could be used towards sustainability or decarbonisation initiatives.

The ICP is intended to serve as a decision-making tool to foster a mindset shift towards sustainability. The current price level is under refinement to balance effectiveness in driving behavioural change with operational continuity.

¹¹ AIA Group Limited. (2023). AIA Climate Transition Plan 2023. https://www.aia.com/content/dam/group-wise/en/docs/ESG/AIA_Climate_Transition_Plan_2023.pdf

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METRICS AND TARGETS

OTHER INVESTMENT AND OPERATIONS METRICS

Operations metrics

As of 31 December 2025, our operational Scope 1 and 2 emissions, along with Scope 3 Category 6: Business travel details are as below:

Entity	kgCO ₂ e		
	Scope 1	Scope 2	Scope 3 Category 6: Business travel
AIA Bhd.	33,314	9,101,467	261,006
AIA PUBLIC Takaful Bhd.	-	117,371	2,346
AIA General Berhad	-	53,380	156

(Note:

Scope 1 refers to emissions produced directly from the consumption of diesel, petrol, and liquified petroleum gas.

Scope 2 refers to emissions produced indirectly from the consumption of electricity.

Scope 3 Category 6: Business travel refers to emissions produced indirectly from commercial business travel by airplane.)

1. AIA Malaysia's operational Scope 1 and Scope 2 emissions accounted for 9,305,532 kgCO₂e.
2. The largest contributor to our operational footprint is the electricity use (99.6%) in our buildings.
3. Other sources of emissions include those from our owned corporate vehicle fleet.

Please refer to the AIA Group Sustainability Report 2025 for more details on the covered metrics and the calculation approach.

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METRICS AND TARGETS (CONTINUED)

OTHER INVESTMENT AND OPERATIONS METRICS (CONTINUED)

Investment metrics

AIA Malaysia reports the Total Financed Emissions (TFE) across our Listed Equity, Corporate Bonds/Sukuk and Direct Real Estate holdings in the general account investment portfolio. TFE is a metric recognised and required by the SBTi.

In 2025, our TFE across our in-scope general account investments matching our SBTi boundary was measured using the Partnership for Carbon Accounting Financials (PCAF) methodology.¹²

As of 31 December 2025, the total financed emissions of our in-scope general account investment portfolio are as per the table below:

	Total Financed Emissions (tCO ₂ e)			WACI (tCO ₂ e / USD m revenue)
Entity	Corporate Bonds/Sukuk ¹³	Listed Equity	Direct Real Estate	Listed Equity
AIA Bhd.	235,127	251,179	3,220	415
AIA PUBLIC Takaful Bhd.	44,001	9,358	0	420
AIA General Berhad	3,871	0	0	0

AIA Malaysia's Total Financed Emissions from Corporate Bonds/Sukuk¹³, Listed Equity and Direct Real Estate holdings amounted to 546,756 tCO₂e.

Whilst AIA measures and discloses total financed emissions and Weighted Average Carbon Intensity (WACI) as part of climate disclosures in line with the JC3 TCFD Application Guide for Malaysian Financial Institutions and ISSB recommendations, we do not currently manage our in-scope general investment portfolio towards any stated target with respect to total financed emissions or WACI. Such metrics do not relate to our current approach towards achieving AIA Group's net-zero targets.

AIA Group continues to refine the approach towards financing the transition journey of companies with credible transition plans, as well as sectors where transition technologies such as natural gas play a crucial role. However, continued growth in total investment assets and such transition investments may lead to short-term increases in the total financed emissions or WACI despite being congruent with AIA Group's strategies to meet the validated near-term SBTi targets, which are the targets AIA Group actively manages towards.

More details on the methodology and application for TFE and WACI are outlined in the AIA Group's 2025 Sustainable Investment Subsection Report.

¹² PCAF (2022). *The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition.*

¹³ The year-on-year movements in corporate bond/sukuk financed emissions were primarily driven by enhancements in the portfolio scoping methodology to better align with the definition of the scope boundary, specifically the exclusion of non-publicly listed issuers of corporate bonds, following enhancements to internal data management capabilities as described in AIA Group's 2025 Sustainable Investment Subsection Report.

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METRICS AND TARGETS (CONTINUED)

OTHER INVESTMENT AND OPERATIONS METRICS (CONTINUED)

Data calculation methodology

AIA Malaysia leverages on AIA Group's data calculation methodology approach. AIA Group calculates investment emissions according to the PCAF guidelines. The criteria used to prepare the Identified Sustainability Information is set out in the guidelines provided by the GHG Protocol Corporate Accounting and Reporting Standard (GHG Protocol Corporate Standard). AIA Group follows the operational control approach set out in the GHG Protocol Corporate Standard to measure GHG emissions. This approach has been selected as it allows AIA Group to manage emissions from our operations where we have operational control to introduce relevant measures and implement operating policies. AIA Group refers to the list of emissions factors published by the International Energy Agency (IEA).

AIA relies on third-party data where available for air travel information. AIA Group refers to the Carbon Neutral Calculator for short to medium haul flights by the United Kingdom's Department for Environment, Food and Rural Affairs (DEFRA) emissions factors.

AIA Group also refers to the Sixth Assessment Report from the IPCC, in reference to any Global Warming Potential (GWP) factors used.

AIA MALAYSIA TCFD Report 2025

GLOSSARY

AIA Group or Group	AIA Group Limited and its subsidiaries
AIA or AIA Malaysia, or the Company	AIA Bhd., AIA PUBLIC Takaful Bhd. and AIA General Berhad
APTb	AIA PUBLIC Takaful Bhd.
AIAGb	AIA General Berhad
Board of Directors, or the Board	The Board of Directors for AIA Bhd., AIA PUBLIC Takaful Bhd. and AIA General Berhad
CTP	Climate Transition Plan
ESG	Environmental, Social and Governance
GHG	Greenhouse Gas
ISSB	International Sustainability Standards Board
MRMC	Management Risk Management Committee
RMC	Board Risk Management Committee
RMF	Risk Management Framework
SBTi	Science Based Targets initiative
WACI	Weighted Average Carbon Intensity