

ENRM DISCLOSURE REPORT



OUR PERFORMANCE IN 2024

- Electric & Hybrid Vehicles represent 8.9% in our personal use vehicle portfolio
- Fully digitalised claims submission and processing procedures
- Achieved a 33% reduction in our annual carbon footprint compared to full time office arrangement
- Our corporate calendars and red packets are printed on environmentally friendly paper
- Our investment portfolio excels with A MSCI ESG rating, score 6.89, surpassing MSCI singapore
- 99% of our claim payments are made electronically
- Engaged data centre with a BCA green mark gold rated



OUR TARGETS

- To align our exposure on Electric and Hybrid Vehicles to industry's and consumers' demands
- To achieve 20% reduction in employees' commute carbon footprint
- To maintain paper consumption at current levels
- Continually review and evolve our assessment on our business exposure in order to align with industry development
- To maintain our ongoing commitment to environmentally responsible business practices

ENRM DISCLOSURE REPORT

Environmental Footprint

GOVERNANCE

EQI maintains a robust Enterprise Risk Management framework that is essential for identifying, assessing, managing, and controlling risk exposure. It also incorporates analyses of how strategic decisions may impact the company's overall risk profile, making risk considerations a core part of the company's operations.

The Board of Directors is responsible for overseeing EQI's risk management. This includes setting the risk appetite, defining organisational structures, and establishing internal control systems. In particular, the Board ensures that environmental risks are integrated into the assessment and management of financial & business risks.

Within this structure, the CEO bears the ultimate responsibility for implementing risk controls across our business and financial operations. The CEO is supported by the EQI's management team, who work closely to ensure the effective execution of risk management strategies.

OUR STRATEGY

In line with the MAS' Guidelines on Environmental Risk Management ("ENRM") for Insurers and the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), we are committed to strengthen our capabilities to assess the resilience of our portfolio against climate-related and transition risks.

As part of this commitment, we have integrated environmental risks considerations into our assessment process, particularly when identifying material risks in new

product development and other investment opportunities.

Furthermore, we maintain a proactive approach to evolving consumer's insurance needs by regularly reviewing our product offerings and proprietary investment portfolio to identify areas or sectors that are particularly vulnerable to environmental risks.

RISK MANAGEMENT

In EQI, we have identified our main risks to include:

- i) Insurance risk – relating to underwriting and pricing insurance products, reserving payments for future claims.
- ii) Financial risk – risk relating to fluctuations in the value of financial assets (market risk), fluctuations in interest and foreign exchange rates, credit risk and liquidity risk, and
- iii) Operational risk – the risk related to operations, brands and systems

We recognise that environmental risks can adversely impact the aforementioned risk categories. To address this, we have established an ENRM framework within our Enterprise Risk Management policy. This framework requires the concurrent assessment of environmental risks alongside other risk factors during the execution of any new or ongoing operational activity, to determine potential exposures.

We believe that a gradual and smooth transition is essential to mitigate both physical and transition risks. Such an approach reduces the likelihood of a "too little, too late" scenario, where delayed action could amplify the physical consequences of environmental change and necessitate abrupt, disruptive policy intervention.

INSURANCE INDUSTRY IN SINGAPORE

With growing understanding of ESG in the insurance industry pertaining to its exposure to climate-relevant sectors, we remain committed to the on-going review and enhancement of our exposure assessment processes. This commitment is vital in light of the evolving risk landscape and the increasing sophistication of risk management practices in this area.

RESPONSIBLE UNDERWRITING

As part of our commitment to environmental responsibility, EQI generally refrains from underwriting industries with a direct influence on the environment, such as petrochemicals or fossil fuels.

In addition, we have been progressively expanding our product offerings to meet growing consumer demands for environmentally friendly options, which includes coverage for electric vehicle charging infrastructure and renewable energy projects such as the installation of solar plates on residential buildings.

MOTOR PORTFOLIO

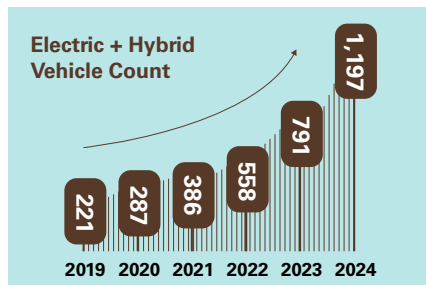
Given the global shift towards a low-carbon economy, EQI anticipates potential risk to its Motor business arising from forthcoming policy changes by regulatory authorities. As the Motor segment represents EQI's largest source of top-line business, it could be materially affected if regulatory measures restrict consumer access to fossil fuel vehicles.

As of 2024, our personal use vehicle portfolio includes an 8.9% exposure to hybrid and electric automobiles, reflecting significant growth from 221 vehicles in 2019 to 1,197 vehicles in 2024, representing a compound annual growth rate of 49.8%.

Furthermore, the year-on-year growth rate of hybrid and electric vehicles within EQI's portfolio stands

at 51.3%, outpacing the 37.1% growth recorded by the Land Transport Authority (LTA). This highlights our proactive stance in aligning with evolving market trends and regulatory expectations.

We remain committed to continuously monitoring industry developments and adapting our strategies to meet changing market dynamics and sustainability goals.



RESPONSIBLE INVESTMENT

In line with our commitment to responsible investing, we have engaged investment managers for our proprietary investment portfolio who incorporate environmental, social and governance ("ESG") factors into their investment evaluation process. This forward-looking, transition-oriented approach goes beyond assessing the current and historical ESG profiles of investments to consider their future sustainability trajectory.

Within our equity mandate, ESG considerations are fully integrated into the investment process. Our investment managers maintain ongoing oversight of the portfolio, monitoring key metrics such as carbon emissions and sustainability initiatives, using both published sustainability reports and third-party assessment such as MSCI. Our portfolio has achieved a strong MSCI ESG rating of A, with a score of 6.89, outperforming the MSCI Singapore benchmark of A, 6.70.

We remain committed to conducting regular portfolio reviews to enhance sustainability and mitigate potential financial risk to the business.

Responsible Business Practices

MANAGE AND REDUCE CARBON EMISSIONS

As part of our on-going efforts to reduce Scope 3 carbon emissions, we track the carbon footprint associated with employees commuting and paper consumption.

EMPLOYEE COMMUTING

We are monitoring the indirect emissions generated by our employees commuting between their residences and the office. Recognising the environmental impact of daily commuting, EQI has taken proactive steps to manage and reduce these emissions as part of our broader sustainability efforts.

To this end, we have implemented a formal Work-from-Home policy that allows employees to work remotely at least once a week. This initiative not only promotes greater flexibility and work-life balance but also contributes meaningfully to our environmental goals.

As a direct result of this policy, we have achieved a 33% reduction in commuting-related carbon emissions compared to a full-time office-based arrangement. This reduction significantly exceeds our initial target of a 20% decrease. We remain committed to reviewing and enhancing our workplace practices to further align with our sustainability objectives and reduce our overall carbon footprint.

PAPER CONSUMPTION

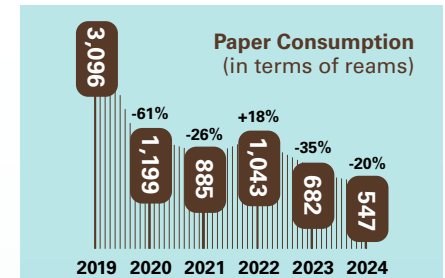
In line with our sustainability objectives, we have fostered a paperless culture across the organisation and prioritised environmentally responsible procurement practices. We engage suppliers certified under Singapore Green Labelling Scheme ("SGLS") and the Programme for the Endorsement of Forest Certification

("PEFC") to ensure the materials we use align with our eco-conscious values.

In support of our digital transformation, all insurance policy documents are now delivered electronically to intermediaries and policyholders, unless a physical copy is specifically requested. Additionally, our claims submission and processing procedures have been fully digitalised, eliminating the need for physical documentation and manual workflow, achieving 99% electronic claim payment rate.

In 2024, these efforts contributed to a 20% reduction in paper consumption compared to the previous year, equivalent to 135 reams (or 337 kg of paper saved). With hybrid working arrangements becoming the norm, we anticipate similar consumption levels in near terms.

Since the pre-pandemic period, we have reduced paper usage by 82%, highlighting our sustained commitment to operational efficiency and environmental sustainability.



SUSTAINABLE DATA MANAGEMENT PARTNERSHIP

EQI has engaged with a BCA Green Mark - Gold rated data centre. This partnership reflects our commitment to eco-friendly operations, reducing our environmental impact and advancing responsible business practices.

SUSTAINABLE GIFTS

To reinforce our brand value and strengthen our reputation among customers and business partners, we have placed greater emphasis on environmentally conscious corporate gifting. Since 2022, our corporate calendars and red packets have been printed on eco-friendly paper, reflecting our ongoing commitment to environmental responsibility and sustainable practices.

How the MSCI ESG Rating is calculated

	Portfolio	Benchmark
ESG Quality Score	6.89	6.7
ESG Rating	A	A

Data Source: Portfolio Management, Bank of Singapore