



HEALTHIER, LONGER,
BETTER LIVES

AIA ESG REPORT 2023

Sustaining Healthier, Longer, Better Lives

Healthier planet, healthier communities.





Sustaining Healthier, Longer, Better Lives

AIA's Purpose is to help people live Healthier, Longer, Better Lives. It underpins everything we do.

Sustaining Healthier, Longer, Better Lives is about delivering on our Purpose, creating value for all stakeholders and futureproofing our business through making our Environmental, Social and Governance (ESG) philosophy integral to how we do business.

As the largest pan-Asian life and health insurer and a significant asset owner and investor, we recognise the scale of positive transformation we can make to create a healthier, sustainable future for Asia.

Our ESG Report 2023 showcases the actions we are taking to create this future.





Contents

Introduction

2023 ESG Highlights

About AIA Group

Chairman's Statement

Statement from the Group Chief Executive and President

2023 Milestone: Climate Action

Our Approach to ESG

ESG Governance at AIA

Engaging Our Stakeholders

Internal Engagement & External Advocacy

Materiality: Focusing on What Matters for Our Stakeholders

Our material topics

Our ESG Strategy

4 Health & Wellness

5 Our Health & Wellness Pillar

7 Summary of Priorities and Progress

9

11

13 Sustainable Investment

Our Sustainable Investment Pillar

Summary of Priorities and Progress

15

17 Sustainable Operations

19 Our Sustainable Operations Pillar

23 Summary of Priorities and Progress

24

25

27 People & Culture

27 Our People & Culture Pillar

28 Summary of Priorities and Progress

30 Effective Governance

30 Our Effective Governance Pillar

31 Summary of Priorities and Progress

35 Other Information

35 Independent Practitioner's Limited Assurance Report

36 Regulatory and Mandatory Disclosures

ESG Data Book Supplement

About this Report

37

37

38

41

41

42

44

44

46

63

76

Climate Action

AIA becomes the **FIRST PAN ASIAN LIFE AND HEALTH INSURER** to get Science based targets validated for operations and investments

AIA Published its **FIRST EVER CLIMATE TRANSITION PLAN**

At COP28, AIA Chairman of ESG Committee was called to discuss the 'Just energy transition to net-zero' at **"CARING FOR CLIMATE"** organised by United Nations Framework Convention on Climate Change, United Nations Environment Programme, United Nations Global Compact for our work on climate

At COP28, AIA presented our Climate Transition Plan together with SBTi CEO, Luiz Amaral, at the Singapore Pavilion

Sustainable Operations

100% of all new buildings and redevelopments to be green certified

94% DIGITAL SUBMISSIONS achieved from our buy, service, and claims transactions, reducing paper usage across our operations

91% electronic submissions for claims

Health & Wellness

US\$21 BILLION paid in total benefits and claims, which is an increase of US\$2 billion on a comparable basis*

AIA serves the holders of more than **42 MILLION** individual policies and over **18 MILLION** participating members of group insurance schemes

387 MILLION people engaged through AIA One Billion by the end of 2023

* The benefits and claims for 2023 includes the Unit-linked contracts under IFRS 17. On a comparable basis the 2022 claims and benefits were US\$19 billion.

People & Culture

SECOND year recognised with the **GALLUP EXCEPTIONAL WORKPLACE AWARD**

41.6% women in senior leadership

TOP QUARTILE in Gallup's global finance and insurance industry benchmark of employee engagement for a seventh consecutive year

AIA'S FIRST FLAGSHIP ESG 101 fundamentals education programme rolled out to over 25,000 employees, over 24,000 employees have completed the programme

Sustainable Investment

Maintained **100%** coverage of general account investments against in-house ESG Rating Scorecard

FIRST company globally to mandate the **CFA INSTITUTE'S CERTIFICATE IN ESG INVESTING** qualification for our in-scope investment professionals

US\$6.3 BILLION invested in Green, Social, Sustainability Bonds

Effective Governance

AIA recognised as **ESG INDUSTRY** and **REGIONAL LEADER** by Sustainalytics

All AIA Group Limited Board members are Independent Non-executive Directors (INED's) aside from Group Chief Executive and President

MSCI **ESG RATING OF AA** for three consecutive years

RANKED FIRST on ESG and Most Honored Company Overall by Institutional Investor Research in their Asia Pacific (ex-Japan) Executive Team Rankings*

* A total of 6,474 investors, portfolio managers and analysts from 1,646 voter firms participated in this survey.

2023 ESG Highlights

Key ESG memberships and supporting commitments



Local awards and recognition

AIA THAILAND

- Most Innovative Environmental Program Initiative at the 2022 International Finance Awards
- Health Promotion Award at the 2023 Asia Responsible Enterprise Awards

AIA CAMBODIA

- Social Impact (large company) Award at the AmCham Cambodia 2023 CSR Impact Awards

AIA SRI LANKA

- Zero Waste and Efficient Resource Utilisation, Waste Reduction Award, at the 2023 ESG Business Awards

AIA MALAYSIA

- Gold Good Health and Wellbeing Award at The Star ESG Positive Impact Awards 2022

AIA INDONESIA

- Education Insurance Initiative of the Year, Social Media Initiative of the Year, Customer Service Initiative of the Year, and Mobile App of the Year Awards at the 2023 Insurance Asia Awards
- Fortune Indonesia Change the World 2023

AIA HONG KONG

- Best Corporate Financial Education and ESG Leadership of the Year Awards at the 2023 IFPHK Financial Education Awards
- ESG Leading Enterprise Award at the 2023 Hong Kong General Chamber of Small and Medium Business
- Best Office Development at the 2023 Asia Pacific Property Awards

AIA TAIWAN

- National Sustainable Development Award, Enterprise Category, for 2023 from the Council for Sustainable Development
- Taiwan iSport Certification

AIA VIETNAM

- Digital Transformation Award at the 2023 Golden Dragon Awards

AIA SINGAPORE

- Gold Healthier Workplaces Award at the 2023 Building and Construction Authority Green Mark Awards

AIA NEW ZEALAND

- Excellence in Sustainability Practices and Excellence in Wellbeing & Inclusion awards at the 2023 Financial Services Council Awards



INTRODUCTION

2023 ESG Highlights



We are contributing to a healthier planet and healthier communities by driving positive change through our ambitions, business activities and partnerships.

Images clockwise from top left:

1. AIA's participation at COP28
2. Group General Counsel, Mitch New with Group Head of Sustainability, Amita Chaudhury speaking at COP28 SBTi fireside chat
3. Group Chief Investment Officer, Dr Mark Konyn at COP28 SG Pavilion Panel on Impact Investing
4. LeapFrog partners with AIA to accelerate impact investing in Asia
5. Group General Counsel, Mitch New at COP28 UNGC Caring for Climate
6. AIA's participation in the Business Climate Lab for a Just Transition Panel

FROM AMBITION TO ACTION: FAST-TRACKING DECARBONISATION THROUGH SETTING CREDIBLE SCIENCE-BASED TARGETS

5 December, 15:00-15:40 GMT+4
Singapore Pavilion

Luiz Amaral, CEO, Science Based Targets initiative (SBTi)

Mitch New, Group General Counsel, AIA

Amita Chaudhury, Group Head of Sustainability, AIA Group



BLUE ZONE
HOLDERS ONLY



Business Climate Lab for a Just Transition

05 DECEMBER 2023 | 12:00 PM | EXPO CITY HALL



About AIA Group

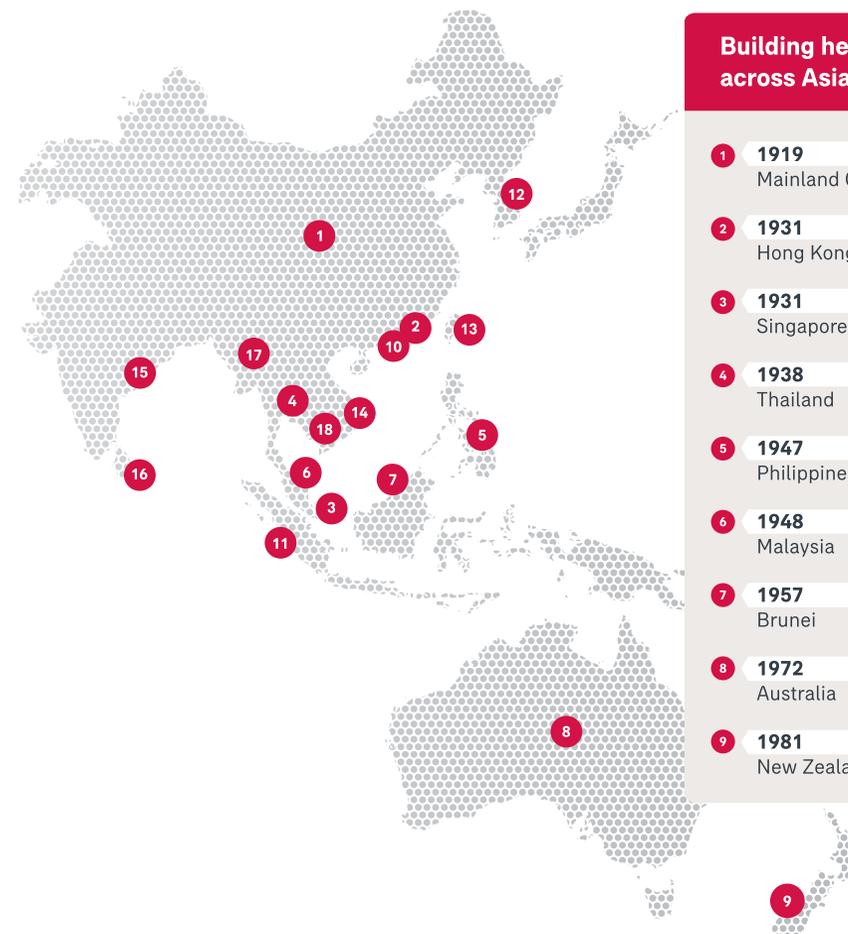
AIA Group Limited and its subsidiaries (collectively 'AIA' or the 'Group') comprise the largest independent publicly listed pan-Asian life insurance group.

We have a presence in 18 markets – with wholly-owned branches and subsidiaries in virtually all of our markets and as 49 per cent owners in a joint venture in India.

The business that is now AIA was first established in Shanghai in 1919. With total assets of US\$286 billion as of 31 December 2023, we are a market leader in Asia (ex-Japan) based on life insurance premiums and hold leading positions across many of our markets.

AIA meets the long-term savings and protection needs of individuals by offering a range of products and services including life insurance, accident and health insurance and savings plans. The Group also provides employee benefits, credit life and pension services to corporate clients. Through an extensive network of agents, partners and employees across Asia, AIA serves the holders of more than 42 million individual policies and over 18 million participating members of group insurance schemes.

AIA Group Limited is listed on the Main Board of The Stock Exchange of Hong Kong Limited under the stock code '1299' for HKD counter and '81299' for RMB counter with American Depositary Receipts (Level 1) traded on the over-the-counter market (ticker symbol: 'AAGIY').



Building healthier communities across Asia as a leading insurer

1	1919	Mainland China	10	1982	Macau SAR
2	1931	Hong Kong SAR	11	1984	Indonesia
3	1931	Singapore	12	1987	South Korea
4	1938	Thailand	13	1990	Taiwan (China)
5	1947	Philippines	14	2000	Vietnam
6	1948	Malaysia	15	2001	India
7	1957	Brunei	16	2012	Sri Lanka
8	1972	Australia	17	2013	Myanmar
9	1981	New Zealand	18	2015	Cambodia



CHAIRMAN'S STATEMENT

“Our Purpose encapsulates our belief that healthy communities and healthy environments form the bedrock of sustainable economic and social development.”

Edmund Sze-Wing Tse,
Independent Non-executive Chairman

Chairman's Statement

I am honoured to share our report on the progress we have made towards our environmental, social and governance commitments across our business in 2023.

AIA's ESG efforts continue to be deeply embedded in our strategy. Our deeply held belief is that the integration of our ESG Strategy with our broader commercial strategy creates value for all our stakeholders. It provides assurance to our policyholders that our promises to them and to their families will be kept. It provides assurance to our shareholders that AIA Group will continue to deliver superior and sustainable value over time. And to our employees, agents and our communities, it provides assurance that AIA Group will continue to commit its substantial resources to support healthier communities and a healthier planet.

We are of course very proud of our legacy of trust built over more than a century of operation in Asia. As we prioritise the five pillars of our ESG Strategy, we believe that we add to that legacy of trust. In working towards a healthier planet and healthier communities, we hope we are cultivating a sense of interconnectedness. In weaving together these threads, we strive to balance providing benefits to individuals while contributing to the vitality of our planet and the resilience of our communities.

Climate remains a critical area of focus for us. As a significant asset owner and investor in the region, climate resilience remained a core focus in 2023. Building on the work of countless people throughout AIA over many years, our Board was very pleased to see the Group have its SBTi emissions reduction targets validated. This critical milestone enabled the Group to publish its first detailed Climate Transition Plan.

Our governance framework is fully integrated into how we operate and enables our Group to effectively manage ESG-related risks and opportunities. This ensures accountability and alignment between our ESG efforts and our business objectives as we meet emerging challenges. Independence and diversity in our Board provide us with the range of expertise and experience needed to lead the Group through ongoing change. We remain committed to ensuring that the highest standards of governance are maintained across the business. With the addition of three new Independent Non-executive Directors in 2023, we continued to build on our diversity of relevant experience, adding new insights and perspectives.

Achieving net-zero will require concerted action and collaboration with our various stakeholders. While much progress has been made in 2023, we are perhaps at the end of the beginning. We look forward to continuing engagement with customers, employees and agents, governments and regulators, investors and our communities as we pursue the achievement of our ambitious targets. The support we enjoy from all of our stakeholders is the driving force behind our progress, and I am confident that together we can continue to deliver on our Purpose by contributing to a healthier planet and healthier communities.

Sincerely,

Edmund Sze-Wing Tse
Independent Non-executive Chairman

STATEMENT FROM THE GROUP
CHIEF EXECUTIVE AND PRESIDENT

“We are guided by our Purpose of helping people live Healthier, Longer, Better Lives as we collectively focus on delivering value for our stakeholders through our efforts across our ESG strategic pillars.”

Lee Yuan Siong,
Group Chief Executive and President



Statement from the Group Chief Executive and President

For more than a century, AIA has provided financial and health protection to millions of people across Asia-Pacific, building a legacy of trust in the region.

We are guided by our Purpose of helping people live Healthier Longer Better Lives as we collectively focus on delivering value for our stakeholders through our efforts across our ESG strategic pillars of Health & Wellness, Sustainable Investment, Sustainable Operations, People & Culture and Effective Governance. Today, the Asia-Pacific region is facing complex environmental and social challenges including climate change, more intense and frequent weather events, biodiversity loss, the rise of non-communicable diseases, widening socio-economic gaps and ageing populations. As the largest pan-Asian life and health insurer, it is our responsibility to respond to these challenges by creating relevant solutions and taking appropriate action to contribute to a more sustainable future for our planet and communities.

Since the launch of our ESG Strategy in 2021, we have made great strides in executing our priorities and driving positive outcomes. 2023 was a milestone year for us and we took bold actions to address the most pressing concerns particularly for our climate. We became the first pan Asian insurer to have its near-term emissions reduction targets validated by the Science Based Targets initiative (SBTi). We also published our first Climate Transition Plan, which outlines AIA's roadmap to achieving these targets and the integration of climate considerations into our governance, risk management and engagement initiatives that will support our path towards our climate goals.

I am proud to present our 2023 ESG Report which highlights the significant progress we have made in the last year to advance our commitment to sustainability through our ESG strategy.

Measurable Progress across our Five Strategic Pillars

Health and Wellness

By focusing on engaging, inspiring, and delivering better health outcomes, championing financial inclusion and expanding access to quality care, we are able to create a wider and positive impact on society. In 2022, we underscored our commitment to helping communities across Asia by setting ourselves a target to engage with one billion people by 2030 and help them live Healthier, Longer, Better Lives. By the end of 2023, we have engaged with 387 million people towards our goal, inspiring them to improve their physical, mental, and environmental wellness while championing financial inclusion. This was achieved through a series of engagement touchpoints including advice, partnerships, events, community programmes and campaigns that drive behavioural change and create social impact. Our AIA One Billion ambition focuses on leveraging insights from AIA Vitality that helps us in understanding the motivation of people and choosing the most impactful way to engage them to drive better outcomes for all.

Sustainable Investment

As a leading asset owner, we are able to deliver long-term value by allocating capital to companies that share the same commitment to driving sustainable outcomes, investing for the future and lowering our exposure to the risk of stranded assets in a future low-carbon economy. In 2023, our Scope 3 near-term emission targets were validated by the SBTi and we also became the first company globally to mandate the CFA Institute ESG certification for our investment professionals, demonstrating our commitment to integrating sustainability in the way we invest and do business.

Sustainable Operations

We are committed to reducing the environmental footprint of AIA's operations as well as incorporating ESG factors in our sourcing considerations. In 2023, we received validation of our Scope 1 and Scope 2 near-term emission reduction targets and 94 per cent of all our buy, service and claims transactions were submitted digitally.

People & Culture

We empower our people to succeed by fostering a learning environment and ensuring equitable and fair processes for employment as well as progression in a diverse, inclusive, and supportive culture. In 2023, we received multiple employee engagement and people awards including the Gallup Exceptional Workplace award for the second consecutive year and we were in top quartile of Gallup's global finance and insurance industry benchmark of employee engagement for seventh consecutive year. We have launched LIFT (Learn. Integrate. Focus. Thrive.) programme that combines digital and in-person experiences to equip and support employees. In addition to the progress we are making in advancing our ESG strategy pillars, we continue to build internal awareness and a culture of sustainability within AIA. In 2023, we introduced our flagship ESG 101 Fundamentals programme, for over 25,000 employees. I'm particularly pleased to note that nine out of ten employees at AIA take pride in working for the company due to our commitment to sustainability.

Effective Governance

AIA maintains a firm commitment to operating with the highest standards of business practices, both in terms of its engagement with stakeholders, and how we manage risks. This provides the necessary management oversight, incentives, organisational accountability, data governance systems and transparent reporting processes that enable us to succeed. Our efforts have been acknowledged and recognised by various rating agencies, including the prestigious Sustainalytics ESG Industry Top-Rated Badge and ESG Region Top-Rated Badge as well as being included in Hang Seng Corporate Sustainability Index Series. Additionally, we have achieved the lowest risk rating since our evaluation by Sustainalytics. Across our organisation, our ESG endeavours are gaining external recognition, including being ranked first on ESG by Institutional Investor Research in their Asia Pacific (ex-Japan) Executive Team Rankings, ten of our business units/markets were recognised for their ESG awards demonstrating stronger integration of ESG into markets.

Statement from the Group Chief Executive and President

Looking Ahead

Our governance and ESG practices serve as the cornerstone of our organisational ethos, reflecting our unwavering commitment to responsible and sustainable business conduct. With a robust governance framework firmly in place, we ensure accountability, transparency, and ethical decision-making across all levels of our operations. Our ESG initiatives are deeply embedded in our corporate culture, driving us to continually innovate and implement strategies that positively impact the environment, society, and our stakeholders. By integrating ESG considerations into our business strategy, we strive to create long-term value while fostering resilience and adaptability in the face of evolving global challenges. Through proactive engagement with stakeholders and adherence to best practices, we uphold our dedication to making a meaningful difference in the world while delivering sustainable growth and prosperity for all.

At AIA, we know that long-term success is the product of collective action and collaboration with all our stakeholders. As you read this report, I hope you find plenty to inspire you, particularly the commitment, passion, and willingness to collaborate that are driving meaningful change at AIA. I am eager to report the progress we make in the coming year as we continue to help people across Asia to live Healthier, Longer, Better Lives.

With warmest regards,

Lee Yuan Siong
Group Chief Executive and President

2023 Milestone: Climate Action

As the largest pan-Asian life and health insurer, we are dedicated to fostering a sustainable future for the region.



Validation of Science-Based Targets



Launch of AIA's first Climate Transition Plan

We are committed to leveraging our resources, partnerships, knowledge and influence to facilitate a responsible and just transition for the communities we serve. Embedding climate action and net-zero commitments and targets into our core business is fundamental to delivering on our Purpose of helping people live Healthier, Longer, Better Lives.

Our Climate Action

In 2023, the world experienced its hottest year on record, signalling a turning point in the ongoing climate crisis. The consequences of unprecedented climate events are far-reaching – impacting ecosystems, biodiversity and human health. As a vital driver of economic growth and home to 60 per cent of the world's population, Asia will be critical to achieving global net-zero emissions by the middle of this century. Given our scale, AIA has a responsibility to contribute to a healthier, sustainable and inclusive future for the region.

AIA is committed to achieving net-zero greenhouse gas (GHG) emissions by 2050 and in 2023 became the first pan-Asian life and health insurer to have our near-term targets validated by the SBTi. Anchored in science and aligned to the Paris Agreement, SBTi targets serve as critical milestones for our decarbonisation journey. These targets establish a system of accountability, ensuring that we are consistently evolving our practices and methodologies towards a more sustainable future.

To demonstrate our implementation roadmap to achieve these targets, this year we published our first Climate Transition Plan which brings together our climate vision, strategy, targets and execution plan. Our Climate Transition Plan was developed in line with frameworks developed by the Transition Plan Taskforce (TPT), Glasgow Financial Alliance for Net Zero (GFANZ) and the CDP.

OUR SBT AND CLIMATE COMMITMENTS

	Near-term target	Long-term commitment
Our operations	2030 -46.2% reduction of Scope 1 & 2 emissions	2050 Net-zero Scope 1 & 2 emissions
Our investments Portfolio Coverage Approach	2025 31% of in-scope portfolio setting SBTi-validated targets	2040 100% of in-scope portfolio setting SBTi-validated targets
Our investments Sectoral Decarbonisation Approach for Power Generation	2030 -49.3% per MWh reduction of emissions from in-scope power generation sector portfolio	2050 Net-zero emissions from power generation investments
Our investments Sectoral Decarbonisation Approach for Real Estate	2030 -58.5% per sqm reduction of emissions from in-scope real estate sector portfolio	2050 Net-zero emissions from in-scope real estate investments

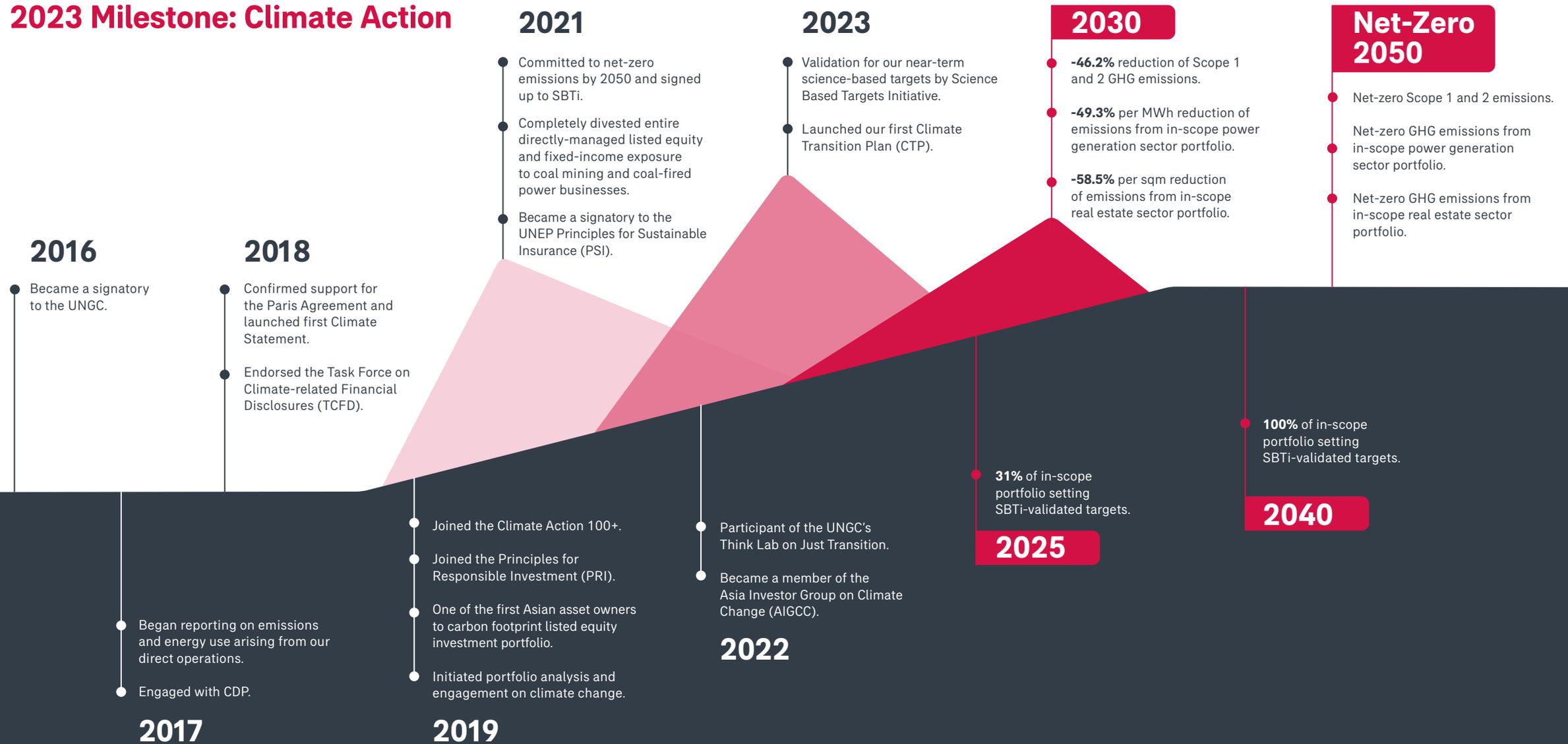
More details are available in our 'Climate Transition Plan'.

The validation of our operational emissions reduction targets by SBTi is the culmination of two years of work by cross-functional teams from the Group Office and across AIA's markets. Having achieved this milestone and set a clear path forward, we have begun implementation as we strive to contribute to global emissions reduction.

Our Climate Transition Plan articulates how we intend to achieve our targets and prioritise actions across the Group. Operational teams across our 17 in-scope business units are preparing local decarbonisation roadmaps and the operational changes that will support the achievement of Group-wide SBTi targets.

We continue to engage our people to contribute to our climate goals. Through our bespoke ESG 101 e-learning programme and other in-house learning channels, our employees are taking increasing ownership of their part in our methodology and strategy to allow individual participation in our Climate Transition Plan. We are building knowledge on ESG and climate internally through internal channels and our ESG 101 e-learning programme. 24,108 employees have completed our ESG 101 Fundamentals programme since it was launched in July 2023. We have continued to invest in building the capability of our ESG leads in each market through knowledge sharing, education and external recruitment, where appropriate.

2023 Milestone: Climate Action



ESG Governance at AIA

“



Mitch New
Group General Counsel
and Chairman of the
ESG Committee

We view high standards of governance as essential to creating sustainable, long-term value. Our actions as a responsible and trusted business today build on our over 100-year legacy and support our continued growth.”

Robust governance is the foundation of trust that enables us to deliver on our Purpose and our ESG Strategy.

Good governance means that we have the necessary structures, policies and processes in place to manage our business, including our environmental, social and governance impacts responsibly. Through this framework, we ensure clarity, transparency and accountability for decisions made at all levels of the business. This allows us to further enhance stakeholder trust and foster a culture of long-term value creation.

Our governance goes beyond compliance; we recognise its importance to delivering positive social and environmental outcomes and sustainable financial performance. It ensures accountability for achieving the goals we set ourselves, aligned with the organisation's values and stakeholders' expectations.

Our ESG governance framework

Within our overall corporate governance structure, our ESG governance leverages cross-functional expertise, senior management and Group Board oversight. Our accountable and robust structure also ensures that our Strategy is delivered in an integrated and coordinated way across our operations.

The Board

Our Board is ultimately responsible for all matters related to ESG and is supported by various governance bodies and dedicated business functions.

[Find out more about the role of our Board in our 2023 Effective Governance Subsection Report](#)

ESG Committee

The ESG Committee acts as AIA's overarching body for ESG-related matters, including climate-related matters; monitors and reviews the Group's ESG and climate performance against ambitions and targets; sets ESG policies and objectives; and endorses targets and key performance indicators.

The Committee consists of two of the Group's Independent Non-executive Directors (INEDs) as well as the following executives:

- Group General Counsel (Chairperson)
- Group Chief Financial Officer
- Group Chief Risk Officer
- Group Chief Investment Officer
- Group Chief Human Resources Officer
- Group Chief Marketing Officer
- Group Head of Sustainability

The core objectives of the ESG Committee are:

- Acts as AIA's overarching body for ESG-related matters, including climate-related matters
- Monitors and reviews the Group's ESG and climate performance against ambitions/targets
- Sets ESG policies and objectives, and
- Endorses targets and key performance indicators,

ESG Governance at AIA

Climate and Net-Zero Steering Committee

The Climate and Net-Zero Steering Committee oversees AIA's SBTi and net-zero 2050 commitments. This Committee is supported by the Net-Zero and SBTi Working Group composed of senior specialists from across the Group's operations.

Find out more about the membership and structure of our Climate and Net-Zero Steering Committee in the 2023 Milestone: Climate Action section of this Report.

Group ESG function

Led by the Group Head of Sustainability, our Group ESG function, in collaboration with other Group functions, is responsible for:

- Supporting the development of ESG initiatives aligned with the Group's commercial ambitions,
- Coordinating the various cross-functional programmes required to carry out our ESG Strategy,
- Providing effective disclosures to key stakeholders, and
- Engaging with our business units to build capability and understanding of ESG issues among the leadership team and across the organisation.

The Group Head of Sustainability leads integration of our ESG Strategy across AIA's strategy, operations and culture to drive the organisation's overall sustainability efforts. The Group ESG team, under the direction of the Group Head of Sustainability, is responsible for operationalising AIA's ESG Strategy across the business.

Business unit ESG representation

Each local business unit has ESG representatives responsible for driving the execution of the ESG Strategy in their respective markets. The majority of business units have also established local ESG committees, with the remainder expanding the mandate of existing committees to support the delivery of AIA's ESG Strategy.

The Group ESG function maintains regular engagement with business unit ESG representatives and local business unit stakeholders to ensure alignment on the application of ESG best practices, the launch of new initiatives, capacity building, and localisation of the Group ESG Strategy.

Embedding ESG into executive compensation

AIA is committed to responsible remuneration practices to attract, motivate and retain employees at all levels across the Group. Our remuneration programme is designed to reward all individuals competitively and fairly for their impact and contribution, irrespective of gender, ethnicity, age, disability or other non performance-related factors, balanced against sound risk management. AIA's remuneration framework includes incentives, aims to motivate executives and employees to deliver on key short- and long-term objectives and aligns with the interests of key stakeholders of AIA, including those of long-term shareholders.

Our five-pillar ESG Strategy has been built with a clear roadmap to act on our major material topics and has well defined KPIs for measuring overall progress. Achievement of these KPIs is the responsibility of various functions and senior leadership based on their portfolios. A robust Group-wide performance management framework is applied, assessing employees' and executives' contributions and behaviours based on individual goals established at the beginning of the year.

This ensures that reward outcomes reflect both results achieved and behaviours demonstrated, balancing the financial and non-financial aspects. Moreover, integrating these ESG KPIs into the annual goal-setting process allows for a comprehensive assessment of ESG performance, which is followed by periodic reviews both at team level and senior leadership level.

AIA's performance and rewards approach supports the achievement of AIA's business strategy, which includes rewarding employees for the achievement of strategic objectives by taking into consideration the Group's capital position and long-term performance whilst not inducing excessive risk-taking behaviours or violations of applicable laws, guidelines or regulations. Our remuneration policy serves to support the above objectives through appropriate governance, design, implementation and monitoring of AIA's remuneration and risk management framework. This framework applies across the Group and is implemented consistently across our business units, subject to local rules and regulations, as deemed necessary and appropriate for the Group.

Further details on the Group's remuneration framework are set out in the Remuneration Report as part of the Annual Report 2023, to be published in April 2024.

Engaging Our Stakeholders

The success of our ESG Strategy relies upon effective engagement with our stakeholders, which enhances our ability to identify and address significant sustainability challenges and opportunities.

We engage with our stakeholders by identifying key individuals or groups that have an interest in our performance and growth and continue to refine our ESG Strategy based on their feedback. Various stakeholder groups also provide opportunities for growth and innovation.

We continued to deepen our comprehensive engagement across various platforms in 2023 to better understand how stakeholders are impacted by different material topics.

KEY STAKEHOLDER GROUPS	WHY WE ENGAGE	HOW WE ENGAGE	TOPICS OF DISCUSSION
 <p>Customers</p>	<p>Listening to our customers is crucial as they provide feedback to facilitate the ongoing improvement of our products, services, operations and offerings.</p>	<ul style="list-style-type: none"> Regular customer contact points and feedback channels: <ul style="list-style-type: none"> - Customer Relationship Survey (CRS) - Real-time Customer Survey (RCS) Consumer Sentiment Research that employs research instruments including Macro and Consumer Trends Research, Ethnographic In-depth Interviews and Quantitative Online Survey. 	<ul style="list-style-type: none"> Customer Journey Customer Experience Holistic Health and Wellness Financial Wellness Healthcare Needs Retirement Life and Aspiration Consumers' attitude on ESG topics.
 <p>Employees and Agents</p>	<p>Our people are fundamental to our performance and sustainable growth. We regularly solicit feedback from our employees and agents to identify the right actions to cultivate an engaging and inclusive place to work.</p>	<ul style="list-style-type: none"> Employee engagement surveys Townhalls and other forums led by our senior leaders Employee networks, focus groups and other discussion forums Conferences, training and talent development programmes for employees Performance appraisal and employee coaching. 	<ul style="list-style-type: none"> AIA Culture, employee engagement and the employee experience Employee well-being Diversity and inclusion Employee training, career development and professional growth.

Engaging Our Stakeholders

KEY STAKEHOLDER GROUPS	WHY WE ENGAGE	HOW WE ENGAGE	TOPICS OF DISCUSSION
 <p>Governments and Regulators</p>	<p>We work closely with government agencies and regulators in the markets where we operate in order to elevate sustainable business practices and to drive change through advocacy and partnerships.</p>	<ul style="list-style-type: none"> • Periodic discussions with regulators, governments and agencies • Advising agencies, sharing insights and providing thought leadership in support of their respective efforts within our communities • Active participation in local, regional and international industry forums • Memberships of advisory boards of various standards. 	<ul style="list-style-type: none"> • Regulatory developments towards a low-carbon economy • Advocating ESG integration into financial reporting • Compliance with relevant laws and regulations.
 <p>Investors</p>	<p>We focus on strengthening investor trust and regularly engage with investors to communicate our ESG Strategy and progress. This two-way communication between the Company and the investment community allows analysts to make informed decisions about AIA.</p>	<ul style="list-style-type: none"> • Annual general meeting • Earnings results and analyst briefings • Investor roadshows • Ratings and inclusions in indices including Institutional Shareholder Services (ISS), CSA, MSCI, Sustainalytics, CDP, BGEI • Investor conferences, meetings, calls and correspondence • VOD (Voice of Distribution) survey. 	<ul style="list-style-type: none"> • Climate Change • Sustainable investment • Metrics and targets • Strategy • Risk management • Corporate Governance • Diversity and Inclusion • Agent Journey Experience • Agent training, communication, recruitment and retention support.
 <p>Communities</p>	<p>Given the breadth and impact of our businesses across Asia, we regularly seek interactions with the public at large in our collective pursuit to contribute to positive change.</p>	<ul style="list-style-type: none"> • Engagement initiatives as a part of AIA One Billion, such as the AIA Healthiest Schools Programme, AIA Voices and local CSR initiatives • Corporate website and other correspondence • In-person interactions at corporate locations and hosted events • Industry body conferences and other forums • Ongoing social media interaction. 	<ul style="list-style-type: none"> • Physical Health • Mental Health • Environmental Health and Financial Inclusion.

Internal Engagement & External Advocacy

“



Amita Chaudhury
Group Head
of Sustainability

We aim to motivate and inspire our stakeholders to join the collective effort for a healthier planet and healthier communities for future generations.”

Engaging our employees

It is only through our employees that we will be able to deliver on our ESG Strategy. We continue to foster a culture in which our people are deeply engaged in our ESG journey across functions and markets.

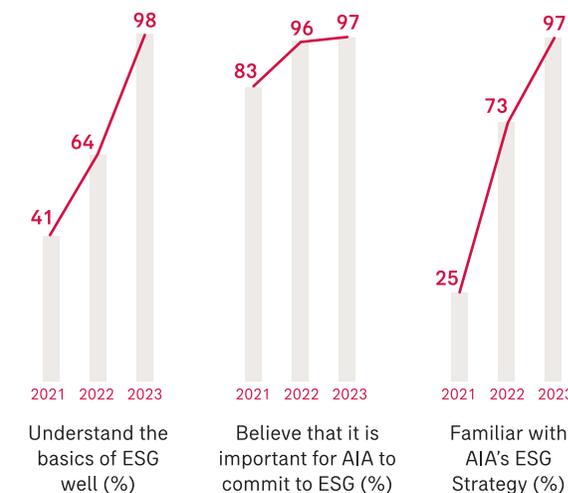
In our third annual ESG Pulse survey in 2023, employees reported strong support for our ESG engagement efforts. The survey found increased ESG awareness amongst our employees and support for AIA's ESG ambitions. The survey also showed strong employee support for our progress in our Health & Wellness, Sustainable Investment and Sustainable Operations strategic pillars. As a result of our commitment to ESG, nine out of 10 participating employees said that they feel proud to work at AIA.

In 2023, we deepened this commitment through a range of initiatives designed to inspire, engage and educate our people on ESG topics. These included:

- In July 2023 we launched our ESG 101 education module to continue building a consistent understanding of ESG across AIA. The module provides employees with foundational knowledge of ESG and our ESG Strategy and provides tangible individual actions to create positive change. Offered in seven languages, ESG 101 is available to all 25,927 AIA employees and forms part of the mandatory learning programme for new joiners. 24,108 employees completed the programme in 2023 and 92 per cent rated it 5 stars.

- Our monthly ESG Newsletters share ESG practices and initiatives from the Group Office and local markets, building awareness and encouraging sustainable behaviours through participation. Various company-wide challenges were launched including AIA's People and Nature Photography Contest, an Eco-Bingo challenge and more.
- AIA celebrates days of significance to encourage sustainability action. Over 8,000 employees across nine business units took part in local Earth Day 2023 activities. Employees from 11 markets took part in Group ESG's Eco-Bingo Challenge, inspiring employees to embrace sustainable habits such as recycling and eliminating single-use plastic. AIA's 30x30 Nature Challenge encouraged all 25,000 employees to spend time in nature for World Environment Day.
- We hosted our first-ever ESG Show, a major internal event showcasing our ESG Strategy and 2022 performance highlights. The show attracted over 3,000 online viewings and engaged 1,620 colleagues across 22 in-person viewing events.
- We designed the multi-year 'AIA Can: An Eco-Office Movement' programme to engage our employees to embrace and adopt environmentally conscious mindsets, attitudes and behaviours for a more sustainable AIA and a healthier planet. The programme focuses on engagement activities across six focus areas: waste management, energy usage, water usage, travel and transportation, sustainable procurement and health and wellness. Six briefing calls were held with 14 business units and 53 individuals for input into the programme's design to increase employee buy-in and support. AIA Can is scheduled to be launched in 2024.

OUR ESG ENGAGEMENT EFFORTS HAVE LED TO A GREATER SENSE OF PRIDE IN AIA



9 out of 10 Respondents feel proud to work at AIA as a result of our ESG commitments

Significant growth in organisation-wide ESG awareness fuels deeper engagement and company pride at AIA

Internal Engagement & External Advocacy

Engagement efforts for a 1.5-degree future

Efforts to keep global warming well below 2°C, preferably to below 1.5°C, compared to pre-industrial levels requires countries to achieve net-zero by mid-century. Alongside government and public sector action, private sector participation, supported by private finance, is essential to achieving a just transition to net-zero. Given our scale, AIA undoubtedly has a role to play in this transition.

In 2023, AIA participated in strategic programmes and advocacy opportunities to encourage collective effort to advance the climate agenda. These collaborative efforts underscore our commitment to and leadership of the region's discussion on climate change mitigation and adaptation with a range of stakeholders. We champion this through a range of initiatives including:

- At COP28, Mitch New, AIA's Group General Counsel and Chairman of the ESG Committee, and Luiz Amaral, CEO of SBTi, joined to discuss best practices and practical guidance to turn net-zero ambition into concrete action plans with credible science-based targets. Amita Chaudhury, AIA's Group Head of Sustainability, also announced the launch of our Climate Transition Plan for Net-Zero 2050 and shared our insights from our mission to reduce emissions across Asia.

- At the COP28 Singapore Pavilion, AIA also hosted a panel discussion titled 'Impact Investing for Climate Resilience and Sustainable Development Goals' which featured speakers from Temasek Holdings, LeapFrog Investments and our Group Chief Investment Officer Dr Mark Konyn. The session saw AIA sharing learnings from its growing efforts in impact investing, and an insightful discussion on the opportunities that private sector finance can play in addressing the significant environmental and social challenges that the Asia Pacific region faces.
- Mitch New addressed more than 50 CEO-level representatives across different sectors at the UN Global Compact's High-Level Meeting of Caring for Climate on 3 December at COP28. The session discussed how the far-reaching consequences of climate change necessitate an urgent response from the private sector that is just and inclusive, and science-backed. Speaking on the topic of 'Accelerating a just energy transition to net-zero' Mitch included in his sharing AIA's complete divestment from coal mining and coal-fired power businesses in 2021 as well as its continued commitment towards Net-Zero by 2050.
- Amita Chaudhury also spoke on UNGC's panel 'Leaving No One Behind: Empowering the Supply Chain for a Just Transition' at COP28. The session convened business leaders to discuss the critical role companies play in improving the sustainability and resilience of their supply chains through a just transition; from capacity building for risk management and net-zero commitments to access to finance and innovation.
- AIA contributed to the SBTi Financial Net-Zero Expert Advisory Group, as one of the corporate leaders representing Asia, providing guidance on the development process for the financial services sector.
- We continued to advocate for climate-friendly policies and sustainable investment in Asia Pacific as a member of the Asia Investor Group on Climate Change (AIGCC).
- AIA is a launch partner and participant in Cathay Pacific's Sustainable Aviation Fuel (SAF) programme, advocating for cross-sectoral investment in climate change adaptation measures. This initiative will lead the transition to renewable energy in aviation in Hong Kong and beyond.
- Ms Chaudhury was featured on the climate change podcast, Outrage + Optimism. The episode, 'Lifelines vs Deadlines: The Need for Science Based Policy' explored the significant underlying barriers of our transition to a net-zero world and the importance of robust government policies for an effective transition.
- We engage with governments in our local markets to build a strong understanding of climate-related challenges and opportunities. In Malaysia, we are a Board member of the Joint Committee on Climate Change (JC3), a regulator-industry platform aiming to pursue collaborative actions for building climate resilience within the Malaysia financial sector. Similarly, AIA Singapore has participated in initiatives and consultations by the Green Finance Industry Taskforce which is convened by the Monetary Authority of Singapore.



Internal Engagement & External Advocacy

Fostering collaboration at our ESG Leads Conference

In October 2023, we held our second ESG Leads Conference in Hong Kong which featured Group Chief Executive and President, Lee Yuan Siong, and Group Executives including the Group General Counsel, Mitch New, the Group Chief Investment Officer, Dr Mark Konyon, Group Chief Risk Officer, Jayne Plunkett, and Group Chief Financial Officer, Garth Jones.

The event was an opportunity for attendees to share insights and best practices. At the end of the conference, colleagues joined ImpactHK's Kindness Walk, serving food and necessities to people experiencing homelessness in Hong Kong. The outputs of the conference are inputs for our strategic planning and a proof point for the Group's ESG Strategy continuing to evolve with input both from the Group Office and our business units.

Regular engagement with ESG Leads from across our business units ensures ongoing alignment and collaboration.

Engaging with local regulators to deliver real climate action

AIA prioritises constructive engagement with regulators as part of its broader commitment to delivering mutually beneficial stakeholder outcomes. Contributing to climate action is a particular focus, which is why AIA New Zealand participated in the consultation with the New Zealand Financial Markets Authority (FMA) and Reserve Bank of New Zealand (RBNZ).

The FMA seeks to keep proper climate-related disclosures (CRD) records. Recognising that this Guidance would have an impact on AIA New Zealand's current risk management and record keeping practices, AIA New Zealand submitted a paper supporting the view that climate-related reporting entities should develop climate reporting policies that include processes and controls to produce and retain records related to information disclosed in the climate statements. AIA New Zealand also submitted recommendations which have been adopted by FMA's Final Guidance published in October 2023.

In another response to the RBNZ's draft guidance on managing climate-related risks, AIA New Zealand sought to deliver meaningful climate outcomes by emphasising the need for alignment between the RBNZ requirements and the New Zealand Climate Standards (NZ CS). Final RBNZ guidance is due in March 2024.

Participation in industry groups is another way we collaborate and engage with regulators and industry peers. AIA Malaysia is a member the Risk Management and Data subcommittees under the Joint Committee on Climate Change (JC3), a collaborative effort to fortify climate resilience within the financial sector.

Through these subcommittees, AIA Malaysia has led and contributed to the development of industry resources such as the guidance for operationalising the Climate Change Principle-based Taxonomy.

These proactive engagements with regulators underscore the importance of financial sector collaboration in addressing the challenges posed by climate change, while exchanging perspectives to develop guidance that will be essential to shape the future of regulatory development.



Internal Engagement & External Advocacy

Robust stakeholder engagement supports our efforts to integrate our ESG Strategy into our operations in ways that are relevant to the delivery of long-term value for all our stakeholders.



K.Siriporn Phuttharak

Executive District Director of the largest General Agency Office in AIA Thailand

Engagement with our agents

AIA works closely with agents to ensure they are supported and well-equipped to thrive. With 33 years in the AIA agent network, K.Siriporn Phuttharak is Executive District Director of the largest General Agency Office in AIA Thailand. "When I first started, we had a very manual operation," K.Siriporn shares. "Today, AIA provides agents with a wealth of support and resources, including a digital platform, the 'AIAOne' app and recruitment support. This has helped us build trust with our customers and grow our business."

AIA regularly engages with agents to gather their input and feedback, fostering a culture of collaboration and learning. K.Siriporn takes part in quarterly General Agency Committee meetings with fellow agents and AIA executives, where ideas, suggestions and feedback are discussed. There are also opportunities to discuss ways to improve productivity and to escalate urgent feedback or customer matters directly with senior executives and the CEO when necessary.

This support includes in-person and online training and development opportunities on the essential skills for agent success, which are refreshed quarterly. AIA Thailand has also supported K.Siriporn's charitable foundation, Satien Phuttharak, which provides daily essentials and support to underprivileged people in memory of her late father.



Sonya Likhtman

EOS,
Federated Hermes

Engagement with our investors

We have had a productive dialogue with AIA for many years, covering a range of material sustainability and strategic issues. In 2023 we continued to engage with AIA on governance and Board effectiveness. Our discussions focused on ensuring genuine independence on the Board through healthy refreshment of Board Directors. We welcomed the appointment of three new independent Directors to the Board in 2023 and the improvement in Board gender diversity.

We also discussed the company's approach to addressing climate change and decarbonising its financed emissions to reach net-zero emissions by 2050. We were especially pleased to see the publication of the Climate Transition Plan in November 2023. We congratulate AIA for getting its near-term emission reduction targets validated as 1.5°C aligned by the Science Based Targets initiative, in line with our expectations. We will continue to engage on the implementation of the plan and further opportunities to strengthen the overall approach to climate change. We introduced a complementary focus on biodiversity loss in our engagement.

Finally, in 2023 we focused on AIA's strategy for increasing social and financial inclusion through ongoing development of products for under-served populations – a topic closely tied to business growth. AIA has numerous initiatives and products focused on financial inclusion and literacy, such as increasing microinsurance coverage for the rural population in India. Going forwards, we hope to see improved disclosure about AIA's overarching strategy for increasing social and financial inclusion.



Lia Merdekawaty

Head of Corporate Communications
for AIA Indonesia

Engagement with our customers

As Head of Corporate Communications for AIA Indonesia, Lia is responsible for ensuring the Company's mission, values and achievements are effectively communicated to help maintain trust and credibility. She utilises her skills to share ESG insights and initiatives with various stakeholders in an engaging way.

One such initiative in 2023 was a creative internal exhibition series that engaged employees in AIA's Net-Zero 2050 goal, sharing why we need to achieve net-zero and how each employee can help AIA succeed on this journey. AIA's ESG communications help people like Lia realise that each day their work is making a meaningful impact on the planet and the communities in which AIA operates.

AIA Indonesia pioneered a One Policy One Tree initiative. Piloted during 2023, the initiative plants a tree on our customers' behalf when they purchase an insurance policy. One Policy One Tree is a partnership with BenihBaik.com, a local NGO that plants and cares for the trees where customers receive an update on their tree growth each year. So far, 30,000 trees have been planted across five Indonesian provinces, with the potential of absorbing approximately 2,000 tonnes of CO₂e.

Collaborating to develop our net-zero targets and climate transition plan

Employees across the Group have been building their climate capabilities and a deeper understanding of our methodology, targets and strategy through internal channels including leader communication and monthly ESG newsletters. Across our 17 in-scope business units, cross-functional collaboration enabled us to set targets and develop local decarbonisation roadmaps across Operations and Investments, integrate climate into our risk management and governance and strengthen internal and external engagement.

Our regular engagement internally includes Group Office colleagues and senior stakeholders such as CEOs and Executive Committees across 17 of our business units¹. This is all to support the robust development of our SBTi validation journey and the finalisation of our Climate Transition Plan. This included rigorous baselining of emissions, developing targets and identifying the feasibility of decarbonisation levers, such as the electrification of our Hong Kong corporate car fleet, all of which will help drive decarbonisation across our operations. Finally, we have been engaged for several years with external stakeholders to support the validation and development of our Climate Transition Plan.

Find out more in the AIA Climate Transition Plan. For detail on AIA's ESG 101 Learning Programme, see the Internal Engagement & External Advocacy section of this Report.

¹ Excluding our joint-venture operations in India which are deemed outside of AIA's direct operational control.

Materiality: Focusing on What Matters for Our Stakeholders

AIA conducts a comprehensive materiality assessment every two years, most recently in 2022, to identify the most pressing ESG impacts, risks and opportunities. Each assessment is informed by extensive consultation with internal and external stakeholders. The results are used to shape our ESG Strategy and ultimately support the development and ongoing refinement of action plans for each identified material topic.

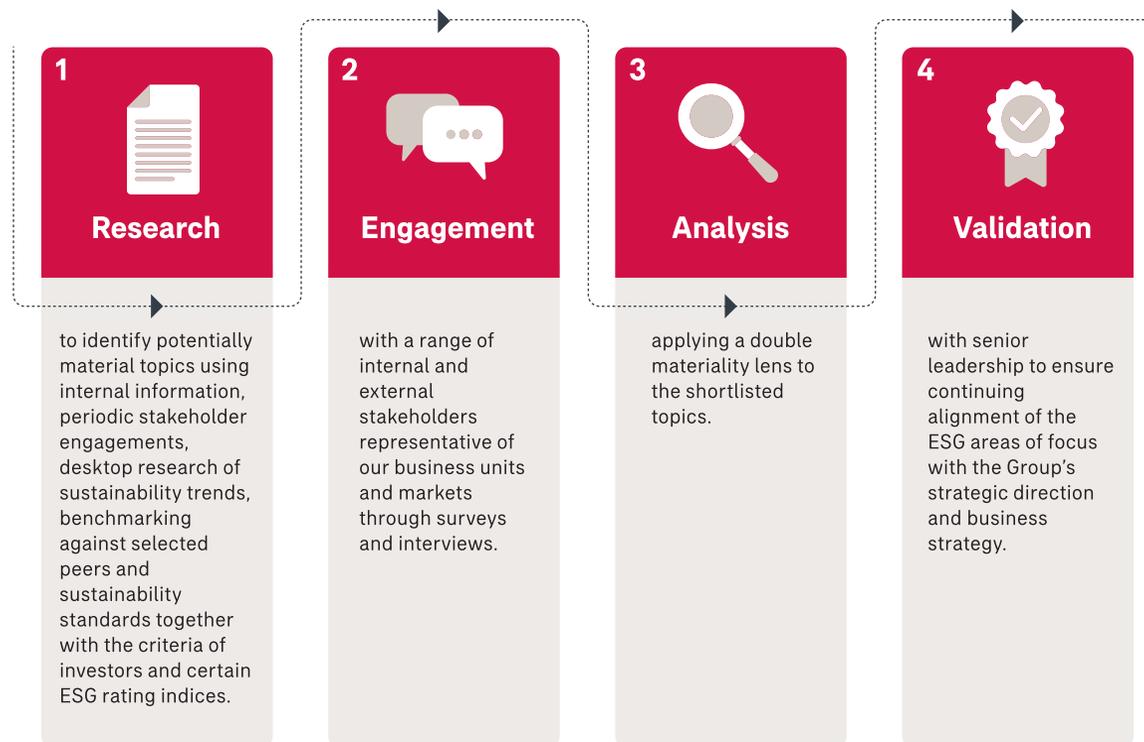
In alternate years, this assessment is complemented by additional stakeholder engagement and an internal review of material topics. In 2023, this process allowed AIA to further explore and implement changes recommended by the 2022 assessment.

During 2023, our stakeholder engagement efforts showed alignment across stakeholder groups on AIA's material topics and key ESG priorities. Environmental Responsibility and Climate Action remains a top priority for all groups, with Sustainable Investment, Health, Well-being and Financial Inclusivity also important topics.

A robust approach to materiality

We use a 'double materiality' lens in line with international standards and frameworks including the Global Reporting Initiative (GRI) and the International Sustainability Standards Board (ISSB). Double materiality assesses the impact of each topic on the economy, environment and people ('impact materiality'), and whether the topic could reasonably be expected to influence assessments of AIA's enterprise value ('financial materiality'). This approach ensures our assessment of ESG-related risk and opportunity considers all potential sources of enterprise value creation.

OUR MATERIALITY ASSESSMENT COMPRISED THE FOLLOWING STEPS:



Our material topics

We have identified five material topics that each contribute to our ability to operate sustainably while supporting our communities and the environment. These material topics are described in the diagram below. We have identified seven other topics that help us continue to refine our ESG focus.

MATERIAL TOPICS



Environmental Responsibility
and Climate Action



Health, Well-being, and
Financial Inclusion



Sustainable Investment



Human Capital



Corporate Governance

OTHER MATERIAL TOPICS



Risk Management



Data Privacy and
Cyber Security



Community Engagement
and Investment



Diversity, Equity
and Inclusion



Business Ethics



Products and
Service Digitalisation
and Innovation



Responsible
Marketing and
Selling Practices



Our ESG Strategy

AIA's Purpose – helping people live Healthier, Longer, Better Lives – guides our ESG Strategy and reflects the integral connection between a healthy planet and healthy communities.

Our ESG Strategy focuses on creating long-term value for our stakeholders. We strive to address emerging challenges and identify new opportunities across our five ESG Strategy pillars – Health & Wellness, Sustainable Investment, Sustainable Operations, People & Culture and Effective Governance.

Our efforts to further integrate ESG into our business gained momentum in 2023 and we continue to deepen our approach towards sustainability. Supported by strong data systems, governance and assurance, we continue to develop our ambition, performance and accountability.



Our ESG Strategy

We fully embed our material topics into our operations. The table below showcases our Operating Philosophy and the integration of various material topics in the five pillars of our ESG Strategy. The inclusion of ESG issues within executive management goals promotes greater accountability in our ESG practices.

OUR STAKEHOLDERS

Customers

Employees and Agents

Governments and Regulators

Investors

Communities

MATERIAL TOPICS



OUR ESG STRATEGY PILLARS

	<p>Health & Wellness directs AIA's resources to engaging, inspiring and delivering better health outcomes, championing financial inclusion and expanding access to quality care, producing a wider, fairer impact on society.</p>	<ul style="list-style-type: none"> Engaging Communities Across Asia Improving Access to Quality Healthcare Building Better Integrated Health and Wellness Outcomes
	<p>Sustainable Investment delivers long-term value by allocating capital to companies that commit to sustainable outcomes, investing for the future and lowering our exposure to the risk of stranded assets in a future low-carbon economy.</p>	<ul style="list-style-type: none"> Deepening ESG Engagement Augmenting ESG Training and Capacity Broadening Portfolio Inclusions Enhancing Portfolio Exclusions Our Portfolio and Climate Disclosures
	<p>Sustainable Operations aims to improve the environmental performance of AIA's operations as well as to incorporate ESG factors into sourcing considerations.</p>	<ul style="list-style-type: none"> Ensuring Greener Buildings Improving Our Environmental Performance Advancing Digital Transformation Encouraging Good ESG Practice
	<p>People & Culture empowers our people to succeed through fostering a learning environment, ensuring equitable and fair processes for employment and progression and a diverse, inclusive and supportive culture.</p>	<ul style="list-style-type: none"> Supporting Development and Career Progression Accelerating Progress in Diversity and Inclusion Strengthening Risk Awareness Enriching and Rewarding Opportunities for All
	<p>Effective Governance ensures that AIA continues to operate to the highest standards of business practices, both in terms of its engagement with stakeholders and how we manage risks. This provides the necessary management oversight, incentives and organisational accountability, data governance systems and transparent reporting to enable us to succeed.</p>	<ul style="list-style-type: none"> Board Governance Ensuring Effective Risk Management and Responsible Business Practices Promoting Best ESG Practices ESG Ratings and Index Inclusions

PRIORITIES

Our Health & Wellness Pillar

Our Purpose of helping people live Healthier, Longer, Better Lives is inextricably linked to ESG considerations.

As the largest independent publicly listed pan-Asian life insurance group, our customers can tailor a package from our wide range of protection and long-term savings propositions with health and wellness coverage solutions and services. This personalised approach ensures they can afford this protection both now and when health costs escalate as they age.

AIA's Integrated Health Strategy aims to improve the health and wellness of people and communities across Asia by transforming how individuals, corporates, payors and providers experience and manage health insurance and healthcare delivery. These solutions include strategic partnerships with outpatient clinics, more effective care management programmes and simpler healthcare journeys that deliver better health outcomes at a lower cost – making healthcare more accessible, affordable and effective.

“



Stuart Spencer
Group Chief
Marketing Officer

Driven by our Purpose, we're contributing to healthier communities across Asia by engaging people in improving their physical, mental and environmental wellness while championing financial inclusion. ”

“



Dr Kelvin Loh
Group Chief
Healthcare Officer

Our integrated approach is providing people with greater access to affordable and effective healthcare, leading to better health and wellness outcomes that help people live Healthier, Longer, Better Lives. ”

Summary of Priorities and Progress



PRIORITIES 2023 PROGRESS

1. Engaging Communities Across Asia

Engage communities across Asia to improve their physical, mental and environmental wellness while championing financial inclusion

- We have reinforced our commitment to communities across Asia by setting ourselves a target to engage one billion people by 2030 to live Healthier, Longer, Better Lives.
- 387 million people engaged through AIA One Billion by the end of 2023.



Find out more on pages 4-10 of our 2023 Health & Wellness Subsection Report

2. Improving Access to Quality Healthcare

Provide greater access to quality care, relevant and timely information, diagnoses, treatment and rehabilitation

AIA Vitality and AIA China Wellness <ul style="list-style-type: none"> • 13 live markets • 3.1 million AIA Vitality and AIA China Wellness customers 	Telemedicine <ul style="list-style-type: none"> • 10 live markets • 6.7 million telemedicine eligible lives • 85% year-on-year increase in the number of consults 	Personal Case Management (PCM) <ul style="list-style-type: none"> • 12 live markets • 4.1 million eligible lives • 84.9% year-on-year increase in the number of PCM cases • 18.8% diagnosis change • 50.6% refined treatment plan • 93.9% customer satisfaction rate 	Regional Health Passport <ul style="list-style-type: none"> • 10 live markets • Top 100 upper-tier hospitals in Asia • 10,000 providers globally
--	--	--	---



Find out more on pages 11-14 of our 2023 Health & Wellness Subsection Report

Summary of Priorities and Progress



PRIORITIES

2023 PROGRESS

3. Building Better Integrated Health and Wellness Outcomes

Build on our leading integrated health and wellness solutions and reward customers for behavioural improvements

Based on AIA Vitality members who have reported their data:

- 22% year-on-year increase in the number of AIA Vitality Customers with either one biometric result from unhealthy to healthy OR AIA Vitality Age improvement + Personal Case Management Customers with a change in diagnosis or treatment optimised
- Members improved their AIA Vitality Age by an average of 0.10 years since joining the programme. A member's AIA Vitality Age is their actual age relative to a variety of health factors.

- 26% of at-risk AIA Vitality members have moved to a healthy BMI range
- 51% of at-risk AIA Vitality members have seen their blood pressure levels improve
- 43% of at-risk AIA Vitality members have seen their cholesterol levels decline
- 73% of at-risk members have seen their glucose levels reduce



Find out more on pages 15-16 of our 2023 Health & Wellness Subsection Report

Our Sustainable Investment Pillar

For over 100 years, AIA has supported our customers' protection and savings needs by prudently allocating capital. Our investment strategies today consider customer impacts decades into the future. Customers, investors and regulators are increasingly conscious of the effects of ESG-related outcomes on our future prospects. We believe that our success is inextricably linked to our stakeholders, society, the economy and the natural environment. These perspectives are integrated into decision making across the investment cycle.

AIA structurally integrates and assesses relevant ESG factors associated with potential and actual investee companies to support investment portfolio decisions. In addition to evaluating ESG performance, we actively engage with investee companies to promote, develop and enhance ESG-related business practices. However, where we determine that the transition of certain sectors towards a more sustainable or resilient business model is either not possible or not occurring at the required pace, we will consider excluding certain entities or sectors from our portfolio.

We recognise that as a notable investor in the region, AIA has substantial influence. Our team are deeply committed to delivering long-term, sustainable financial outcomes as part of our Purpose of helping people live Healthier, Longer, Better Lives.

“



Dr Mark Konyin
Group Chief Investment Officer

In line with AIA's commitment to a sustainable future, our investment approach is focused on achieving our climate goals while maintaining strong financial performance. The Climate Transition Plan and approved SBTi targets mark a significant milestone in our journey towards sustainable investment. Through engaging with our investees and exploring new low-carbon investment opportunities, we aim to make a positive impact on the world while continuing to deliver value to our stakeholders. ”

Summary of Priorities and Progress



PRIORITIES	2023 PROGRESS
<p>1. Deepening ESG Engagement</p> <p>Deepen ESG engagement with investee companies</p>	<ul style="list-style-type: none"> Engaged >900 investee companies on supply chain management Defined the mechanism to facilitate SBTi engagement Maintained 100% coverage of general account investments against in-house ESG Rating Scorecard <div style="text-align: right;">  <p><i>Find out more on pages 4-5 of our 2023 Sustainable Investment Subsection Report</i></p> </div>
<p>2. Augmenting ESG Training and Capacity</p> <p>Augment knowledge and capacity among our investment analysts through dedicated training initiatives</p>	<ul style="list-style-type: none"> >140 Investment professionals passed and achieved the CFA Institute's Certificate in ESG Investing First company globally to mandate the CFA Institute's Certificate in ESG Investing qualification for our in-scope investment professionals <div style="text-align: right;">  <p><i>Find out more on page 6 of our 2023 Sustainable Investment Subsection Report</i></p> </div>
<p>3. Broadening Portfolio Inclusions</p> <p>Broaden portfolio inclusions by specific considerations of green bonds, sustainability bonds, renewable and alternative energy and infrastructure, as part of the bottom-up investment process</p>	<ul style="list-style-type: none"> US\$6.3 billion invested in ESG bonds as a result of bottom-up integration in our general account investment portfolio <div style="text-align: right;">  <p><i>Find out more on pages 7-8 of our 2023 Sustainable Investment Subsection Report</i></p> </div>

Summary of Priorities and Progress



PRIORITIES

2023 PROGRESS

4. Enhancing Portfolio Exclusions

Enhance portfolio exclusions in consideration of our objective to secure long-term investment outcomes

- Reaffirmed our focus on investee engagement as part of our net-zero commitment
- Concluded that new entire sector exclusions would not presently form a significant part of our investment strategy
- Exclusions remain on tobacco, cluster munitions, coal mining and coal-fired power generation in our general account investment portfolio



Find out more on page 9 of our 2023 Sustainable Investment Subsection Report

5. Our Portfolio and Climate Disclosures

Continue to report annual climate disclosures and develop emission reduction targets for our portfolio aligned to our net-zero commitment

- Set and validated three near-term SBTi targets: one Sectoral Decarbonisation Approach (SDA) for Power Generation, one SDA for Direct Real Estate, and a Portfolio Coverage Approach in all other sectors
- Total Financed Emissions (TFE) as of 31 December 2023: 8.3 million tonnes of CO₂e in relation to our in-scope general account investment portfolio
- Weighted Average Carbon Intensity (WACI) of the listed equity portfolio as of 31 December 2023: 206 tonnes of CO₂e per US\$1 million revenue in relation to our in-scope general account investment portfolio



Find out more on pages 10-11 of our 2023 Sustainable Investment Subsection Report

Summary of Priorities and Progress

Our net-zero commitment

The validation of our near-term investment targets by SBTi in 2023 confirms that our net-zero commitment aligns to science-based decarbonisation pathways to keep global warming below 2°C compared to pre-industrial levels. The three targets are one SDA each for the Power Generation and Direct Real Estate sectors, and a Portfolio Coverage Approach for the remaining portfolio of corporate bonds and listed equity.

Underpinned by robust governance, these credible and measurable near-term goals, approved by the Group Investment Committee prior to their submission, will drive our progress towards our long-term Net-Zero 2050 commitment, enabling oversight and ensuring accountability.

Refreshed responsible investment disclosure

We simplified and aligned our reporting under the UN Principles for Responsible Investment (UN PRI) in 2023, concurrent with the introduction of the redesigned UN PRI transparency report format. We adjusted our reporting scope to align reporting entities with our boundary for SBTi target-setting across our general account investment portfolio, and mapped UN PRI terminology to the AIA asset hierarchy. Enhancing alignment ensures consistency across disclosures and transparency and comparability of information for our stakeholders.



Engaging in regulatory and industry ESG developments across Asia

In 2023 our engagement with our regulators on our climate risk management practices continued to build, including requests for information on the availability of emissions data across our investments and operations.

We contributed to ongoing public consultation on SBTi's proposed Financial Institutions Net-Zero (FINZ) standard, advocating for mutual recognition and equivalence across target-setting frameworks as well as greater consideration of the Asian context within those frameworks. We welcome commitment from regulators across our markets to support the IFRS® Sustainability Disclosure Standards published by the ISSB, creating a standard approach to these disclosures.

Building capability in impact investing

Supplementing our primary focus on our general account investment portfolio, we committed to greater participation in impact investing, including partnering with LeapFrog Investments in June 2023. A world leader in impact investing, LeapFrog has an investment mandate for sustainable development aligned with the UN SDG Framework. Continuing to integrate ESG considerations into our investment decisions will increase our knowledge and sharpen our focus on sustainability and achieving the UN SDGs.

Find out more in our 2023 Sustainable Investment Subsection Report.

Summary of Priorities and Progress

Building our ESG investment capability

We continue to cultivate ESG expertise and build capacity in our team. This year we appointed a new Head of Sustainable Investment, profiled in the [2023 Sustainable Investment Subsection Report](#). We established a new stewardship team led by the Regional Head of Equities Research and Stewardship. We also continued to expand the Investment ESG Centre of Excellence, supporting our team to qualify for the CFA Institute's Certificate in ESG Investing.

Our Sustainable Investment pillar brings together the Group's significant scale, deep expertise and robust governance processes to deliver long-term value to our policyholders and stakeholders.

At the heart of this effort is AIA's extensive team of investment professionals and analysts who continue to integrate ESG best practices into our investment approach to ensure we remain best positioned to holistically manage relevant risks.

SNAPSHOT OF AIA'S SUSTAINABLE INVESTMENT PILLAR



650+
investment staff



Responsible for overseeing the assets of
>42 MILLION
individual policies



14
local investment teams
on the ground across
the Asia Pacific region



>100 YEARS
of history serving as stewards
of our policyholders in Asia



US\$286.3 BILLION
in total investment assets
as of 31 December 2023



FIRST Hong Kong
headquartered asset owner
to become a signatory to the
UN-backed PRI

Our Sustainable Operations Pillar

The sustainability of our workplaces, operations and value chain can help build business resilience.

We are building on initiatives that reduce our environmental footprint. For example, the progressive digitalisation of our services continues to enhance customer experience while reducing paper waste. With our commitments captured in our validated SBTs (science-based targets), our actions to reduce emissions are guided by our Climate Transition Plan over the near and long term.

We work closely with our supply chain to encourage good ESG practice across the value chain and reduce emissions incurred by others on our behalf. Taking ownership of our broader footprint means encouraging positive ESG practices where we can, and we believe leading by example is how we can have the greatest impact.

“



Biswa Misra
Group Chief
Technology and Life
Operations Officer

Digitalisation is enabling AIA to enhance our customers' experience while reducing the environmental impact of our operations.”

Summary of Priorities and Progress



PRIORITIES	2023 PROGRESS		
1. Ensuring Green Buildings Ensure that all new buildings and any redevelopments adhere to industry-recognised green building standards	<ul style="list-style-type: none"> All new buildings and redevelopments to be green certified 17 buildings are green certified 		<i>Find out more on pages 4-5 of our 2023 Sustainable Operations Subsection Report</i>
2. Improving Our Environmental Performance Reduce our carbon footprint, while also measuring and managing the amount of waste produced from our operations	<ul style="list-style-type: none"> SBTi near-term emissions reduction targets validated, and Climate Transition Plan launched 		<i>Find out more on page 6 of our 2023 Sustainable Operations Subsection Report</i>
3. Advancing Digital Transformation Increase digitalisation and automation to reduce the usage of paper	<ul style="list-style-type: none"> 94% of our buy, service and claims transactions were submitted digitally 91% of electronic submissions for claims 96% of our communication with policy holders via digital channel 244 paper forms removed Across the Group, we have saved 1,548 tonnes (equivalent to more than 309 million pieces) of paper 		<i>Find out more on page 7 of our 2023 Sustainable Operations Subsection Report</i>
4. Encouraging Good ESG Practice Encourage improvements in ESG performance with vendors	<ul style="list-style-type: none"> The Supplier Code of Conduct incorporates ESG principles and applies to all suppliers >63% of Tier 1 suppliers at Group Office are rated in the top 15% of all companies assessed by a globally recognised ESG supplier ratings provider 		<i>Find out more on page 8 of our 2023 Sustainable Operations Subsection Report</i>

Our People & Culture Pillar

Our people are central to our continued ability to deliver on our Purpose to help people live Healthier, Longer, Better Lives.¹ Representing different geographies and communities, they make up the culture of our business and enable us to create value for our stakeholders.

Nurturing our culture, building leaders and workforce capability, and supporting and developing our people so that they can achieve their potential are key organisational and people priorities for AIA. Our organisation and people strategy enables us to attract, retain and develop outstanding people, making AIA an employer of choice across our markets.

Our culture sets us apart

AIA's rich history in Asia connects our organisation to the region's culture and future. With our unparalleled history of operations in the region, we are mindful that our culture brings us together, connects our people to our shared Purpose, and distinguishes us from our peers.

At AIA, we are guided by our Operating Philosophy of "Doing the Right Thing, in the Right Way, with the Right People ... and the Right Results will come." By acting with our deep-rooted Leadership Essentials of Clarity, Courage and Humanity, we demand and champion a better way.

Our Purpose guides the decisions and actions that our people make every day and inspires us to support and protect the well-being of those we serve and each other.

Our operating model of empowerment within a framework, together with the principles that underpin our culture, create an engaging environment for our employees to deliver on our people proposition of *Believe in Better*.

“



Cara Ang
Group Chief Human
Resources Officer

We continue to cultivate an inclusive and high-performing workplace, empowering our employees to foster excellence and grow both personally and professionally.”

¹ As at 31 December 2023, AIA had a total of 25,927 employees, which includes full-time and part-time employees as well as employees on fixed-term contracts, and excludes interns, agents of the Group, employees of MediCard Philippines, Inc. (MediCard), Amplify Health Asia Pte. Limited (Amplify Health), our joint venture Tata AIA Life Insurance Company Limited (Tata AIA Life), and our associate China Post Life Insurance Co., Ltd. (China Post Life). All figures related to the number of employees in this report exclude MediCard, which AIA acquired in 2022 and is currently integrating into the business, and Amplify Health. Including MediCard and Amplify Health, AIA has a total of 27,320 employees.

Summary of Priorities and Progress



PRIORITIES	2023 PROGRESS
<p>1. Supporting Development and Career Progression</p> <p>Foster a learning culture that supports the development of our people</p>	<ul style="list-style-type: none"> Launched LIFT (Learn. Integrate. Focus. Thrive.) and ESG 101 to develop new capabilities 26.5 training hours per employee (target: 24 hours per employee by end of 2023) Top quartile in Gallup's global finance and insurance industry benchmark of employee engagement for the seventh consecutive year, with 98% participation Multiple employee engagement and people awards, including the Gallup Exceptional Workplace Award for the second consecutive year <div style="text-align: right;">  <p><i>Find out more on pages 4-8 of our 2023 People & Culture Subsection Report</i></p> </div>
<p>2. Accelerating Progress in Diversity and Inclusion</p> <p>Promote workplace diversity and advance our culture of innovation and inclusion</p>	<ul style="list-style-type: none"> 57.1% women employees in workforce (target: gender balanced workforce) 41.6% women in senior leadership (target: 40% women in senior leadership) >40% of women in programmes for leadership development (target: 45% by end 2026) >75 nationalities across AIA Group Delivered Diversity and Inclusion refresher training to all managers <div style="text-align: right;">  <p><i>Find out more on page 9 of our 2023 People & Culture Subsection Report</i></p> </div>

Summary of Priorities and Progress

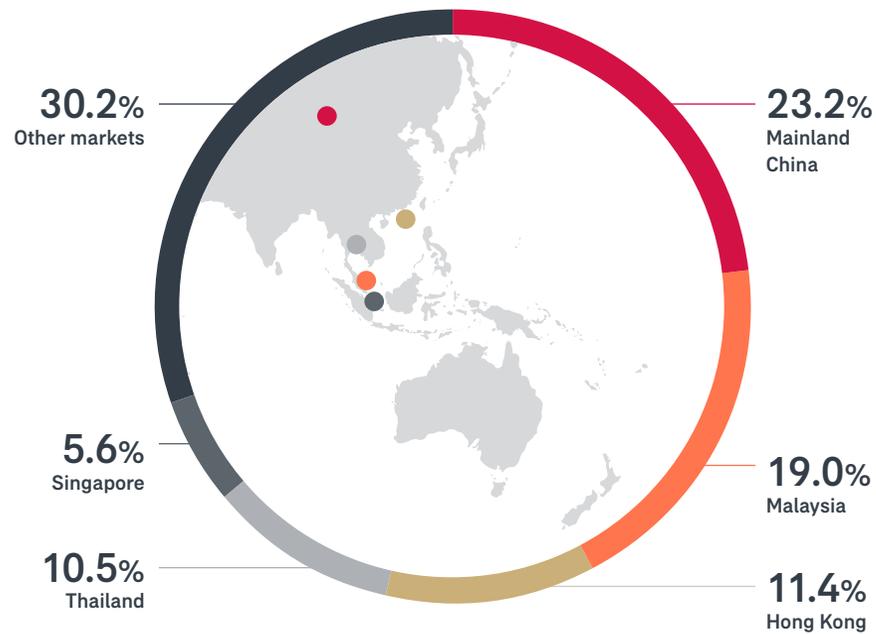


PRIORITIES	2023 PROGRESS
<p>3. Strengthening Risk Awareness</p> <p>Embed a culture of ethical decision making and strong risk management</p>	<ul style="list-style-type: none"> 100% of employees acknowledged compliance with the AIA Group Code of Conduct on an annual basis (Target: 100%) <div style="text-align: right;">  <p><i>Find out more on page 10 of our 2023 People & Culture Subsection Report</i></p> </div>
<p>4. Enriching and Rewarding Opportunities for All</p> <p>Ensure fair, accountable and equitable processes for employment, progression and rewards</p>	<ul style="list-style-type: none"> AIA Workforce Well-being programmes available to employees in all markets Introduced Me@AIA, a bespoke resilience programme Delivered second Group-wide Mental Well-being Campaign in October <div style="text-align: right;">  <p><i>Find out more on pages 11-12 of our 2023 People & Culture Subsection Report</i></p> </div>

Summary of Priorities and Progress

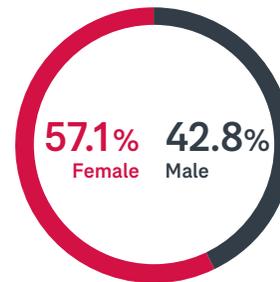
Our workforce at a glance

EMPLOYEE BREAKDOWN BY MARKET*

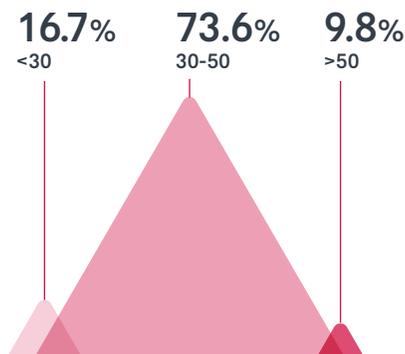


*Figures for Hong Kong include Group Office employees. Figures for Mainland China and Malaysia include our employees in our shared service centres.

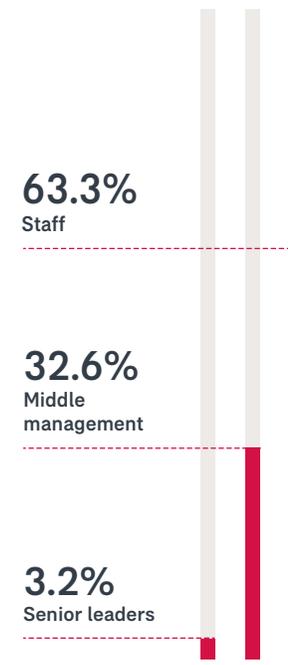
EMPLOYEE BREAKDOWN BY GENDER



EMPLOYEE DEMOGRAPHICS BY AGE GROUP



EMPLOYEE BREAKDOWN BY SENIORITY*



*"Senior Leaders" captures all GCB08 and above, "Middle Management" captures GCB05-GCB07, "Staff" captures GCB01-GCB04.

TOTAL HEADCOUNT*



*As at 31 December 2023, AIA had a total of 25,927 employees, which includes full-time and part-time employees as well as employees on fixed-term contracts, and excludes interns, agents of the Group, employees of MediCard Philippines, Inc. (MediCard), Amplify Health Asia Pte. Limited (Amplify Health), our joint venture Tata AIA Life, and our associate China Post Life. All figures related to the number of employees in this report exclude MediCard, which AIA acquired in 2022 and is currently integrating into the business, and Amplify Health. Including MediCard and Amplify Health, AIA has a total of 27,320 employees.

AVERAGE AGE

38.1

NATIONALITIES

>75

Our Effective Governance Pillar

Effective Governance underpins our business and provides the foundation for AIA's responsible business conduct. We have been recognised for the strength and quality of our corporate governance and we continue to enhance our oversight and decision-making processes as our business evolves.

Robust oversight by the Board and management supports the responsible operations integral to our organisational culture. AIA has a clear and comprehensive framework of industry-leading practices, policies and requirements to hold ourselves to the highest standards of business conduct. Our governance framework adapts as we grow our business and further integrate ESG into our operations.

By providing clarity, transparency and accountability for the decisions made throughout our business, we create sustainable stakeholder value and ensure we deliver on our commitments to our customers and communities.



Mitch New
Group General Counsel
and Chairman of the
ESG Committee

Transparency and high standards of integrity are hallmarks of AIA's governance approach. We take pride in our reputation as a responsible business and our commitment to best practice governance."



Jayne Plunkett
Group Chief Risk Officer

Our risk management, strategy and sustainability efforts work in harmony to deliver sustainable growth while adjusting to the changing operating environment."

Summary of Priorities and Progress



PRIORITIES	2023 PROGRESS
<p>1. Board Governance</p> <p>Foster business integrity and sound decision making through a diverse and highly qualified Board</p>	<ul style="list-style-type: none"> All AIA Group Limited Board members are Independent Nonexecutive Directors (INED's) aside from Group Chief Executive and President Board membership broadly reflects a cross-section of the jurisdictions in which we operate All Board committees are chaired by and comprised almost entirely of Independent Non-executive Directors (INEDs) <div style="text-align: right;">  <p><i>Find out more on page 4 of our 2023 Effective Governance Subsection Report</i></p> </div>
<p>2. Ensuring Effective Risk Management and Responsible Business Practices</p> <p>Effectively manage ESG-related risks and opportunities throughout our business</p>	<ul style="list-style-type: none"> ESG-related risks, similar to other material risks, are managed within the ERM framework <div style="text-align: right;">  <p><i>Find out more on pages 5-10 of our 2023 Effective Governance Subsection Report</i></p> </div>



Summary of Priorities and Progress



PRIORITIES	2023 PROGRESS
<p>3. Promoting ESG Best Practices</p> <p>Promote ESG best practices across the region</p>	<ul style="list-style-type: none"> Continued participation with partners and alliances including participating in the UN Global Compact's Think Lab on Just Transition, and as a member of the Asia Investor Group on Climate Change (AIGCC) <div style="text-align: right;">  <p><i>Find out more on pages 11-12 of our 2023 Effective Governance Subsection Report</i></p> </div>
<p>4. ESG Ratings and Index Inclusions</p> <p>Establish AIA as a global leader on key ESG indices, ratings and benchmarks</p>	<ul style="list-style-type: none"> Recognised as ESG Industry and Regional Top Rated organisation by Sustainalytics Rated AA by MSCI for three consecutive years Continued inclusion in the Hang Seng Low Carbon Index and the Hang Seng ESG Enhanced Index <div style="text-align: right;">  <p><i>Find out more on pages 13-15 of our 2023 Effective Governance Subsection Report</i></p> </div>

Independent Practitioner's Limited Assurance Report

To the board of directors of AIA Group Limited



We have undertaken a limited assurance engagement in respect of the selected sustainability information of AIA Group Limited (the "Company") and its subsidiaries (collectively "the Group" or "AIA") listed below under the "Identified Sustainability Information" section and identified with a ✓ in the Company's Environmental, Social and Governance ("ESG") report that covers the twelve-month period from 1 January 2023 to 31 December 2023 ("ESG report 2023").

Identified Sustainability Information

The Identified Sustainability Information for the twelve-month period from 1 January 2023 to 31 December 2023 is summarised below:

- Electricity usage (indirect energy use)
- Energy consumption from use of fossil fuels and gas (direct energy use)
- Total energy consumption
- Scope 1 Greenhouse Gas ("GHG") emissions ^(Note 1)
- Scope 2 GHG emissions ^(Note 2)
- Scope 3 GHG emissions ^(Note 3)
- Total GHG emissions (Scope 1, 2, 3)
- Paper saved in operation ^(Note 4)
- Water consumption and intensity ^(Note 5)
- Number and Percentage of women employee in work force, in senior leadership ^(Note 5)
- Number of employees - by markets, gender, age group and workforce seniority ^(Note 5)
- Employee turnover rate - by gender, by age group, by market ^(Note 5)
- Average training hours - by gender, by workforce seniority, per employee ^(Note 5)

- Note 1: Emissions produced directly from the consumption of diesel, petrol, Towngas, natural gas, liquified petroleum gas and jet fuel.
- Note 2: Emissions produced indirectly from the consumption of electricity and Towngas.
- Note 3: Emissions produced indirectly from commercial business travel by airplane, which includes AIA Group Office, AIA Australia, Brunei, Cambodia, Hong Kong, Indonesia, South Korea, Macau, Malaysia, Myanmar, New Zealand, Philippines, Singapore, Sri Lanka, Thailand, Taiwan and Vietnam.
- Note 4: The sustainability data comprised the Group's 14 markets globally and they are Australia, Cambodia, Mainland China, Hong Kong SAR, Indonesia, South Korea, Malaysia, New Zealand, Philippines, Singapore, Sri Lanka, Thailand, Taiwan (China) and Vietnam.
- Note 5: The sustainability data comprised the Group's 17 markets globally and they are Australia, Brunei, Cambodia, Mainland China, Hong Kong SAR, Indonesia, South Korea, Macau SAR, Malaysia, Myanmar, New Zealand, Philippines, Singapore, Sri Lanka, Thailand, Taiwan (China) and Vietnam.

Selective quantitative energy and emission data was provided for 18 of the Group's locations and related operations excluding the operation activities of the Company's insurance agents and these are the only locations included in the Identified Sustainability Information for the twelve-month period from 1 January 2023 to 31 December 2023, namely:

- the Company's Group Office operations in Hong Kong SAR conducted from its premises located at AIA Central (1 Connaught Road Central, Central), Hopewell Centre (183 Queen's Road East, Wan Chai) and Foyer (625 King's Road, North Point);

- the operations of AIA Hong Kong conducted from its premises located at AIA Hong Kong Tower (734 King's Road, Quarry Bay), Kerry Building (683 King's Road, Quarry Bay) and AIA Finance Centre (712 Prince Edward Road East, Kowloon);
- the operations of AIA Singapore conducted from its premises at AIA Alexandra (371 Alexandra Road), AIA Tampines (3 Tampines Grande) and AIA Tower (1 Robinson Road);
- the operations of AIA Malaysia conducted from its premises at AIA Menara (99, Jalan Ampang, 50450, Kuala Lumpur) and AIA Wisma (89, Jalan Ampang, Kuala Lumpur);
- the operations of AIA China conducted from its premises at One AIA Financial Center and Two AIA Financial Center (No.89 Zone Gui Cheng Street, Nanhai District Foshan City); AIA Building (17 Zhongshan Rd (E-1), Waitan, Huangpu, Shanghai);
- the operations of AIA Thailand conducted from its premises at AIA Thailand Tower 1&2 (181 Surawong Road, Bangkok);
- the operations of AIA New Zealand conducted from its premises at AIA House (74 Taharoto Road, Smales Farm, Auckland), AIA Thrive (57 Market Road, Remuera, Auckland) and AIA Christchurch (126 Oxford Terrace, Christchurch);
- the operations of AIA Philippines conducted from its premises at Philam Life Salcedo (Lot 7, Block 3, 126 L.P. Leviste & San Agustin Streets, Salcedo Village, Makati City, Metro Manila), Philam Life Center Cebu (L1/L2, B16 Cardinal Rosales/Samar Loop/Masbate Rd., Cebu City, Cebu) and Philam Life Alabang (Acacia Ave. & Industry St., Madrigal Business Park, Alabang, Muntinlupa City);
- the operations of AIA Indonesia conducted from its premises at Lippo Plaza Medan (Jl. Imam Bonjol No.6 Medan Lt. 8, Suka Damai, Kec. Medan Polonia, Kota Medan, Sumatera Utara 20111), Pakuwon Tower (Pakuwon Tower lantai 25, Jl. Embong Malang Surabaya) and AIA Central (Ind) (Jl. Jend. Sudirman Kav. 48A Jakarta Selatan 12930);
- the operations of AIA Australia conducted from its premises at 4 Dawn Fraser Avenue (4 Dawn Fraser Avenue, Sydney Olympic Park, NSW);
- the operations of AIA Korea conducted from its premises at AIA Tower, Seoul, Korea (216 Sunhwa-dong, Jung-gu, Seoul).
- the operations of AIA Brunei conducted from its premises at Pavo Point - 5th Floor (5th Floor, Pavo Point, Simpang 37, Jalan Kianggeh, Kampung Kianggeh, BA1211, Negara Brunei Darussalam);
- the operations of AIA Cambodia conducted from its premises at GIA Tower 30 and 31th Floor (Phnom Penh, Cambodia);
- the operations of AIA Macau conducted from its premises at AIA Tower Macau (No. 251A-301 Avenida Comercial De Macau);
- the operations of AIA Myanmar conducted from its premises at Junction City Office Tower (23rd Floor, Bogyoke Aung San Road);
- the operations of AIA Sri Lanka conducted from its premises at AIA Tower Sri Lanka (No 92, Dharmapala Mw., Colombo 07);
- the operations of AIA Taiwan conducted from its premises at Cathay Dunnan Building (17F., No.333, Sec. 2, Dunhua S. Rd., Da-an District, Taipei City 106);
- the operations of AIA Vietnam conducted from its premises at SGC (F14 & F15 Saigon Center tower 2 - 67 Le Loi Street, Dist. 1).

Independent Practitioner's Limited Assurance Report

To the board of directors of AIA Group Limited

For the purposes of this limited assurance report, the selected quantitative data is defined above as the "Identified Sustainability Information".

Our limited assurance report is in respect of the twelve-month period from 1 January 2023 to 31 December 2023 information for the Identified Sustainability Information of the locations mentioned above only and we have not performed any procedures with respect to earlier periods or any other elements included in the ESG report 2023 and, therefore, do not express any conclusion thereon.

Criteria

The criteria used by the Company to prepare the Identified Sustainability Information is set out in ESG Report 2023 under the section "About this Report".

The Company's Responsibility for the Identified Sustainability Information

The Company is responsible for the preparation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Identified Sustainability Information that is free from material misstatement, whether due to fraud or error.

Inherent limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. In addition, GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the

values needed to combine emissions of different gases.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Identified Sustainability Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, and, in respect of *greenhouse gas emissions*, International Standard on Assurance Engagements 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform this engagement to obtain limited assurance about whether the Identified Sustainability Information is free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of the Company's use of the Criteria as the basis for the preparation of the Identified Sustainability Information, assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we :

- made inquiries of the persons responsible for the Identified Sustainability Information;
- understood the process for collecting and reporting the Identified Sustainability Information;
- performed limited substantive testing on a selective basis of the Identified Sustainability Information to check that data had been appropriately measured, recorded, collated and reported; and
- considered the disclosure and presentation of the Identified Sustainability Information.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less

in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Company's Identified Sustainability Information has been prepared, in all material respects, in accordance with the Criteria.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Company's Identified Sustainability Information for the twelve-month period from 1 January 2023 to 31 December 2023 is not prepared, in all material respects, in accordance with the Criteria.

Restriction on Use

Our report has been prepared solely for the board of directors of the Company and is not to be used for any other purpose. We do not assume responsibility towards or accept liability to any other parties for the content of this report.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong,
13 March 2024



Regulatory and Mandatory Disclosures

Global Reporting Initiative and Hong Kong Stock Exchange Guide Content Index

In compliance with the Comply or Explain Requirements of the Hong Kong Stock Exchange (HKSE) ESG Guide and GRI Standards Guide, this Report cites information for the period 1 January 2023 to 31 December 2023.

The table below maps the GRI Standards, HKSE ESG Guide Content and the UN Global Compact (UNGC) Ten Principles to relevant sections of the Report. Additional data and information are highlighted in the Content Index and commentary table of the **ESG Data Book Supplement**. This includes any changes to the methodology or KPIs not discussed in the main body of this Report.

HKSE ESG REPORTING GUIDE REFERENCE	GRI STANDARD DISCLOSURE INCLUDING UNGC	DISCLOSURE	SECTION CROSS REFERENCE AND ADDITIONAL INFORMATION
	GRI 2-1a	Name of organisation	<u>About AIA Group</u>
	GRI 2-1b	Nature of ownership and legal form	<u>About AIA Group</u>
	GRI 2-1c	Location of headquarters	<u>About AIA Group</u>
	GRI 2-1d	Markets served	<u>About AIA Group</u>
		Scale of the organisation	<u>About AIA Group</u> <u>People and Culture – Our Workforce at a Glance</u> Please also refer to the Group's Annual Results for the year ended 31 December 2023 for details on net sales and total capitalisation.
Governance Structure 13	GRI 2-22	Statement from senior decision-maker	<u>Statement from the Group Chief Executive and President</u>

Regulatory and Mandatory Disclosures

HKSE ESG REPORTING GUIDE REFERENCE	GRI STANDARD DISCLOSURE INCLUDING UNGC	DISCLOSURE	SECTION CROSS REFERENCE AND ADDITIONAL INFORMATION
Overall Approach Reporting Principles 14	GRI 2-29	List of stakeholders engaged by the organisation	Our Approach to ESG – Engaging Our Stakeholders
		Identifying and selecting stakeholders	Our Approach to ESG – Engaging Our Stakeholders
		Approach to stakeholder engagement	Our Approach to ESG – Engaging Our Stakeholders AIA 2023 Subsection Report: Effective Governance – Ensuring Effective Risk Management and Responsible Business Practices The Group ESG Committee meets four times a year to discuss stakeholder feedback, including determining material issues. Feedback is reported to the Group ESG Committee through existing stakeholder channels and is not limited to the Report preparation process.
-	-	Report any key topics and concerns raised by stakeholders	Our Approach to ESG – Materiality: Focusing on What Matters for Our Stakeholders
	GRI 3-2	List of material topics	Our Approach to ESG – Materiality: Focusing on What Matters for Our Stakeholders
Reporting Principles 15	GRI 2-2	Entities included in the consolidated financial statements	About AIA Group About this Report
-		Changes in reporting	There were no changes to the scope of AIA's ESG Report from prior year.
GRI 2-5	Overall Approach Disclosure	External Assurance	Independent Practitioner's Limited Assurance Report

Regulatory and Mandatory Disclosures

HKSE ESG REPORTING GUIDE REFERENCE	GRI STANDARD DISCLOSURE INCLUDING UNGC	DISCLOSURE	SECTION CROSS REFERENCE AND ADDITIONAL INFORMATION
Environmental			
Aspect A1: Emissions General Disclosure	GRI 3-3 UNGC 7 UNGC 8 UNGC 9	Policies relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	Please refer to AIA's Environmental Policy . Air emissions such as NOx and Sox are immaterial to AIA as a financial institution.
	GRI 307-1 UNGC 7	Compliance with relevant laws and regulations that have a significant impact on the issuer	ESG Data Book Supplement
KPI A1.1	GRI 305-1 GRI 305-2 GRI 305-3	The types of emissions and respective emissions data	AIA discloses data on Scope 1, Scope 2 and Scope 3 (Business Travel) emissions. We also disclose our portfolio emissions (TFE and WACI). ESG Data Book Supplement
KPI A1.2	GRI 305-1 GRI 305-2 GRI 305-4	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	ESG Data Book Supplement
KPI A1.3	GRI 306-3(a)	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	ESG Data Book Supplement
KPI A1.4	GRI 306-3(a)	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	ESG Data Book Supplement
KPI A1.5	GRI 305-5	Description of emissions target(s) set and steps taken to achieve them	2023 Milestone: Climate Action Additional information can also be found in AIA's Climate Transition Plan and AIA 2023 Subsection Report: Our TCFD Report – Metrics and Targets .

Regulatory and Mandatory Disclosures

HKSE ESG REPORTING GUIDE REFERENCE	GRI STANDARD DISCLOSURE INCLUDING UNGC	DISCLOSURE	SECTION CROSS REFERENCE AND ADDITIONAL INFORMATION
KPI A1.6	GRI 3-3 GRI 306-4 GRI 306-5	Description of how hazardous and non-hazardous wastes are handled and a description of reduction target(s) set and steps taken to achieve them	<p>As a financial services provider, hazardous waste is not relevant to AIA.</p> <p>Non-hazardous waste is sorted and recycled at selected business units.</p> <p>AIA has not set reduction targets as last year was the first year of disclosing non-hazardous waste. However, we continue to raise awareness on the importance of waste reduction through signage and internal communications.</p> <p>Please refer to ESG Data Book Supplement.</p>
Aspect A2: Use of Resources General Disclosure	GRI 3-3 UNGC 7 UNGC 8 UNGC 9	Policies on the efficient use of resources, including energy, water, and other raw materials	<p>Please refer to AIA's Environmental Policy and AIA's Supplier Code of Conduct.</p> <p>Additional information can also be found in AIA 2023 Subsection Report: Sustainable Operations.</p>
KPI A2.1	GRI 302-1 GRI 302-3	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	ESG Data Book Supplement
KPI A2.2	GRI 303-5	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	ESG Data Book Supplement
KPI A2.3	GRI 302-4	Description of energy use efficiency target(s) set and steps taken to achieve them	<p>No specific targets were set for energy efficiency, as AIA's carbon targets inherently reflect an improvement in energy efficiency. Given our net-zero commitment, energy efficiency is a large driver in the actualisation of our SBTi targets. However, we have no specific targets for energy efficiency, but we are in the process of developing our energy efficiency programme.</p> <p>Additional information can also be found in AIA's Climate Transition Plan and AIA 2023 Subsection Report: TCFD Report – Strategy and Metrics and Targets.</p>
KPI A2.4	GRI 3-3	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	There is no material issue in sourcing or using water that is fit for purpose. Further, water consumption and efficiency are not material to AIA as a life insurer.

Regulatory and Mandatory Disclosures

HKSE ESG REPORTING GUIDE REFERENCE	GRI STANDARD DISCLOSURE INCLUDING UNGC	DISCLOSURE	SECTION CROSS REFERENCE AND ADDITIONAL INFORMATION
KPI A2.5	GRI 301-1	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Packaging material is not applicable to the nature of our operations as a life insurer.
Aspect A3: The Environment and Natural Resources General Disclosure	GRI 3-3 UNGC 7 UNGC 8 UNGC 9	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Please refer to AIA's Environmental Policy and AIA's Supplier Code of Conduct . Additional information can also be found in AIA 2023 Subsection Report: Sustainable Operations .
KPI A3.1		Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	AIA 2023 Subsection Report: Sustainable Operations Additional information can also be found in AIA's Climate Transition Plan and AIA 2023 Subsection Report: TCFD Report – Our Climate Change Strategy .
Aspect A4: Climate Change General Disclosure	GRI 3-3 UNGC 7 UNGC 8 UNGC 9	Discussion of management approach and related policies (Environmental policies)	Please refer to AIA's Climate Transition Plan and AIA 2023 Subsection Report: TCFD Report – Our Climate Change Strategy .
KPI A4.1	GRI 201-2	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	Please refer to AIA's Climate Transition Plan and AIA 2023 Subsection Report: TCFD Report – Our Climate Change Strategy .

Regulatory and Mandatory Disclosures

HKSE ESG REPORTING GUIDE REFERENCE	GRI STANDARD DISCLOSURE INCLUDING UNGC	DISCLOSURE	SECTION CROSS REFERENCE AND ADDITIONAL INFORMATION
KPI B1.2	GRI 401-1	Employee turnover rate by gender, age group and geographical region	<p><u>ESG Data Book Supplement</u></p> <p><u>AIA 2023 Subsection Report: People & Culture – Supporting Development and Career Progression</u></p> <p>AIA discloses percentages instead of absolute totals for the staff employed across the Group due to sensitive nature of information.</p>
Aspect B2: Health and Safety General Disclosure		General Disclosure Information on policies and compliance with relevant laws and regulations relating to providing a safe working environment	<p><u>AIA's Code of Conduct</u></p> <p><u>AIA 2023 Subsection Report: Sustainable Operations</u></p>
		Compliance with relevant laws and regulations that have a significant impact on the issuer	<u>ESG Data Book Supplement - Compliance with ESG regulation</u>
KPI B2.1	GRI 403-9	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	This disclosure is immaterial to the nature of operations for life and health insurers. Our employees are not typically exposed to high-risk activities that may cause any physical harm on a day-to-day basis. Please refer to <u>AIA 2023 Subsection Report: Sustainable Operations</u> for details of our initiatives to foster a healthy and safe workplace.
KPI B2.2		Lost days due to work injury	Our employees are not typically exposed to high-risk activities that may cause any physical harm and lost workdays. This is immaterial to the nature of operations at life and health insurers. Please refer to <u>AIA 2023 Subsection Report: Sustainable Operations</u> for details of our initiatives to foster a healthy and safe workplace.
KPI B2.3	GRI 3-3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	<p>AIA ensures that our buildings are safe and secure environments for our employees. We maintain high levels of workplace safety and conduct fire drills at all our premises. We are increasingly also monitoring air quality in our office spaces to ensure healthy work environments.</p> <p>Please refer to <u>AIA 2023 Subsection Report: Sustainable Operations – Ensuring Greener Buildings</u>.</p>

Regulatory and Mandatory Disclosures

HKSE ESG REPORTING GUIDE REFERENCE	GRI STANDARD DISCLOSURE INCLUDING UNGC	DISCLOSURE	SECTION CROSS REFERENCE AND ADDITIONAL INFORMATION
Aspect B3: Development and Training General Disclosure	GRI 3-3	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	<u>AIA 2023 Subsection Report: People & Culture – Supporting Development and Career Progression</u>
KPI B3.1		The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	<u>ESG Data Book Supplement</u>
KPI B3.2	UNGC 6 GRI 404-1	The average training hours completed per employee by gender and employee category	<u>ESG Data Book Supplement</u>
Aspect B4: Labour Standards General Disclosure	UNGC 5	Policies relating to preventing child and forced labour and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	<u>AIA's Code of Conduct</u> and <u>AIA's Supplier Code of Conduct</u> <u>ESG Data Book Supplement</u> Additional information can also be found in <u>AIA 2023 Subsection Report: Sustainable Operations – Encouraging Good ESG Practice</u> .
KPI B4.1	UNGC 5 GRI 3-3 GRI 408-1 (c)	Description of measures to review employment practices to avoid child and forced labour	Child and forced labour are not material to day-to-day operations in the financial services industry, which typically require highly skilled and technical services. This KPI is immaterial to our operations. As a financial services provider we rely on highly skilled individuals for our day-to-day operations. AIA prohibits the use of child labour within our supply chain, as outlined by <u>AIA's Supplier Code of Conduct</u> . For further details please refer to <u>AIA's Supplier Code of Conduct</u> . Further, within our investment portfolio, ESG considerations, including Human Rights, are embedded within our investment process via the IGF.
KPI B4.2	UNGC 4 GRI 409-1 (c)	Description of steps taken to eliminate such practices when discovered	Child and forced labour are not material to day-to-day operations in the financial services industry, which typically require highly skilled and technical services. This KPI is immaterial to our operations. As a financial services provider we rely on highly skilled individuals for our day-to-day operations. AIA prohibits the use of child labour within our supply chain, as outlined by <u>AIA's Supplier Code of Conduct</u> . For further details please refer to <u>AIA's Supplier Code of Conduct</u> . Further, within our investment portfolio, ESG considerations, including Human Rights, are embedded within our investment process via the IGF.

Regulatory and Mandatory Disclosures

HKSE ESG REPORTING GUIDE REFERENCE	GRI STANDARD DISCLOSURE INCLUDING UNGC	DISCLOSURE	SECTION CROSS REFERENCE AND ADDITIONAL INFORMATION
Aspect B5: Supply Chain Management General Disclosure		Policies on managing environmental and social risks of the supply chain	AIA's Supplier Code of Conduct
KPI B5.1	GRI 2-6	Number of suppliers by geographical region	We currently do not disclose information about our all suppliers broken by region due to the sensitive nature of this information. However, we disclose the details of our Tier 1 suppliers. Please refer to AIA 2023 Subsection Report: Sustainable Operations – Encouraging Good ESG Practice which highlights our Tier 1 suppliers.
KPI B5.2		Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored	AIA's business partners, including its agents, distribution partners and suppliers are expected to follow the same responsible practices as our employees. Please refer to AIA's Code of Conduct . Additional information can also be found in AIA 2023 Subsection Report: Sustainable Operations – Encouraging Good ESG Practice .
KPI B5.3		Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	AIA requests its suppliers to consider ESG considerations as part of our supplier registration process. AIA has also begun utilising a third-party ESG supply chain assessment scorecard for social and environmental performance of suppliers. Additional information can also be found in AIA 2023 Subsection Report: Sustainable Operations – Encouraging Good ESG Practice .



Regulatory and Mandatory Disclosures

HKSE ESG REPORTING GUIDE REFERENCE	GRI STANDARD DISCLOSURE INCLUDING UNGC	DISCLOSURE	SECTION CROSS REFERENCE AND ADDITIONAL INFORMATION
KPI B5.4		Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	<p>While we encourage suppliers to perform better on ESG related aspects we currently do not monitor the promotion of environmentally preferable products and services. The Group's internal Environmental Procedures provide guidance on sustainable sourcing.</p> <p>Under AIA's Supplier Code of Conduct, AIA may choose to enquire about any ESG related practices or policies during the supplier registration process, and or embed specific ESG related provisions within contract terms and conditions.</p> <p>To monitor suppliers' performance, AIA may also conduct its own due diligence, including audits or investigations in relation to possible breaches of law, regulation, or company policy as it deems appropriate.</p> <p>Further, please refer AIA 2023 Subsection Report: Sustainable Operations – Encouraging Good ESG Practice for details on how we encourage suppliers to perform better on ESG-related aspects.</p>
Aspect B6: Product Responsibility General Disclosure	GRI 3-3 GRI 416-2	Policies relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	<p>We offer a wide range of products and services tailored to meet the diverse needs of customers. Transparency and clarity in communication play a pivotal role, ensuring that our policies, product, and services, including product suitability, policy coverage, cost structures exclusions are clearly explained, fostering a genuine understanding for clients. Additionally, we safeguard vulnerable customers by conducting a comprehensive training for our agents and staff involved in the sales process. By intertwining these principles, we not only provide essential coverage but also establish a foundation of trust and protection for all customers. Our products are intangible in nature and therefore not subject to any Health & Safety related concerns. Among the most important assets of AIA is the trust and confidence placed to properly handle information. Customers and potential customers expect us to maintain their information accurately, protected against manipulation and errors, secure from theft and free from unwarranted disclosure. We protect data security of our customers and potential customers by complying with the all relevant data protection laws and regulations, and ensure compliance by our staff with strict standards of security and confidentiality.</p> <p>Please refer to our AIA's Privacy Policy Statement and AIA's Code of Conduct.</p>

Regulatory and Mandatory Disclosures

HKSE ESG REPORTING GUIDE REFERENCE	GRI STANDARD DISCLOSURE INCLUDING UNGC	DISCLOSURE	SECTION CROSS REFERENCE AND ADDITIONAL INFORMATION
		Compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	<u>ESG Data Book Supplement - Compliance with ESG regulation</u>
KPI B6.1	GRI 417-2	Percentage of total products sold or shipped subject to recalls for safety and health reasons	This is not applicable to us as our products are intangible and not subject to any recall procedures.
KPI B6.2	GRI 418-1	Number of products and service related complaints received and how they are dealt with	AIA received 0.0015 number of complaints related to products and services per customer. The number of complaints received is not disclosed due to sensitivity. The total number of complaints received per customer is disclosed instead. Please refer to the <u>AIA 2023 Subsection Report: Effective Governance's Handling of customer complaints</u> for details.
KPI B6.3		Description of practices relating to observing and protecting intellectual property rights	AIA maintains written agreements with our business partners detailing the ownership rights of our Marks and allowing for specific use by our business partners while those agreements are in effect. Please refer to <u>AIA 2023 Subsection Report: Effective Governance – Ensuring Effective Risk Management and Responsible Business Practices (Protecting intellectual property rights)</u> .
KPI B6.4		Description of quality assurance process and recall procedures	Recall procedures and quality assurance are not applicable to the nature of our operations.
KPI B6.5		Description of consumer data protection and privacy policies, and how they are implemented and monitored	Please refer to <u>AIA 2023 Subsection Report: Effective Governance – Ensuring Effective Risk Management and Responsible Business Practices (Effective risk management)</u> . Further, refer to <u>AIA's Privacy Policy Statement</u> .

Regulatory and Mandatory Disclosures

HKSE ESG REPORTING GUIDE REFERENCE	GRI STANDARD DISCLOSURE INCLUDING UNGC	DISCLOSURE	SECTION CROSS REFERENCE AND ADDITIONAL INFORMATION
Aspect B7: Anti-corruption General Disclosure	GRI 3-3	<p>Policies related to relating to bribery, extortion, fraud and money laundering</p> <hr/> <p>Compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering</p>	<p><u>AIA's Code of Conduct</u></p> <p><u>AIA's Supplier Code of Conduct</u></p> <p>Additional information can also be found in <u>AIA 2023 Subsection Report: Effective Governance – Ensuring Effective Risk Management and Responsible Business Practices</u>.</p> <hr/> <p><u>ESG Data Book Supplement - Compliance with ESG regulation</u></p>
KPI B7.1	GRI 3-3	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	<u>ESG Data Book Supplement</u>
KPI B7.2	GRI 3-3	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	Please refer to <u>AIA 2023 Subsection: Effective Governance – Ensuring Effective Risk Management and Responsible Business Practices</u> .
KPI B7.3	GRI 205-2	Communication and training about anti-corruption policies	<p>Anti-corruption training is compulsory for all employees. Please refer to the <u>AIA 2023 Subsection Report: Effective Governance – Ensuring Effective Risk Management and Responsible Business Practices</u> for further details.</p> <p>Anti-corruption training as part of the onboarding process is provided to new joiners of the Company. The policy relating to anti-corruption is provided to the directors. Further, refer to <u>AIA's Code of Conduct</u>.</p>

Regulatory and Mandatory Disclosures

HKSE ESG REPORTING GUIDE REFERENCE	GRI STANDARD DISCLOSURE INCLUDING UNGC	DISCLOSURE	SECTION CROSS REFERENCE AND ADDITIONAL INFORMATION
Community			
Aspect B8: Community Investment General Disclosure	GRI 3-3	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	<u>Our Approach to ESG - Engaging our Stakeholders</u> Please also refer to <u>AIA 2023 Subsection Report: Health & Wellness Engaging Communities Across Asia</u> .
KPI B8.1	UNGC 1 GRI 203-1 (a)	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	<u>AIA 2023 Subsection Report: Sustainable Operations – Ensuring Greener Buildings</u> <u>AIA 2023 Subsection Report: Sustainable Investment – Broadening Portfolio Inclusions</u> <u>AIA 2023 Subsection Report: Health & Wellness – Engaging Communities Across Asia</u> Please also refer to <u>AIA's Responsible Investment Policy</u> and <u>AIA's Environmental Policy</u> .
KPI B8.2	GRI 201-1 (ai)	Resources contributed (e.g. money or time) to the focus area	<u>ESG Data Book Supplement</u>



Regulatory and Mandatory Disclosures

HKSE ESG REPORTING GUIDE REFERENCE	GRI STANDARD DISCLOSURE INCLUDING UNGC	DISCLOSURE	SECTION CROSS REFERENCE AND ADDITIONAL INFORMATION
Management Approach			
	GRI 3-3	Explanation of why topics are material and its boundary	<u>Our Approach to ESG</u>
		The management approach and its components for material topics	<u>Chairman's Statement</u> <u>Statement from the Group Chief Executive and President</u> <u>Our Approach to ESG</u>
		Evaluation of the management approach for material topics	<u>Chairman's Statement</u> <u>Statement from the Group Chief Executive and President</u> <u>Our Approach to ESG</u>
Economic Performance			
	GRI 3-3	Discussion of management approach and related policies	<u>Our Approach to ESG – ESG Governance at AIA</u> Please also refer to the further detail on <u>AIA's Leadership Team</u> .
	GRI 201-1	Direct Economic Value generated and distributed	<u>AIA 2023 Subsection Report: Health & Wellness – Engaging Communities Across Asia; Improving Access to Quality Healthcare; Building Better Integrated Health and Wellness Outcomes</u> <u>AIA 2023 Subsection Report: Sustainable Investment – Deepening ESG Engagement</u> Please also refer to the Group's Annual Results for the year ended 31 December 2023.



Regulatory and Mandatory Disclosures

HKSE ESG REPORTING GUIDE REFERENCE	GRI STANDARD DISCLOSURE INCLUDING UNGC	DISCLOSURE	SECTION CROSS REFERENCE AND ADDITIONAL INFORMATION
Indirect Economic Impacts			
	GRI 3-3 UNGC 7 UNGC 8 UNGC 9	Discussion of management approach and related policies	AIA 2023 Subsection Report: TCFD Report – Governance of Climate Change Risks and Impacts AIA 2023 Subsection Report: Sustainable Investment – Deepening ESG Engagement
	GRI 203-2	Significant indirect economic impacts	AIA 2023 Subsection Report: Health & Wellness – Engaging Communities Across Asia AIA 2023 Subsection Report: Sustainable Investment – Our Portfolio and Climate Disclosures
Product Responsibility			
	GRI 3-3	Initiatives to enhance financial literacy by type of beneficiary	AIA 2023 Subsection Report: Health & Wellness – Engaging Communities Across Asia
	GRI FS10, FS11	Percentage and number of companies held in AIA’s portfolio with which AIA has interacted on environmental or social issues. Percentage of assets subject to positive and negative environmental or social screening	AIA 2023 Subsection Report: Sustainable Investment – Deepening ESG Engagement Please also refer to AIA’s Approach to Sustainable Investment .
		Type and number of sustainability certification, rating, and labelling schemes for new construction, management, occupation, and redevelopment	AIA 2023 Subsection Report: Sustainable Operations – Ensuring Greener Buildings



Regulatory and Mandatory Disclosures

HKSE ESG REPORTING GUIDE REFERENCE	GRI STANDARD DISCLOSURE INCLUDING UNGC	DISCLOSURE	SECTION CROSS REFERENCE AND ADDITIONAL INFORMATION
Other Information			
	GRI 2-6	Significant changes to the organisation and its supply chain	<p><u>Our Approach to ESG</u></p> <p>There have been no significant changes to the organisation and its supply chain.</p>
	GRI 2-23 GRI3-3	Report how the Precautionary Principle is applied	<p><u>AIA 2023 Subsection Report: Effective Governance – Ensuring Effective Risk Management and Responsible Business Practices</u></p>
	-	External initiatives	<p><u>AIA 2023 Subsection Report: People & Culture – Supporting Development and Career Progression</u></p> <p><u>AIA 2023 Subsection Report: Effective Governance – Promoting ESG Best Practice; ESG Ratings and Index Inclusion</u></p>
	GRI 2-28	Membership of associations	<p><u>AIA 2023 Subsection Report: Effective Governance – Promoting ESG Best Practice; ESG Ratings and Index Inclusion</u></p>
	GRI 2-23	Values, principles, standards and norms of behaviour	<p><u>Our Approach to ESG</u></p> <p><u>AIA 2023 Subsection Report: Effective Governance – Responsible Business Practices</u></p> <p><u>AIA's Code of Conduct</u></p>
	GRI 2-9	Governance structure of the organisation	<p><u>Our Approach to ESG – ESG Governance at AIA</u></p> <p><u>AIA 2023 Subsection Report: Effective Governance – Board Governance</u></p> <p>Please also refer to the further detail on <u>AIA's Leadership Team</u>.</p>
	GRI 2-30 UNGC 3	Collective bargaining agreements	<p>Labour unions are present across a number of AIA's business units. However, we do not track the percentage of employees covered under these agreements.</p>



Regulatory and Mandatory Disclosures

HKSE ESG REPORTING GUIDE REFERENCE	GRI STANDARD DISCLOSURE INCLUDING UNGC	DISCLOSURE	SECTION CROSS REFERENCE AND ADDITIONAL INFORMATION
	GRI 3-1	Process to determine material topics	
	GRI 2-4	Restatements of information	NA
	GRI 3-2	Changes to the list of material topics compared to previous reporting period	There were no changes to the material topic from prior year.
	GRI 2-3	Reporting period	<u>ESG Data Book Supplement</u>
	-	Date of the most recent Report	AIA's ESG Report 2022 was published on 10 March 2023.
	GRI 2-3	Reporting cycle	AIA's ESG Report is published annually.
	GRI 2-3	Contact point for questions regarding the report	If you have any questions, comments or feedback please contact our ESG team at esg@aia.com or write us at the address below: Environmental, Social and Governance (ESG) Team Suites 3206-3209, 32/F AIA Central 1 Connaught Road Central, Central, Hong Kong
	GRI 1	GRI Content Index	<u>ESG Data Book Supplement</u>



ESG Data Book Supplement

Disclosures that require further detail or not covered in the above sections of the report are published in the following commentary table. The information provided covers the 12-month period (1 January 2023 – 31 December 2023).

MATERIAL TOPIC DISCLOSURE INCLUDING UNGC PRINCIPLES	HKSE ESG REPORTING GUIDE REFERENCE	DISCLOSURE	SUPPLEMENTARY INFORMATION
Emissions			
GRI 302-1 Direct energy consumption	KPI A2.1	<i>Energy consumption within the organisation</i>	
		2022	2023
		13,545,160 kWh	5,936,532 kWh
Indirect energy consumption		69,495,037 kWh	66,273,255 kWh
Total energy consumption		83,040,197 kWh	72,209,787 kWh
Direct energy consumption for our assured markets: Group Office, Mainland China, Hong Kong, Thailand, Singapore, Malaysia, Australia, Cambodia, Indonesia, Myanmar, New Zealand, the Philippines, South Korea, Sri Lanka, Taiwan, Vietnam, Brunei and Macau. (Excludes Cambodia, Myanmar, Sri Lanka, Taiwan, Vietnam, Brunei and Macau for 2022)		12,749,048 kWh	5,907,516 kWh ✓
Percentage of direct energy consumption assured		94%	99.51%
Indirect energy consumption for our assured markets: Group Office, Mainland China, Hong Kong, Thailand, Singapore, Malaysia, Australia, Cambodia, Indonesia, Myanmar, New Zealand, the Philippines, South Korea, Sri Lanka, Taiwan, Vietnam, Brunei and Macau. (Excludes Cambodia, Myanmar, Sri Lanka, Taiwan, Vietnam, Brunei and Macau for 2022)		42,096,763 kWh	54,513,013 kWh ✓
Percentage of indirect energy consumption assured		61%	82.25%

ESG Data Book Supplement

MATERIAL TOPIC DISCLOSURE INCLUDING UNGC PRINCIPLES	HKSE ESG REPORTING GUIDE REFERENCE	DISCLOSURE	SUPPLEMENTARY INFORMATION
GRI 302-3 Energy intensity per employee	KPI A2.1	<i>Energy intensity per full-time Employees</i>	
		2022	2023
		3,269 kWh	2,785.1 kWh
GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4 GRI 305-5 Greenhouse gas (GHG) emissions (Scope 1)	GD A1 KPI A1.1 KPI A1.2 KPI A1.5	<i>Greenhouse gas (GHG) emissions and GHG intensity</i>	
		2022	2023
		3,433 tonnes of CO ₂ e	1,487 tonnes of CO ₂ e
Total Scope 1 emissions for our assured markets: Group Office, Mainland China, Hong Kong, Thailand, Singapore, Malaysia, Australia, Cambodia, Indonesia, Myanmar, New Zealand, the Philippines, South Korea, Sri Lanka, Taiwan, Vietnam, Brunei and Macau. (Excludes Cambodia, Myanmar, Sri Lanka, Taiwan, Vietnam, Brunei and Macau for 2022)		3,198 tonnes of CO ₂ e	1,480 tonnes of CO ₂ e ✓
Greenhouse gas (GHG) emissions (Scope 2) (Location-Based)		43,283 tonnes of CO ₂ e	43,774 tonnes of CO ₂ e
Total Scope 2 emissions for our assured markets: Group Office, Mainland China, Hong Kong, Thailand, Singapore, Malaysia, Australia, Cambodia, Indonesia, Myanmar, New Zealand, the Philippines, South Korea, Sri Lanka, Taiwan, Vietnam, Brunei and Macau. (Location-Based) (Excludes Cambodia, Myanmar, Sri Lanka, Taiwan, Vietnam, Brunei and Macau for 2022)		24,536 tonnes of CO ₂ e	30,630 tonnes of CO ₂ e ✓
Greenhouse gas (GHG) emissions (Scope 2) (Market-Based)		43,283 tonnes of CO ₂ e	43,774 tonnes of CO ₂ e
Total Scope 2 emissions for our assured markets: Group Office, Mainland China, Hong Kong, Thailand, Singapore, Malaysia, Australia, Cambodia, Indonesia, Myanmar, New Zealand, the Philippines, South Korea, Sri Lanka, Taiwan, Vietnam, Brunei and Macau. (Market-Based) (Excludes Cambodia, Myanmar, Sri Lanka, Taiwan, Vietnam, Brunei and Macau for 2022)		24,536 tonnes of CO ₂ e	30,630 tonnes of CO ₂ e ✓
Total emissions (for the Group)		50,606 tonnes of CO ₂ e	55,217 tonnes of CO ₂ e
Other greenhouse gas (GHG) emissions (Scope 3) (business travel)		3,890 tonnes of CO ₂ e	9,956 tonnes of CO ₂ e

ESG Data Book Supplement

MATERIAL TOPIC DISCLOSURE INCLUDING UNGC PRINCIPLES	HKSE ESG REPORTING GUIDE REFERENCE	DISCLOSURE	SUPPLEMENTARY INFORMATION
Total Scope 3 emissions (business travel) for our assured markets: Group Office, Hong Kong, Thailand, Singapore, Malaysia, Australia, Cambodia, Indonesia, Myanmar, New Zealand, the Philippines, South Korea, Sri Lanka, Taiwan, Vietnam, Brunei and Macau. (Excludes Australia, Cambodia, Indonesia, Myanmar, New Zealand, the Philippines, South Korea, Sri Lanka, Taiwan, Vietnam, Brunei and Macau for 2022)		2,216 tonnes of CO ₂ e	8,516 tonnes of CO ₂ e ✓
Total assured emissions for our assured markets: Group Office, Mainland China, Hong Kong, Thailand, Singapore, Malaysia, Australia, Cambodia, Indonesia, Myanmar, New Zealand, the Philippines, South Korea, Sri Lanka, Taiwan, Vietnam, Brunei and Macau. (Excludes Cambodia, Myanmar, Sri Lanka, Taiwan, Vietnam, Brunei and Macau for 2022)		29,950 tonnes of CO ₂ e	40,626 tonnes of CO ₂ e ✓
Greenhouse gas (GHG) emissions intensity (total emissions per employee)		2.0 tonnes of CO ₂ e	2.13 tonnes of CO ₂ e
Environmental Management Initiatives			
GRI 306-3 (a)	KPI A1.3	<i>Total waste generated</i>	
Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)		<p>2022</p> <p>As a life insurer, our policies do not require the input of any hazardous materials, nor do we produce any hazardous substances. As a result, the production of hazardous waste is not applicable to our operations.</p>	<p>2023</p> <p>As a life and health insurer, our policies do not require the input of any hazardous materials, nor do we produce any hazardous substances. Therefore, the production of hazardous waste is not applicable to our operations.</p>
GRI 306-3 (a)	KPI A1.4	<i>Total waste generated</i>	
Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)		<p>2022</p> <p>AIA has started measuring its non-hazardous 'office waste' that includes waste generate from our operations. AIA's total waste generation in 2022 amounted to 674 tonnes.</p> <p>Please see 'Sustainable Operations – Improving Our Environmental Performance' section for more detail.</p>	<p>2023</p> <p>AIA has been measuring its non-hazardous 'office waste' that includes waste generated from our operations. AIA's total waste generation in 2023 amounted to 710 tonnes.</p> <p>Please see AIA 2023 Subsection Report: Sustainable Operations – Improving Our Environmental Performance section for more detail.</p>

ESG Data Book Supplement

MATERIAL TOPIC DISCLOSURE INCLUDING UNGC PRINCIPLES	HKSE ESG REPORTING GUIDE REFERENCE	DISCLOSURE	SUPPLEMENTARY INFORMATION
GRI 3-3 GRI 306-4 GRI 306-5	KPI A1.6	<i>Total waste generated</i>	
Description of how hazardous and non-hazardous wastes are handled, reduction target(s) and results achieved		2022 Non-hazardous waste is sorted and recycled at selected business units. AIA has begun measuring its non-hazardous waste from 2022. We continue to raise awareness on the importance of waste reduction through signage and internal communications. As a life insurer the production of hazardous waste is not applicable to our operations. See A1.3 and A1.4 as to why AIA does not measure hazardous waste currently. We currently do not have waste-related targets. However, it is the Group's priority to reduce waste and we undertake initiatives to reduce our waste.	2023 Non-hazardous waste is sorted and recycled at selected business units. AIA started measuring its non-hazardous waste last year. We continue to raise awareness on the importance of waste reduction through signage and internal communications. As a life insurer, the production of hazardous waste is not applicable to our operations. See A1.3 and A1.4 outlining why AIA does not currently measure hazardous waste. We currently do not have waste-related targets. However, it is the Group's priority to reduce waste and we undertake initiatives to reduce our waste.
GRI 303-5	KPI A2.2	<i>Water consumed</i>	
Total water consumed (*Based on data shared by 18 Business Units, AIA is unable to report on water usage in buildings where water meters are shared with other building tenants, or where it is included in total rental costs.)		2022 390,444 tonnes of water	2023 340,562* m ³ of water ✓
Water Intensity (per employee)		23.2 tonnes	13.14 m ³ ✓
GRI	KPI A2.3	<i>Energy consumption/energy use efficiency targets</i>	



ESG Data Book Supplement

MATERIAL TOPIC DISCLOSURE INCLUDING UNGC PRINCIPLES	HKSE ESG REPORTING GUIDE REFERENCE	DISCLOSURE	SUPPLEMENTARY INFORMATION
Reduction of energy consumption		<p>2022</p> <p>No specific targets were set for energy efficiency, as AIA's carbon targets inherently reflect an improvement in energy efficiency.</p> <p>Given our net-zero commitment, energy efficiency is a large driver in the actualisation of our SBTi targets. However, we have no specific targets for energy efficiency, but we are in the process of developing our energy efficiency programme.</p>	<p>2023</p> <p>AIA does not have specific targets to reduce energy consumption.</p> <p>However, AIA is committed to achieving net-zero by 2050 and a 46.2% reduction of Scope 1 and 2 emissions by 2030.</p> <p>With energy efficiency in buildings as one of the most material levers to achieving our commitment, our implementation plan in our Climate Transition Plan includes engaging energy service companies (ESCOs) to identify, evaluate and execute a range of opportunities at a building level including retrofits and demand-management initiatives.</p>
GRI 3-3 GRI 303-1	KPI A2.4	<i>Water efficiency targets</i>	
Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them		<p>2022</p> <p>There is no material issue in sourcing or using water that is fit for purpose. Further, water consumption and efficiency are not material to AIA as a life insurer.</p>	<p>2023</p> <p>There is no material issue in sourcing or using water that is fit for purpose. Further, water consumption and efficiency are not material to AIA as a life insurer.</p>
GRI 301-1	KPI A2.5	<i>Packaging material</i>	
Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced		<p>2022</p> <p>Packaging material is not applicable to the nature of our operations as a life insurer.</p>	2023

ESG Data Book Supplement

MATERIAL TOPIC DISCLOSURE INCLUDING UNGC PRINCIPLES	HKSE ESG REPORTING GUIDE REFERENCE	DISCLOSURE	SUPPLEMENTARY INFORMATION
Compliance with ESG Regulation			
UNGC 2 UNGC 7	GD A1 GD B1 GD B2 GD B4 GD B6 GD B7 KPI B7.1	2022	2023
Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations related to the HKSE ESG Subject Areas of Emissions, Employment, Health and Safety, Labour Standards, Product Responsibility and Anti-Corruption		There were no significant fines or non-monetary sanctions for non-compliance with laws and regulations during the reporting period. There are no newly applicable or developing laws or regulations related to ESG areas that have had a significant impact on our business.	There were no significant fines or non-monetary sanctions for non-compliance with laws and regulations during the reporting period. There are no newly applicable or developing laws or regulations related to ESG areas that have had a significant impact on our business.
Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases		There are no concluded legal cases during the reporting period.	There are no concluded legal cases during the reporting period.
Employment			
GRI 3-3	GD B1	Employment related policies and approaches toward working hours and rest periods.	Working hours are determined by AIA's business units, taking into account any local legislation governing working hours and rest periods in the jurisdictions where we operate. As discussed in AIA 2023 Subsection Report: People & Culture , AIA also offers flexible working options at select business units.



ESG Data Book Supplement

MATERIAL TOPIC DISCLOSURE INCLUDING UNGC PRINCIPLES	HKSE ESG REPORTING GUIDE REFERENCE	DISCLOSURE	SUPPLEMENTARY INFORMATION
Labour			
GRI 408 GRI 409 UNGC 5	B4 B4.1 B4.2	<p>Policies in place to prevent child and forced labour.</p> <p>Description of steps taken to eliminate such practices when discovered.</p>	<p>Child and forced labour are not material to day-to-day operations in the financial services industry, which typically require highly skilled and technical services. This KPI is immaterial to our operations. As a financial services provider we rely on highly skilled individuals for our day-to-day operations. AIA prohibits the use of child labour within our supply chain, as outlined by AIA's Supplier Code of Conduct. For further details please refer to AIA's Supplier Code of Conduct. Further, within our investment portfolio, ESG considerations, including Human Rights, are embedded within our investment process via the IGF.</p>



ESG Data Book Supplement

MATERIAL TOPIC DISCLOSURE INCLUDING UNGC PRINCIPLES	HKSE ESG REPORTING GUIDE REFERENCE	DISCLOSURE	SUPPLEMENTARY INFORMATION
Occupational Health & Safety			
GRI 403-9 GRI 403-10	KPI B2.1	<i>Number and rate of work-related fatalities</i>	
		2022	2023
		This disclosure is immaterial to the nature of operations for life and health insurers. Our employees are not typically exposed to high-risk activities that may cause any physical harm on a day-to-day basis. Please refer to People and Culture section of this Report for details of our initiatives to foster a healthy and safe workplace.	As a financial services provider, our employees are not typically exposed to high-risk activities that may cause physical harm in our day-to-day operations. Please refer to our AIA 2023 Subsection Report: People & Culture for details of our initiatives to maintain and foster a healthy and safe workplace.
-	KPI B2.2	<i>Lost days due to work injury</i>	
Lost days due to work injury		2022	2023
		Our employees are not typically exposed to high risk activities that may cause any physical harm and lost workdays. This is immaterial to the nature of operations at life and health insurers. Please refer to the Sustainable Operations section of this Report for details of our initiatives to foster a healthy and safe workplace.	As a life and health insurer, our employees are not typically exposed to high-risk activities that may cause physical harm in our day-to-day operations. Please refer to the AIA 2023 Subsection Report: Sustainable Operations for details of our initiatives to maintain and foster a healthy and safe workplace.



ESG Data Book Supplement

MATERIAL TOPIC DISCLOSURE INCLUDING UNGC PRINCIPLES	HKSE ESG REPORTING GUIDE REFERENCE	DISCLOSURE	SUPPLEMENTARY INFORMATION
Supply Chain Management			
	KPI B5.1	<p>2022</p> <p>We currently do not disclose information about all our suppliers broken down by region due to the sensitive nature of this information. However we disclose the details of our Tier 1 suppliers, Please see 'Sustainable Operations – Encouraging Good ESG Practice', which highlights our Tier 1 suppliers.</p>	<p>2023</p> <p>AIA discloses details of our Tier 1 suppliers but does not disclose information about all our suppliers broken down by region due to the sensitive nature of this information.</p> <p>Please refer to the <u>AIA 2023 Subsection Report: Sustainable Operations – Encouraging Good ESG Practice</u> section for details on our Tier 1 suppliers.</p>
GRI 2-6	KPI B5.2	<p>Supply chain management and the monitoring system are described under 'Sustainable Operations – Encouraging Good ESG Practice'. Further, refer to 'Effective Governance'.</p> <p>Please also refer to our Supplier Code of Conduct.</p>	<p>Please refer to the <u>AIA 2023 Subsection Report: Sustainable Operations – Encouraging Good ESG Practice</u> section for descriptions of AIA's supply chain management and monitoring system.</p> <p>Please also refer to <u>AIA's Supplier Code of Conduct</u>.</p>
GRI 2-6	KPI B5.3	<p>AIA requests its suppliers to consider ESG considerations as part of our supplier registration process. AIA has also begun utilising a third-party ESG supply chain assessment scorecard for social and environmental performance of suppliers.</p> <p>For further details, please refer to 'Sustainable Operations – Encouraging Good ESG Practice'.</p>	<p>AIA requests its suppliers to consider ESG considerations as part of our supplier registration process. AIA also utilises a third-party ESG supply chain assessment scorecard to monitor the social and environmental performance of suppliers.</p> <p>Please refer to the <u>AIA 2023 Subsection Report: Sustainable Operations – Encouraging Good ESG Practice</u> section for further details.</p>

ESG Data Book Supplement

MATERIAL TOPIC DISCLOSURE INCLUDING UNGC PRINCIPLES	HKSE ESG REPORTING GUIDE REFERENCE	DISCLOSURE	SUPPLEMENTARY INFORMATION									
GRI 3-3	KPI B5.4	<p>While we encourage suppliers to perform better on ESG related aspects (as discussed in 'Sustainable Operations – Encouraging Good ESG Practice') we currently do not monitor the promotion of environmentally preferable products and services.</p> <p>The Group's internal Environmental Procedures provide guidance on sustainable sourcing.</p> <p>Under the Supplier Code of Conduct, AIA may choose to enquire about any ESG-related practices or policies during the supplier registration process, and or embed specific ESG-related provisions within contract terms and conditions.</p> <p>To monitor suppliers' performance, AIA may also conduct its own due diligence, including audits or investigations in relation to possible breaches of law, regulation or company policy as it deems appropriate.</p>	<p>While we encourage suppliers to perform better on ESG related aspects (as discussed in <u>AIA 2023 Subsection Report: Sustainable Operations – Encouraging Good ESG Practice</u>) we currently do not monitor the promotion of environmentally preferable products and services.</p> <p>The Group's internal Environmental Procedures provide guidance on sustainable sourcing.</p> <p>Under <u>AIA's Supplier Code of Conduct</u>, AIA may choose to enquire about any ESG-related practices or policies during the supplier registration process, and or embed specific ESG-related provisions within contract terms and conditions.</p> <p>To monitor suppliers' performance, AIA may also conduct its own due diligence, including audits or investigations in relation to possible breaches of law, regulation or company policy as it deems appropriate.</p>									
Diversity and Equal Opportunities												
GRI 405	KPI B1.1	<p><i>Total workforce employment type</i></p> <table border="1"> <thead> <tr> <th></th> <th data-bbox="1302 1061 1862 1110">2022</th> <th data-bbox="1862 1061 2438 1110">2023</th> </tr> </thead> <tbody> <tr> <td data-bbox="104 1110 843 1168">Full time</td> <td data-bbox="1302 1110 1862 1168">98.9%</td> <td data-bbox="1862 1110 2438 1168">99.1%</td> </tr> <tr> <td data-bbox="104 1168 843 1225">Part time</td> <td data-bbox="1302 1168 1862 1225">1.1%</td> <td data-bbox="1862 1168 2438 1225">0.9%</td> </tr> </tbody> </table>			2022	2023	Full time	98.9%	99.1%	Part time	1.1%	0.9%
	2022	2023										
Full time	98.9%	99.1%										
Part time	1.1%	0.9%										
GRI 401	KPI B1.2	Employee turnover by geographical region	This is not disclosed due to sensitivity ✓									



ESG Data Book Supplement

MATERIAL TOPIC DISCLOSURE INCLUDING UNGC PRINCIPLES	HKSE ESG REPORTING GUIDE REFERENCE	DISCLOSURE	SUPPLEMENTARY INFORMATION
UNGC 6	KPI B3.1	<i>Percentage of employees trained by gender and employee category</i>	
Percentage of employees trained by gender		2022	2023
Percentage of employees trained by employee category		Percentage of employees trained by gender and employee category not disclosed due to sensitivity.	100% of employees trained
UNGC 6 GRI 404-1	KPI B3.2	<i>The average training hours completed per employee by gender and employee category</i>	
Average training hours		2022	2023
		24 hrs	26.5 hrs ✓
Average training hours (by gender)		Males – 24.6 hrs	Males – 27.2 hrs ✓
		Females – 24.0 hrs	Females – 25.9 hrs ✓
Average training hours (by seniority)		Senior leaders – 27.0 hrs	Senior leaders – 32.3 hrs ✓
		Middle management – 25.3 hrs	Middle management – 28.0 hrs ✓
		General Staff – 23.8 hrs	General Staff – 25.5 hrs ✓
Average non-mandatory training hours (by gender)		Males – 20.0 hrs	Males – 22.0 hrs
		Females – 19.9 hrs	Females – 21.2 hrs
Average non-mandatory training hours (by seniority)		Senior leaders – 23.0 hrs	Senior leaders – 29.3 hrs
		Middle management – 21.3 hrs	Middle management – 23.0 hrs
		General Staff – 19.3 hrs	General Staff – 20.5 hrs



ESG Data Book Supplement

MATERIAL TOPIC DISCLOSURE INCLUDING UNGC PRINCIPLES	HKSE ESG REPORTING GUIDE REFERENCE	DISCLOSURE	SUPPLEMENTARY INFORMATION
Local Communities			
GRI 201-1 (a-ii)	KPI B8.2	<i>Resources contributed to the focus area</i>	
Charitable donations		2022	2023
		Over US\$11 million	Over US\$6 million
Employees volunteered		Over 13,000 hours	Over 7,500 hours
Product Responsibility			
-	KPI B6.1	This is not applicable as our products are intangible and not subject to any recall procedures.	This is not applicable as our products are intangible and not subject to any recall procedures.
-	KPI B6.4	Recall procedures and quality assurance are not applicable to the nature of our operations.	Recall procedures and quality assurance are not applicable to the nature of our operations.
Health & Wellness			
AIA Vitality and AIA China Wellness	Number of live markets	2022	2023
		12	13
Telemedicine	Number of live markets	10	10
Personal Case Management	Number of live markets	12	12
Regional Health Passport	Number of live markets	8	10
Based on AIA Vitality members who have reported their data, a member's AIA Vitality Age is their actual age relative to a variety of health factors	Members' improved Vitality Age since joining the programme	0.27	0.10



ESG Data Book Supplement

MATERIAL TOPIC DISCLOSURE INCLUDING UNGC PRINCIPLES	HKSE ESG REPORTING GUIDE REFERENCE	DISCLOSURE	SUPPLEMENTARY INFORMATION
---	------------------------------------	------------	---------------------------

Based on AIA Vitality members who have reported their data, the number of AIA Vitality Customers with either 1 biometric result from unhealthy to healthy OR Vitality age improvement + Personal Case Management Customers with a change in diagnosis or treatment optimised	Year-on-year increase	18.0%	22.0%
--	-----------------------	-------	-------

AIA One Billion

AIA One Billion additional disclosure			<p>The number under Community Programmes and Inspiring and Educational Digital Initiatives, Partnerships and Events before the duplication discount factor (details can be found in the Basis of Preparation document) through AIA One Billion was subject to limited assurance engagements performed by PricewaterhouseCoopers, Hong Kong (“PwC”) in 2022 and 2023. The period from 1 January 2021 to 31 December 2022 was covered in 2022, while the period from 1 January 2023 to 31 December 2023 was covered in 2023. Of our cumulative total 387 million people engaged through our AIA One Billion Plan, the number assured on Community Programmes and Inspiring and Educational Digital initiatives, Partnerships and Events before duplication discount factor was 2,341 million, representative of 97% of the total number covering the period of 1 January 2021 to 31 December 2023.</p> <p>PwC was engaged to conduct a limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information. PwC has issued its unmodified limited assurance conclusion containing its findings on the number engaged for Community Programmes and Inspiring and Educational Digital Initiatives, Partnerships and Events before duplication discount factor disclosed by the Group.</p>
---------------------------------------	--	--	---



About this Report

This Report summarises the Group's ESG performance and key sustainability milestones in 2023. Performance improvement for material ESG issues across our operations is provided and underpinned by our purpose-driven five-pillar ESG Strategy.

We are committed to maintaining transparent disclosure of our ESG progress and performance, as well as keeping open dialogue with all our key stakeholders.

Our approach to ESG reporting

AIA has a responsibility to be transparent and accountable to all our stakeholders, which includes reporting on how we make a difference in our communities, address sustainability challenges and make a lasting and meaningful impact within our markets. As noted previously on pages 17 to 18, our key stakeholders include our customers, employees and agents, governments and regulators, investors and communities.

This Report is produced with reference to the Global Reporting Initiative (GRI) Standards Guide published 30 June 2022, with reference to the ESG Reporting Guide (ESG Guide) set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (HKSE). The contents of this Report also comply with the ESG requirements under the Rules Governing Listing of Securities on HKSE.

As a signatory to the United Nations Global Compact (UNGC), AIA reports on our progress toward the UN Global Compact Ten Principles. We also include our Report against the Task Force on Climate-related Financial Disclosures (TCFD).

This Report also addresses stakeholder feedback, including the disclosure requirements of key ESG rating agencies and indices.

Moreover, our ESG Strategy supports a number of the United Nations Sustainable Development Goals established in 2015 as a "blueprint for peace and prosperity for people and the planet."¹ This alignment has been summarised in the tables on pages 28-29, 31-32, 36, 38-39 and 42-43.

AIA has a vested interest in achieving these environmental, social and governance goals, as doing so benefits our clients, employees, shareholders and the communities we serve.

Report content scope

The information provided in this Report covers our activities in 2023, both at the Group level and across our diverse operations around the region. Where possible we have also included historical data to help illustrate our performance over time.

To provide a comprehensive review of our impact and performance, this Report includes data from all business units where we maintain majority operational control and excludes data from Tata AIA Life where we own a 49 per cent interest in a joint venture and our investment in China Post Life, where we own a 24.99 per cent equity stake.

For easy reference to our reporting disclosures, the GRI Index, the UNGC and the HKSE ESG content index are provided at the end of this Report. AIA makes every effort to ensure consistency between the English and Chinese versions of this Report. However, in the event of any inconsistency, the English version shall prevail.

This Report was reviewed and approved by the Company's Board on 13 March 2024.

Additional information relevant to our ESG performance, including financial data and corporate governance matters, can be found in our Annual Report 2023.

Measuring our progress

We have set goals in the key areas under our five pillar ESG Strategy to help guide our actions and measure progress. We have undertaken extensive trend and peer benchmarking to identify remaining gaps and to inform decisions related to where to scale up action and focus. This has helped us identify the pillars and E, S and G areas where we can do more.

As we make progress in these areas, we will reinforce our efforts to improve disclosure and performance and maintain high scores on ESG ratings and indices. On pages 28-29, 31-32, 36, 38-39 and 42-43, we have summarised relevant targets and progress made in 2023. In addition to this, we have also expanded on this aspect in depth within each of the pillar chapters throughout this Report and sub-section reports to give a holistic view of our progress in 2023.

Reporting in this way enables us to keep in step with regulatory developments in line with our robust effective governance framework. Taking a proactive approach to reporting also provides opportunities to play a role in informing and shaping standards, best practices and contributing to knowledge sharing to accelerate positive change across the industry and the communities we operate in.



About this Report

Assured data

As we build data and process confidence, our Sustainability information, including emissions data, is reviewed, and assured by AIA's external auditors PwC, and we continue to add more locations to the assurance scope. For this reporting period, these locations include AIA Group Office, Australia, Brunei, Cambodia, Mainland China, Hong Kong SAR, Indonesia, South Korea, Macau SAR, Malaysia, Myanmar, New Zealand, Philippines, Singapore, Sri Lanka, Thailand, Taiwan (China) and Vietnam. Please refer to the Assurance Statement on page 44 for a further breakdown of our operations from buildings in scope of this data assurance exercise.

Data calculation methodologies

AIA calculates emissions according to the guidelines provided by the Environmental Protection Department of the Hong Kong SAR Government and Appendix 2: Reporting Guidance on Environmental KPIs. We identify emission factors on scope 1 GHG emissions and scope 2 GHG emissions for each operating region via the sustainability reports of utility companies, the Greenhouse Gas Protocol database, and the List of Emission Factors published by the local government authority, United for Efficiency, International Renewable Energy Agency and the Institute for Global Environmental Strategies. We refer to the emission factor for short-haul flights of Greenhouse gas reporting: conversion factors 2023, provided by the United Kingdom's Department for Environment, Food, and Rural Affairs (DEFRA) to calculate business travel emissions data. We calculate emissions from any private air travel according to the recommended practice of the International Air Transport Association (IATA).

AIA also refers to the Sixth Assessment Report from the international Panel on Climate Change, in reference to any Global Warming Potential (GWP) factors used.



HEALTHIER, LONGER,
BETTER LIVES

Feedback from our diverse set of stakeholders is crucial for us to continue improving on our ESG performance and disclosure practices.

If you have any questions, comments or feedback please contact our ESG team at esg@aia.com or write us at the address below:

Environmental, Social and Governance (ESG) Team
Suites 3206-3209, 32/F AIA Central
1 Connaught Road Central, Central, Hong Kong





HEALTHIER, LONGER,
BETTER LIVES

AIA ESG REPORT 2023 SUBSECTION REPORT

Health & Wellness





Contents

Health & Wellness Pillar	3
Our Health & Wellness Pillar	3
Our Priorities in Detail	4
Engaging Communities Across Asia	4
Improving Access to Quality Healthcare	11
Building Better Integrated Health and Wellness Outcomes	15
Bringing Health & Wellness to Life	17
Bringing Health & Wellness to Life	17

Our Health & Wellness Pillar

Our Purpose of helping people live Healthier, Longer, Better Lives is inextricably linked to ESG considerations.

As the largest independent publicly listed pan-Asian life insurance group, our customers can tailor a package from our wide range of protection and long-term savings propositions with health and wellness coverage solutions and services. This personalised approach ensures they can afford this protection both now and when health costs escalate as they age.

AIA's Integrated Health Strategy aims to improve the health and wellness of people and communities across Asia by transforming how individuals, corporates, payors and providers experience and manage health insurance and healthcare delivery. These solutions include strategic partnerships with outpatient clinics, more effective care management programmes and simpler healthcare journeys that deliver better health outcomes at a lower cost – making healthcare more accessible, affordable and effective.

“



Stuart Spencer
Group Chief
Marketing Officer

Driven by our Purpose, we're contributing to healthier communities across Asia by engaging people in improving their physical, mental and environmental wellness while championing financial inclusion. ”

“



Dr Kelvin Loh
Group Chief
Healthcare Officer

Our integrated approach is providing people with greater access to affordable and effective healthcare, leading to better health and wellness outcomes that help people live Healthier, Longer, Better Lives. ”

Engaging Communities Across Asia

Engage communities across Asia to improve their physical, mental and environmental wellness while championing financial inclusion

We help individual and corporate customers to improve their health and wellness through our AIA employees, agents, ambassadors and partners. We engage millions of people in communities throughout the region to improve their physical, mental and environmental well-being while championing financial inclusion.

Our AIA One Billion commitment drives engagement across our markets. Along with all the local driving activities three key Group-wide programmes contribute to our ambition. The AIA Healthiest Schools Programme establishes healthier habits in Asia's children. Our partnership with Tottenham Hotspur Football Club promotes the key role of sport in helping people live healthier lives. Finally, through our AIA Voices thought leadership platform, we share content from changemakers and experts on physical, mental, environmental and financial wellness, providing information and inspiration for living Healthier, Longer, Better Lives.

AIA One Billion

We have set ourselves an ambitious goal: By 2030, we will have engaged one billion people to help them live Healthier, Longer, Better Lives. To achieve it, we are driving societal engagement and creating a movement across Asia that extends far beyond our existing customer base.

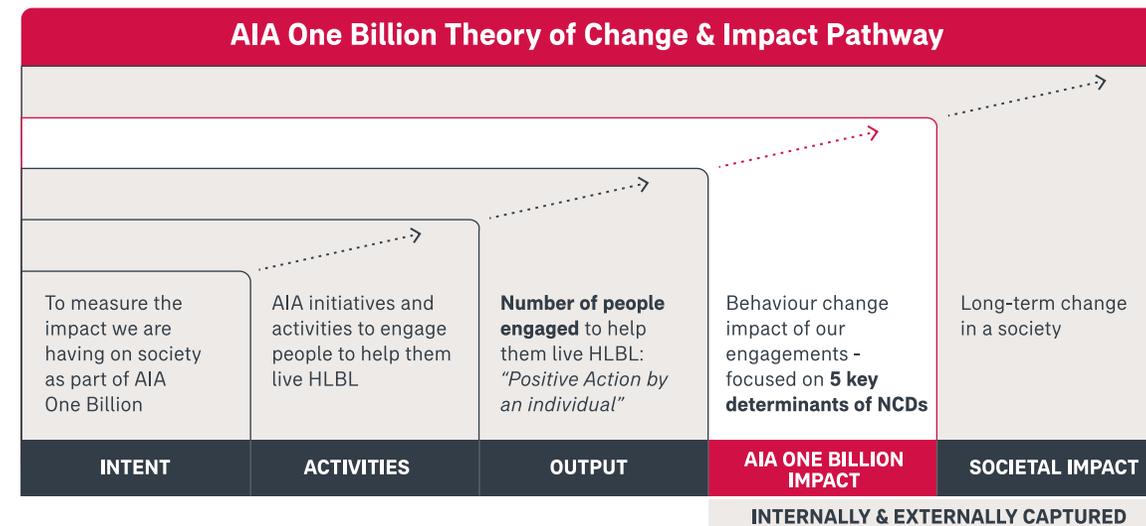
AIA One Billion is a journey to engage and inspire people across Asia through a series of engagement touchpoints, which can be a powerful force for behaviour change.

We measure the impact we are making as part of our AIA One Billion ambition by using our impact measurement framework to gauge behaviour change and social impact. As part of this approach, we have developed an AOB Theory of Change and Impact Pathway to understand our activities' intended output and impact on society. This ensures we are clear in our definition of impact and how it is measured.

Our approach uses a range of research methodology to measure the overall impact of engaging with our Healthier, Longer, Better Lives initiatives. AIA Brand Power Monitor consumer research across our markets helps us gain the widest possible view of the level of change that AIA brings to society. This is supported by behaviour change research into specific in-person initiatives, such as participating in classes at AIA Vitality Hub in Hong Kong, through post-event surveys. This research measures the impact that engaging with our initiatives has on health and wellness perceptions and healthy living behaviour change indicators to improve physical, mental, environmental and financial wellness.

Our AIA Brand Power Monitor¹ demonstrates that engagements² with our AIA initiatives drive healthy living behaviour changes. In July to December 2023, 45 per cent of people surveyed across Asia said they have been inspired by AIA initiatives to make a healthy living change to improve current physical, mental, financial or environmental health.

We will continue measuring the impact of our initiatives on people's lives and across societies through a range of tailored research methodology and celebrate individual achievements as we work towards our AIA One Billion goal.



¹ AIA Brand Power Monitor is a survey conducted by Kantar across 14 of our markets which covers over 5,400 respondents (general consumers) every quarter.

² We define an engagement as a positive action by an individual. Respondents were asked if they had engaged with our AIA website, met with an AIA agent, or engaged with our campaigns or activities.

Engaging Communities Across Asia

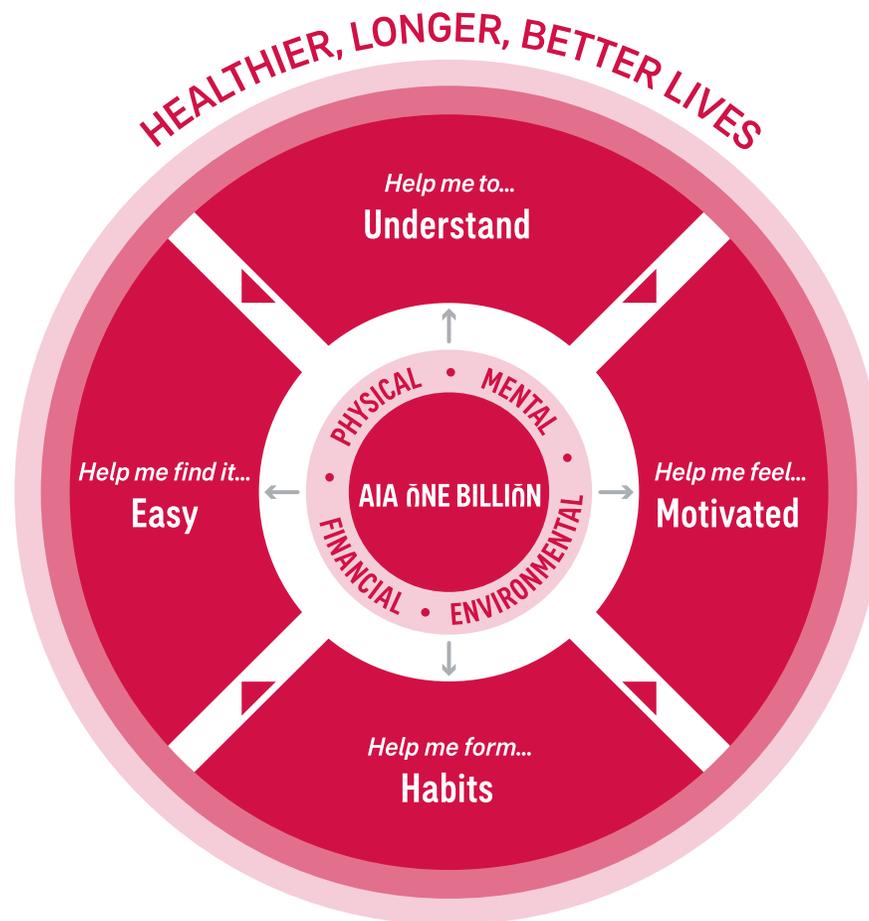
Actions

We have delivered and measured a wide range of purpose-led initiatives across all 18 markets since launching AIA One Billion publicly in 2022. Initiatives aim to engage, educate, inspire and support communities, employees, individuals and business customers across Asia to improve their physical, mental, environmental and financial health and wellness. We achieve this through advice, partnerships, events, community programmes and campaigns.

Successful change to improve healthy living comes from understanding people, their habits and motivations. Our model for effective behaviour change, the 'Healthier, Longer, Better Lives Behaviour Change Model', helps us to create engagements that deliver on our Purpose and drive lasting behaviour change that has wider social impact.

This Behaviour Change Model combines insights from existing behaviour models with AIA Vitality programme insights and research, informing our understanding of people, what motivates them and how to best engage and inform them.

Applying this model guides our efforts to make a greater and longer-lasting impact on peoples' health and lives, supporting people to make progress in a way that is personal to them. The approach is designed to build a movement that inspires people to take positive action.



Measurement

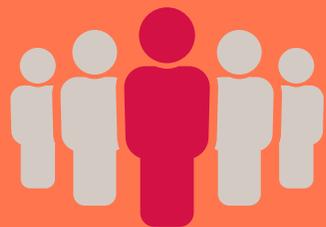
We use a principles-based methodology to measure the breadth and depth of our engagement. We define an 'engagement' as 'a positive action by an individual'. This covers all AIA touchpoints with customers, clients and communities across Asia.

We measure the cumulative year-on-year number of people engaged and review, evolve and enhance our methodology each year, adjusting our approach as required to ensure robust processes and alignment to any changes in our activities. We have sought independent verification where appropriate.

Engaging Communities Across Asia

Progress Towards Our Goal

387 million people engaged through AIA One Billion by the end of 2023.



387 million people

By 31 December 2023, AIA has engaged 387 million people towards our AIA One Billion goal.

PricewaterhouseCoopers, Hong Kong (“PwC”) has undertaken a limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information in respect of the selected AIA One Billion performance metrics in 2022 and 2023.

The period from 1 January 2021 to 31 December 2022 was covered in 2022, while the period from 1 January 2023 to 31 December 2023 was covered in 2023.

For details and the basis of preparation, see www.aia.com/aiaonebillion.

The number of people engaged through AIA One Billion has been rounded down to the nearest million.

Read more in the **ESG Data Book Supplement** of the ESG Report 2023.

Signature Programmes

Alongside local activities, three signature programmes contribute to engagement across our markets, providing information and inspiration to live Healthier, Longer, Better Lives.

The AIA Healthiest Schools Programme

The AIA Healthiest Schools Programme aims to drive healthier habits among students aged five to 16 across Healthy Eating, Active Lifestyles, Mental Well-being and Health and Sustainability. At the end of our first year, 744 schools participated in the programme from Australia, Hong Kong, Vietnam and Thailand.

Participating schools can enter the AIA Healthiest Schools Challenge, submitting innovative ideas to make their students and community healthier with a chance to win exclusive health and wellness experiences and prizes. 110 schools entered the Challenge in its first year with Daroonwittaya Tedsaban Muangnan (Bansuantan) School in Thailand and Alpha School in Vietnam crowned as the regional primary and secondary school champions.

In its second year, we have expanded the programme into Indonesia and Malaysia. We are working closely with the Ministry of Education in each country to raise awareness of the importance of health and wellness education as we continue to grow the engagement and impact of this initiative.

Partnership with Tottenham Hotspur Football Club

AIA is proud to be the Global Principal Partner of the Tottenham Hotspur Football Club. Active participation in sports promotes a healthy lifestyle, with football nurturing values such as teamwork, discipline and sportsmanship.

With the support of the Club’s accredited coaches, we hold football clinics across AIA markets to help people to live Healthier, Longer, Better Lives. More than 112,000 participants (mostly children) have taken part in AIA clinics with Spurs coaches across Asia. A Digital Hub hosts all AIA-Spurs related content and digital campaigns across multiple markets, which is shared on our social media channels to continue the conversation on topics such as healthy cooking and mental health.

AIA Voices

In 2022 we launched AIA Voices, a content-led thought leadership platform. AIA Voices brings together health and wellness experts and our brand ambassadors to educate, motivate and inspire people along their journey towards Healthier, Longer, Better Lives.

Over the past year, AIA Voices has delved into the importance of sleep for mental wellness, financial fundamentals, the relationship between the health of our planet and human health, investing in women and girls through sport and building resilience in children. AIA Voices will address the impact of food waste in Thailand and more, in the coming months.

Engaging Communities Across Asia

In the following section, we highlight key Group-wide programmes and local engagement activities that have contributed to our AIA One Billion ambition and demonstrate our engagement approach.

Physical Health

We support, motivate and engage people to take steps to prevent illness and disease and provide them with access to quality healthcare services that improve their health outcomes.

Subscribe to a Better Life with AIA Malaysia

The Subscribe to a Better Life campaign aimed to empower Malaysians to embrace healthy, active and vibrant lifestyles. The campaign's educational and interactive website simulates a streaming service interface to engage people with insurance. It helps people to realise their life aspirations through curated content featuring AIA's solutions and offerings, including our proprietary Total Health and Wealth Solution ecosystem.

Committed to the holistic well-being of Malaysians, Subscribe to a Better Life transcends traditional insurance and takaful protection by providing comprehensive support for healthy habits, financial planning and overall lifestyle improvement so Malaysians can live their lives to the fullest.

AIA Vitality Live 2023 with AIA Indonesia

AIA Indonesia hosted the AIA Vitality Live 2023 wellness festival for over 4,000 AIA customers, employees, agents and partners. Combining sports, music and entertainment, the event encouraged participants to commit to more physical movement as they started the new year.

Experiences included Zumba, Body Combat, and a 5K run/walk, closing with a special performance by some of Indonesia's best musicians.

Mental Health

The number of people experiencing anxiety, depression and other mental illnesses continues to grow globally. Our AIA One Billion engagement activities are raising awareness of the importance of emotional and mental well-being, sharing tools and techniques that help develop resilience and normalising seeking support.

'Let's Talk' about mental wellness

AIA Australia's successful 'Let's Talk' content series sought to normalise the everyday struggles that many people face. The featured conversations encouraged those that may benefit to seek help and support – from a friend, family member, colleague or professional. Media personality and AIA Ambassador, Hamish McLachlan and his guests – including sport stars Ash Barty, Ian Thorpe and Nathan Buckley – discussed their personal setbacks and triumphs to highlight the importance of open and honest conversations about mental health and well-being.

A journey to wellness



Albert Chan,
AIA Vitality Hub user

At the start of 2023, Albert weighed 100kg and was dealing with diabetes and high blood pressure. He found out about the AIA Vitality Hub in Hong Kong and within three months of attending classes regularly, he had lost over 5kg.

"I used to be slightly diabetic and have high blood pressure," Albert said. "Now I don't need to take as much medicine and my chronic health problems have improved after exercising."

At the age of 67, Albert is happy with his accomplishments so far and continues to join five to eight classes at the AIA Vitality Hub every week, including Zumba, yoga and HIIT. Albert firmly believes that regardless of age, anyone can join and enjoy exercise classes and their positive impact on physical and mental well-being.

"It's easy to make friends here (at the AIA Vitality Hub) and learn different exercise techniques," Albert said. "My strength has improved within less than a year and I see my muscles building day by day."

Engaging Communities Across Asia

Mindfulness in the garden



Dilantha Perera,
Assistant Manager,
Business Acquisitions,
AIA Sri Lanka

Exercise and meditation were always a part of Dilantha's daily routine. However, about two years ago, during the pandemic, he discovered a new hobby that supports his mental wellness and has made a positive impact on his community.

Home gardening became a new interest for Dilantha during the pandemic, when he had a lot of time on his hands. Dilantha found that gardening gave him peace of mind and helped him de-stress during those difficult times. He started with a small garden, growing different plants and testing various techniques. With time, his garden expanded. Dilantha began growing organic vegetables to prioritise his health and maintain a healthy diet.

Dilantha spends at least 30 minutes gardening after work, which helped his mental wellness. He introduced his family to gardening, which gave them quality family time.

His children loved gardening, and he shared his organic produce with his neighbours and extended family. Looking at how home gardening was helping Dilantha's physical and mental wellness, his neighbours also started gardening patches.

AIA's HR team had encouraged employees to garden at home and organised webinars and training sessions to build their skills. This further reinforced Dilantha's habits – and earned him the title of Green Champion in recognition of his efforts in promoting a healthy and sustainable lifestyle.

Today, almost all the houses down Dilantha's lane have vegetable patches, maintained by his neighbours. What started as a pandemic hobby has become a community movement, promoting sustainable practices and supporting mental and physical wellness.

Environmental Health

Human health and well-being are intimately linked to the state of the environment. Our AIA One Billion engagement activities seek to raise awareness of the importance of environmental health, support those affected by the changing environment and improve the environment for the next generation.

Healthy Planet, Healthy Me with AIA Voices

Three thought leaders in the field of environmental wellness came together to explore the connection between a healthy planet and our own health in 'AIA Voices – Healthy Planet, Healthy Me'. Our experts discussed the scientific connection between people and the planet, the physical and mental links between ecosystems and what happens when we connect to the planet in a healthy way. The discussion covered the active role AIA can play in encouraging healthy behaviours and wellness in our local communities and supporting actions that positively impact the environment.

Engaging Communities Across Asia

Small steps, big impact



Nidhi Bains,
Distribution Training,
Tata AIA Life

More than one-third of the total 'branded plastic' that goes into garbage daily from households in India could be just 'dairy products packaging' like milk and buttermilk pouches and cups of yoghurt and ice cream. However, many of these plastic materials can be recycled. Nidhi and her son Angad were committed to making a difference by promoting plastic recycling, despite initial challenges. They realised that by taking small steps to collect used pouches, they could make a significant impact.

Nidhi and Angad started sharing their progress on social media and organising local clean-up drives, collecting pouches for recycling and encouraging others to join this cause. Slowly but steadily, like-minded people began to join them. With their collective efforts, Nidhi and Angad and their supporter community have collected over 10,000 milk pouches for recycling in just a few months.

Nidhi and Angad's goal is to continue this initiative and collect one million pouches every year for recycling. By encouraging others to take small steps to reduce waste, we can make a significant impact in our communities and the environment.

Caring for the environment for conservation and connection

Planting trees raises awareness of environmental issues and improves local environments for future generations. In partnership with conservation charity Trees That Count, AIA New Zealand planted trees to honour the memory of life customers who passed away and mark World Environment Day. AIA New Zealand funded 4,269 trees in 2023, with 16,764 trees funded since the partnership began in 2020. This initiative will help restore native flora and help remove about 3,816 tonnes of carbon dioxide from the atmosphere over the next 50 years¹.

AIA Korea planted trees with Seoul Fruit of Love and the civic group Forest of Life at Omok Park in Yangcheon-gu, Seoul to celebrate Family Month. Employees and their families participated in this meaningful event, which took place for the second year running and emphasised the need to pass on the natural heritage of trees to the next generation.

AIA Korea also organised the 'No Plastic Han River Clean-Up' initiative at Banpo Han River Park for World Environment Day. Employees dedicated their time to collect litter including plastic bags, cigarette butts and single-use plastics. The event heightened environmental consciousness by encouraging employees to think about protecting the environment on a day-to-day basis.

Financial Inclusion

We are committed to championing financial inclusion through AIA One Billion. We engage communities through financial education, awareness campaigns and accessible insurance products that support the financial well-being of individuals and families. We seek to understand our individual and corporate customers and the diverse communities we serve so we can provide inclusive and innovative products and solutions that support their needs.

Increasing financial literacy through education

In 2022, AIA China launched the AIA Youth+ Financial Literacy Programme which aims to provide financial education for young people in rural and urban areas. During 2023, children aged seven to 12 participated in interactive sessions to learn about saving, consuming, investing and donating money, as well as wealth planning. Through activities with their peers and their families, children learned the importance of managing risk and preparing for the unexpected. The programme boosts individual financial literacy and emotional intelligence, helping families work together to prepare and manage their financial well-being.

AIA Korea's Grutergi Programme provides financial education, mentoring, career coaching, scholarships and art therapy for orphans and self-reliant youth who have grown up in government facilities without parental care. Young people have received financial mentoring, emotional support and college scholarships through the programme. AIA employee volunteers have also supported young people through job mentoring and art therapy sessions.

1 Trees that Count (2024), AIA Vitality | Trees that Count. <https://treesthatcount.co.nz/profiles/aiavitality?offset=0&page=1&limit=12>

Engaging Communities Across Asia

Supporting outstanding scholars in Hong Kong

In September 2023, AIA Foundation awarded 100 AIA Scholarships to the programme's third cohort of outstanding Hong Kong university students. AIA Scholarships provide financial support to help students pursue higher education, broaden their horizons and reach their potential while encouraging them to contribute to Hong Kong's society and economy.

AIA Scholarships is run by AIA Foundation in collaboration with 10 partner universities in Hong Kong. AIA pledged US\$100 million in October 2020 to help 100 undergraduates every year over the next several decades attend Hong Kong universities.

Accessible insurance for people living with Type-2 diabetes

AIA Singapore launched AIA Diabetes Care, Singapore's first critical illness coverage tailored for Type-2 diabetics and pre-diabetics aged 30 to 65 years old. The product provides guaranteed coverage for five key diabetes-related conditions and has a guaranteed renewal until the age of 80, ensuring policyholders are supported for the treatments they need for much of their lives. The product also provides access to AIA Vitality to help manage policyholders' physical health as they live well with Type-2 diabetes.

Supporting financial inclusion in India

Tata AIA Life's 'micro-insurance' product, POS Saat Saath, offers insurance for people who may not be able to afford traditional insurance. POS Saat Saath offers benefits including protection, savings and assured returns on maturity.

This complements other Tata AIA Life offerings available through mobile apps for lower income consumers, including:

- Saral Jeevan Bima, a simple and affordable term plan.
- Insta Protect, which provides comprehensive protection for Life, Critical Illness, Disability and Hospitalisation for the low-income segment.
- Fortune Guarantee Pension, an affordable, retail pension plan with systematic investment options offering pensions/annuity for life.
- POS Smart Income Plus, a systematic investment savings plan with dual advantages of life cover plus savings.
- AIA has leveraged the partnership with Common Service Centres Scheme to reach 95% of the rural governing bodies in India through 400,000 centres that CSC run.

Our financial inclusion initiatives in India have enabled us to comply with and exceed the Rural Sector Obligations and Social Sector Obligation for FY2023 applicable to all market participants, as follows:

- Rural sector: the Company has achieved 25.72 per cent as against the 20 per cent regulatory requirement.
- Social sector: the Company has insured 84,357 social lives.

Tata AIA Life has also provided training, financial linkages to banks and access to funds and skill development to support self-help groups (SHGs). This included organising skill development workshops to supporting women to develop new income streams, supporting SHG members in seeking government loans and support, and organising preventive healthcare and nutrition programmes for girls, women and children.

Reshaping connection



Choi Jung-Min,
Life Insurance Planner,
AIA Korea

Choi Jung-Min has made history as the first planner with a hearing impairment to receive the Golden Fellow Award from the Korea Life Insurance Association. The award recognises outstanding planners across the country who demonstrate and deliver strong performance. He also won an Asia Trusted Life Agents and Advisers Award, as 2023 Inspirational Agent of the Year¹.

Choi, who has 13 years of experience as a planner, has shattered prejudices against the hearing-impaired and become a role model for others. "As I am a hearing-impaired person, I use sign language to talk with clients, most of whom are hearing-impaired. Sometimes I communicate in writing, which takes more than 10 pages of A4 paper. It's true that it takes more time for me to communicate with clients, but nothing hampers my sincere and full communication with them," Choi said.

Choi is motivated by his mission to help hearing-impaired people by managing their risks. While it is paramount that hearing-impaired people are informed about the benefits of various insurance plans, most of them are not exposed to such information.

Determined to help the community, Choi has also trained in recreation and laughter therapy to approach customers with positivity and a bright disposition. He sees himself as a companion that can help bridge the gap between the hearing-impaired community and insurance, allowing the community to gain access and knowledge regarding the benefits of insurance plans.

"I hope to continue breaking prejudices that the public holds against the hearing-impaired that they can't do anything. I hope to inspire many hearing-impaired people to have more courage," Choi emphasised.

¹ The Asia Trusted Life Agents and Advisers Awards are jointly organised by Asia Insurance Review, Asia Advisers Network, and LIMRA. The awards are judged by CEOs, senior executives, industry leaders and experts, with balloting stringently supervised by global audit firm KPMG.

Improving Access to Quality Healthcare

Provide greater access to quality care, relevant and timely information, diagnoses, treatment and rehabilitation

Access to quality and timely healthcare services varies significantly within markets and across Asia¹. While healthcare demand and costs are increasing, customer health journeys are often complex, fragmented and difficult to navigate.

AIA's Integrated Health Strategy provides customers with more accessible, affordable and effective healthcare. Our expanding health offerings are streamlining the services and care our customers receive, with new product offerings increasing the availability and personalisation of insurance cover. Partnerships are further extending our networks to ensure customers can more easily access the healthcare support, services and care they need, when they need it.

Expanding our health offerings across Asia

Growing our health offering has introduced new products, customer segments and healthcare provision services to AIA. We are capitalising on opportunities to deliver more personalised health insurance and accelerate our Integrated Health Strategy across Asia to provide more accessible, affordable and effective care.

Improving access to screening and early detection services through MediCard and Blue Care

We are increasing our involvement in helping ensure better healthcare outcomes for our customers and communities with the integration of the Blue Cross and Blue Care businesses² in Hong Kong and MediCard Philippines into AIA. Through these businesses, we are providing greater access and coverage for screening and early detection services. Health screening can significantly improve the management and outcomes of conditions such as cancer and chronic heart disease, while empowering customers with information on their health status and providing advice on improving and maintaining healthy lives.

MediCard has almost one million members who have access to their 17 free-standing clinics and 119 Occupational Health clinics. Over 100,000 health checks are completed every year, greatly improving AIA's efforts to ensure effective prevention, early detection and management of health risks for MediCard customers.

Personalising health insurance and health solutions

AIA is working to develop innovative, personalised and affordable protection offerings that address the widening gap between customers' healthcare needs and insurance coverage, informed by customer research.

Addressing coverage gaps

Cancer is the leading cause of death in Hong Kong, where one in four men and one in five women are at risk of developing cancer before the age of 75³. While close to 40 per cent of cancer patients were aged 60 or below over the past decade⁴, a recent survey of Hong Kong customers found that the younger the respondents were, the less they felt they needed insurance.

AIA Hong Kong launched an affordable cancer protection product targeting budget-conscious young customers seeking comprehensive cancer medical protection or additional cancer coverage to supplement an existing policy⁵. The product offers innovative prevention features for early detection and diagnosis coverage to assist access to the latest treatments. Psychological counselling and art therapy are also included to support cancer patients and immediate family members during a time of tremendous mental stress.

Sixty per cent of Singaporeans are concerned about dementia, making it the nation's top worry, yet more than one in two do not own policies that cover neurological diseases⁶. To address this gap, AIA Singapore launched AIA Centurion – one of our first products focused on diseases like Alzheimer's and Parkinson's. AIA Centurion expands our services to a new segment of elderly customers (up to age 80) and includes access to services that enable customers to continue to live independently. This includes access to on-demand video teleconsultations and medication delivery from WhiteCoat Telemedicine at a flat fee that is typically more cost effective than in-person GP consultations.

1 OECD/WHO (2022), *Health at a Glance: Asia/Pacific 2022: Measuring Progress Towards Universal Health Coverage*, OECD Publishing, Paris, <https://doi.org/10.1787/c7467f62-en>.

2 Blue Cross (Asia-Pacific) Insurance Limited and Blue Care JV (BVI) Holdings Limited were acquired by AIA in August 2022.

3 Centre for Health Protection, Department of Health, *Cancer Statistics*. November 2014, based on a study of 2012 cancer statistics. <https://www.chp.gov.hk/en/healthtopics/content/25/103091.html>

4 Hong Kong Cancer Registry, Hospital Authority, *10 Most Common Cancers in Hong Kong in 2021*. Based on the 2003-2012 statistics of average prevalence rate of cancers of different parts of the body (accessed in December 2014). <https://www3.ha.org.hk/cancereg/default.asp>

5 AIA Hong Kong (2022), *Press release: AIA Hong Kong launches brand new "Cancer Guardian" series*. <https://www.aia.com.hk/en/about-aia/about-us/media-centre/press-releases/2022/aia-press-release-20220929>

6 AIA Singapore (2023), *Press release: AIA Singapore tackles the nation's growing elder care needs with market's first personal accident plan to provide coverage for multi-stage dementia*. <https://www.aia.com.sg/en/about-aia/media-centre/press-releases/2023/aia-singapore-tackles-the-nations-growing-elder-care-needs>

Improving Access to Quality Healthcare

Personalising coverage to meet customer needs

In Mainland China, research revealed the challenges of accessing health insurance for people with chronic and severe diseases. Four million people with chronic and severe diseases accounted for 50-55 per cent of medical expenses but only 6 per cent of commercial insurance premiums¹.

In response, AIA China launched a Critical Illness product specifically designed for customers with pre-existing health conditions. This helps provide the 22,000 policyholders with the opportunity to obtain lifelong critical illness protection to face potential future illness with peace of mind. Approximately 7 per cent of policies relate to customers aged 55 and above, demonstrating expanding coverage to older customer segments.

Paying for unexpected medical expenses can be a challenge, with 65 per cent of people in India paying medical expenses as Out-Of-Pocket (OOP) fees². In several cases, people accessed their long-term savings during health emergencies as they found their basic health cover policy insufficient. Tata AIA Life launched an innovative Health Solution combining health cover with health and wellness services, medical benefits and life cover with the benefits of Unit-Linked insurance. The solution helps to grow wealth and health savings through market-linked returns, and offering a number of ecosystem services including cashless hospital admission and AIA Vitality to motivate positive health outcomes, tailored discounts or premium allocations. These are available for Gen Z, women or girls, children and the transgender community to foster a healthier future.

Transforming AIA with world-class technology

As data and technology continue to develop, customers are increasingly seeking more personalised products and experiences that meet their needs. We are leveraging data and technology to improve customers' access to longitudinal health data across regions and healthcare providers, streamline claims processing, and explore innovative tools to measure and advise on customer health.

Data-driven insights and personalisation

Amplify Health is accelerating the execution of AIA's Health & Wellness priorities by supporting our businesses with new health technologies and integrated business solutions. Amplify Health is deploying health technology assets, proprietary data analytics and extensive health expertise to our growing businesses and will support other healthcare sector participants over time.

Efficiency and customer experience through AI-enabled claims processing

Technology-driven insights are also streamlining our claims processing experience. The introduction of AI-enabled claims processing provides AIA Singapore customers with a seamless healthcare and claims experience, from booking a doctor's appointment to pre-authorising their claim through the AIA app. More than half a million claims per year are now being handled with this technology, facilitating an easy, fast and seamless claims experience. To date, 96 per cent of claims have been digitally submitted, 91 per cent of claims have been adjudicated by the AI engine, and 97 per cent of claims are paid digitally. Enabled by technology, claim turnaround times can be as fast as 14 minutes from submission to payment.

Increasing health awareness and engagement using digital biomarkers

In Thailand AIA Health Saver was launched in January 2023 aiming to improve equity and access to healthcare services through an affordable, mass market product with comprehensive inpatient and pre/post hospitalisation outpatient coverage. This has appealed to newer customers, resulting in a new customer mix more than 20 percentage points for this rider.

Alongside AIA Vitality, AIA Thailand has been increasing the use of technology-enabled health and wellness services to reach large populations at scale, including in remote areas, to encourage greater health awareness and increase equity in access to healthcare services. In 2022, AIA Thailand launched AIA+, a flagship 'superapp' that combines the wellness services of AIA Vitality with the convenience of online policy servicing. As of December 2023, AIA+ had over 198,000 users, of which 96.5 per cent were policyholders and 3.5 per cent were public users.

Digital biomarkers are a key feature on the app and have been effective in raising health awareness of both policy holders and non-policy holders. Powered by artificial intelligence, facial recognition technology tracks body mass index, blood pressure, pulse and stress levels – further enhancing our digital real-time delivery of health and wellness information to customers. Since launch, approximately 69,000 biomarker facial scans have been logged. The feature has been instrumental in expanding impactful health and wellness to non-Vitality customers.

¹ AIA China (2022), *Press Release: Health and Wealth Upgraded AIA Life's "Ruyi Youxiang" innovation covers sub-healthy people.* <https://www.aia.com.cn/zh-cn/aia/media/news/2022/20221101>

² India Brand Equity Foundation (2022), *Economic Survey 2021-22.* <https://www.ibef.org/economy/economic-survey-2021-22>

Improving Access to Quality Healthcare

Growing wellness regionally

AIA is encouraging customers and communities across Asia to manage their health and wellness. Our actions range from assisting customers to navigate the health system to championing mental wellness and simplifying access to healthcare services.

Mental well-being and mental health

Mental wellness is frequently cited as one of the top health concerns of customers. Across Asia, people are reporting higher levels of burnout and depression¹ with problems arising from mental health the second-largest contributor to time lost to disability.

AIA provides mental well-being and mental health support in multiple markets – connecting mental wellness services to related healthcare services to improve access and effectiveness. In Malaysia, concern about mental health is high, with 86 per cent of people nominating physical health as a priority, ahead of the 84 per cent who nominated mental health.²

Despite the growing concern for mental health, many are not seeking treatment due to limited coverage through employer provided benefits, high costs, social stigma and fear of negative consequences.

AIA Malaysia introduced AIA Mental Health Solution in August 2022 in collaboration with ThoughtFull, a Southeast Asian-based digital mental health platform, to enable employers to provide improved access and support for their employees' mental well-being through appropriate guidance, tools and support.

Members across more than 70 corporate clients are accessing bite-sized guided learning content, wellness trackers, one-on-one coaching with certified mental health professionals and round-the-clock crisis support, with engagement rates of up to 55 per cent. 36 per cent of users reported feeling better because of the service, with 25 per cent being more open to proactively engage with their mental health. The Solution earned AIA the Health Insurance Initiative of the Year – Malaysia and Strategic Partnership of the Year – Malaysia at the Insurance Asia Awards 2023³.

Improving customer health outcomes

In 2023, AIA Vitality launched in Vietnam – the 12th AIA market to launch the science-backed health and well-being programme – and we ended the year with 1,848,892 active members across all markets. Last year we celebrated the 10th anniversary of the programme in Singapore and Australia.

Despite reaching a point of maturity in many markets, engagement remains high in key AIA markets, with AIA Hong Kong reporting a three-month engagement rate of 58.3 per cent⁴ in December 2023. In addition, 40 per cent of their membership has reached Silver Vitality Status or higher.

Among AIA markets there is a growing understanding that the first step towards improved health is awareness of the current state of health. In 2023, AIA Malaysia and AIA Indonesia launched a series of campaigns to motivate the completion of the Vitality Health Check (VHC). Through these campaigns, AIA Malaysia has doubled the number of customers completing the VHC, seen an improvement in all four health measures with 43 per cent of AIA Vitality members recording healthy ranges for all four tests (versus 29 per cent in September 2022), and over 23 per cent of members have reached Silver Status or higher.

Regionally, engagement in the programme is resulting in measurable improvements in health outcomes.⁵ AIA Vitality has improved the lives of over 130,000 (132,559) customers. Members improved their AIA Vitality Age – their actual age relative to a variety of health factors – by an average of 0.44 years after joining the programme, with 54 per cent of at-risk AIA Vitality members improving their blood pressure levels and 81 per cent reducing their glucose levels.

¹ McKinsey & Company (2022), *Employee mental health and burnout in Asia: A time to act*. <https://www.mckinsey.com/featured-insights/future-of-asia/employee-mental-health-and-burnout-in-asia-a-time-to-act>

² Ipsos (2022), *World Mental Health Day, A Global Advisor Survey*. https://www.ipsos.com/sites/default/files/ct/news/documents/2022-10/Ipsos-World-Mental-Health-Day-2022_Report_0.pdf

³ Insurance Asia (2024), Past Winners. <https://insuranceasia.com/event/insurance-asia-awards#page-past-winners/>

⁴ Member earned any points in the last 3 months.

⁵ Note that better health outcome is defined as: # of distinct members that satisfy either criteria: (a) At least one biometric moving from unhealthy to healthy range (where the study includes members from all markets who have completed at least two health checks 90 days apart during their entire membership period), or (b) Lowered their AIA Vitality Age gap (two health checks and AIA Vitality Age calculations at least 12 months apart).

Improving Access to Quality Healthcare

Enhancing customer journeys through comprehensive health and wellness services

AIA Malaysia's health and wellness ecosystem makes healthcare more accessible for customers. The AIA customer App supports members by improving ease and simplifying access to telehealth consultations. Customers can also process claims, referrals and pre-authorisation requests through the app, making health management more efficient. Customers with serious medical conditions are supported through Personal Case Management throughout their treatment.

AIA China has built a diversified ecosystem of health and wellness services, leveraging in-house capabilities and healthcare partnerships to make AIA a trusted and established partner in customers' lives. A range of services are available, targeted to the key needs and pain points of specific customer segments along their health journeys. These include programmes for cancer prevention, early detection and screening. Case management supports customers with serious medical conditions, and medical assistance from the world-leading Mayo Clinic is available via video and onsite consultation for eligible customers.

A juvenile-focused programme also works to promote health knowledge and protect juvenile health through access to video consultations and outpatient medical assistance for certain public hospitals.

Building on this foundation, over the last four years AIA China has developed a specialised health and retirement network to support over three million older customers as they navigate hospital, specialist and rehabilitation providers. Our network covers over 1,300 top quality medical networks including public and private hospitals, dental clinics, physical check-up centres, and over 370 retirement and rehabilitation institutions across more than 70 cities.

Together, the health and retirement ecosystems provide an effective combination of services that helps customers access more effective medical treatment more quickly and with faster recovery across their lifetime. 59 per cent of customers found the service helpful, with many also experiencing improved clinical outcomes. 52 per cent of rehabilitation customers reported improved health outcomes and 100 per cent of customers receiving anxiety support reported their anxiety was relieved as a result.



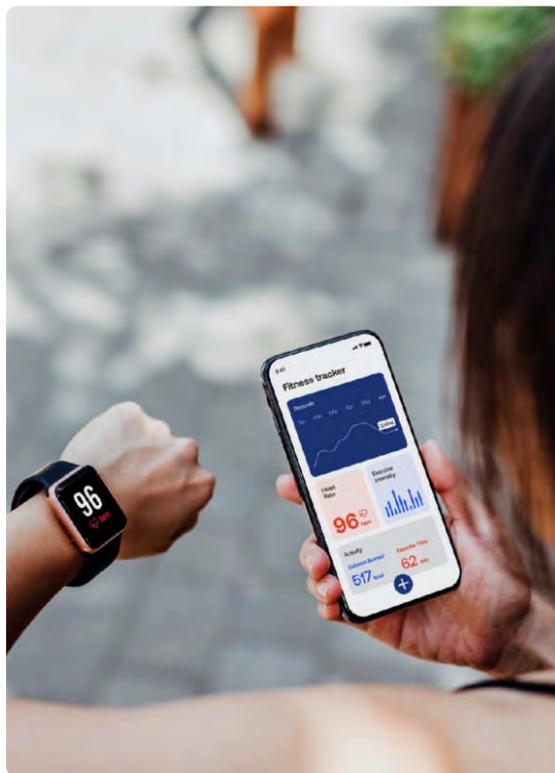
Building Better Integrated Health and Wellness Outcomes

Build on our leading integrated health and wellness solutions and reward customers for behavioural improvements

Our AIA Vitality and WorkWell with AIA programmes encourage members to proactively understand, nurture and improve their health and well-being. The programmes bring together a range of data insights, services and solutions – including health screening, education and treatment when needed – to drive positive behavioural change and better health and wellness outcomes.

Using data insights to influence corporate wellness

Employers are increasingly realising that investing in corporate wellness programmes can have positive effects on both their workforce and the organisation. According to a CDC review, corporate wellness programmes can lead to 25 per cent savings on absenteeism, health insurance premiums, workers' compensation and disability management claims costs¹. Companies with high employee satisfaction had between 2.3 per cent and 3.8 per cent higher returns than the industry average as reflected in the long-run stock market².



Embracing better rehabilitation

Rehabilitation can effectively assist in preventing and recovering from a range of health conditions. AIA Australia developed a comprehensive ecosystem of well-being services that supports customers whether they are well, unwell or recovering – so that whatever life's challenges, we can support customers to embrace better health and well-being.

The AIA Embrace ecosystem includes signposting to community-based programmes and digital health tools, tailored workplace rehabilitation support, employer support, health coaching and curated education and support programmes including support for cancer, chronic pain and mental ill-health, amongst other services.

Australian customers have achieved better health and wellness as a result. Since 2010, 2,884 customers have been supported with comprehensive rehabilitation programmes to assist their return to work. In addition, since 2018, AIA Australia has assisted over 5,000 people with coaching programmes and seen a 35 per cent increase in rehabilitation programmes participation.

The return-to-work rate was 77 per cent and with early support, this increased to 97 per cent. These programmes included:

- Pain Coach, a telehealth education programme to help employees better manage and control pain and introduce appropriate movement to assist in recovery – resulting in a 25 per cent improvement in pain.
- Mind Coach, a stepped care programme using cognitive behavioural therapy strategies to help sufferers of depression or anxiety – resulting in a reported 45 per cent reduction in symptoms.
- Cancer Coach, assisting employees undergoing treatment for cancer, with digital tools, personal coaching and educational resources helping them to understand their diagnosis, adopt positive behavioural changes and engage in their own health. This resulted in employees being 73 per cent more likely to be able to return to well-being and work, and doing so 16.5 weeks sooner.

¹ Chapman, LS. (2005). *Meta-evaluation of worksite health promotion economic return studies: 2005 update*. American Journal of Health Promotion, 2005 Jul-Aug;19(6):1-11.

² Edmans, Alex. (2012). *The Link Between Job Satisfaction and Firm Value, with Implications for Corporate Social Responsibility*. Academy of Management Perspectives. 2012 Nov; 26(4), 1-19.

Building Better Integrated Health and Wellness Outcomes

WorkWell with AIA

Our WorkWell with AIA programme offers guidance and support to organisations who are seeking to nurture and improve their employees' well-being. Built upon the four dimensions of 'Live Well, Think Well, Plan Well and Feel Well', WorkWell empowers organisations to care for every aspect of their employees' well-being.

A partnership between AIA Singapore and wellness partner Whitecoat provides complementary care, mental wellness treatment and support to all Corporate Solutions (CS) customers in a seamless offering. Think Well is a complimentary solution that aims to provide our CS policyholders with a range of services that includes articles and video content related to mental wellness, PHQ4 assessment, mood tracking, journaling and text-based consults with psychologists and counsellors. Between January and December 2023, over 1,272 articles were engaged with, 362 videos viewed, 1,833 text-based consults occurred and over 12,920 mental health assessments have been completed.

Data-driven programme design

Using data to structure and drive employee wellness programmes and engagement benefits both employers and employees.

Leveraging AIA Analytica, AIA applies a data-and-outcome-driven approach, starting with assessments and ending with evaluations. AIA Analytica is our proprietary tool for corporate clients to access and evaluate their employees' healthcare status and related medical costs. Currently there are over 428,000 members on AIA Analytica with policies from Hong Kong, Mainland China, Singapore, Malaysia, Thailand and the Philippines, with corporate client access for self-service.

AIA also provides value-added services, such as quarterly data and insight consultations, to 70 multinational conglomerates involving around 500 policies and one million claims. These consultations provide employers with actionable recommendations targeted to the needs of their employees, from health benefits to wellness solutions and engagement strategies. 42 per cent of consultation recommendations relate to back and neck pain, 15 per cent to hypertension and 14 per cent to migraine and headache.

As their partner, AIA customises interventions and solutions for our corporate clients based on this intelligence generated by AIA Analytica; and together, we strive to optimise the physical, mental, financial and social well-being of our members and employees.



Bringing Health & Wellness to Life

“



Karen Robertson
Rehabilitation and Well-being Team Manager,
AIA Australia

Our role is not just about getting people back to work, it is about supporting and assisting people on their recovery journey so they can get back to health, well-being and being an active member of their local community and broader society.”

Karen joined AIA Australia as a rehabilitation consultant in 2012. In her years at AIA, she has found that the AIA culture and philosophy resonates with both her personal values and the work of the rehabilitation and well-being team she now leads.

The team have always worked holistically and see wellness as an integral part of their customers' recovery journey. Their role is not just about occupational rehabilitation and getting people back to work, it is about getting people back to health and being part of their local community and broader society. Karen is a strong believer that for people to return to health and wellness, the industry needs to consider not only their physical health but also their mental health, their resilience and self-confidence.

Karen's team consists of a broad range of allied health professionals. This multi-disciplinary team allows everyone to draw on the expertise and specialist services of each other in order to support our customers with the very best services possible.

Karen and her team are supported by AIA's EMBRACE ecosystem, which brings together the rehabilitation and well-being teams all under the one service. This ecosystem means AIA can create personal rehabilitation plans that meet the needs of the customer, offering a unique tailored service that covers them right from the start of their recovery journey and supporting them back to health and well-being.

The ecosystem supports strong partnerships with rehabilitation service providers, employers, funds and customers, combining a range of well-being services along with more traditional occupational rehabilitation services.

In 2023, the AIA Australia rehabilitation team received 9,500 rehabilitation referrals and assisted 487 people back to work – a source of great pride for Karen and her colleagues. They also supported 160 people through the LeapForward Programme, a digital App based programme that helps people build confidence and resilience to achieve their health and wellness goals. A particular highlight was seeing a person who had been on claim since 2015 increase their health and well-being through the Programme and join a re-training programme so they can return to employment.

Karen attributes the team's success in 2023 to her colleagues and the pride they take in their work. Together, their work makes a difference in people's lives at one of their most difficult times and when they need assistance the most.



HEALTHIER, LONGER,
BETTER LIVES

Feedback from our diverse set of stakeholders is crucial for us to continue improving on our ESG performance and disclosure practices.

If you have any questions, comments or feedback please contact our ESG team at esg@aia.com or write us at the address below:

Environmental, Social and Governance (ESG) Team
Suites 3206-3209, 32/F AIA Central
1 Connaught Road Central, Central, Hong Kong





HEALTHIER, LONGER,
BETTER LIVES

AIA ESG REPORT 2023 SUBSECTION REPORT

Sustainable Investment





Contents

Sustainable Investment Pillar	3
Our Sustainable Investment Pillar	3
Our Priorities in Detail	4
Deepening ESG Engagement	4
Augmenting ESG Training and Capacity	6
Broadening Portfolio Inclusions	7
Enhancing Portfolio Exclusions	9
Our Portfolio and Climate Disclosures	10
Bringing Sustainable Investment to Life	12
Bringing Sustainable Investment to Life	12

Our Sustainable Investment Pillar

For over 100 years, AIA has supported our customers' protection and savings needs by prudently allocating capital. Our investment strategies today consider customer impacts decades into the future. Customers, investors and regulators are increasingly conscious of the effects of ESG-related outcomes on our future prospects. We believe that our success is inextricably linked to our stakeholders, society, the economy and the natural environment. These perspectives are integrated into decision making across the investment cycle.

AIA structurally integrates and assesses relevant ESG factors associated with potential and actual investee companies to support investment portfolio decisions. In addition to evaluating ESG performance, we actively engage with investee companies to promote, develop and enhance ESG-related business practices. However, where we determine that the transition of certain sectors towards a more sustainable or resilient business model is either not possible or not occurring at the required pace, we will consider excluding certain entities or sectors from our portfolio.

We recognise that as a notable investor in the region, AIA has substantial influence. Our team are deeply committed to delivering long-term, sustainable financial outcomes as part of our Purpose of helping people live Healthier, Longer, Better Lives.

“



Dr Mark Konyin
Group Chief Investment Officer

In line with AIA's commitment to a sustainable future, our investment approach is focused on achieving our climate goals while maintaining strong financial performance. The Climate Transition Plan and approved SBTi targets mark a significant milestone in our journey towards sustainable investment. Through engaging with our investees and exploring new low-carbon investment opportunities, we aim to make a positive impact on the world while continuing to deliver value to our stakeholders. ”

Deepening ESG Engagement

Deepen engagement with investee companies

We believe that active engagement with investee companies remains one of our most effective mechanisms for improving ESG awareness and best practices. Working collaboratively, we encourage and support others to transition their practices to deliver positive impact. Through engagement we aim to influence behaviours and support progress to address the complex issues necessary to secure sustainable outcomes for our stakeholders. We also acknowledge the role of divestment and exclusion in market signalling and risk management where engagement is not effective.

Validation of our Science-Based Targets (SBTs) has focused the objectives of our engagement with investee companies on encouraging and supporting them to sign up to their own SBTi targets and accelerate their decarbonisation. This engagement also informs the continued maturation and improvement of our internal scoring methodology so that deeper and broader insights can be derived from our portfolio – across sectors, geographical locations and asset classes.

Additionally, we conduct investee company engagements on specific themes and sectors to assess maturity quantitatively and derive geographical and sectoral insights. Our ESG and Investment functions coordinate thematic engagement activities, including the preparation of investment materials, assessment and/or scoring methodology and the briefing of our research analysts who engage regularly with investee companies.

Incorporating ESG into investment decision-making

ESG factors are embedded into our investment process and decision-making. We are fundamentally guided by the Investment Governance Framework (IGF), which governs all aspects of investment activity, establishes minimum Group-wide requirements and represents best practice at AIA. ESG considerations are also integrated into our IGF requirements on ESG (including factors considered by research analysts), Research Process, and Proxy Voting in relation to our general account investment portfolio.

In 2023, AIA continued to achieve 100 per cent coverage of our internally developed ESG Rating Scorecard across our directly managed assets in the general account investment portfolio. This involves our team assessing thousands of investee companies directly covered by AIA's research analysts in accordance with the ESG Rating Scorecard and assigning an ESG Rating to each issuer. These ESG Ratings are reviewed at least once every 12 months.

Our externally validated ESG Rating Scorecard helps AIA's research analysts quantify ESG risks and opportunities when assessing investee companies and potential investments, considering material themes and industry-specific factors across the E, S and G pillars. The scorecard complements the fundamental analysis conducted by AIA's research analysts by providing a more holistic view of investment ESG risks and opportunities in our general account investment portfolio.



Using engagement to achieve our SBTi targets

We identified engagement as a key action to deliver performance against our target set for the power generation sector in our listed equity and corporate bonds portfolios. Within the power generation sector, our engagement aims to encourage investee companies to take tangible action to decarbonise their operations in line with climate science. We intend to help raise awareness of net-zero amongst our investee companies, so that they can start or accelerate their own net-zero journeys and commit to science-based decarbonisation targets. Within listed equity and corporate bonds beyond the power generation sector, we will encourage and support investees to set and validate their own SBTi targets. This engagement focus will be integrated into the regular conversations with investee companies.

Where engagement alone is insufficient to influence decarbonisation or adoption of SBTi targets, we will explore opportunities to reinvest maturing corporate bonds or consider new investments into issuers who have existing or clearly defined future plans to set SBTi targets and/or a lower emissions profile.

Deepening ESG Engagement

Proxy voting

Voting is an important part of the ongoing dialogue with investee companies and provides an opportunity to influence sustainable outcomes. Our IGF Proxy Voting Standard is based on principles of good corporate governance which serve to protect the long-term interests of shareholders; and includes mandatory ESG issues that must be considered in our voting decisions.

Engaging with our investment managers

During the due diligence process, all new discretionary investment mandates being considered, as well as new investments in third-party managed funds, undergo the Third-Party Investment Manager ESG Assessment. We consider the prospective manager's ESG practices, reviewing their approach to engagement with investee companies and the integration of ESG factors in investment decisions. Similar to the ESG Rating Scorecard, we have devised an internal scoring methodology for assessing external investment managers and third-party managed funds. This methodology, known as the Third-Party Investment Manager ESG Assessment, was externally validated and has been implemented through the Investment Governance Framework.

After awarding a mandate, AIA continues to oversee the ESG practices of these external parties throughout the relationship.

Supply chain management thematic engagement

Why engage our investee companies on their supply chain management practices?

AIA believes sound governance underpins good corporate behaviour. In 2023, AIA sought to better understand how our investee companies in our general account investment portfolios incorporate and prioritise environmental, social, and governance factors in their supply chain management practices. Through a targeted engagement programme with over 900 investee companies from our listed equity and corporate bond portfolio across sectors and countries, our Investment team has gained a deeper understanding of our investee companies' supply chain management practices, risks and opportunities from a long-term sustainability perspective.

Methodology

The thematic engagement questionnaire was designed by AIA Group's Stewardship team with input from the Group Investment ESG Centre of Excellence and Group Sustainability teams, and was formulated with reference to various international corporate governance standards, including the International Corporate Governance Network, UNPRI, and corporate governance practices across the Asia Pacific region. The questionnaire was structured into four sections, comprising of questions in relation to (i) Environmental, (ii) Social, (iii) Governance and (iv) sector specific topics. Investees' responses were evaluated through a standardised scorecard, with this evaluation translated into a grading system.

Engagement performance

Notably, our investee companies reflected that they noted the importance of supply chain management and have incorporated ESG considerations into their practices.

- Diversification of supply chain is well considered among most investee companies. 66 per cent of companies responded that they source their raw materials and other inputs from six countries or more.
- 90 per cent of companies responded that they have included ESG considerations into their procurement process for their procurement team to follow.
- 79 per cent of companies responded that they do not have supply chains operating in or have exposure to conflict-affected and high-risk areas.
- 77 per cent of companies responded that they have policies and controls in place to prevent modern slavery in their supply chains.
- 86 per cent of companies responded that they have anti-corruption provisions, anti-bribery provisions and anti-money laundering provisions in their procurement, supplier code of conduct and related policies.

With this supply chain management thematic engagement, we believe there are opportunities for our investee companies to improve further, as the top three ESG-related supply chain concerns among respondent companies from the options provided are (i) supplier emissions/environment risk management; (ii) labour standards, human rights, health and safety; and (iii) supplier quality control management.



Augmenting ESG Training and Capacity

Augment knowledge and capacity among our investment analysts through dedicated training initiatives

AIA maintains a team of highly skilled investment professionals who deliver long-term financial value for our business and policyholders. Their expertise enables us to understand and integrate emerging guidance on climate, nature, health and social well-being into our teams' capabilities. We strongly believe that building our expertise in the intersection of investment and sustainability is fundamental to delivering meaningful impact.

To ensure AIA's Investment team is well equipped to support the integration of ESG considerations throughout the investment process, we support a mix of structured and unstructured learning opportunities. Our analysts are provided with easy access to regularly updated ESG resources to keep abreast of relevant industry developments including webinars, industry discussion forums, external research reports, conferences and thought leadership articles for continual subject matter enrichment.

As a supporter of leading global sustainability initiatives such as the SBTi (2021), the UN PRI (2019) and the Task Force on Climate-related Financial Disclosures (TCFD, 2018), our employees participate in industry events and initiatives to build capability and drive cross-industry understanding of ESG issues. We review other relevant regional and international initiatives that support AIA's sustainability goals, including those of our investment programme, as well as keeping up-to-date on important industry developments.

Building our ESG investment capability

As we continue to set ambitious targets for ESG investment maturity, we recognise the need to appropriately resource our teams to meet growing expectations. This year we created a new Head of Sustainable Investment role, profiled on [page 12](#). We also established a new stewardship team led by the Regional Head of Equities Research and Stewardship, a newly expanded role, to contribute to the development and implementation of the Group's stewardship objectives, primarily in the areas of investee company engagement and proxy voting, ensuring alignment and consistency with our firm's net-zero, SBTi goals and other ESG objectives across asset classes.

The Stewardship team will work closely with our investments team to continue to embed ESG considerations into our day-to-day research and portfolio management process, and to collaborate with our external investment managers to achieve alignment. We continue to invest in capability with increased headcount in the Investment ESG Centre of Excellence, a dedicated pool of investment ESG subject matter expertise.

ESG training for investment professionals

Building on last year's momentum in formal qualifications, we continue to mandate completion of the CFA Institute's Certificate in ESG Investing for our in-scope investment employees. As a result, as of 31 December 2023, more than 140 of our investment professionals have completed and passed the exam for the Certificate in ESG Investing, upskilling them in the critical ESG specific concepts, including:

- Environmental, social and governance factors
- Engagement and stewardship
- ESG analysis valuation and integration
- ESG integrated portfolio construction and management; and
- Investment mandates, analytics and reporting.

Amongst our investment professionals who have completed the requirements in 2023 are the Head of Sustainable Investment, the Regional Head of Equities Research and Stewardship, the Group Head of Credit, the Group Director of Investment Environmental, Social and Governance and the entire Stewardship team, who collectively represent the key leads for supporting sustainable investment at AIA.



Broadening Portfolio Inclusions

Broaden portfolio inclusions by specific considerations of green bonds, sustainability bonds, renewable and alternative energy and infrastructure, as part of the bottom-up investment process

We aim to deliver investment outcomes that support the long-term needs of our policyholders, as well as the longevity of our business. Embedding ESG considerations into our bottom-up investment process for our general account investment portfolio is essential to achieving our ambition and is reflected in the ESG Ratings given by our research analysts using our ESG Rating Scorecards.

AIA plays a crucial role in supporting the development of regional capital markets by participating in sustainable financing within the communities in which we operate. Our mobilisation, aggregation and productive deployment of long-term capital provides access to important investment to fund infrastructure and supports both economic prosperity and sustainable outcomes. We actively engage with our investees, peers and the public sector to share our technical expertise and perspectives on sustainability to deliver on our Purpose.

Our support may result in the continued investment in instruments such as green bonds, sustainability bonds, renewable and alternative energy and infrastructure in AIA's investment portfolio.

As at 31 December 2023, AIA general account investment portfolios held US\$6.3 billion in ESG bonds (being the aggregate of green bonds, social bonds and sustainability bonds), US\$6.4 billion in the healthcare sector and US\$1.3 billion in renewable energy.

We continue to report annually on the results of our bottom-up investment process, in relation to our general account investment portfolio. This includes investments in sustainable development and energy transition, and capital deployment in clean energy, transportation, the healthcare sector and green bonds.

Exploring impact investing

We invest alongside our customers and focus on long-term results that protect and grow the assets under our stewardship. In June 2023, as part of this wider effort, we also invested in impact funds managed by LeapFrog Investments.

We are pleased to join forces with LeapFrog, a world leader in impact investing. LeapFrog's investment mandate for sustainable development is aligned with the UN SDG Framework and it is one of only six asset managers globally to achieve an 'advanced rating' from independent impact auditor BlueMark. Its investment mandate includes to fulfil the unmet global demand for critical financial and health products and services among billions of low-income emerging consumers by backing high-growth, innovative, scalable businesses in Africa and Asia.

Each LeapFrog fund has clear and defined social impact objectives and quantifiable impact targets. These objectives are aligned with specific SDGs at a sub-target level. LeapFrog's strategy contributes to and aligns with targets identified under SDG1 (no poverty), SDG3 (good health and well-being), SDG5 (gender equality), SDG8 (decent work and economic growth), SDG 9 Industry, Innovation and Infrastructure and SDG10 (reduced inequalities).

Dr Mark Konyn, our Group Chief Investment Officer, remarked: "AIA is pleased to provide this substantial commitment to LeapFrog's fourth flagship fund."

As we deepen our commitment to ESG and corporate responsibility, we believe partnering with the world leader in impact investing can accelerate AIA's ambitions across Asia. We are building a shared knowledge base to enhance internal investing frameworks and to sharpen our focus on sustainability and achieving the UN SDGs."



Broadening Portfolio Inclusions

SUPPORTING SUSTAINABLE DEVELOPMENT



Investments in Infrastructure

US\$1.0 BILLION
In water utilities

US\$2.9 BILLION
In road & rail infrastructure

US\$4.9 BILLION
In transportation

US\$1.3 BILLION
In renewable energy



Investments in the Healthcare Sector

US\$6.4 BILLION
Invested in the healthcare sector



Investments in ESG Bonds (Green, Social & Sustainability)

US\$6.3 BILLION
Investments in ESG Bonds
(green, social & sustainability)

US\$4.2 BILLION
Invested into green bonds

Enhancing Portfolio Exclusions

Enhance portfolio exclusions in consideration of our objective to secure long-term investment outcomes

Ahead of outright exclusion or divestment, we prioritise proactive investee company engagement to further our net-zero and sustainability goals for our general account investment portfolio. We believe that engagement, when done correctly, provides investors with greater opportunities to leverage their influence to drive lasting ESG performance improvements across companies and sectors. This approach also enables us to critically assess the transition plans and ESG ambitions of companies in harder-to-abate sectors to determine if supporting their efforts is appropriate.

We may consider divestment when engagement with investee companies does not result in progress that aligns with the climate ambitions set out in our Climate Transition Plan. We may further influence action by exploring opportunities to reallocate capital to investee companies with a lower emissions profile and/or existing or future plans to set SBTi targets.

Find out more in the AIA Climate Transition Plan.

We ensure that our investments meet our objective of delivering long-term sustainable financial outcomes. We also understand that stakeholder value, including investment returns, will eventually be impacted by the declining sustainability of certain sectors and companies. Consequently, AIA considers excluding specific sectors from our investment programme on an ongoing basis. We currently exclude tobacco, cluster munitions and coal mining and coal-fired power generation from our investments (detailed below).

Applying our exclusion list internally and externally maintains alignment with our Purpose. We will continue to review and consider if exclusions are appropriate for our general account investment portfolio. Our carefully maintained exclusion list applies to AIA-managed general account assets and to our general account assets managed by external investment managers.

AIA is committed to monitoring regulatory and thematic developments, and regularly reviewing our approach to exclusions to ensure it continues to meet the long-term needs of our investment programme.

Exclusion Snapshot



TOBACCO

We took the significant initiative of excluding tobacco manufacturing from our general account investment portfolio in 2018, divesting US\$500 million in corporate equities and bonds. Our view is that tobacco products are inconsistent with our Purpose, including our wellness initiatives and programmes aimed at encouraging healthier lifestyle choices.



CLUSTER MUNITIONS

The Oslo Convention on Cluster Munitions outlines commitments to prohibit the use and manufacture of cluster munitions. Cluster munitions are a controversial weapon that cause significant civilian casualties, with some of our markets signing treaties to ban their manufacture. We do not invest in such businesses in our general account investment portfolio, and our investment exclusion list reflects this commitment.



COAL MINING AND COAL-FIRED POWER GENERATION

Following our complete divestment from coal in our general account investment portfolio, we remain committed to making no new investments in businesses involved directly in either mining coal or generating electricity from coal, although we retain the ability to invest in green or social bonds issued by such companies if they genuinely constitute green or social bonds and meet our requirements including the use of proceeds and objectives.

Our Portfolio and Climate Disclosures

Continue to report annual climate disclosures and develop emission reduction targets for our portfolio aligned with our net-zero commitment

Our environmental impact extends to our investments and the diverse sectors in which we invest. Since confirming our support for the Paris Agreement in 2018, we have taken a phased and methodical approach to addressing our investments in carbon-intensive sectors, including becoming one of the first significant Asian asset owners to carbon footprint their equities investment portfolio in 2019. Since our 2022 ESG Report, our climate disclosures have included the measurement and disclosure of total financed emissions. The validation of our near-term investment SBTi targets in 2023 will further enhance our future climate disclosures through reporting of our progress against science-based reduction benchmarks.

Measuring our total financed emissions

We measure and disclose the carbon footprint of our Listed Equity and Corporate Bonds, Direct Real Estate and Power Generation Project Finance investments based on the Partnership for Carbon Accounting Financials (PCAF) methodology as at 31 December 2022. PCAF is a globally recognised industry initiative created in 2015 to help financial institutions assess and disclose financed emissions attributable to their investing and lending activities. This approach aligns to our investment boundary in relation to our general account investment portfolio for our net-zero commitment and our SBTi targets.

As at 31 December 2023, the total financed emissions of our in-scope general account investment portfolio were 8.3 million tonnes of CO₂e, which is comprised of:

- Listed Equity = 0.7m tCO₂e
- Corporate Bonds = 7.5m tCO₂e
- Direct Real Estate = 0.05m tCO₂e
- Power Generation Project Finance = <0.01m tCO₂e

Our total financed emissions as at 31 December 2023 decreased by 2 per cent compared with 31 December 2022 due to asset allocation decisions which were not specifically targeted at reducing financed emissions. Whilst AIA measures and discloses total financed emissions as part of our climate disclosures in line with TCFD and ISSB recommendations, we do not manage our in-scope general investment portfolio towards any stated target with respect to total financed emissions, and such metric does not relate to our approach towards achieving our net-zero targets.

Our net-zero commitment is reflected in our validated near-term Investment SBTi targets. For example, the percentage of our in-scope general account investment portfolio in companies that have set their own SBTi-validated targets. AIA's progress towards our validated near-term Investment SBTi targets will be reported in our ESG Report 2024, expected to be published in March 2025.

AIA is also in the process of determining our approach towards transition finance to support companies in their decarbonisation journeys as they transition towards a low-carbon economy. For instance, AIA intends to support the energy transition by continuing to invest in renewable energy. However, continued growth in total investment assets and financing companies with credible transition plans may lead to short-term increases in our total financed emissions despite being congruent with our strategies to meet our SBTi validated near-term targets, which are the targets we shall actively manage towards.



LISTED EQUITY

0.7m tCO₂e



CORPORATE BONDS

7.5m tCO₂e



REAL ESTATE

0.05m tCO₂e



POWER GENERATION PROJECT FINANCE

<0.01m tCO₂e

Our Portfolio and Climate Disclosures

Methodology and application

Total financed emissions represent the sum of financed emissions of each issuer. It is calculated, with respect to an issuer in AIA's general account investment portfolio, by multiplying (1) the issuer's Scope 1 and 2 emissions by (2) the quotient of (A) AIA's invested holdings in the issuer and (B) the enterprise value including cash of the issuer. The calculation methodology follows PCAF guidance of using absolute data first and, where such data is not available, proxies if such are available and applicable. AIA defined our investment boundary for the calculation of total financed emissions in terms of legal entities, asset classes and instrument types. The in-scope asset classes are listed equity, corporate bonds of listed issuers, real estate and power generation project finance – which aligns with the boundary of our SBTi targets.

Boston Consulting Group (BCG) acted as subject matter experts and provided methodological advisory services to AIA for the calculations of (i) Weighted Average Carbon Intensity (WACI) and (ii) total financed emissions in this report. The evaluations and/or calculations as set out in this report are dependent on the integrity of the data provided.

Readers are responsible for assessing the relevance and accuracy of the content of this report as well as to seek independent advice on such matters.

AIA will continue to measure and report the total financed emissions of its in-scope general account investment portfolio annually going forward as this metric aligns to the investment boundary and SBTi targets as part of our net-zero commitment.

WACI is another measure of how emissions-intensive the sales revenues of issuers in our investment portfolio are, weighted by their share of our listed equity portfolio. WACI is calculated based on the investee companies' emissions (or estimates of these emissions where this information is not publicly available) relative to their sales, with the sales information being based on publicly available sources, weighted by the percentage that each investee company's market capitalisation represents in the market capitalisation of the whole portfolio.

AIA recognises that measurement and disclosure of WACI is common in climate- risk disclosures, although AIA does not have stated commitments or targets in relation to WACI. As at 31 December 2023, the WACI of our listed equity portfolio within our in-scope general account investment portfolio was 206 tonnes of CO₂e per US\$1 million revenue. Although AIA does not have a target for WACI, nor do we manage our in-scope general account investment portfolio against WACI, this measured metric represents a decrease of more than 10 per cent compared to the WACI as at 31 December 2022 due to the same aforementioned asset allocation decisions. As stated earlier in relation to total financed emissions, such metrics do not relate to our approach towards achieving our net-zero targets. Our net-zero commitment is reflected in our validated near-term Investment SBTi targets, for example, the percentage of our in-scope general account investment portfolio in companies that have set their own SBTi-validated targets. AIA's progress towards our validated near-term Investment SBTi targets will be reported in our ESG Report 2024, expected to be published in March 2025.

SBTi targets

AIA has set validated near-term investment SBTi targets against a 2019 baseline across our general account investments to drive climate-related action. We may use a range of levers to support our progress towards our targets, with their use influenced by the market and industry context. We will continue to take a tailored approach in supporting our investee companies to set their own SBTi targets.

Our investments (Portfolio Coverage Approach)

- Near-term target – 2025: 31% of in-scope portfolio setting SBTi-validated targets.
- Long-term commitment – 2040: 100% of in-scope portfolio setting SBTi-validated targets.

Our investments (Sectoral Decarbonisation Approach for power generation)

- Near-term target – 2030: -49.3% per MWh reduction of emissions from in-scope power generation sector portfolio
- Long-term commitment – 2050: Net-zero emissions from in-scope power generation investments

Our investments (Sectoral Decarbonisation Approach for Direct Real Estate)

- Near-term target – 2030: -58.5% per sqm reduction of emissions from in-scope Direct Real Estate sector portfolio
- Long-term commitment – 2050: Net-zero emissions from in-scope Direct Real Estate investments

More details are available in our [Climate Transition Plan](#) and in the [2023 Milestone: Climate Action](#) section of our [ESG Report 2023](#).

Enriching internal climate reporting

We have defined new SBTi-related internal reporting metrics to track and report on our performance in future years. Metrics include financed emissions, emissions intensity and engagement efforts.

Our Group Investment Committee and Business Unit Investment Committees may integrate these metrics into their decision making to align their portfolios with the achievement of our SBTi targets. This governance mechanism will support strategic, evidence-based investment decisions aligned with our sustainability commitments. We anticipate implementing this internal reporting by the end of 2024.



Bringing Sustainable Investment to Life

“



Chi Zhang
Head of
Sustainable Investment,
Group Investment

Our efforts must also align to our obligations to our policyholders through liability matching and delivering returns. For instance, we divested from coal not only because of increasing pressures to pivot from the sector but because, from a long-term and returns perspective, we see an increasing risk of stranded assets.”

Chi became the Head of Sustainable Investment at the start of 2023. The role was created in light of the importance of financing the transition to help deliver long-term, sustainable financial outcomes for the Group and to help fulfil AIA's net-zero commitments. Chi joined AIA in 2018 and previously led the Group's renewables and infrastructure transactions.

Chi leads and coordinates the sustainability transition efforts of AIA investment portfolios by aiming for alignment with our validated near-term Investment SBTi targets and supporting all BUs to transition their own portfolios within the general account investment portfolio to achieve them. This involves selectively evaluating and gradually advancing sustainable finance and decarbonisation in various sectors where feasible, while also exploring new investments in pivotal sectors such as renewables, electric vehicles, climate solutions, and others that support our transition goals.

Chi helps to facilitate BUs in considering the transition of their portfolios, understanding their needs and working closely with the Group ESG team, Investment ESG Centre of Excellence and Stewardship teams to contribute to AIA's strategic priorities. This includes working with analysts to understand the implications of including or excluding assets across our diverse asset classes within their risk appetites, as well as internal and external engagement.

AIA's efforts must also align to our obligations to our policyholders through liability matching and delivering returns. Chi's role helps to guide AIA, as a long-term investor, in exploring opportunities to shift away from investments not aligned with transition themes and increase exposure in investments that will play their organic roles in the global low-carbon transition. This is in line with the Group's net-zero commitment and validated SBTi targets.

ESG and net-zero is a key focus at AIA. This important message has been cascaded from the Group Chief Investment Officer across all business units and is taken very seriously across the Group. BUs are taking action to advance the sustainable finance transition, proactively seeking new transaction opportunities in line with our Group's Purpose and net-zero commitments. In parallel, we are working to operationalise this internally to ensure it is aligned with other key Group metrics.

Thanks to the cooperation with the Group ESG team and Investment ESG Centre of Excellence, AIA achieved validation of near-term SBTi targets and published its first Climate Transition Plan in 2023. This was a major achievement with close collaboration.

The Group Investment function has also been gradually building towards operationalising our validated near-term Investment SBTi targets, which will continue to be a focus in the coming year. We are actively talking to external investment managers and exploring how we can continue refining and adapting our investment approach to further align with the Group's net-zero commitment and validated near-term Investment SBTi targets.

Chi believes AIA's sustainable investment strategy contributes to a healthier planet and healthier communities. The Group's bottom-up investment processes have resulted in outcomes where we have invested in assets and infrastructure that benefit the planet and its communities, such as in green bonds and the healthcare sector. These investments benefit future generations as well as our policyholders so they can receive the financial benefit they need when they need it. They help to create a promising future for future generations, to ensure they can live in a liveable world.



HEALTHIER, LONGER,
BETTER LIVES

Feedback from our diverse set of stakeholders is crucial for us to continue improving on our ESG performance and disclosure practices.

If you have any questions, comments or feedback please contact our ESG team at esg@aia.com or write us at the address below:

Environmental, Social and Governance (ESG) Team
Suites 3206-3209, 32/F AIA Central
1 Connaught Road Central, Central, Hong Kong





HEALTHIER, LONGER,
BETTER LIVES

AIA ESG REPORT 2023 SUBSECTION REPORT

Sustainable Operations





Contents

Sustainable Operations Pillar 3

Our Sustainable Operations Pillar 3

Our Priorities in Detail 4

Ensuring Greener Buildings 4

Improving Our Environmental Performance 6

Advancing Digital Transformation 7

Encouraging Good ESG Practice 8

Bringing Sustainable Operations to Life 9

Bringing Sustainable Operations to Life 9

Our Sustainable Operations Pillar

The sustainability of our workplaces, operations and value chain can help build business resilience.

We are building on initiatives that reduce our environmental footprint. For example, the progressive digitalisation of our services continues to enhance customer experience while reducing paper waste. With our commitments captured in our validated SBTs (science-based targets), our actions to reduce emissions are guided by our Climate Transition Plan over the near and long term.

We work closely with our supply chain to encourage good ESG practice across the value chain and reduce emissions incurred by others on our behalf. Taking ownership of our broader footprint means encouraging positive ESG practices where we can, and we believe leading by example is how we can have the greatest impact.

“



Biswa Misra
Group Chief
Technology and Life
Operations Officer

Digitalisation is enabling AIA to enhance our customers' experience while reducing the environmental impact of our operations.”

Ensuring Greener Buildings

Ensure that all new buildings and any redevelopments adhere to industry-recognised green building standards

Our real estate strategy is driven by sustainability of both financial returns and operation, from the design and construction of new properties to the efficient operation and upgrading of existing spaces and the carefully planned demolition at our locations. The built environment contributes 40 per cent of global GHG emissions¹, and people spend much of their time indoors – making buildings crucial to ensuring a healthier planet and healthier communities. Our Group-wide guidelines set out clear operational decarbonisation targets in line with our commitment to achieving net-zero by 2050.

We have implemented a standard under our Group-wide Investment Governance Framework that mandates newly constructed or acquired commercial properties achieve green building certification. These certifications help us to benchmark and improve the environmental footprint of our operations in local markets. Applying green building practices ensures our physical spaces actively contribute to a healthier planet while providing our employees and tenants with safe, productive workspaces.

AIA ensures that our buildings are safe and secure environments for our employees. We maintain high levels of workplace safety and conduct fire drills at all our premises. We are increasingly also monitoring air quality in our office spaces to ensure healthy work environments.

AIA Building, Stubbs Road



The redevelopment of the AIA Building at Stubbs Road, our Group headquarters in Hong Kong, is an example of our commitment to greener buildings for healthy communities, employees and the planet.

The redevelopment is expected to be completed in the first half of 2024 and, the new AIA Building will be an exemplar in Hong Kong as a modern, sustainable urban campus and home to our significant Group Office employee population.

The AIA Building will showcase green and energy efficiency features, such as sensor-operated LED lighting, rooftop solar panels and a biodiesel generator. All private car spaces will have over 80 power provisions for electric vehicle charging.

The building will also support employee well-being, with on-site fitness, recreation and wellness facilities including an indoor jogging track and an organic farming garden where canteen food waste can be used as compost.

The AIA Building received LEED Platinum pre-certification and well as a WELL Building Standard Platinum level pre-certification in 2021 – demonstrating energy conservation and environmental protection design excellence across the development. The building also achieved a Platinum rating in its BEAM Plus provisional assessment by the Hong Kong Green Building Council.

The AIA Building will be a testament to AIA's commitment to both environmental performance and human-centered design, benefitting the health and wellbeing of our employees and contributing towards a more environmentally conscious future.

More details on our approach to property management and real estate investment are available in our Environmental Policy and AIA's Approach to Sustainable Investment.

¹ Olubukola O Tokede, Glen Rodgers, Bernhard Waschl, Josh Salter, Mahmud Ashraf, (2022). *Harmonising life cycle sustainability thinking in material substitution for buildings*. Resources, Conservation and Recycling, Volume 185, 2022, 106468, ISSN 0921-3449. <https://www.sciencedirect.com/science/article/pii/S0921344922003111> – cited by the World Green Building Council.

Ensuring Greener Buildings

Key facts for AIA buildings

MAINLAND CHINA

ONE AIA FINANCIAL CENTER

- LEED Core & Shell Accreditation, Gold (2013)
- LEED EBOM Accreditation, Platinum (2023)
- WELL Health-Safety Rated (2023)

TWO AIA FINANCIAL CENTER

- LEED Core & Shell Accreditation, Gold (2017)
- LEED EBOM Accreditation, Platinum (2023)
- WELL Health-Safety Rated (2023)

AIA FINANCIAL CENTRE

- WELL Health-Safety Rated (2023)

HONG KONG SAR

AIA CENTRAL

- LEED EBOM Accreditation, Platinum (2022)
- Hong Kong Building Environmental Assessment Method, HK BEAM (2005)
- WELL Health-Safety Rated (2023)

AIA HONG KONG TOWER

- Green Management Award – Service Provider (Large Corporation) – Merit (2023)
- WELL Health-Safety Rated (2023)

AIA BUILDING

- LEED Core & Shell Pre-certification, Platinum (2021)
- WELL Building Accreditation Pre-certification (2021)

HEADLAND ROAD

- LEED EBOM Accreditation, Platinum (2023)

MACAU SAR

AIA TOWER

- WELL Health-Safety Rated (2023)

SOUTH KOREA

AIA TOWER

- G-SEED Green Grade 2, Excellent (2013)
- WELL Health-Safety Rated (2023)

PHILIPPINES

AIA CENTRE CEBU

- LEED Core & Shell Accreditation, Silver (2020)
- WELL Health-Safety Rated (2023)

PHILAMLIFE TOWER

- WELL Health-Safety Rated (2023)

SINGAPORE

AIA ALEXANDRA

- BCA Green Mark Certified (2020)
- WELL Health-Safety Rated (2023)

AIA TAMPINES

- BCA Green Mark (2021)
- WELL Health-Safety Rated (2023)
- BCA Green Mark Award for Healthier Workplace HW:2018 - AIA Tampines Level 9 (Gold)

AIA TOWER

- WELL Health-Safety Rated (2023)

THAILAND

AIA CAPITAL CENTRE

- LEED Core & Shell Accreditation, Gold (2014)
- LEED EBOM Accreditation, Gold (2018)
- Southeast Asia Property Awards, Best Commercial Development Winner (2014)
- Thailand Property Awards, Best Commercial Development Winner (2014)
- WELL Health-Safety Rated (2023)

AIA SATHORN TOWER

- LEED Core & Shell Accreditation, Gold (2015)
- LEED EBOM Accreditation, Platinum (2020)
- Southeast Asia Property Awards, Best Green Development, Highly Commended (2015)
- Thailand Property Awards, Best Green Development Winner (2015)
- WELL Health-Safety Rated (2023)

AIA EAST GATEWAY

- LEED Core & Shell Accreditation, Gold (2023)
- Pre-Certification the WELL Building Accreditation, Gold (2020)
- Property Guru Thailand Property Awards, Best Well Being Office Development (2023)
- Good Design Award by Japan Institute of Design Promotion (2023)

AIA CONNECT

- Property Guru Thailand Property Awards, Best Office Landscape Design (2023)
- Property Guru Thailand Property Awards, Highly Commended, Best Office Architectural Design (2023)

Improving Our Environmental Performance

Reduce our carbon footprint, while also measuring and managing the amount of waste produced from our operations

AIA is committed to reducing its GHG emissions and measuring and managing our waste footprint to contribute to a healthier planet and healthier communities. We are taking action to reduce our emission impacts informed by enhanced data insights.

Energy and emissions

As the world accelerates towards net zero, AIA is committed to environmental protection by constantly working to minimise our environmental impact to ensure sustainable business development. We disclose our environmental targets and metrics to allow stakeholders to better understand our efforts and progress in this area.

In 2023, the Group produced 55,217 tonnes of CO₂e, or 2.13 tonnes of CO₂e per employee. Total energy consumption across the Group was 72,209,787 kWh, or 2,785.1 kWh per employee. Energy consumption is our largest source of Scope 2 emissions, accounting for 43,774 tonnes of CO₂e.

Our carbon emissions have risen year-on-year as the measures in place to respond to the pandemic have naturally abated, including a return to pre-pandemic levels of business travel.

We released our Climate Transition Plan in 2023, a comprehensive roadmap towards decarbonisation that includes strategies to minimise our environmental footprint. The validation of our near-term net-zero targets by the SBTi in November 2023 confirmed that our goals align with the Paris Agreement. We will report our progress from 2025 in line with the new IFRS[®] Sustainability Disclosure Standards for climate-related risks and opportunities disclosure.

For more information, please refer to the 2023 Milestone: Climate Action section of our 2023 ESG Report.

Waste and water management

Our Environmental Policy and Internal Environmental Procedures outline our approach to waste and water management in our workplaces. To further support local business units, we developed a Standard Operating Procedure (SOP) for waste management and data collection in 2023. The SOP is being reviewed for adoption at our offices.

Waste generation volumes in 2023 amounted to 710 tons¹, derived from tracked data collected from 83 per cent by surface area² occupied by AIA full-time employees.

An extrapolation³ approach was used by utilising an external technical partner. In addition, we have begun tracking segregated waste data, for which we have segregated percentages from actual waste data is at 21 per cent of our total waste data into different categories.

Our water consumption amounted to 340,562 m³ of water, or 13.14 m³ per employee.

We continually improve our waste and water data quality collection and management systems across the Group, with our Group Real Estate and ESG teams working together to implement positive changes as they emerge. These data systems ensure we can complete accurate and reliable reporting on our performance and identify further improvements.

Nature and biodiversity

The Global Biodiversity Framework was adopted at the UN Biodiversity Conference (COP15) in December 2022. Since then, investors have shown growing interest in the critical roles nature and biodiversity play in the global economy and society.

AIA instigated a landscape review of nature-related disclosure standards and frameworks, with reference to the policies and practices relevant to the Asia-Pacific financial sector. This will guide our approach to assessing materiality, refining our position and developing actions on nature and biodiversity.

Enhancing environmental data insights

Collating, analysing and visualising performance data is key to reporting on and meeting our environmental commitments. In 2023 we are developing a Group-wide digital environmental data collection and analytics platform, named 'ESGOne'. The platform will capture energy and emissions data to streamline the tracking and reporting progress towards our operational Science-Based Targets, and we aim to further enhance our environmental data collection processes in future years.

1 The boundary of reporting extends to waste that is generated by the organisation only, as defined by GRI, which translates to waste by full-time employees in premises that are owned by AIA, covering premises which represent a majority of our business operations.

2 Percentage value refers to the percentage of the total number buildings within the AIA reporting boundary which were actively tracking waste generation volumes in 2023 and are able to provide tracked data for at least one full month.

3 Waste generation volumes were extrapolated for premises that were unable to provide tracked data. Average waste intensity (waste volume over floor area occupied by FTEs) of each archetype (i.e. headquarters, branches, and co-occupied premises) was applied to the FTE occupied floor areas of buildings with no data available.

Advancing Digital Transformation

Increase digitalisation and automation to reduce the usage of paper

Digitalisation provides opportunities for AIA to improve customer service, increase productivity and reduce costs. We monitor our levels of digitalisation and automation in operations across all our markets to capitalise on these opportunities. Customers can purchase products through digital channels, including our portals and apps and submit many claims digitally. We are continuing to invest in our technology capabilities to increase the availability and accessibility of our products through digital channels and support increasing online customer interactions.

Enhancing customer experiences while reducing paper usage

Our customer-centric business improvement programme, EASE, is furthering AIA's efforts to become a customer-focused, digital-first business. Through innovation, the programme is creating customer experiences that are Empathetic, Automated, Simple and Engaged, with KPIs to manage performance. The programme's Group-wide roadmap guides region-specific action plans to implement the programme in each of our 18 markets.

Straight-Through Processing (STP) and AI-enabled automated approvals are providing smoother and faster customer experiences. In 2023, 83 per cent of all customer interactions were STP. 78 per cent of claims were settled within one day, and 99 per cent involved digital payments.

Net Promoter Score (NPS) is a measure of customer loyalty, satisfaction and enthusiasm, and AIA has a number one ranking in Mainland China, Hong Kong, Malaysia, Vietnam, Indonesia, the Philippines and Taiwan in our latest customer relationship surveys.

Removing unnecessary paperwork has saved more than 1,548 tonnes of paper in 2023. While business volumes and digital adoption have increased, we have reduced average number of pages across Buy, Service and Claims forms and output. 99 per cent of buy submissions and 94 per cent of buy, service and claims transactions were paperless, and 96 per cent of output was digital. We will continue delivering the EASE programme in 2024 and 2025.



Encouraging Good ESG Practice

Encourage improvements in ESG performance with vendors

We believe that putting ESG at the core of our business throughout our value chain will lead to mutual prosperity for our suppliers and AIA. To achieve this goal, we pursue sustainable procurement and identify and mitigate procurement risks. Integrating sustainable procurement into our ESG Strategy ensures that we are mindful of the impact our product and service buying decisions have on the environment and society. We leverage the scale of our operations across Asia to support sustainable development. This includes actively promoting sound ESG practices among our partners and suppliers.

We expect our suppliers and vendors to comply with our Supplier Code of Conduct ('Supplier Code') and encourage them to establish and comply with their own policies and practices. The Supplier Code reflects international charters and conventions that support social well-being and ethical operations, including the *United Nations Declaration on Human Rights* and the *International Labour Organisation Core Conventions*. The current iteration of the Supplier Code has been in place since 2018 and serves as a guide for discussions with our partners about ESG performance and improvements.

We also encourage good ESG practices in our further-party relationships by asking our partners to make reasonable efforts to ensure the businesses within their own supply chains are aware of the Supplier Code. At the end of 2023, most suppliers are part of our Master Professional Services Agreement, which sets out their obligations.

We encourage our partners and suppliers to continually improve their ESG standards, practices and principles and to think holistically about their impact on our communities. This translates into action plans to minimise their carbon footprint, waste generation and resource consumption while promoting ethical conduct and the well-being of employees throughout their operations.

During 2023, 81 per cent of eligible Group-level Tier 1¹ suppliers attended AIA's virtual ESG training. This covered emission scopes, baselining, target-setting, emissions reduction levers and our approach to the net-zero transition – as well as other ESG topics. Collaboration from our supply chain will play a major role in realising our ambition to be net-zero by 2050, and building a shared understanding through training helps to guide our efforts.

We use market-leading supplier rating providers to independently assess our suppliers' sustainability performance. We first assessed our Tier 1 suppliers' performance in this way in 2022. As at 31 December 2023, over 63 per cent of Tier 1 suppliers at Group Office were ranked in the top 15 per cent of all companies scored. Where Tier 1 suppliers are not covered by the supplier ratings provider, we assess their ESG performance using public sustainability disclosures. We will continue to extend the scope of these assessments to inform supplier selection and due diligence processes in 2024.



¹ Tier 1 suppliers are AIA's most influential and strategic suppliers based on the degree of risk, spend and criticality of the goods and services supplied.

Bringing Sustainable Operations to Life

“



Anton Widodo
Head of Property
and Corporate Services,
AIA Indonesia

AIA made a pledge to achieve net-zero by 2050 and I am proud to work for a company that is eager to contribute meaningfully to a healthier planet and healthier communities. That's why we all want to do our part by reducing our carbon footprint and finding innovative ways to reduce waste. ”

Anton and his team are making good progress on AIA Indonesia's journey to sustainable operations, especially in waste management. Having worked at AIA Indonesia for six years, Anton looks after property management, security and corporate facilities for AIA's offices. He is also responsible for ESG monitoring and reporting and creating initiatives to help reduce waste and greenhouse gas emissions. This includes engaging ESG certified vendors with capabilities to handle and upcycle waste into sustainable materials.

Collaboration has been key to AIA Indonesia's efforts. Partnering with local start-ups, in 2023 Anton's team implemented waste management initiatives in AIA Central Jakarta, which covers over 90 per cent of AIA Indonesia's total waste. They worked closely with Waste4Change, a waste management service focused on upcycling, and Plasticpay, a digital platform through which employees exchanged recycled plastic waste for points that can be spent at local retailers including MiniMart. The Waste4Change initiative incentivised employees to recycle 40,000 plastic bottles and reduce AIA Central Jakarta's carbon footprint by 2,800 kilograms in exchange for 2 million points during 2023.

As a result of these initiatives, zero waste from AIA Central Jakarta went to landfill last year with 10 per cent of organic waste composted, 42 per cent of inorganic waste recycled and 48 per cent of residual waste converted into energy in industrial sectors.

Anton credits this success to his team and to the support of executive leaders of AIA Indonesia. Anton is still far from being proud as AIA Indonesia is still in the early stages of its ESG journey, and welcomes more meaningful partnerships to deliver more sustainable operations.

Anton's success in 2023 also extends beyond the buildings he oversees, as his business unit stepped up to win an employee challenge by accumulating AIA Vitality points for the most steps during August. He appreciates that AIA encourages employees to lead Healthier, Longer, Better Lives and provides opportunities to be active while having fun.



HEALTHIER, LONGER,
BETTER LIVES

Feedback from our diverse set of stakeholders is crucial for us to continue improving on our ESG performance and disclosure practices.

If you have any questions, comments or feedback please contact our ESG team at esg@aia.com or write us at the address below:

Environmental, Social and Governance (ESG) Team
Suites 3206-3209, 32/F AIA Central
1 Connaught Road Central, Central, Hong Kong





HEALTHIER. LONGER,
BETTER LIVES

AIA ESG REPORT 2023 SUBSECTION REPORT

People & Culture





Contents

People & Culture Pillar 3

Our People & Culture Pillar 3

Our Priorities in Detail 4

Supporting Development and Career Progression 4

Accelerating Progress in Diversity and Inclusion 9

Strengthening Risk Awareness 10

Enriching and Rewarding Opportunities For All 11

Bringing People & Culture to Life 13

Bringing People & Culture to Life 13

Our People & Culture Pillar

Our people are central to our continued ability to deliver on our Purpose to help people live Healthier, Longer, Better Lives.¹ Representing different geographies and communities, they make up the culture of our business and enable us to create value for our stakeholders.

Nurturing our culture, building leaders and workforce capability, and supporting and developing our people so that they can achieve their potential are key organisational and people priorities for AIA. Our organisation and people strategy enables us to attract, retain and develop outstanding people, making AIA an employer of choice across our markets.

Our culture sets us apart

AIA's rich history in Asia connects our organisation to the region's culture and future. With our unparalleled history of operations in the region, we are mindful that our culture brings us together, connects our people to our shared Purpose, and distinguishes us from our peers.

At AIA, we are guided by our Operating Philosophy of "Doing the Right Thing, in the Right Way, with the Right People ... and the Right Results will come." By acting with our deep-rooted Leadership Essentials of Clarity, Courage and Humanity, we demand and champion a better way.

Our Purpose guides the decisions and actions that our people make every day and inspires us to support and protect the well-being of those we serve and each other.

Our operating model of empowerment within a framework, together with the principles that underpin our culture, create an engaging environment for our employees to deliver on our people proposition of *Believe in Better*.

“



Cara Ang
Group Chief Human
Resources Officer

We continue to cultivate an inclusive and high-performing workplace, empowering our employees to foster excellence and grow both personally and professionally.”

¹ As at 31 December 2023, AIA had a total of 25,927 employees, which includes full-time and part-time employees as well as employees on fixed-term contracts, and excludes interns, agents of the Group, employees of MediCard Philippines, Inc. (MediCard), Amplify Health Asia Pte. Limited (Amplify Health), our joint venture Tata AIA Life Insurance Company Limited (Tata AIA Life), and our associate China Post Life Insurance Co., Ltd. (China Post Life). All figures related to the number of employees in this report exclude MediCard, which AIA acquired in 2022 and is currently integrating into the business, and Amplify Health. Including MediCard and Amplify Health, AIA has a total of 27,320 employees.

Supporting Development and Career Progression

Foster a learning culture that supports the development of our people

Providing opportunities for our people to grow and realise their potential is a priority for AIA. We are committed to fostering a workplace that values learning and a work environment in which our people are engaged and confident to develop new capabilities and gain new experiences.

Building future leaders

Our leaders play a key role in strengthening our culture and sustaining employee engagement. AIA is committed to developing strong internal leadership capability, with a succession pipeline that drives personal growth for our people, shapes our organisation, and ultimately supports sustainable business growth.

Leadership development

Through the AIA Leadership Centre (ALC), we collaborate with world-renowned business schools and consulting firms to develop tailor-made development programmes. ALC programmes support AIA's senior leaders, top agency leaders and key partner executives to deliver on our strategic priorities and empower them to meet our commitments to our customers and the communities in which we operate.

We continue to strengthen our approach to leadership development and, consequently, our talent pipeline through our four signature programmes. AIA's "SPARK" and "Leading Across Boundaries" programmes support the development of future senior leaders in our business units and senior Group Office leadership roles. We also support the development of existing and aspiring senior leaders through our "Voyage" and "ASPIRE" programmes.

Succession and organisation planning

Our annual Group Organisation and People Review process enables leaders to plan for the succession of all key leadership roles. In 2023, more than 50 per cent of our leadership appointments were filled by leaders in our leadership pipeline, demonstrating the success of our targeted approach.

We also continue to enrich our leadership pipeline by attracting top leadership talent from different backgrounds, with the skills needed to shape and drive our future organisation.



Supporting Development and Career Progression

Building a future-ready workforce

Building workforce capability and developing our people so they can achieve their potential is a key focus for AIA. We continue to invest in attracting talent and incubating capabilities in core and emerging business lines, strengthening our approach to capability building, and designing new training programmes to reskill and upskill employees.

Our investment in developing technology, digital and analytics capabilities continued in 2023 and as at 31 December 2023, approximately 20 per cent of the employee workforce¹ is comprised of talent with these skill sets - an increase of 73 per cent since 1 July 2020. This material and ongoing investment marks a step-change in our capabilities and underpins our ability to execute our overall growth strategy.

Learning and development

Our learning culture supports our people in their current roles and as they grow and progress within AIA. Our focus on learning is a key part of our ambition to ensure that our people can upskill, reskill, work more flexibly and adapt to the changing world of work. Our holistic learning approach empowers our people to learn new knowledge and skills, including through on-the-job experiences, mobility, collaborative projects, in-person and virtual lessons, digital self-learning, mentoring and coaching.

We believe career mobility and assignments in different business units or functions provide our employees with new and valuable learning opportunities while building connections across the Group. These assignments provide opportunities to learn new skills and help develop our people's personal AIA networks.

We continuously research skills and knowledge requirements of our industry, deliver programmes that address these needs and enhance programme designs with employee feedback. In addition, our people are required to complete regular mandatory training on a range of technical, governance and conduct-related topics.

We have launched new programmes and enhanced existing programmes to develop capabilities and nurture talents across the Group, including:

- LIFT (Learn. Integrate. Focus. Thrive.) is a 12-month Group-wide support framework for new employees. This programme combines digital and in-person experiences to equip and support employees so they can thrive at AIA. It facilitates cross-market connections and empowers employees to prioritise their well-being.
- ESG 101 is an interactive e-learning module to empower employees to become champions for ESG, reinforcing our commitment to ESG principles. Over 24,000 employees completed this module in 2023, which is also integrated into our comprehensive AIA Fundamentals digital suite for new employees.

Digital learning content enables self-directed continuous learning and further strengthens our learning culture. The AIA Learning Hub online platform hosts thousands of digital learning courses and is available to all business units and employees. In 2023, more than 10,000 digital courses were available to support employee learning needs, and we saw a year-on-year increase in the adoption of digital learning.

Employee coaching and internships

Our leadership programmes incorporate employee coaching and we encourage our employees to expand their networks, seek guidance and foster communications across different departments and seniorities. Business unit internship programmes provide interns with first-hand career experience with AIA and the opportunity to gain experience and learn critical skills in a high-performing, customer-focused environment. These programmes also enable us to identify future talent to join our business.

“



Maddie Sherlock
Head of Customer Digital,
AIA New Zealand

AIA's commitment to development empowers our people to thrive in a rapidly evolving world. Through diverse experiences, digital platforms, and continuous upskilling, we unlock their full potential for success.”

¹ Includes full-time and part-time employees as well as employees on fixed-term contracts, and excludes interns, agents of the Group, employees of our joint venture Tata AIA Life, Amplify Health, MediCard.

Supporting Development and Career Progression

Employee engagement

A collaborative and inclusive workplace that prioritises employee engagement is important to AIA. We monitor engagement across our business units and functions each year through the Gallup Q12 Employee Engagement Survey. This provides meaningful inputs that inform targeted and impactful strategies to maintain and enhance our strong levels of engagement.

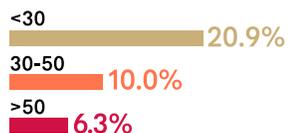
Our 2023 survey was completed by 98 per cent of employees, with the Group’s employee engagement scores placing AIA in the 92nd percentile of Gallup’s global finance and insurance industry benchmark. Our employee engagement levels have remained in the top quartile of this benchmark for seven consecutive years, and in the top 10th percentile for three consecutive years. Our strong employee engagement and performance-oriented culture were again recognised in 2023, with the Group receiving the Gallup Exceptional Workplace Award for the second consecutive year.

Our employee turnover rate was 11.2 per cent in 2023. We continue to focus on employee conversations and tangible actions, alongside our other people initiatives, to create a work environment that attract, rewards, and consequently retains talent.

EMPLOYEE TURNOVER BY GENDER



EMPLOYEE TURNOVER BY AGE GROUP



Recognised as an Employer of Choice

Our continued focus on our people has resulted in several local and global accolades in 2023 including:

- AIA received the “Gallup Exceptional Workplace Award” from Gallup, and was recognised in the “Top 100 Global Most Loved Workplaces” by Newsweek and Best Practice Institute.
- AIA China was recognised in “Best Companies to Work for in Asia”, “Diversity, Equity, and Inclusion Awards” and “Most Caring Company Awards” by HR Asia.
- AIA Hong Kong was recognised in “Best Companies to Work for in Asia” and “Diversity, Equity, and Inclusion Awards” by HR Asia.
- AIA Malaysia was the insurance sector winner in “Malaysia’s 100 Leading Graduate Employers” awards by GTI Media, and “Champion” in the insurance sector for “Graduates’ Choice Award” by Talentbank.
- AIA Singapore was recognised as one of “Singapore’s 100 Leading Graduate Employers” by GTI Media.
- AIA Thailand was recognised in “Most Attractive Employers – Thailand” by Universum.
- AIA Vietnam was certified as a “Great Place to Work” by Great Place to Work and recognised in “Best Companies to Work for in Asia” by HR Asia.
- AIA New Zealand was a winner in the “Excellence in Wellbeing and Inclusion Award” by the Financial Services Council New Zealand, and winner in the “Excellence in Workplace Diversity and Inclusion” awards by the Australian and New Zealand Institute of Insurance and Finance.
- AIA Sri Lanka was recognised in “Best Workplaces in Sri Lanka”, “Best Workplaces for Women in Sri Lanka”, and “Best Workplaces for Millennials in Sri Lanka” by Great Place to Work, and is certified “Assess” by EDGE.
- AIA Taiwan was recognised in “Best Companies to Work for in Asia” and “Diversity, Equity, and Inclusion Awards” by HR Asia.
- AIA Operations Shared Services was the “Champion” in the Shared Services sector for “Graduates’ Choice Award” by Talentbank, and Business Process Outsourcing and Shared Services sector runner-up in “Malaysia’s 100 Leading Graduate Employers” awards by GTI Media.
- AIA Digital+ Malaysia was recognised in “Best Companies to Work for in Asia” by HR Asia.

Supporting Development and Career Progression

Agency Learning and Development

AIA's Premier Agency Strategy focuses on developing best-in-class agents across our large network through our innovative approach to recruitment, learning and development. The impact of this strategy is ultimately reflected in the high quality of advice we offer our customers and our ability to tailor solutions to their specific needs.



Going digital

AIA launched SIM 2.0 in 2021 to allow advisors to become their own Chief Marketing Officers (CMOs). Through SIM training, advisors are equipped with relevant resources and tools to enhance their social media and digital marketing competencies in generating leads, attracting and engaging potential clients and appointing sales.

In collaboration with internal and external experts, 21 e-learning modules and 10 instructor-led workshops were developed by Group Agency Learning and Development with a focus on Digital Branding and Marketing, Social Media Prospecting and Virtual Selling. Since AIA Vietnam, AIA Philippines, AIA Singapore and AIA Indonesia implemented SIM 2.0 training in May 2022, 1,500 advisors have attended and benefited.

Developing future Agency leaders

AIA aims to empower our next generation of Agency leaders to reach their full potential through regional development, recognition and networking platforms such as our Aspiring Entrepreneur Society (AIA AES). In 2023, Group Agency Learning and Development partnered with The Digital Insurer (TDI) to create the Aspiring Entrepreneurship Accelerator (AEA) programme. AEA supports advisors and leaders to build their business in the digital age. The self-directed, online programme includes three modules: Adapting to a Digital Environment, Developing a Digital Presence and Recruiting for Leaders.

Through the programme, leaders can gain a better understanding of how to use digital tools to improve customer engagement, build their digital presence, use social media to better engage with prospects and build lasting relationships. Almost 200 leaders have attended the AEA level 1 programme since it was launched by AIA Hong Kong, AIA Singapore, AIA Vietnam and AIA Indonesia in January 2023.

Uplifting data security capability

To actively ensure the protection of our customers' and employees' sensitive information, and to address data loss, business disruption, legal liability and reputational risks for AIA, the Group Agency Distribution team established a task force to enhance Agency Data Security. In 2023, a cross-functional review was conducted to assess the situation across People, Process and Technology.

A cybersecurity solution framework was developed to address key incidents by focusing on security awareness training. In November 2023, the Group Distribution's Capability Framework was introduced to local business unit Agency Training Heads. The 'People: Training & Awareness' security awareness training module is included in the framework and will be mandatory for all agents and leaders. The taskforce is continuing to engage with respective business units to finalise and monitor the execution of implementation plans.

As an organisation built on more than 100 years of cultivating trust, AIA remains committed to meeting the long-term learning and development needs of our agents across the region. Through these initiatives, we can contribute to better outcomes for our customers and their families, and a more sustainable insurance industry for future generations.

Supporting Development and Career Progression

Beyond Performance to Purpose

Agents support AIA to deliver our Purpose, with our large agent network encouraging potential customers and local communities to live Healthier, Longer, Better Lives. We reward top performing agents with opportunities to actively contribute to the community while encouraging membership of MDRT, a global and independent association recognising excellence and advocating ethical business practices in life insurance and financial services.

Our MDRT members exemplify the incredible service and support our people continue to provide to our customers, demonstrating Purpose-driven leadership through professional knowledge, strict ethical conduct and outstanding client service.

MDRT members in Singapore, Malaysia, Mainland China and Thailand, for example, can earn 20 sustainability hours by participating in health and wellness events and ESG training, adopting digital solutions to reduce environmental impact, and supporting community initiatives such as fundraising and volunteering.

In Mainland China, 25 per cent of agents supported the online campaign raising money to support poor children through Red Pocket, while teams in Thailand fundraised by completing a 100 km fun run. MDRT members helped to plant trees, supporting the One Million Trees initiative for underprivileged children.

The 'MDRT x Purpose' programme reinforces the quality of our agency workforce and enhances the value of MDRT within AIA to build customer trust and service quality. Agents can also be recognised as AIA MDRT Purpose Qualifiers, featured on the Wall of Champions and gain access to the AIA MDRT Purpose logo and e-certificate to demonstrate their achievements to customers.

AIA is the only multinational company to be ranked the #1 MDRT Multinational Company for nine consecutive years, having the most MDRT members from 2015 to 2023.



Accelerating Progress in Diversity and Inclusion

Promote workplace diversity and advance our culture of innovation and inclusion

Diversity is one of AIA's strengths, bringing together talented people from a range of backgrounds as one team to deliver on our Purpose. To achieve the best outcomes for our people and our business, we foster an inclusive workplace that welcomes and celebrates differences and encourages open and constructive dialogues. Across our markets, we actively encourage and seek out diverse perspectives because we believe that this results in greater innovation, better decision-making, increased adaptability and improved problem solving.

All employees joining AIA are required to complete training on AIA's Code of Conduct as part of their onboarding, which includes our approach to inclusion and non-discrimination. Moreover, our Employee Conduct Policy and e-learning module on unconscious bias and anti-harassment outline these expectations for all employees as well as appropriate standards of workplace conduct and professionalism, and channels for escalation. AIA is committed to provide a work environment free of bullying and harassment, and we do not discriminate on the basis of race, religion, gender, nationality, age, disability, military service, marital status or sexual orientation.

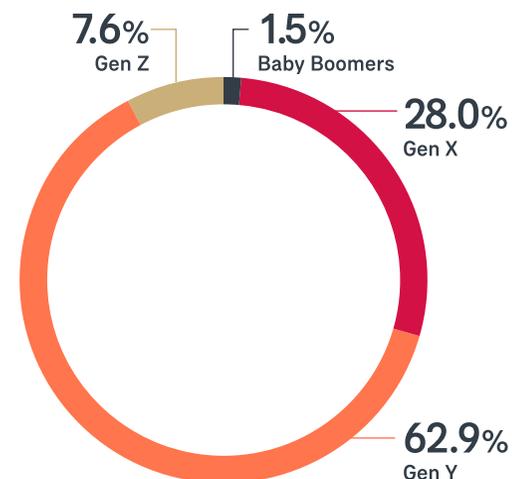
We aim to create an inclusive workplace that values and embraces individuals from all backgrounds. Our efforts mean people of all genders, backgrounds and experiences are drawn to work for AIA, and we have been recognised as an employer of choice across the region. As at 31 December 2023, women represented 57.1 per cent of our employee population¹ and 41.6 per cent of our senior leaders across the Group were women.

Cultural and national diversity enriches our social fabric, with over 75 nationalities represented across AIA as at 31 December 2023. We recognise the importance of understanding different generational needs and our people policies and practices enable us to create an inclusive workplace for all age groups. As at 31 December 2023, more than 65 per cent of our employees were Gen Y and Gen Z².

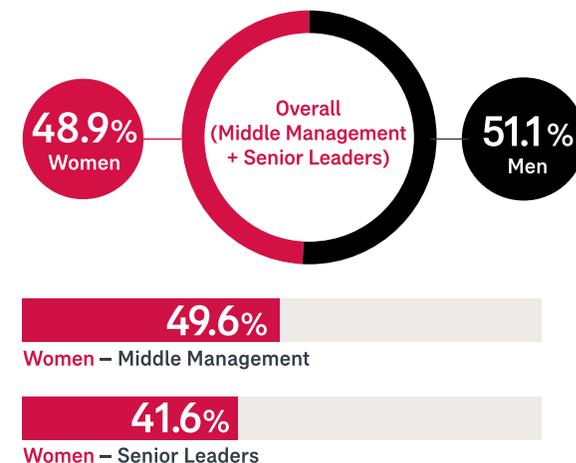
We continue to foster an inclusive and engaging workplace through locally-led employee networks in eight of our business units and Group Office, providing our people with a platform to come together to share, learn and support each other. This year we held various initiatives at the Group level and across our local markets to raise employee awareness about diversity, equity and inclusion, including International Women's Day and Pride month in support of the LGBT+ community and allies.

AIA values diverse perspectives for effective governance and decision-making. Having diverse perspectives on our Board through the range of nationalities and backgrounds represented reflects our different communities and improves our governance and decision-making processes.

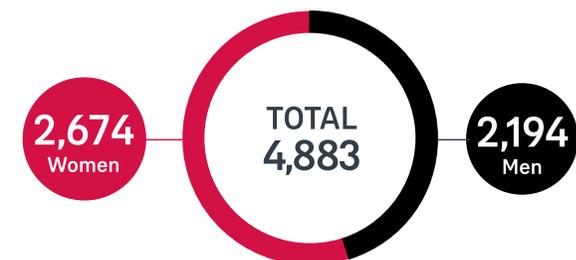
EMPLOYEE DEMOGRAPHICS BY GENERATION



WOMEN IN MANAGEMENT



NUMBER OF NEW EMPLOYEES



¹ Includes full-time and part-time employees as well as employees on fixed-term contracts, and excludes interns, agents of the Group, employees of our joint venture Tata AIA Life, Amplify Health, MediCard.
² Gen Y is defined as the generation born between 1981 and 1996 and Gen Z is defined as the generation born from 1997 onwards.

Strengthening Risk Awareness

Embed a culture of ethical decision-making and strong risk management

Effective risk management relies on a strong risk culture where everyone understands their exposure to risk and is empowered to make informed decisions on what risks to take and how to manage them to best achieve AIA's goals.

Many of our products and services are essentially promises to our customers and are therefore underpinned by trust. Trust drives every customer interaction, how we engage with stakeholders and the decisions we make. Trust is the foundation of an uninterrupted operating history of more than a century and is the cornerstone on which our market leadership in many of our markets is built. AIA's Operating Philosophy of 'Doing the Right Thing, in the Right Way, with the Right People ... and the Right Results will come' reflects the highest professional standards to which we hold ourselves.

AIA's Operating Philosophy and Code of Conduct set out the expected risk awareness for employees and channels available to report potential risks. Regular training and internal communications ensure that all employees are familiar with their role in managing risk and the appropriate reporting options, including to their manager and our internal and external hotlines.

Our employees certify their compliance with the Code of Conduct and other key policies annually. We measure employee confidence that ethical matters they raise will be handled appropriately and assess whether their manager cultivates an environment in which concerns about risk can be comfortably raised. This ensures that employees are aware of their obligation to speak up and report any potential risks.



Enriching and Rewarding Opportunities For All

Ensure fair, accountable and equitable processes for employment, progression and rewards



Recognising and rewarding our people

AIA is committed to providing our people with fair and equitable performance evaluations to recognise their contributions and achievements. Our performance management framework and performance appraisal process encourage regular and robust conversations about individual and team progress.

Our people managers regularly check in with employees to discuss their accomplishments and how they achieved their performance objectives throughout the year. Our people managers also provide ongoing support, feedback, and coaching to further the professional development and growth of our employees.

To attract, retain and engage our diverse talent, we seek to reward all employees competitively and fairly, irrespective of gender, ethnicity, age, disability or other non-performance-related factors. We believe our employees value our existing reward programmes for their clarity, transparency and market alignment. In addition, our Employee Share Purchase Plan connects employees to the collective success of the organisation, providing an opportunity to purchase AIA shares and receive matching shares over time during their employment.

Embedding our Purpose through well-being support

Health and well-being is central to our Purpose and to the care we provide for our people and their families. Group-wide benefits and workforce well-being programmes encourage our people and their families to understand their health profile, stay active, and take steps to safeguard their well-being.

Our employees in all markets enjoy access to *WorkWell with AIA*, a holistic employee well-being offering for our corporate customers that supports physical, mental, social and financial health. Known internally as *WellBeing@AIA*, the programme's initiatives, benefits and tools are tailored to each business unit, offering solutions that may include well-being learning sessions and on-site and virtual health activities.

To further support our employees, we also provide an array of well-being benefits including discounted gym memberships, access to sporting and recreational facilities, and wellness spaces such as nursing rooms. We continue to offer flexible working arrangements to support employees in balancing their personal and professional responsibilities. These include hybrid work arrangements as a standard work pattern and alternative working hours.

“



Hellen Zhang
Head of People
Sustainability, AIA China

Our holistic approach to well-being fosters healthier, better lives, and invests in our collective success. With a focus on physical, mental, financial and emotional health, AIA offers comprehensive programmes that empower our people to thrive and cultivate resilience.”

Enriching and Rewarding Opportunities For All

Supporting employee mental health and well-being



Our Purpose to foster Healthier, Longer, Better Lives shapes how we support our employees as well as our customers. This is reflected in our holistic employee well-being approach and its four core pillars: Think Well, Feel Well, Live Well and Plan Well.

The Think Well pillar reflects our belief that a healthy mind is just as important as a healthy body. October is AIA's Mental Health Month, during which we emphasise the importance of building mental resilience in our working lives. At both the Group and market levels, various initiatives were held to promote mental health practices and equip our workforce with tools to cultivate mental resilience.

We curated webinars and workshops for our employees across the Group featuring AIA senior leaders who shared their personal practices and insights on managing energy and fostering a sense of calm in the workplace.

Local initiatives complemented the Group-level Mental Health Month activities. AIA Hong Kong held a range of rejuvenation sessions, including office massage, sound bath, chair yoga, and mental health talks. To cater to diverse interests, AIA Hong Kong also organised a Family Movie Day to promote quality time with loved ones. AIA Indonesia invited medical professionals to lead discussions on change adaptability and mental health management alongside yoga and meditation classes.

In 2023, we introduced Me@AIA, a bespoke resilience programme, as part of our commitment to empowering our employees on their mental health journey. The programme provided individuals, teams and managers with resources to recognise and manage personal energy, along with practical tips for achieving a balance between work and recovery periods. The participation of over 1,600 employees in the programme demonstrates the increasing interest in and focus on mental well-being within AIA.



Bringing People & Culture to Life

“



Sasirat Kittichingchit
Senior Associate Director,
Customer Marketing and
Analytics, AIA Thailand

The invaluable support for my growth, the abundant learning opportunities at AIA, and the meaningful impact we create make me proud to be part of AIA.”

Sasirat has experienced significant professional growth during her six years at AIA Thailand, advancing from an individual contributor to managing a team of 20. In her current role, she skillfully leads a diverse and multi-functional team with a broad range of skills, experiences and working styles.

She attributes her professional development and success to the mentorship of her managers and the many development opportunities provided by AIA – all of which has enabled Sasirat to make a difference in her own unique way.

She speaks highly of her managers' support, highlighting that their encouragement, empowerment and feedback have been instrumental in her growth. Her participation in The AIA Great Manager Programme was one of many opportunities that have had a lasting impact. The programme was a transformative experience, prompting deep reflection on her leadership approach and providing valuable insights through interactions with other managers from across the region. It enabled Sasirat to refine her leadership style, focusing on becoming the type of leader who leads inclusively and purposefully. Capitalising on the insights gained from the programme, she has built a nurturing work environment for her team that embraces diverse perspectives, fosters collaboration and encourages shared learning.

Sasirat takes great pride in being part of an organisation that both fosters professional growth and places a high priority on the holistic well-being of its employees. She speaks highly of AIA Thailand's WorkWell@AIA programme, which offers an array of resources aimed at promoting overall health, including regular nutrition classes, fitness advice and expert guidance on stress management.

The programme also features diverse weekly exercise sessions, encompassing activities like body combat and Zumba. Her active participation in these sessions has led to significant improvements in her fitness metrics. She enthusiastically shares her positive experiences with her team, advocating for the importance of a healthy lifestyle and encouraging them to thrive better together. As a result, well-being has become an integral part of her team's routine.

Bringing People & Culture to Life

“



Tang Yoke Howa
Agency Unit Manager,
AIA Malaysia

Being part of the AIA network supports me and my agents to learn and develop skills, as well as to stay healthy and active. This support helps to keep me energised so I can grow with my customers over many years.”

Yoke Howa believes she was destined to work in insurance and help people navigate some of life's most difficult health challenges. Several times in her life, Yoke Howa and her loved ones experienced life-changing health concerns, and it was her experience in health insurance and the support of AIA that helped her and her family through these times. Yoke Howa believes it is her continuing mission to help others through those challenges by ensuring they are appropriately insured for their needs.

Having represented AIA as an agent for 35 years, Yoke Howa's proudest accomplishment at AIA has been training and developing the next generation of agents in her district. Starting with a team of 25, Yoke Howa was extremely proud to attend an awards night in 2023, hosted by her apprentice, young Kenny Yap who has been promoted to District Manager with 188 agents as part of the team. As an organisation that builds a future-ready workforce, AIA provides agents like Yoke Howa with support for recruitment and development, providing on-the-job training for graduates with no insurance experience. Together with AIA's focus on healthy lifestyles, AIA offers a high-value work-life balance for the modern workforce.

Yoke Howa is also proud to be part of the Million Dollar Round Table (MDRT) again, of which AIA has been ranked the #1 Multinational Company for nine consecutive years. Through mentoring, leadership development and culture sharing, MDRT aims to harness and share the power of individuals across thousands of members in the community, amplifying every member's positive contributions.

In addition, Yoke Howa is also part of the Sustainability Volunteering Programme for MDRT by completing at least 20 ESG hours through four key areas, namely digitalisation, AIA Vitality, agency development and living the Purpose of Healthier, Longer, Better Lives.

AIA's purpose is extremely important to Yoke Howa. She takes the Group's Purpose to heart by participating in team sports events and going to the gym, and encourages her customers to take part in AIA Vitality so they can enjoy Healthier, Longer, Better Lives.



HEALTHIER, LONGER,
BETTER LIVES

Feedback from our diverse set of stakeholders is crucial for us to continue improving on our ESG performance and disclosure practices.

If you have any questions, comments or feedback please contact our ESG team at esg@aia.com or write us at the address below:

Environmental, Social and Governance (ESG) Team
Suites 3206-3209, 32/F AIA Central
1 Connaught Road Central, Central, Hong Kong





HEALTHIER, LONGER,
BETTER LIVES

AIA ESG REPORT 2023 SUBSECTION REPORT

Effective Governance





Contents

Effective Governance Pillar 3

Our Effective Governance Pillar 3

Our Priorities in Detail 4

Board Governance 4

Ensuring Effective Risk Management and Responsible Business Practices 5

Promoting Best ESG Practices 11

ESG Ratings and Index Inclusions 13

Bringing Effective Governance to Life 16

Bringing Effective Governance to Life 16

Our Effective Governance Pillar

Effective Governance underpins our business and provides the foundation for AIA's responsible business conduct. We have been recognised for the strength and quality of our corporate governance and we continue to enhance our oversight and decision-making processes as our business evolves.

Robust oversight by the Board and management supports the responsible operations integral to our organisational culture. AIA has a clear and comprehensive framework of industry-leading practices, policies and requirements to hold ourselves to the highest standards of business conduct. Our governance framework adapts as we grow our business and further integrate ESG into our operations.

By providing clarity, transparency and accountability for the decisions made throughout our business, we create sustainable stakeholder value and ensure we deliver on our commitments to our customers and communities.



Mitch New
Group General Counsel
and Chairman of the
ESG Committee

“ Transparency and high standards of integrity are hallmarks of AIA's governance approach. We take pride in our reputation as a responsible business and our commitment to best practice governance. ”



Jayne Plunkett
Group Chief Risk Officer

“ Our risk management, strategy and sustainability efforts work in harmony to deliver sustainable growth while adjusting to the changing operating environment. ”

Board Governance

Foster business integrity and sound decision-making through a diverse and highly-qualified Board

The Board is responsible for the development and implementation of the Group's corporate governance practices. It ensures high standards of governance are maintained in all aspects of the Company's business, sets the strategic direction for the Group and ensures accountability and sustainability through appropriate levels of review, challenge and guidance in its relationship with the Group's management.

The Board includes members with deep experience in our markets in both the public and private sectors. This expertise is supported by a structure that enables appropriate oversight, including in-depth consideration of various matters by the Board's committees and delegation of operational matters to management, while ensuring that the Board retains overall control.

Board independence

Independent and objective judgement focused on the long-term interests of the Company and its stakeholders is central to the Board's oversight. Other than the Group Chief Executive and President, all Board members are INEDs, which underscores our strong commitment to operating according to international best practice.

Board Committee composition

Our corporate governance framework is implemented through a structured hierarchy, which includes the Board and its four committees: the Audit Committee, Nomination Committee, Remuneration Committee and Risk Committee.

Each Board Committee is chaired by an INED. The Audit, Nomination and Remuneration Committees are composed entirely of INEDs. The Risk Committee includes the Group Chief Executive and President to ensure its members have access to the detailed financial and operational information they need to assess the risks and sustainability of the Group's operations. Board Committees report to the Board on a regular basis.

Board diversity

Board diversity is fundamental to robust corporate governance practices and high-quality decision-making. With a mix of nationalities, ethnicities, educational backgrounds, functional expertise, gender and age, the Board can draw on extensive business, financial, government, regulatory and policy experience which broadly reflects the Group's operations and priorities.

In 2023, we appointed three INEDs to the Board. These appointments added to the Board's diversity in areas including gender, ethnicity, knowledge and experience.

Further details on the Company's corporate governance practices and Board evaluation processes are set out in the Corporate Governance Report as part of the Annual Report 2023, to be published in April 2024.

Director training

Every new Director of the Company receives detailed induction training on the Group and its operations. The Board also receives regular updates on all key aspects of the Group's business, including financial performance, changes in material accounting and regulatory matters, ESG matters, compliance and conduct, best practice in relation to the handling of whistle-blowing complaints and anti-corruption programmes.

This supports the Group's approach to pursuing international best practice in governance, including a zero-tolerance approach to bribery and corruption. The Board and its committees are updated regularly on the Group's performance across a range of activities designed to ensure that its high standards are maintained throughout the Group. The AIA Group Compliance Policy is applied alongside the ***AIA Code of Conduct***, which provides guidance on giving and accepting gifts and entertainment.

Ensuring Effective Risk Management and Responsible Business Practices

Effectively manage risks and opportunities throughout our business

Effective risk management

AIA's comprehensive approach to identifying and addressing material risks and its well established frameworks provide the foundation for effective risk management, which is fundamental to delivering on the Group's strategy and honouring commitments to all stakeholders.

The Board is responsible for overseeing the Group's risk management practices and monitoring material risks and opportunities, including those related to ESG issues. The Board is supported by the Board Risk Committee and executive risk committees comprising senior executives – the Operational Risk Committee (ORC) and the Financial Risk Committee (FRC) – which report regularly and in detail to the Board Risk Committee.

AIA's Risk Management Framework (RMF) ensures that the necessary capabilities and processes are in place to identify, assess and monitor both existing and emerging risks across the Group. The Board of Directors of operating subsidiaries are also responsible for reviewing this framework regularly to ensure it is effective in the local business context.

ESG-related risks are addressed according to the process outlined in the RMF and categorised based on their potential impact on AIA's operations. Effective Governance, including proactive discussion with internal and external stakeholders, enables the Group to address and manage these risks over time and to capture emerging opportunities.

The Group's risk taxonomy classifies risks such as adverse extreme weather events from acute physical climate risks, data protection, cybersecurity, people management and responsible business practices as operational risks. Longer-term impacts of material shifts in climate and pollution to lifestyle risk factors and their impact on human health and well-being are viewed as insurance risks.

Regular tests of risk procedures and controls are done to ensure robustness and appropriateness against the current and future operating environments. AIA's Group Internal Audit function provides independent assurance of the effectiveness of key controls and recommends improvements as necessary. The effectiveness of the RMF is also independently assessed on a regular basis.

In addition, AIA conducts scenario testing and business continuity analysis to assess the resilience of the business under multiple stress conditions, and incorporates the learnings into risk frameworks and tolerances. This work also provides assurance of stable and continuous operations and the availability of adequate capital to provide protection to our policyholders under a wide range of circumstances.

For more information on AIA's approach to managing risk, please refer to the Risk Management section of the Annual Report 2023, to be published in April 2024.



Ensuring Effective Risk Management and Responsible Business Practices

Responding to Emerging Risks: Responsible Use of Artificial Intelligence



Context: Innovations in intelligent systems, including those deploying artificial intelligence (AI), have the potential for wide application in the insurance delivery chain, generating significant economic and societal benefits. These range from improving risk pooling and enhancing risk processes, to generating insights to better understand our customers, assisting in decision-making, and interacting with customers using conversational agents (chatbots).

Recent advancements in Generative AI have made these intelligent systems even more accessible and usable, which could significantly enhance our business operations and customer interactions.

Risks and Impact: The advent of Generative AI has seen new risks emerge and existing risks intensify. This includes copyright infringement risk, where AI systems might unintentionally use copyrighted content during the generative process, and hallucination risks, which occur when AI systems generate outputs that are factually incorrect leading to potentially misleading or harmful results. Generative AI also presents opportunities and potential benefits, such as increasing efficiency and reducing customer response times.

Trust is at the core of AIA's values. Improper use of AI may cause an insurer to lose credibility with customers and other stakeholders by enabling poor customer outcomes that result in consequences such as direct negative impact on sales, higher lapse rates, and negative reputational and operational impacts.

Mitigating Actions: Recognising these challenges, we proactively updated our Responsible Use of Artificial Intelligence Standard (the Standard) in August 2023, introducing additional controls and guidelines on the use of Generative AI. This update ensures our AI operations stay in line with AIA's Operating Philosophy of 'Doing the Right Thing, in the Right Way, with the Right People ... and the Right Results will come'. It focuses on fairness and preventing the creation or reinforcement of unintended bias in AI-driven analytics and decision-making.

To further enhance our risk management, we established a Group-wide AI Council to review sensitive AI activities. Together, the AI Council and the Standard provide a robust framework for AI use in both internally developed or externally sourced solutions. The Standard outlines four high-level principles:

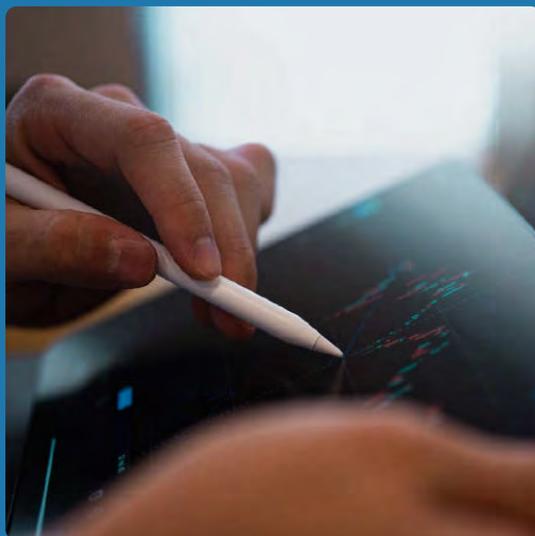
- Accountability
- Soundness
- Ethical, fair, and justifiable
- Transparency and explainability.

Our commitment to responsible AI use reflects our dedication to maintaining trust and promoting innovation without compromising fairness or ethical standards.

Mandatory training module "Responsible Use of AI" is provided to teams or functions seeking to use AI to ensure team members understand how the use of Artificial Intelligence might affect customer outcomes and learn more about its responsible use.

Ensuring Effective Risk Management and Responsible Business Practices

Responding to Emerging Risks: Cyber Risk in Digital Supply Chains



Context: Through their use of technology platforms, corporations are part of interconnected ecosystems that present significant cyber risks that can extend to vulnerabilities originating in third- or fourth-party relationships. Identifying these weak points is no easy task, as attacks at any point along the technology value chain can result in significant disruptions, regardless of the volume or frequency of transactions with a specific party.

Risks and Impact: Vendors are increasingly relying on microservices, third-party application programming interfaces (APIs) and open source components embedded in their solutions, which requires an understanding of the full value chain. Concurrently, the “always connected” nature of modern technology services has reduced the effectiveness of traditional point-in-time service provider assessments and their ability to cover an increasing number of third parties, who in turn rely on their fourth-party providers. This creates an opportunity for malicious actors to target the weakest link in the supply chain with cyber attacks, rather than the intended target directly, to gain access to their systems or data.

Even with mature processes to prevent, detect, and recover from cyber attacks, organisations are increasingly exposed to their data or services being compromised or disrupted through their network of third parties and their respective service providers. Such data breaches could involve the leakage of customer and sensitive information with a range of repercussions. Incidents are also increasingly impacting multiple companies in a sector, which may lead to incidents with a broader, more disruptive impact.

Mitigating Actions: To address these challenges, we are continuing to innovate new ways to better serve our customers and more inclusively provide financial services across Asia. We seek to effectively manage this emerging risk with these goals in mind.

AIA deploys numerous controls which are embedded in business activities across all markets and functions, including a register of third-party providers permitted to interact with our data or systems. Providers are only included on the register after undergoing a comprehensive risk-based assessment of their cybersecurity processes and controls. AIA closely monitors and maintains this register and has recently reviewed the risk assessment criteria and processes for managing third parties to ensure they remain sufficient and effective.

In addition to reviewing supplier controls and processes on onboarding, third parties are independently monitored on technical indicators of service vulnerabilities on an ongoing basis. These reports provide AIA with a real-time view of our providers’ risk through a consolidation of indicators and externally available data points. For example, any vulnerabilities on the suppliers’ external facing systems and whether any supplier staff credentials have been discovered on the dark web. This enables us to respond, contain and remediate where needed in an appropriate and timely manner.

Ensuring Effective Risk Management and Responsible Business Practices

Responsible Business Practices

We believe that delivering on our Purpose of helping people live Healthier, Longer, Better Lives depends critically on the constant pursuit of integrity, accountability and transparency at all levels. Trust has been the foundation of our business for more than 100 years. Today AIA serves tens of millions of customers and their families, providing financial security and protection across multiple generations. Being there for our customers each day, through defining moments in life and when they need us most, is a source of great pride and responsibility. We are committed to maintaining the highest standards of responsible business practices across all our operations.

Code of Conduct

Our Code of Conduct provides clear guidance on how we conduct business and applies to everyone who works at AIA. It reflects our Operating Philosophy, "Doing the Right Thing, in the Right Way, with the Right People ... and the Right Results will come". It defines the high professional standards to which we hold ourselves and is key to maintaining trust and building sustainable relationships with all stakeholders – customers, agents, distribution partners, regulators and investors.

The Code of Conduct is available in multiple languages to ensure that all employees and agents can access and understand its standards and expectations. All employees are required to undertake training on the Code of Conduct when joining AIA and complete an annual certification attesting to their familiarity and compliance with the Code. Training on the Code is supplemented with programmes that equip AIA leaders with practical training to manage situations involving decision-making dilemmas.

Every employee is expected to take personal responsibility for observing standards of integrity and to report any suspected violation of the Code of Conduct. We empower employees to identify and escalate issues without fear of retaliation. Non-compliance with the Code is subject to disciplinary action, which can include dismissal where appropriate. AIA's business partners, including its agents, distribution partners and suppliers, are expected to follow the same responsible practices as our employees.

For more information, we invite you to read our [Code of Conduct](#)

Preventing bribery and corruption

Under our policies, employees and other persons representing AIA are prohibited from offering, accepting, paying or authorising any bribes or participating in any form of corruption in any business interaction that involves AIA and government officials, our customers or employees.

Anti-corruption training is compulsory for all employees. Reviews are conducted to monitor compliance with our Anti-Corruption Policy, which outlines the roles and responsibilities of employees. Our business units are responsible for implementing processes and controls to reduce the risk of corruption.

Preventing fraud

AIA's Anti-Fraud Policy sets out standards for managing the risk of fraud, including training as well as preventive and detective measures, and outlines our commitment to a zero-tolerance approach towards fraud.

Incidents and allegations or suspicions of fraud are assessed and investigated. If substantiated, AIA is committed to taking a fair and proportionate approach in administering disciplinary and other actions, including the loss of employment and/or employment-related benefits, reporting incidents to law enforcement and seeking legal remedies through civil courts.

Whistle-blower Protection Programme

AIA stakeholders, including employees, distributors, customers and suppliers, could raise concerns about a violation of the Code of Conduct or other behaviour that falls short of the high standards expected by the Group.

Reporting channels include a 24-hour, multilingual third-party administered ethics hotline, which supports complete anonymity. Reporting through internal channels (such as dedicated internal email addresses and contact with Internal Audit or Compliance) accounted for 64 per cent of the reports received during the year. All allegations are assessed using a consistent process and investigated when warranted.

The Whistle-blower Protection Programme is overseen by the Board Audit Committee, which receives regular reports from Group Compliance on the number and nature of issues raised and the progress of all material investigations. AIA policy prohibits retaliation against an employee providing a good faith report of a suspected violation of the Code of Conduct, AIA policies or the law.

In 2023, the Programme received reports on a broad range of issues, including: customer complaints, human resources and work grievances, matters relating to individual circumstances such as conflicts of interest, matters of workplace respect, matters of unethical conduct and questions about business practices. Among investigations completed in calendar years 2022-2023, 49 per cent covered allegations which were at least partly substantiated.

Our approach to Anti-Money Laundering and Countering the Financing of Terrorism

AIA has a strict programme of compliance with all applicable Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) laws to prevent the use of its products and services for money laundering and terrorist financing.

The Group AML/CFT Programme includes a risk-based approach to conducting customer due diligence, ongoing monitoring, suspicious activity reporting, training and record keeping. Business units use AML/CFT monitoring software to screen, risk profile and monitor customer activity or an online tool to screen customers.

All new employees are required to complete AML/CFT training. AIA's insurance agents are also required to complete appropriate AML/CFT training. Our Group Economic Sanctions Standard sets out standards to manage the risk of dealing with governments, individuals and entities subject to sanctions programmes.

Ensuring Effective Risk Management and Responsible Business Practices

Our commitments to our customers

Our customer commitments reflect our customer-centric approach and strong belief in responsible business conduct. We aim for high standards of service throughout the customer journey in order to meet or exceed expectations and earn trust. As part of our product approval process, business units are required to confirm that each product complies with applicable laws, regulations and internal policies, and review product and marketing materials to ensure the information provided is adequate and clear.

The conduct and professionalism of AIA's intermediaries is vital in building customer trust. Our business quality framework supports our intermediaries and manages the associated sales conduct risk. Key elements of the framework include:

- Screening and selection of prospective intermediaries to ensure they are fit and proper
- Market conduct guidelines that define proper behaviour for intermediaries
- Training programmes on AIA products and sales processes that cover Know-Your-Customer due diligence
- Sales processes including financial needs analysis for product suitability and affordability assessments, and
- Interactive Point of Sale (iPoS) technology that guides our agents through the sales process and embeds controls to ensure a consistent, high-quality customer experience.

We use strategies such as direct verification calls and mystery shopping to monitor adherence to our customer service standards. Anyone who attempts to deceive customers by providing unsupported or fictitious claims about our products or those of our competitors, for example, will face disciplinary action up to and including termination.

We have policies to promote transparency in customer communications including product disclosures. For example, internal standards on sales illustrations establish the minimum requirements for benefits illustration and disclosure for AIA products.

When interacting with customers, our goal is to clearly communicate key information about product features and projected returns, insurance policy values and charges.

Responsible selling practices

We offer a wide range of products and services tailored to meet the diverse needs of customers. Transparency and clarity in communication play a pivotal role, ensuring that our policies, products and services, including product suitability, policy coverage, cost structures exclusions are clearly explained, fostering a genuine understanding for clients. Additionally, we safeguard vulnerable customers by conducting a comprehensive training for our agents and staff involved in the sales process. By intertwining these principles, we not only provide essential coverage but also establish a foundation of trust and protection for all customers.

Engaging with our customers

Our customers have different needs and goals throughout their lives. We aim to provide relevant, timely and personalised products and services that provide peace of mind as they face life's challenges.

In 2023 AIA conducted Consumer Sentiment Research by speaking to more than 7,000 consumers in Mainland China, Hong Kong, India, Singapore, Malaysia, Thailand, Indonesia and Vietnam to understand their priorities and needs following the COVID 19 pandemic. These insights help us to better understand the diversified lifepaths and lifestyles of our customers, their aspirations to live healthier lives, as well as their retirement and financial needs in the current macro-economic landscape - which in turn helps shape how AIA may better support our customers to live Healthier, Longer, Better Lives.

Listening to our customers

Interactions with millions of policyholders across Asia provide opportunities to build deeper relationships, improve understanding and gain richer insights into their needs and preferences. This helps us identify ways to make lasting improvements to our customers' physical, mental, financial and environmental health and wellness. Regular customer feedback enables us to meet the evolving needs of policyholders with high-quality offerings and distinctive, personalised and meaningful experiences. This feedback also helps us to maintain responsible business practices by identifying areas of strength and further development.

We conduct an Annual Customer Relation Survey (CRS) to track our CX performance from end-to-end customer journey from representative customer feedback and measure our competitiveness against key competitors. AIA leads major competitors in several key markets on Net Promoter Score (NPS) and Customer Effort Score (CES) across our learn, buy, service and claims journeys. This is a source of pride across

the business, with five LBUs ranked first on NPS (Mainland China, Hong Kong, Malaysia, Taiwan and Vietnam).

We also conduct a Real-time Customer Survey (RCS) to collect feedback immediately after service interactions. This closed loop mechanism informs service recovery, continuous improvement and performance management. Eleven Local Business Units (LBUs) completed the RCS in 2023. Our RCS systems provide alerts to our customer service team for satisfaction rates below three stars to initiate service recovery. If customers have given consent to be contacted, our staff follow up and offer recovery actions, with resolutions recorded and leveraged to drive continuous improvement.

Handling of customer complaints

The AIA Servicing Operations Standard outlines complaints handling principles for the Group and business units. This ensures that complaints are handled fairly, consistently and promptly as defined by this Standard, Business Unit Standard Operating Procedures and local regulations. We also have an established process for disclosure to local regulators. AIA aims to handle all complaints and investigations in a prompt, efficient, fair and transparent manner. Across 2023, we received 0.0015 complaints per customer, with an average resolution time of 12 days.

Ensuring Effective Risk Management and Responsible Business Practices

Ensuring data privacy and security

Customers, employees and business partners trust AIA with sensitive information in the course of providing solutions, and protecting that information is of paramount importance to the Group.

Data privacy

AIA's Data Privacy Policy outlines the Group's statement of values and how personal data is collected, used, stored, transferred and disposed of by the Group and its affiliates.

Operational controls reinforce the Policy's implementation across the Group. Controls include the use of Privacy Impact Assessments (PIAs). This risk assessment process evaluates the impact of certain business activities on data privacy in order to avoid or minimise adverse impacts and ensure adequate safeguards are in place.

The Data Privacy Policy requires our businesses to conduct a PIA before certain business decisions are finalised. These include the launch of any new business initiative or project that may have an impact on personal data, conducting certain automated decision-making or processing of any sensitive personal data and major changes in organisational practices involving personal data.

For more information on data privacy at AIA, please see our [Privacy Policy Statement](#)

The Group only uses AI which is under our control to safeguard the data we hold. Only AI models and data held directly by AIA or by partners in managed secure environments are used; we do not use public AI models and data. Our Group-wide AI Council reviews sensitive AI activities as part of a robust framework for AI use in both internally developed and externally sourced solutions.

For more information about responsible use of AI at AIA, please see the [Effective risk management section](#).

Data protection and cybersecurity

AIA is committed to high standards of information security to protect the interests of our stakeholders. Our information security policies and standards are consistent with leading companies globally to ensure that our systems, processes and information are secure. Key cybersecurity updates are regularly provided to the Board Risk Committee and at least annually to the full Board.

Our Group Chief Technology and Life Operations Officer and information security team oversee cybersecurity controls across the Group. They protect AIA from cyber threats by detecting any anomalies, effectively responding to cybersecurity issues, enhancing defensive controls and investing in security analytics. This includes key systems that process our customer data and support business processes.

The Director of Information Security handles all cybersecurity issues, reporting directly to the Head of Group IT Operations. We partner with leading information security service providers to further secure our operational environment.

We safeguard our critical assets from cyber threats using classification and threat modelling techniques and strengthen cybersecurity controls through continuous assessment and testing.

AIA strongly believes that every employee plays an essential role in helping the Group meet cybersecurity and data protection responsibilities. We educate our employees and external contractors about how to protect themselves and AIA from cyber threats through online awareness and readiness training. We also conduct regular cyber-defence assessments including ethical hacking and incident management drills.

In 2023, AIA obtained the Service Organisation Control (SOC) Type 2 certification for our Group Information Security function which provides control assurance on cybersecurity protection. We also maintained the International Organization for Standardization (ISO) 27001 certification covering identity access management, cybersecurity and cloud security operations. We will continue to invest in information technology safeguards, including the areas of cloud security, cyber defence automation and zero trust security to ensure our controls meet our objective of avoiding cyber breaches.

Assessing third-party security

We engage service providers to carry out a range of business functions. We have a robust framework and processes in place to assess and monitor the information security controls implemented by third parties and continuing compliance with AIA's information security requirements. We have also established the necessary levels of insurance coverage to protect against cybersecurity-related events and incidents. In 2023, there were no material third-party information security breaches.

Protecting intellectual property rights

We work hard to protect AIA's brand from misrepresentation and misuse. All of our intellectual property is protected by registering trademarks or patents ('Marks') either locally for use by specific business units or across all jurisdictions for use across the Group. We seek to register all our Marks under one entity, AIA Company Limited, for effective control and oversight.

Our Group Legal function centrally manages our extensive trademark portfolio to ensure use guidelines are consistently applied and avoid the dilution that results from inconsistent usage. We also work closely with an external provider to monitor, report on and prosecute unauthorised use of our Marks across all jurisdictions.

AIA maintains written agreements with our business partners detailing the ownership rights of our Marks and allowing for specific use by our business partners while those agreements are in effect.

Promoting Best ESG Practices

Promote ESG best practices across the region

AIA contributes to discussions and activities on the critical ESG themes that are shaping Asia's future. This includes:

- Supporting the development of relevant regulations and frameworks
- Collaborating with peer companies and regulators on industry best practices
- Promoting research that advances the region's sustainability agenda
- Sponsoring local educational initiatives as part of our commitment to developing financial markets and financial literacy, and
- Engaging with our investors to gain feedback, share insights and knowledge, and identify industry developments that matter most to our shareholders.

Proactive engagement ensures we stay up to date with emerging trends, risks and knowledge. Ongoing dialogue with the public and private sectors increases our potential to make a positive difference.

Supporting research, initiatives and thought leadership

We support a range of ESG research, initiatives and thought leadership to advance sustainable development across Asia. In 2023 this included:

- At Temasek's Ecosperity Week this year, Ms Liu Chunyen (AIA Singapore), Mr Lawrence Low (AIA Investment Management) and Ms Amita Chaudhury (AIA Group) participated in various roundtables on sustainable finance.
- AIA sponsored the Financial Times Moral Money Summit Asia, where Ms Chaudhury participated in a panel discussion of how ESG integration can help unlock value. Our Regional Head of Equities Research and Stewardship, Ms Corrine Png (AIA Group), spoke on global and regional sustainability strategies and ESG investment opportunities in Mainland China.
- Ms Chaudhury was a panellist at the Bloomberg Sustainability Summit exploring 'What to Watch in ESG Reporting', highlighting the importance of corporate disclosure on double materiality – how a business is affected by sustainability issues and how its activities impact society and the environment.
- AIA sponsored and participated in the Laureus Sport for Good Global Summit in London tackling violence, discrimination and inequality faced by young people through sport¹.
- AIA Cambodia's Sports for Youth programme has become Cambodia's largest grassroots football league, providing a safe environment for underprivileged young people to play sports.
- AIA sponsored the Singapore-India Hackathon 2023 encouraging innovative solutions to enhance financial literacy for women and girls in India and Asia. Tata AIA Life mentored and guided teams, with the winning start-ups and teams awarded cash prizes. The start-up category winner, Haqdarshak, developed a mobile and web platform that provides a one-stop shop for welfare services in 11 Indian languages, making it easier for citizens to apply to State and central welfare schemes.
- Ms Chaudhury and Mr Venkatachalam Iyer, Tata AIA Life's President and Chief Distribution Officer, published an article in The Economic Times' BFSI, 'Don't Leave Women Behind: Accelerating Progress in Financial Literacy' to emphasise the critical role financial literacy and inclusion plays in advancing sustainable and inclusive prosperity².

- Ms Chaudhury published an article in Elevation, 'How can the insurance industry help address the S in ESG'; which examined the central role the insurance sector can play in addressing social issues and deliver positive social outcomes for a wide group of stakeholders³.
- We are a launch partner of Cathay Pacific's Sustainable Aviation Fuel programme (SAF) to reduce carbon emissions generated by business travel in the coming decades.
- At COP28, AIA hosted a fireside chat between Mr Mitch New and Mr Luiz Amara, SBTi Chief Executive Officer at the Singapore Pavilion, on accelerating decarbonisation and the importance of setting ambitious yet credible science-based targets. Titled, "From Ambition to Action: Fast-Tracking Decarbonisation Through Setting Credible Science-Based Targets", the session opened with keynote address by Ms Chaudhury who shared some reflections on AIA's climate journey. As part of COP28, AIA and Bloomberg also convened a dinner with 20 esteemed leaders in climate finance on 3 December where attendees were able to have inspiring conversations and candidly shared about their struggles and successes in driving the climate agenda.

¹ Internal AIA News Article on Laureus Sport for Good Global Summit sponsored by AIA.

² Amita Chaudhury and Venky Iyer (20 August 2023), *Don't Leave Women Behind: Accelerating Progress in Financial Literacy*, BFSI. <https://bfsi.economicstimes.indiatimes.com/blog/dont-leave-women-behind-accelerating-progress-in-financial-literacy/102838632>

³ Amita Chaudhury, *How can the insurance industry help address the S in ESG*, Elevation. <https://www.elevation.io/insights/how-can-the-insurance-industry-help-address-the-s-in-esg>

Promoting Best ESG Practices

Demonstrating best practice

External recognition of AIA's sustainability performance underscores the strength of our ESG Strategy and our positive impact on our industry and the wider community.

We were again recognised in the Institutional Investor Research's Asia (ex-Japan) 2023 Executive Team Ranking. AIA was one of the top-ranked insurers across five categories including Best CEO, Best CFO, Best IR Programme, Best Company Board and Best ESG.

AIA was included in the 2023 S&P Sustainability Yearbook (China edition) and positioned in the top 5% in the China industry based on our 2022 Corporate Sustainability Assessment (CSA) result.

For the second year in a row, AIA was among six Asia-based companies out of 57 globally to receive the Gallup Exceptional Workplace Award in 2023.

Collaboration through ESG-related organisations

We are committed to transparent collaboration in matters of ESG and are committed to achieving international best practice. As an active member of a growing list of global and regional ESG-related organisations we will continue to participate in building a more sustainable financial services industry.

ESG-RELATED ORGANISATION	LEVEL OF MEMBERSHIP	JOINED
 UN Global Compact	Signatory	2016
 Women in Finance Asia (WiFA)	Member	2018
 Task Force on Climate-related Financial Disclosures (TCFD)	Supporter	2018
 Hong Kong Green Finance Association (HKGFA)	Member	2018
 30% Club (Hong Kong Chapter)	Member	2018
 Climate Action 100+	Member	2019
 Principles for Responsible Investment (PRI)	Signatory	2019
 Principles for Sustainable Insurance (PSI)	Signatory	2021
 Science Based Targets initiative (SBTi)	Signatory	2021
 Asia Investor Group on Climate Change (AIGCC)	Member	2022

ESG Ratings and Index Inclusions

Establish AIA as a global leader on key ESG indices, ratings and benchmarks

In 2023, AIA maintained its strong performance across a range of ESG ratings and its inclusion in internationally recognised sustainability indices.

We are one of the largest Hong Kong-headquartered constituents of the Hang Seng Corporate Sustainability Index¹, and maintained the MSCI ESG Rating of 'AA'.

ORGANISATION	DESCRIPTION	2023	2022	2021	2020
	<p>Morningstar Sustainalytics provides high-quality analytical environmental, social and governance (ESG) research, ratings and data to institutional investors and companies.</p> <p>AIA has consistently been placed in the top 10th percentile of the insurance industry in Sustainalytics' ESG Risk Rating assessment. We have also been 'ESG Industry Top Rated' and 'ESG Regional Top Rated' for three consecutive years.</p>				
					
	Percentile (Insurance)	Top 10th percentile	Top 10th percentile	Top 10th percentile	Top 10th percentile
	Percentile (Global Universe)	Top 10th percentile	Top 10th percentile	Top 10th percentile	Top 10th percentile

¹ As at 31 December 2023.

ESG Ratings and Index Inclusions

ORGANISATION	DESCRIPTION	2023	2022	2021	2020
	<p>Formerly known as Morgan Stanley Capital International, the MSCI ESG ratings measure a company's resilience to long-term industry-material ESG risks.</p> <p>The AA rating identifies AIA as an industry leader in managing its most significant ESG risks and opportunities.</p>	AA	AA	AA	A
	<p>The Hang Seng Corporate Sustainability Index Series provides a benchmark for sustainability investments. Constituent selection is based on a robust process that includes consideration of the results from a sustainability assessment undertaken by Hong Kong Quality Assurance Agency (HKQAA), an independent and professional assessment body, using its proprietary sustainability assessment and rating framework.</p>	A+	A+	A+	A+
	<p>The ISS ESG Corporate ESG Performance Status takes into account ESG challenges that are specific to individual sectors as well as companies and states by assigning different 'ISS ESG Prime' absolute performance thresholds.</p>	Prime	Prime	Prime	Prime
	<p>CDP is a not-for-profit organisation which helps investors, companies, cities, States and regions to manage their environmental impacts by assessing climate risks and low-carbon opportunities.</p>				
	Climate Change Score	B	C	B	A-

ESG Ratings and Index Inclusions

ORGANISATION	DESCRIPTION	2023	2022	2021	2020
 FTSE4Good	<p>Administered by the Financial Times Stock Exchange-Russell Group (FTSE Russell), the FTSE4Good Index Series is designed to measure the performance of companies with strong ESG practices.</p> <p>AIA has been a FTSE4Good member since 2017.</p>	Member	Member	Member	Member
 Indices by Qontigo	<p>STOXX Limited is a Swiss globally integrated index provider.</p> <p>AIA has been included in its Asia/Pacific ESG Leaders 50 Index and Global ESG Leaders Index since 2020.</p>				
	STOXX Limited Asia/Pacific ESG Leaders 50 Index	Included	Included	Included	Included
 恒生指數 HANG SENG INDEXES	<p>The HSI ESG Enhanced Index and HSI Low Carbon Index were launched by Hang Sang Indexes Company in 2021.</p> <p>AIA has been included as a constituent to both indices since inception.</p>				
	Hang Seng Index (HSI) ESG Enhanced Index	Included	Included	Included	N/A
	Hang Seng Index (HSI) Low Carbon Index	Included	Included	Included	N/A

Bringing Effective Governance to Life

“



Michael Fiechtner
Head of Group
Technology Risk,
AIA Group

Effective Governance is fundamental to enable innovation while managing the potential risks.”

Michael leads the development and execution of AIA's Technology Risk Management approach and practices across the Group. His growing team oversees AIA's emerging and current risks from a technology perspective.

A mindset of constant curiosity drives Michael to work collaboratively across all three lines of defence and all business units to ensure that technology risks are understood and managed, so that opportunities for innovation can be explored. Michael assures that everyone at AIA has the same objective; to keep everyone's data and systems safe, and make sure AIA can deliver on the promises made to customers.

In 2023, technology risk management teams from Group and BU level along with AIA Digital+ came together to share ideas, expertise and best practices, and set priorities. These discussions strengthened the bond between the teams and laid the foundation for a future of resilience and success to confront the ever-evolving challenges in technology risk management.

Addressing the rapid evolution of Generative Artificial Intelligence (Gen AI), AIA revised the AIA Responsible Use of Artificial Intelligence Standard during 2023 to ensure it remains fit-for-purpose in the age of mass adoption of Generative AI tools, with input from Michael and his team. The introduction of Responsible Use of AI training ensures colleagues developing proofs of concept for future uses of AI are aware of the associated risks.

Michael is a founding member of our new Group-wide AI Council, a multi-disciplinary team from across functions who meet monthly to discuss potential future uses of AI, the associated risks and opportunities, and lessons and insights from active and planned initiatives.

AIA's digital journey and cloud-native mindset were central to Michael's decision to join AIA in 2021, and its continued digital-led approach attracts the attention of industry peers who look to AIA for guidance and thought leadership. Michael recently shared AIA's approach to AI Governance with several industry forums and peers, including at the Market Intelligence Group's InfoSecurity Summit. More recently, in December 2023, AIA was invited to be a founding member of a Microsoft's awareness group on governance and the ethical use of AI.

Bringing Effective Governance to Life

“



Shami Shearer
Head of Sustainability,
AIA New Zealand

We're fortunate to be able to leverage the power of AIA Group with initiatives such as AIA Vitality and the Climate Transition Plan, which help us to make a difference on a large scale, but to also tailor these for our market to make a difference in local communities.”

A passion for sustainability led Shami to join AIA New Zealand in early 2022. Her role as Senior Project Actuary included an opportunity to contribute to the development of AIA New Zealand's Climate Statements under the Aotearoa New Zealand Climate Standards, which require climate-related disclosure by large publicly listed companies, insurers, banks, non-bank deposit takers and investment managers.

With this experience further igniting her interest in ESG, Shami took a secondment as the Head of Sustainability to cover a period of parental leave. She is enjoying the secondment's challenges and opportunities, including the chance to develop and showcase her communication and coordination skills. The secondment is providing broader opportunities to collaborate and engage with colleagues, as well as a different perspective on ESG to her substantive role's focus on climate risks and initiatives.

As Head of Sustainability, Shami is responsible for coordinating AIA New Zealand's sustainability initiatives and climate-related disclosures and ensuring they support the Group's ESG Strategy and Climate Transition Plan. Her role combines leveraging Group-wide commitments and initiatives with the autonomy to develop local initiatives that resonate with colleagues and customers. For instance, exploring the Climate Transition Plan's commitment to electric vehicles (EVs) in the New Zealand context, where charging infrastructure is still developing, led AIA New Zealand to transition to a hybrid fleet for the short to medium term.

Shami appreciates how sustainability is deeply entrenched across AIA. She enjoys being able to make a difference both as an individual passionate about sustainability, and through the power of the whole AIA Group. She particularly enjoys leading AIA New Zealand's active employee group, the Sustainability Champs, who help drive three key sustainability initiatives within the business: sharing information to help employees understand ESG, establishing ways to reduce waste, and engaging employees and external partners to make sustainable commuting choices.

Shami was proud to see AIA New Zealand recognised at the 2023 Financial Services Council Awards for Excellence in Sustainability Practices and Excellence in Wellbeing and Inclusion. This was followed by wins at the New Zealand Insurance Industry Awards for Excellence in ESG Change and Excellence in Workplace Diversity and Inclusion. This success is largely owed to the strong sustainability strategy and mentality that is cascaded down from Group leadership to all BUs. This 'think globally, act locally' mindset has enabled Shami and her team to leverage resources and the power of the Group to make a difference in New Zealand.

The secondment has been a valuable learning experience and Shami will be taking a lot of knowledge back to her substantive role. Shami is grateful that AIA not only embraces opportunities to grow and improve as an organisation, but also fosters an environment where people can build their careers that support their passions.



HEALTHIER, LONGER,
BETTER LIVES

Feedback from our diverse set of stakeholders is crucial for us to continue improving on our ESG performance and disclosure practices.

If you have any questions, comments or feedback please contact our ESG team at esg@aia.com or write us at the address below:

Environmental, Social and Governance (ESG) Team
Suites 3206-3209, 32/F AIA Central
1 Connaught Road Central, Central, Hong Kong





HEALTHIER, LONGER,
BETTER LIVES

AIA ESG REPORT 2023 SUBSECTION REPORT

TCFD Report





Contents

Introduction	3	Risk Management	15
Introduction	3	Risk Management	15
Governance	4	Metrics and Targets	17
Governance	4	Metrics and Targets	17
Strategy	7		
Strategy	7		

Introduction

Climate change and AIA's role

Climate change is affecting economies and communities globally, and timely and decisive interventions are required to drive a swift, effective and just energy transition in Asia.^{1,2} Asian economies are expected to be amongst the fastest growing, and yet at the frontline of the climate crisis.³ The cost of inaction is large, and there is increasing urgency to act.⁴ Rapid and effective climate transition is critical if Asia is to meet its growth and developmental goals without amplifying negative climate impacts.¹

AIA embraces its role to address climate change as an insurer, asset owner, and responsible business. This commitment is evident in our formulation and implementation of our ESG Strategy and Climate Transition Plan⁵ (CTP) launched in 2023. Our emission reduction levers enable us to effectively identify, assess and manage climate-related risks and opportunities across our Operations, Investments and Life and Health insurance portfolio. Our goal is to achieve net-zero greenhouse gas (GHG) emissions by 2050.

AIA is dedicated to setting credible targets to address climate risks and opportunities, reinforcing our support for global efforts towards a net-zero economy. In 2023, we achieved a significant milestone by becoming the first pan-Asian Life and Health insurer to have our near-term emissions reduction targets validated by the Science Based Targets initiative (SBTi). AIA provided input on developing the Science-Based Targets methodologies for the financial sector as part of the Financial Net-Zero Expert Advisory Group for SBTi.

The history and future of AIA's climate reports

AIA's support for TCFD and move to ISSB

Since 2018, AIA has supported the voluntary adoption of the TCFD recommendations and continues to respond to and participate in regulatory consultations in numerous markets to align with the TCFD recommendations. These efforts have extended to markets such as Australia, Malaysia, Singapore, Hong Kong and New Zealand. This report's climate-related disclosures adhere to the TCFD's "Guidance for All Sectors" and the "Supplemental Guidance for the Financial Sector."

In 2023, the Financial Stability Board assigned the IFRS[®] Foundation to monitor the progress on companies' disclosures from the TCFD and transferred the TCFD monitoring activities to the International Sustainability Standards Board (ISSB[™]).⁶ The ISSB is a body established by the IFRS Foundation focused on the development of sustainability disclosure standards.⁷ The Hong Kong Stock Exchange, where AIA is listed on the Main Board, proposed that all listed companies fully disclose information about their climate risks and opportunities and comply with the ISSB Standards by 2025.⁸

AIA responded in general support of the proposed ISSB standards and is committed to demonstrating progress towards adhering to the ISSB's IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures). This commitment is reflected in our detailed presentation of AIA's climate risk and opportunity management processes in this report. The global adoption of ISSB Standards by regulatory reporting bodies underscores its importance in guiding companies towards transparent and comprehensive sustainability performance disclosures.

1 Intergovernmental Panel on Climate Change (IPCC). (2023). *Climate Change 2023: Synthesis Report. Contribution of Working Groups I, II and III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change* (Report No. 6). IPCC. <https://doi.org/10.59327/IPCC/AR6-9789291691647>

2 International Labour Organisation (ILO). (2019). (rep.). *Green Jobs and a Just Transition for Climate Action in Asia and the Pacific*. Retrieved from https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---sro-bangkok/documents/publication/wcms_734147.pdf

3 OECD. (2023). (rep.). *Economic Outlook for Southeast Asia, China and India 2023*. Retrieved from <https://www.oecd.org/dev/asia-pacific/economic-outlook/Overview-Economic-Outlook-Southeast-Asia-China-India.pdf>

4 Sanderson, B.M., O'Neill, B.C. *Assessing the costs of historical inaction on climate change*. *Sci Rep* 10, 9173 (2020). <https://doi.org/10.1038/s41598-020-66275-4>

5 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

6 IFRS Foundation. (2023, July). *IFRS Foundation welcomes culmination of TCFD work and transfer of TCFD monitoring responsibilities to ISSB from 2024*. <https://www.ifrs.org/news-and-events/news/2023/07/foundation-welcomes-tcf-responsibilities-from-2024/>

7 IFRS Foundation. (2023). *ISSB: Frequently Asked Questions*. <https://www.ifrs.org/groups/international-sustainability-standards-board/issb-frequently-asked-questions/>

8 Hong Kong Exchanges and Clearing Limited. (2023, November). *Update on Consultation on Enhancement of Climate Disclosures under ESG Framework*. HKEX. https://www.hkex.com.hk/News/Regulatory-Announcements/2023/231103news?sc_lang=en

Governance

Oversight of climate-related risks and opportunities

Importance of Board and management structures

Robust governance is essential for driving our actions forward as a Group and facilitating the transition towards a low-carbon, climate-resilient global economy.

We have established clear structures, processes and roles to ensure that our climate commitments are relevant.

Our governance structures leverage cross-functional expertise, and ensure robust oversight from senior management and the Board. This structure guarantees clarity, transparency and accountability in decision-making across our business.

Board-level governance

Board oversight and accountability of climate-related risks

The Board of Directors has ultimate oversight over Group ESG matters, including climate-related risks and opportunities. The Board sets our risk appetite and the implementation of an effective Enterprise Risk Management (ERM) framework, including addressing ESG matters, considering climate-related risks and topics and ensuring progress towards credible climate commitments.

He is also an Asia Fellow at the Milken Institute, a global, non-profit, non-partisan think tank that focuses on climate change and the ESG agenda. Another Independent Director also served on the Hong Kong Stock Exchange's ESG Committee.

Overview of incentives and remuneration

Our climate goals are supported by ongoing check-ins and guidance from our leaders to ensure we deliver effectively against expectations. Senior management have initiatives to deliver the ESG Strategy, which are based on their functional portfolios. These goals are cascaded to the relevant teams and individuals, backed by senior management oversight to ensure we deliver against expectations.

Employee rewards are aligned with strategic objectives, factoring in the Group's capital position and long-term performance while avoiding excessive risk-taking behaviours or violations of applicable laws, guidelines or regulations. A component of the compensation of the Group Head of Sustainability is linked to the organisation's performance on the ESG and climate targets. More information on incentives and remuneration is available in our 2023 ESG Report.

The table on the following page summarises the Board committees' responsibilities on ESG, including climate-related topics.

Overview of committee reporting processes and frequency

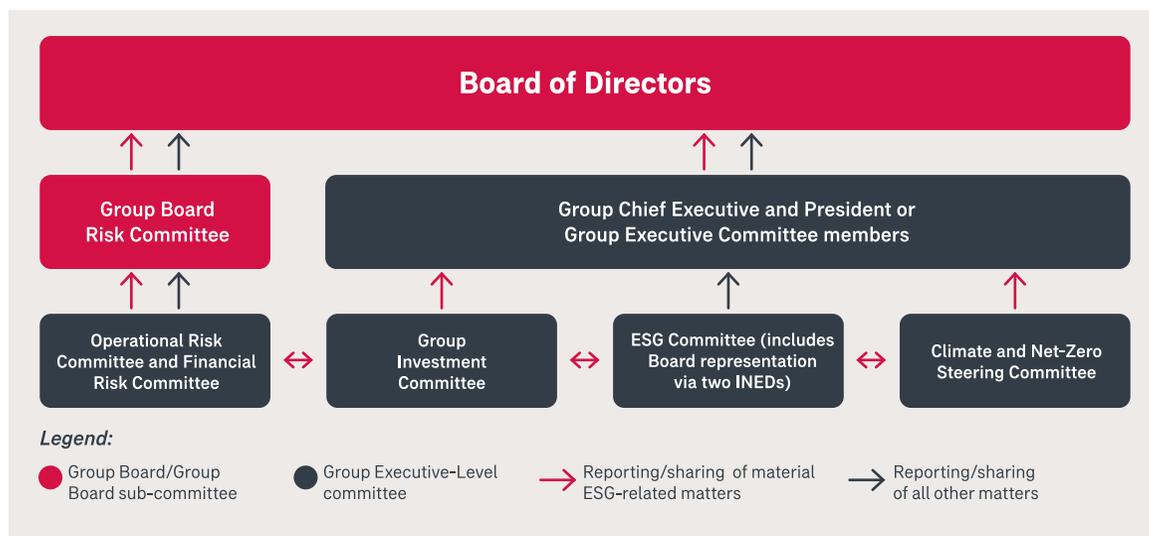
There are established direct reporting lines and regular meeting cadences for each functional body, ensuring the Board maintains clear oversight of climate matters at all management levels.

Board skills and competencies

Board members receive training on climate-related matters including ESG issues and engage with climate thought-leaders. Certain Board members, including the Group Chief Executive and President, have completed certificate-oriented training on the 'Governance of climate risks and opportunities' that focused on the potential impacts of climate change on business, governance disclosure requirements of the TCFD recommendations and actions to be an effective Board in relation to climate change.

One Independent Director served on the board of trustees of the World Wildlife Fund Philippines, De La Salle University.

OVERVIEW OF MANAGEMENT OVERSIGHT AND FUNCTIONAL BODIES



Governance

Board committees' responsibilities on ESG

GOVERNANCE BODY	ROLES AND RESPONSIBILITIES	MANAGEMENT STRUCTURE AND REPORTING LINE	REPORTING FREQUENCY
Board of Directors	<ul style="list-style-type: none"> Oversees AIA's risk-management activities including ESG and climate-related risks and opportunities. Implements an effective Group ERM framework. Monitors overall progress of AIA's climate commitments. 	<ul style="list-style-type: none"> Supported by BRC Group's BRC and Group Executive committees report to Board of Directors 	At least four times a year, with biannual updates on material issues.
Group Board Risk Committee (BRC)	<ul style="list-style-type: none"> Determines the Group's risk appetite and ensures that the Company establishes and maintains an appropriate and effective risk management framework, including considerations for ESG-related risks. Ensures that the material risks, including ESG-related risks, are identified with mitigation actions in place. Where material, ESG-related risks and opportunities are assessed and escalated to the Group Board. 	<ul style="list-style-type: none"> Operational Risk Committee and Financial Risk Committee report to Group BRC Group BRC reports to Board of Directors 	At least four times a year.

Management-level governance

Alongside Board-level oversight, climate-related responsibilities have been assigned to management-level positions and/or committees. AIA's Group General Counsel is a member of the Group Executive Committee and is the highest-ranking management position responsible for climate-related issues, directly reports to the Group Chief Executive and President and provides regular updates to the Board.

The Group General Counsel chairs the ESG Committee, as well as the Climate and Net-Zero Steering Committee established in 2022 by the Board. The Climate and Net-Zero Steering Committee is responsible for overseeing our transition to net-zero and has specific focus on overseeing AIA's SBTi commitment, including the development and approval of specific targets, implementation strategies and ongoing monitoring of progress towards our validated near-term SBTs.

AIA's Group Head of Sustainability, who reports to the Group General Counsel, is tasked with embedding the company's ESG Strategy across AIA's operations and driving the organisation's overall sustainability efforts. The Group Head of Sustainability is responsible for meeting ESG key performance indicators (KPIs) (including climate-related) as part of the overall sustainability strategic plan.

ESG KPIs are linked to select material topics including those that are climate-specific and those that are linked to the achievement of the Group's SBTs. The Group Head of Sustainability is responsible for the oversight and governance of SBTs in AIA's operations, with each market being responsible for how its decarbonisation strategy is locally implemented and operationalised (for example, by the Regional Chief Executive, ESG lead, and facility managers).

AIA's Group Chief Investment Officer, the highest-ranking management position responsible for climate-related issues in AIA's investment portfolios, directly reports to the Group Chief Executive and President. The role oversees the Sustainable Investment pillar of AIA's ESG Strategy, the management of investment portfolios and supervises and supports Investment professionals in the Group.

The Group Chief Investment Officer is a member of the Group Executive Committee, ESG Committee and Climate and Net-Zero Steering Committee and chairs the Group Investment Committee, which oversees progress towards the Investment SBTs, the operationalisation of the targets within the investment portfolio and reviews and approves ESG Investment requirements in the Investment Standards under the Investment Governance Framework (IGF) in AIA's general account investment portfolio.

AIA's four functional bodies have taken on the role of assessing and managing the climate-related issues identified. The table on the following page summarises the Management Committees' responsibilities on ESG, including climate-related topics.

Governance

Management committees' responsibilities on ESG

GOVERNANCE BODY ROLES AND RESPONSIBILITIES	MANAGEMENT STRUCTURE AND REPORTING LINE	REPORTING FREQUENCY
<p>ESG Committee</p> <ul style="list-style-type: none"> Acts as AIA's overarching body for ESG-related matters, including climate-related matters. Develops, monitors, and supports the implementation of the ESG Strategy (including providing progress updates on the Group's ESG Strategy). Endorses targets and KPIs. Monitors and reviews the Group's ESG and climate performance against ambitions and targets. Discusses and escalates ESG risks to the Board through Risk Committee, when needed. Oversees ESG reporting and disclosure. Provides updates to the Board and senior management on ESG matters. Addresses ESG issues related to climate risk within the business. Shares and reports on pertinent issues around ESG amongst other management-level committees. 	<ul style="list-style-type: none"> Chaired by Group General Counsel Membership includes two INEDs 	<p>At least on a quarterly basis. Bi-annual reporting to Board to update on material issues.</p>
<p>Climate and Net-Zero Steering Committee</p> <ul style="list-style-type: none"> Provides regular updates on climate and net-zero matters to the Group Chief Executive and President and the Board to ensure they have all information necessary to fulfil their duties and responsibilities. Collaborates with committees, such as the ESG Committee and the Investment Committee, to provide inputs on the above. Oversees the SBTi baseline (with respect to, in the case of our Investment assets, our general account investment portfolio) and decarbonisation target setting. Oversees strategy and governance to reduce Group-wide GHG emissions in compliance with the SBT pathway (with respect to, in the case of our Investment assets, our general account investment portfolio). Oversees climate-related strategies and a long-term integrated CTP, building on the SBTi pathway, to achieve overall climate objectives of the Group, including periodic review of the Company's climate targets in compliance with SBTi (with respect to, in the case of our Investment assets, our general account investment portfolio). 	<ul style="list-style-type: none"> Chaired by Group General Counsel Group Chief Financial Officer Group Chief Investment Officer Group Chief Technology and Life Operations Officer Group Head of Sustainability Regional Chief Executive Group Head of Internal Audit 	<p>As often as needed to undertake its role effectively for the duration of the initiative.</p>
<p>Operational Risk Committee and Financial Risk Committee</p> <ul style="list-style-type: none"> Ensures that the material risks facing the Group, including ESG-related risks, have been identified, monitored, and mitigated. Reviews the adequacy and effectiveness of the risk management framework that relates to the Group's management of material risks, including ESG-related risks. 	<ul style="list-style-type: none"> Reports to Group Board Risk Committee 	<p>At least four times annually.</p>
<p>Group Investment Committee</p> <ul style="list-style-type: none"> Reviews and approves ESG Investment requirements set out in the Investment Standards under the IGF relating to AIA's general account investment portfolio. Approves and oversees progress towards Investment SBTs. Receives input from the Climate and Net-Zero Steering Committee and the ESG Committee. 	<ul style="list-style-type: none"> Chaired by Group Chief Investment Officer Reports to Group Chief Executive Group Chief Financial Officer Group Chief Risk Officer Group Chief Actuary 	<p>At least four times annually.</p>

Strategy

AIA's climate change strategy

Our ESG Strategy, developed in 2021, sets a long-term programme that focuses on the identification, assessment and management of physical, transition and liability risks and opportunities caused by climate change. The ESG Strategy supports our commitment to achieve net-zero GHG emissions by 2050. In 2023, we became the first pan-Asian Life and Health insurer to have our near-term targets validated by the SBTi. We also published our first CTP in 2023 to underpin these near-term targets with concrete actions.

Climate risks and opportunities

Climate risks are an important topic for our 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) Risks from the transition to a low-carbon economy, driven by policy action, technology or market changes; and 3) Liability risks resulting from the potential litigation or regulatory exposure against companies that are deemed to contribute to climate change or inadequately respond to its impacts.

The graphic provides an overview of the risks in our taxonomy. Our journey in climate risk management will mature as we collect more granular data and robust methodology.

Physical, transition and liability risks embedded into AIA's risk taxonomy

	TYPICAL CLIMATE-RELATED RISKS FOR LIFE AND HEALTH INSURERS	COMMON MANIFESTATIONS OF RISKS	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	• Operational Risk	<ul style="list-style-type: none"> • Mortality • Morbidity • Lapse • Expenses • Pandemic and Catastrophe 	<ul style="list-style-type: none"> • Equity Risk • Property Risk • Foreign Exchange Risk • Credit Risk
	Chronic	Changes in precipitation patterns and extreme variability in weather patterns	• Insurance Risk		
		Rising mean temperatures			
	Rising sea levels				
 Transition	Policy and Legal	Increased carbon pricing	<ul style="list-style-type: none"> • Investment Risk • Structural Risk • Business Risk • Operational Risk 	<ul style="list-style-type: none"> • Lapse • Expenses 	<ul style="list-style-type: none"> • Interest Rate Risk • Equity Risk • Property Risk • Foreign Exchange Risk • Credit Risk
		Enhanced emissions reporting obligations			
	Market and Technology	Substitution of existing products and services with lower emissions options			
		Unsuccessful investment in new technologies			
		Costs of transition to lower emissions technology			
	Reputation	Changing customer behaviour			
		Uncertain market signals			
	Shifts in consumer preferences				
	The stigmatisation of industry sector				
	Increased stakeholders' concerns or negative stakeholder feedback				
 Liability	Litigation	Exposure to litigation	<ul style="list-style-type: none"> • Operational Risk 	<ul style="list-style-type: none"> • Lapse • Expenses 	<ul style="list-style-type: none"> • N/A
	Regulatory Enforcement	Mandatory regulation of existing products and services			
		Mandatory disclosure of climate-related information			

Strategy

AIA's climate resilience and scenario analysis

Climate scenario analysis is important in identifying and assessing climate-related risks under different conditions. In 2022, AIA conducted an initial climate scenario analysis to better understand the effects of climate-related risks on the business.

In 2023, we enhanced our scenario analyses and tested the resilience of our Investment, Operations, and Life and Health (Liabilities) portfolios against three diverse Group-wide scenarios¹ to determine AIA's resilience to climate-related risks and impacts over various time horizons. Climate-related opportunities vary across the scenarios.

AIA continued to rely on the scenarios used in 2022, which were developed by the Network for Greening the Financial System (NGFS).² NGFS is our main data source to identify and understand transition risks. In 2023, we incorporated additional data from the Intergovernmental Panel on Climate Change (IPCC) scenarios with similar temperature rise pathways (SSP1³+RCP2.6⁴ and SSP5+RCP8.5) to leverage the greater granularity of climate peril data for physical risk assessments. Our scenario analysis at present assumes no correlation between hazards. The temperature rise pathway SSP1+RCP1.9 is recognised as unlikely as global average temperatures have exceeded 1.5°C above pre-industrial levels.^{5,6} We will evolve our approach for scenario analysis for both risks and opportunities going forward.

See the graphic on the following page for the NGFS and IPCC scenarios.

Physical and transition risks were assessed across three different time horizons, updated this year to better align with our business strategy and global best practice:

- Short-term (0-3 years): Aligned with our strategic planning cycle.
- Medium-term (3-10 years): Aligned with our near-term SBTs, with a sufficient time horizon for various climate-related pathways to eventuate.
- Long-term (10-30 years): Aligned with our long-term net-zero commitments, with a sufficient horizon for long-term climate impacts to be observed.

Three NGFS scenarios selected were informed by AIA's view of the possible future:

1. **Net-Zero 2050**, which assumes there is immediate stringent policy action and innovation to limit global warming to 1.6°C. CO₂ removal is used to accelerate decarbonisation but is kept in line with sustainable levels of bioenergy production. Global net-zero CO₂ emissions are reached by 2050. Some markets (US, EU and Japan) are to reach net-zero for all greenhouse gases.
2. **Delayed Transition**, which assumes that annual emissions do not decrease until 2030 and strong policies are introduced to limit warming to below 1.8°C. Climate policies and the level of actions vary widely across markets and regions, with limited CO₂ removal. As a result, emissions exceed the carbon budget temporarily and subsequently decline faster than in other scenarios. For some markets, this leads to both higher transition and physical risks than the Net-Zero 2050 scenario.
3. **Current Policies**, which assumes the continuation of currently implemented climate policies and no further action. Emissions grow until 2080 leading to 2.9°C of warming and severe physical risks.

1 Group-wide scenarios refer to those that are applicable to entities under AIA Group based on a standardised methodology and/or assumption.

2 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.

3 Shared Socioeconomic Pathway.

4 Representative Concentration Pathway.

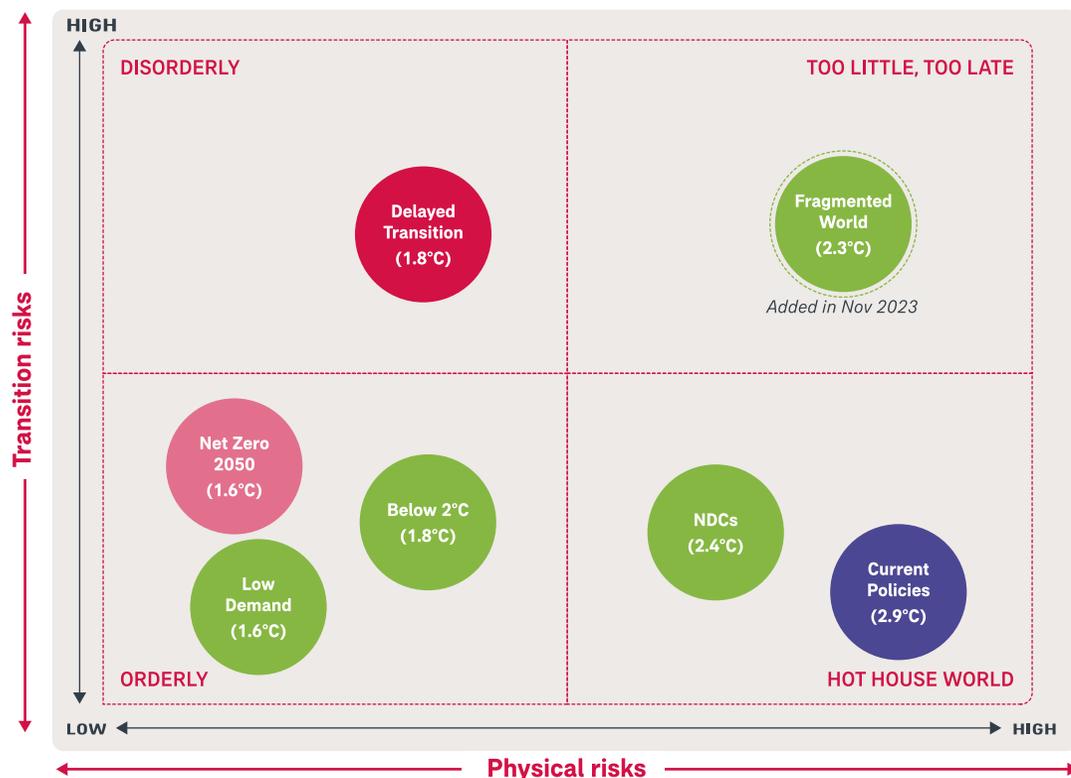
5 Chen, D., Rojas, M., Samset, B. H., Cobb, K., Diongue Niang, A., Edwards, P., Emori, S., Faria, S. H., Hawkins, E., Hope, P., Huybrechts, P., Meinshausen, M., Mustafa, S. K., Plattner, G. K., & Treguer, A. M. (2021). *Climate Change 2021: The Physical Science Basis. Contribution of Working Group I 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>

6 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>

Strategy

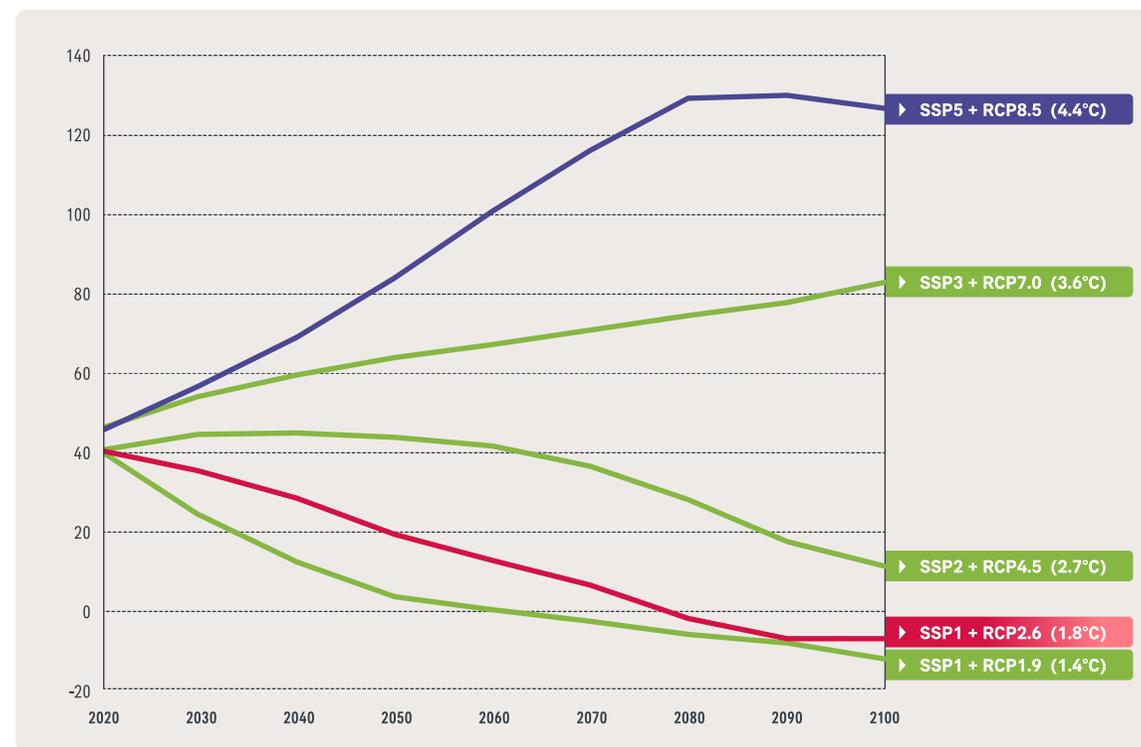
NGFS¹ and IPCC scenarios²

NGFS SCENARIOS



IPCC SCENARIOS

Global carbon dioxide emissions (GtCO₂/year)



¹ 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

² 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., & Treguer, 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>

Strategy

Methodology summary

AIA adopted a combination of approaches (including both quantitative and qualitative elements) in performing scenario analysis across different portfolios. These included the materiality of climate risks to each portfolio, availability of reliable data, measurement (un)certainty and resource requirements. A summary of the assessment across our Investment, Operations, and Life and Health (Liabilities) portfolios is in the graphic.

Overview of 2023 scenario analysis and scope^{1,2,3,4,5}

		INVESTMENTS	OPERATIONS	LIFE & HEALTH (LIABILITIES)
 Transition risk	Methodology	<ul style="list-style-type: none"> Bottom-up assessment at issuer level 	<i>Immaterial</i>	<i>Immaterial</i>
	Portfolio Scope	<ul style="list-style-type: none"> Listed Equities & Corporate Bonds holdings 6 CPRS¹ sectors 		
	Risk types	<ul style="list-style-type: none"> Regulatory, technology, and market risks Unique risk drivers for each subsector 		
	Data sources	<ul style="list-style-type: none"> NGFS, MSCI², expert inputs, etc 		
 Physical risk	Methodology	<ul style="list-style-type: none"> Bottom-up assessment at issuer level 	<ul style="list-style-type: none"> Bottom-up assessment across AIA occupied buildings 	<ul style="list-style-type: none"> Top-down qualitative assessment
	Portfolio Scope	<ul style="list-style-type: none"> Listed Equities, Corporate Bonds, Direct Real Estate holdings 6 CPRS¹ sectors 	<ul style="list-style-type: none"> Both employee and agent footprint 	<ul style="list-style-type: none"> 5 largest BUs by Embedded Value
	Risk types	<ul style="list-style-type: none"> 5 physical risks (Flood, Wind, Wildfire, Heat, Cold) 	<ul style="list-style-type: none"> 5 physical risks (Flood, Wind, Wildfire, Heat, Cold) 	<ul style="list-style-type: none"> Transmission of 5 physical risks into 7 types of Life & Health risks
	Data sources	<ul style="list-style-type: none"> OS Climate, IPCC³, S&P⁴, proprietary asset location mining tool, expert inputs, etc 	<ul style="list-style-type: none"> OS Climate, IPCC, expert inputs, etc 	<ul style="list-style-type: none"> OS Climate, IPCC, WHO⁵, expert inputs, etc

¹ Climate Policies Relevant Sectors. CPRS is a classification of economic activities to assess climate transition risks. <https://www.ngfs.net/ngfs-scenarios-portal/data-resources/>

² Morgan Stanley Capital International.

³ Intergovernmental Panel on Climate Change.

⁴ Standard & Poor's.

⁵ World Health Organization.

Strategy

Climate risks and opportunities in AIA Investments

Portfolio boundaries and methodology

AIA assessed both the physical and transition risks of its directly managed Investments and those managed by external managers in segregated mandates. These included Listed Equities, Corporate Bonds¹, and Direct Real Estate holdings within the general account portfolio. For resilience testing, our scenario analysis focused on six material CPRS – Fossil Fuels, Electricity / Utility, Energy-intensive, Buildings, Transportation and Agriculture. This aligns with practices adopted by peers and key authorities, such as the NGFS² and the Monetary Authority of Singapore (MAS).³

Climate exposure and vulnerability were measured to determine the risk level of each asset across transition and physical risk drivers. We used a wide range of current data sources to analyse risk exposure and vulnerability, including quantitative metrics (for example, flood depths, carbon price, emissions intensities) and qualitative assessments (for example, companies' ease of mitigating financial impact), to determine the overall risk of each asset in the portfolio.

Transition risks

Methodology

In 2023, AIA enhanced our transition risk assessment methodology to develop our view of risks impacting each issuer. Transition risks were assessed bottom-up across our Listed Equities and Corporate Bonds¹ holdings in our investment portfolio by identifying and assessing unique drivers for each subsector across regulatory, technology and market risks. Our data sources included NGFS, MSCI (Morgan Stanley Capital International) and expert inputs. Within each risk driver, both the exposure and vulnerability of the issuer were assessed, where:

- Exposure was measured based on the forecasted magnitude of each risk driver (such as carbon price and low-carbon fuel adoption) across different time horizons and climate scenarios.
- Vulnerability was measured based on the susceptibility of the issuer towards financial loss because of the risk driver, factoring in its ease of mitigation and own planned mitigation actions.

Results and impact on strategy

Transition risks were assessed for issuers across all six CPRS sectors, with the highest risks for the fossil fuels and electric utilities sector, especially in the Net-Zero 2050 scenario. The fossil fuel sector is expected to face mounting technology risks from the pressure to decarbonise through the adoption of low-carbon energy and Carbon Capture Utilisation and Sequestration (CCUS), as well as market risks from potential demand in fossil fuel products as the world shifts towards renewable energy and sustainable aviation fuels.⁴ The electric utility sector also faces growing regulatory risks as markets increase carbon pricing and utilities transition their assets away from fossil fuels to renewable energy assets.⁵

In the short term, the impact of transition risks on the investment portfolio is relatively insignificant. However, it is expected to become more material in the long term with transition risks increasing towards 2050, especially under the Net Zero 2050 and Delayed Transition scenarios.

Our near-term emissions reduction targets validated by the SBTi are one way to mitigate transition risks in the investment portfolio, especially for sectors with higher transition risks such as electric utilities, where Sectoral Decarbonisation Approach (SDA) targets are set to track the average emissions intensity across issuers. The resilience of investment portfolios will be reinforced through our efforts to achieve this target.

AIA has also integrated the consideration of various ESG factors in bottom-up investment processes, which are applicable to general account assets on a mandatory basis. We have developed a proprietary ESG Rating Scorecard, as well as a distinct scorecard to assess external asset managers on their ESG frameworks and processes. This gives us the ability to engage with investee companies to understand their position on various climate risks.

AIA will continue to update its assessment of transition risk drivers that impact various sectors and issuers' vulnerability towards them. Our assessment methodology will evolve to quantitatively assess transition risks at a portfolio level. There is also potential to integrate transition risk assessments into bottom-up investment processes when there are improvements in data availability and impact quantification methods.

1 Including Power Generation Project Finance.

2 NGFS. (2023, November). Data & Resources. NGFS Scenarios Portal. <https://www.ngfs.net/ngfs-scenarios-portal/data-resources/>

3 Monetary Authority of Singapore. (2022). *Financial Stability Review 2022*. <https://www.mas.gov.sg/-/media/MAS-Media-Library/publications/financial-stability-review/2022/Financial-Stability-Review-2022.pdf>

4 International Energy Agency. (2021). *Net Zero by 2050: A Roadmap for the Global Energy Sector*. https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroBy2050-ARoadmapfortheGlobalEnergySector_CORR.pdf

5 Asian Development Bank. (2022). *Carbon Pricing for Energy Transition and Decarbonization*. <https://www.adb.org/sites/default/files/publication/839391/carbon-pricing-energy-transition-decarbonization.pdf>

Strategy

Physical risks

Methodology

Physical risks were assessed bottom-up across the Listed Equities, Corporate Bonds, as well as Direct Real Estate holdings in the general account portfolio. Five material physical hazards – flood, wind, wildfire, heat and cold – were assessed across individual asset locations of each issuer. Our data sources included IPCC, OS Climate, S&P, a proprietary asset location mining tool, and expert inputs. The severity of each hazard was measured based on exposure and vulnerability:

- Exposure was measured as the probabilistic magnitude of each physical hazard event at a particular location.
- Vulnerability was measured as the predisposition of a company's assets or business being adversely affected by the physical hazard.

A bottom-up physical risk assessment (location-by-location) was conducted for the largest 170 positions within our CPRS holdings.

Results and impact on strategy

Flood, wildfire and heat were observed to be the most material long-term physical hazards for the Listed Equities and Corporate Bonds holdings over the long term, especially in the Current Policies scenario where mean surface temperatures could rise by above 3°C by 2100. Nonetheless, geographically diversified portfolios provide some hedging against adverse climate effects. AIA will continue to build capabilities to monitor physical risks at the issuer level, with the goal of integrating physical risk assessments into bottom-up investment processes when there are improvements in data availability and impact quantification methods.

In the Direct Real Estate portfolio, floods and heat were assessed as the most material long-term physical climate hazards. AIA continues to enhance the resilience of the portfolio by ensuring key building certification standards such as LEED (Leadership in Energy and Environmental Design) and WELL Certification for all new constructed or acquired commercial property investments. These standards help to demonstrate energy conservation and environmental protection excellence and may alleviate the impacts of severe weather events. The standards position AIA competitively in a market favouring greener, climate-resilient properties, enabling tenants to mitigate their operational emissions.

Investment opportunities

AIA will continue to explore climate-related opportunities in its investment portfolio, such as low-carbon assets and investees that align with climate transition objectives. Impact investing, which combines the prospect of financial returns with environmental (or social) goals, is one major climate-related opportunity. For more on our climate-related Investment opportunities, see our 2023 CTP (3.2 Portfolio Coverage Approach, 3.3 Sectoral Decarbonisation Approach: Power Generation, and 3.4 Sectoral Decarbonisation Approach: Real Estate).¹

In 2023, we announced plans to invest into impact funds in partnership with LeapFrog Investments, a global specialist impact fund manager.

Our strategic partnership will focus on developing new products and services in mutual areas of interest – such as financial services, healthcare and climate solutions.

¹ 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

Strategy

Climate risks and opportunities in AIA Operations

Portfolio boundaries and methodology

AIA assessed the physical risks in its operations (real estate and vehicles owned or leased) across all locations, used by employees and agents.

Operations risks

Methodology

To assess physical risks in our operations, we assessed the same five material physical hazards (flood, wind, wildfire, heat, and cold) across our operational footprint in 18 markets. Our data sources included IPCC, OS Climate and expert inputs. The severity of each hazard was assessed for each operating location, where:

- Exposure was measured as the probabilistic magnitude of each physical hazard event.
- Vulnerability was measured as the predisposition of the building's investment value to be adversely affected by the hazard.

Transition risks are immaterial for operations because the impact of the increasing transmission driver is minimal. For example, an increase in carbon pricing could impact utility bills, but in the long term we expect our SBTs to mitigate this impact as we move towards greater energy efficiency and the consumption of renewable energy.¹

Results and impact on strategy

Across our operations, floods were the most material physical hazard, driven by potential business interruptions. We will use the measurement of the impacts from these physical hazards as more data becomes available and verifiable. As most leases are short-term, this provides AIA with the flexibility to continue monitoring physical hazard data and relocate if needed, with the option to optimise property insurance coverage.

Operations opportunities

Operations opportunities include cost savings from energy efficiency improvements and transitioning to renewable energy, especially if carbon pricing increases across the markets that we operate in. AIA will consider engaging Energy Service Companies (ESCOs) across key markets to identify, evaluate and execute a range of opportunities at a building level, including retrofits and demand management initiatives. For more on climate-related opportunities in our operations, see our 2023 CTP.²

Climate risks and opportunities in AIA's Life & Health products

Portfolio boundaries and methodology

AIA assessed the physical risks in its life protection and health products to key health risks against physical hazard drivers.

Life & Health product risks

Methodology

To assess the physical risks in AIA's life protection and health products, the exposure to seven key life and health risks – extreme events, vector-borne diseases, water-borne diseases, malnutrition, heat-related illnesses, reduced air quality and cold-related illnesses – were mapped against physical hazard drivers (flood, wildfire, wind, heat and cold). Our data sources included IPCC, OS Climate, World Health Organization, and expert inputs amongst others.

The assessment focused on AIA's largest markets (Hong Kong, Mainland China, Singapore, Malaysia, Thailand) with a focus on medium-to-long term effects. The impacts of transition risks on our life protection and health products are less established and assessed to be immaterial.

To assess vulnerability, we considered how each market's mortality and morbidity rates were affected by each health risk, relying on public health research, population data and actuarial studies.

Results and impact on strategy

The impact of physical risks on life and health risks was relatively insignificant across our largest markets. We recognise that there is limited literature and data to quantify the impact of climate on life and health risks with high levels of certainty. We expect this to improve as more research emerges in this field, providing us with an understanding of risks and opportunities across products.

Climate-related Risks and Opportunities

Two climate-related risks and two climate-related opportunities are outlined on the following page.

1 National Climate Change Secretariat. (2023, December). *Carbon Tax*. <https://www.nccs.gov.sg/singapores-climate-action/mitigation-efforts/carbontax/>

2 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

Strategy

RISK ONE	REPUTATIONAL RISK
Description	AIA has a long-standing reputation for our responsible business practices, and this has enabled us to deliver sustainable, long term value creation to our stakeholders. Any threats to AIA's reputation and goodwill must be identified, minimised and/or managed, as appropriate. We regularly monitor potential reputational risks faced by AIA. Potential reputational risks include failure to meet publicly committed ESG strategies (including those that address climate change risk) and stakeholder expectations, resulting in adverse reputational impact.
Action Taken & Results	AIA enacts a number of actions to reduce the likelihood and severity of significant adverse reputation risk events. These include: <ol style="list-style-type: none"> 1. Establishing multiple channels to capture feedback and opinions from a variety of stakeholders. This helps us align our actions in line with stakeholder expectations. Our ESG Committee briefs the Board and senior management on the communication outcomes of our stakeholder engagement and appraises them on the adequacy of our response. 2. AIA actively participates in ESG evaluations by independent reputable third-party rating agencies (including CSA, CDP, Sustainalytics, MSCI). This helps in identifying possible controversies and ensures stewardship on ESG and climate action.
RISK TWO	MARKET RISK
Description	Insurance companies make large investments in diversified assets and portfolios of companies. The impact of climate change on various asset classes (such as commercial real estate, listed equity and corporate bonds and project finance) can be substantial if the changes in asset values are not sufficiently understood and managed. There is a distinct 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 lack of integration in investment decisions may impact the performance of our investment portfolio.
Action Taken & Results	We have taken a proactive approach to address this risk by integrating, on a mandatory basis, the consideration of various ESG factors in our bottom-up investment process applicable to general account assets. We have developed our proprietary ESG Rating Scorecard which applies to our directly managed general account assets. We have also developed 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.

OPPORTUNITY ONE	TRANSITION TOWARDS GREENER BUILDINGS
Description	Energy efficient buildings help in improving operational eco-efficiency while reducing energy costs. We aim to be efficient in our operations, and as part of this agenda, our new or redeveloped offices are expected to meet accredited green standards. Adhering to green standards criteria helps us become energy efficient and contributes to our ambition of meeting SBTi targets in line with our Net-Zero Transition.
Action Taken & Results	The Group aims to transition its real estate buildings towards sustainable buildings. We plan to establish ways to integrate energy efficiency into our operations and portfolio. Further details are set out in the Sustainable Operations section as part of our ESG Report 2022. For example, Project Enercon implemented at AIA Philippines replaced office lighting with LED systems and sensors and upgraded the air conditioning system, which has helped us achieve cost and energy savings.
OPPORTUNITY TWO	INCREASED DEMAND FOR FUNDS THAT INVEST IN COMPANIES THAT HAVE POSITIVE ENVIRONMENTAL CREDENTIALS
Description	Investing in companies which demonstrate sound ESG practices, as assessed by us as part of our bottom-up investment process, is a strategy for us to seek and earn financial returns by driving sustainable outcomes and behaviour in a way that is consistent with the values outlined in the Sustainable Investment pillar. Studies increasingly show that employing ESG criteria in investment decision-making improves financial performance. ESG considerations must be managed and mitigated to create long-term stakeholder value.
Action Taken & Results	AIA has embedded the consideration of ESG factors in our bottom-up investment process, as reflected in the assessment by our research analysts of investee companies in the general account investment portfolio using our ESG Rating Scorecard, which has resulted in continued investment in instruments such as renewable energy and green bonds. In 2022, AIA launched a Sustainable Multi-Thematic Fund.

Risk Management

Climate Risk Management Overview

AIA's climate risk management strategy is core to articulating the capabilities and processes to identify, assess and manage climate risks. It is embedded within our broader Enterprise Risk Management Framework (RMF).

The RMF outlines the way AIA ensures resilience to monitor and respond to principal risks such as operational risks, business risks, structural risks, investment risks and insurance risks. The RMF is built on a "Three Lines of Defence" model. The RMF is made up of five components, including Risk Governance, Risk Culture, Risk Strategy and Appetite, Risk Management Process and Risk Reporting, Systems and Tools.

Risk identification

Climate-related risks are covered by our risk taxonomy (refer to **Strategy section** of this Report) and outlined in our risk landscape. We have identified and documented where climate-related risks are present across all financial and operational risks, demonstrating their transverse nature.

For example, acute physical risks such as floods and heatwaves could have First Order Effects on human health and well-being, thereby causing Second Order Effects such as increased frequency of insurance claims, escalating the insurance risk. AIA will continue to evolve its identification and assessment of Second Order Effects from physical risks.

AIA factors climate considerations into key business activities. Some examples include:

- The probability of climate events into our Business Continuity Plans, as we manage the availability of premises, systems and people.
- Implemented initiatives to reduce AIA's carbon footprint in our internal operations (for example, utilising green certified buildings) to mitigate potential rises in energy prices because of carbon pricing.
- Evaluated changes to morbidity and mortality risks affected by climate change in our Life and Health product offers.

We regularly review our climate risk taxonomy, enabling us to have a comprehensive view of our risk exposure and identify key controls in a timely manner.

AIA's Three Lines of Defence

Climate-related risks are covered by AIA's RMF, where they are regularly identified, assessed, managed and monitored with a robust set of controls and procedures alongside other risks. We monitor all relevant regulatory climate risk management developments in the jurisdictions where we operate (for example, from the Hong Kong Stock Exchange, Monetary Authority of Singapore, Bank Negara Malaysia) to ensure that our climate risk management practices are compliant with regulatory expectations.

THREE LINES OF DEFENCE



Risk Management

Assessment and measurement

In 2023, AIA enhanced its climate risk assessment capabilities by performing climate scenario analyses across all parts of the business: Investments, Operations and Life and Health Insurance liabilities. We use a bottom-up approach to assess climate, evaluating transition and physical risks impacting issuers in our investment portfolio, and physical risks relevant to our operational and product footprint. Refer to the **Strategy section** for more details on our climate scenario analyses and results.

We will continue to assess climate risks as part of our RMF process and seek ways to enhance our risk assessment methodology in line with ISSB guidance.

Management and monitoring

Climate risks are managed and monitored through our RMF, which sets out the controls and procedures to manage any material risks that arise.

Opportunities

Climate opportunities are embedded into our decision making and action plans. As part of our plan to achieve our PCA SBT, we will engage with our investees to accelerate their adoption of decarbonisation targets. PCA (Portfolio Coverage Approach) provides valuable insights into the proportion of our holdings committed to, and having targets validated by SBTi. It allows us to set our general account investment portfolio coverage targets and communicate these targets to our investees and the public. Including PCA may improve our visibility on their climate-related risk profiles, allowing us to be more informed of climate risks across our investment portfolio.

Additional information about our climate-related opportunities is articulated in our **2023 Climate Transition Plan** (Section 2: Our Operations, and Section 3: Our Investments).



Metrics and Targets

Carbon emissions metrics and targets

SBTi setting and validation

In 2023, AIA became the first pan-Asian Life and Health insurer with SBTi-validated near-term targets, reflecting our commitment to achieve net-zero GHG emissions by 2050.¹ Our targets cover both Investment and Operations portfolios and are summarised in the graphics below. Additional information about how we calculate, assure and review our SBTs are outlined in our 2023 CTP.²

Our Operations:

Setting targets for our own emissions and driving actions across our business

OUR OPERATIONS



¹ Target applied to real estate and vehicles owned or leased by AIA and used by AIA employees and agents. Reduction targets measured against a 2019 baseline.

Our Investments:

Setting targets across our general account investments and driving climate-related actions

PORTFOLIO COVERAGE APPROACH¹



¹ AIA's in-scope portfolio covers 55 per cent of its total Investment and lending activities by general account assets under management, as of 2019.

² Target applied to SBTi defined in-scope listed equities and corporate bonds within AIA's general account portfolio assets that are not in the power generation & real estate sectors. Targets measured against a 2019 baseline.

¹ The GHG included in our targets are CO₂, CH₄, N₂O; fluorinated gases from refrigerants are excluded due to low materiality (<5% of Scope 1 and Scope 2 emissions) and data unavailability.

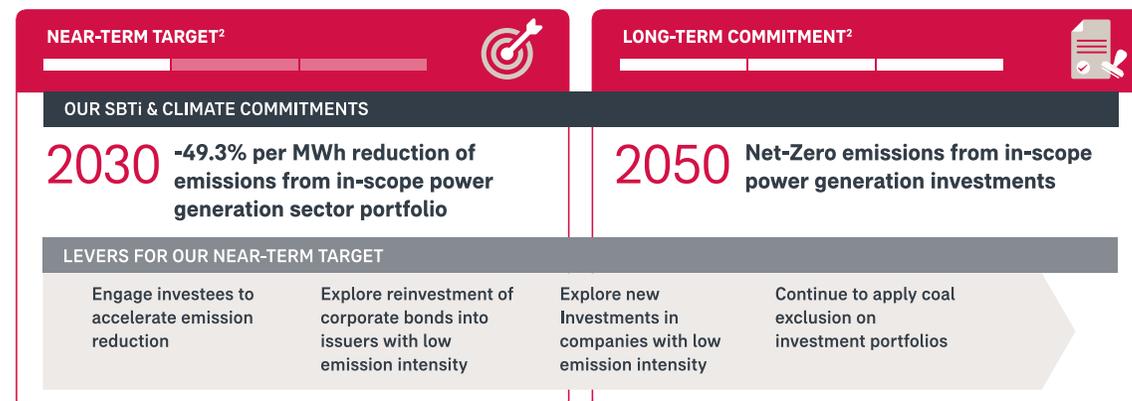
² AIA Group Limited. (2023). AIA Climate Transition Plan 2023. https://www.aia.com/content/dam/group-wise/en/docs/ESG/AIA_Climate_Transition_Plan_2023.pdf

Metrics and Targets

Our Investments:

Setting targets across our general account investments and driving climate-related actions (continued)

SECTORAL DECARBONISATION APPROACH FOR POWER GENERATION¹



1 AIA's in-scope portfolio covers 55 per cent of its total Investment and lending activities by general account assets under management, as of 2019.

2 Target applied to SBTi defined in-scope listed equities and corporate bonds and project finance within AIA's general account portfolio that are within the power generation sector. Reduction targets measured against a 2019 baseline.

SECTORAL DECARBONISATION APPROACH FOR REAL ESTATE¹



1 AIA's in-scope portfolio covers 55 per cent of its total Investment and lending activities by general account assets under management, as of 2019.

2 Target applied to real estate owned by AIA and not occupied by AIA. Reduction targets measured against a 2019 baseline.

Metrics and Targets

Other Investment and Operations metrics

Investment metrics

In 2022, we began measuring our Total Financed Emissions (TFE) across our Listed Equity, Corporate Bonds and Direct Real Estate holdings in our general account investment portfolio. TFE is a metric that is recognised by TCFD and the SBTi. TFE indicates alignment between the two standards and is measured using the same boundary as SBTi.

In 2023, TFE were measured across our general account listed equity, corporate bonds of listed issuers, real estate and power generation project finance investments using the Partnership for Carbon Accounting Financials (PCAF) methodology. As of 31 December 2023, the total financed emissions of our in-scope general account investment portfolio was 8.3 mtCO₂e, which consists of 0.7 mtCO₂e for Listed Equity, 7.5 mtCO₂e for Corporate Bonds, 0.05 mtCO₂e for Real Estate, and <0.01 mtCO₂e for Power Generation Project Finance (see graphic).

Total Financed Emissions of AIA's in-scope general account investment portfolio

AIA will continue to measure the Weighted Average Carbon Intensity (WACI) for Listed Equities to maintain consistency with reporting in previous years, as recommended by the TCFD. We do not set targets or manage WACI performance on a regular basis. More details on the methodology and application for TFE and WACI are outlined in our [2023 Sustainable Investment Subsection Report](#).

TOTAL FINANCED EMISSIONS

(AIA's in-scope general account investment portfolio)

Power Generation Project Finance



Direct Real Estate



Listed Equities



Corporate Bonds



Operations metrics

As a responsible business, we measure emissions from our business operations annually. This year's TCFD report discloses our operational Scope 1 and 2 emissions, along with Scope 3 Category 6: Business travel (refer to our [ESG Report 2023](#) for more details on metrics covered and the calculation approach.).

- 1. Total energy consumption across the Group was 72,209,787 kWh, amounting to 2,785.1 kWh per employee.
- 2. The largest contributor to our operational footprint is the Scope 2 electricity use in our buildings, which contributes to 43,770.94 tonnes of CO₂e.
- 3. Other sources of emissions include those from our rented and owned corporate vehicle fleet, and business travel.

This year, the Group accounted for 55,217 tonnes of CO₂e or 2.13 tonnes of CO₂e per employee, which was an increase of 0.13 of CO₂e from the previous year. The increase was driven by the natural abatement of measures in place to respond to the pandemic, including a return to pre-pandemic levels of business travel.

In 2023, we began socialising our Group's net-zero ambitions across business units and formulating action plans to achieve decarbonisation targets at the business unit level. With our decarbonisation roadmap in place, we expect emissions will decrease and reach our targets over time.

Metrics and Targets

Opportunities metrics

The table below outlines AIA's climate-related investment opportunity metrics.

Climate-related investment opportunity metrics

CATEGORY	METRIC	UNIT	2023
Investment opportunities related metrics	Investment in renewable energy	USD invested value	1.3 billion
	Investment in ESG (Green, Social & Sustainability bonds)	USD invested value	6.3 billion

Data calculation methodology

AIA calculates its Investment emissions according to the PCAF guidelines, and Operational emissions according to the guidelines provided by the Environmental Protection Department of the Hong Kong SAR Government. We identify emission factors on electricity consumption for each operating region via the sustainability reports of utility companies or the Greenhouse Gas Protocol database, and the List of Emission Factors published by the Institute for Global Environmental Strategies.

AIA relies on third-party data where this is available, with business travel emissions data for Group Office and AIA Hong Kong provided directly by our travel agent. At our other markets where this data is not available, we refer to the Carbon Neutral Calculator for Short – Medium Haul Flights by the United Kingdom's Department for Environment, Food and Rural Affairs (DEFRA) emission factors.

For further details, refer to the ESG Data Book Supplement in our [ESG Report 2023](#).



HEALTHIER, LONGER,
BETTER LIVES

Feedback from our diverse set of stakeholders is crucial for us to continue improving on our ESG performance and disclosure practices.

If you have any questions, comments or feedback please contact our ESG team at esg@aia.com or write us at the address below:

Environmental, Social and Governance (ESG) Team
Suites 3206-3209, 32/F AIA Central
1 Connaught Road Central, Central, Hong Kong

