



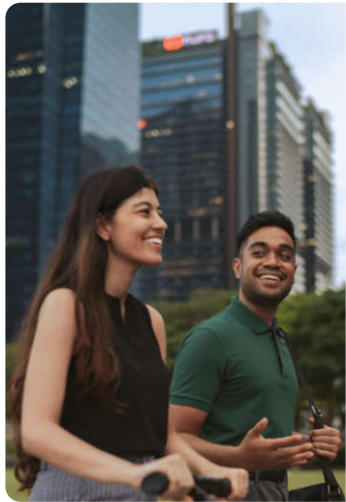
HEALTHIER, LONGER,
BETTER LIVES

EFFECTIVE GOVERNANCE

AIA ESG REPORT 2024
SUBSECTION REPORT

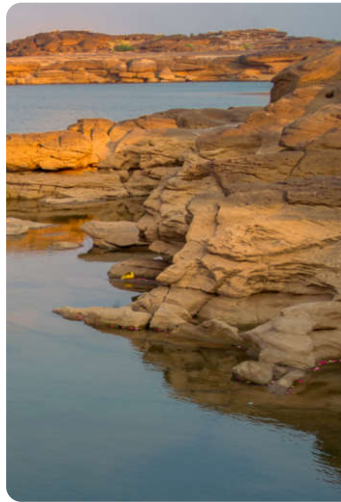


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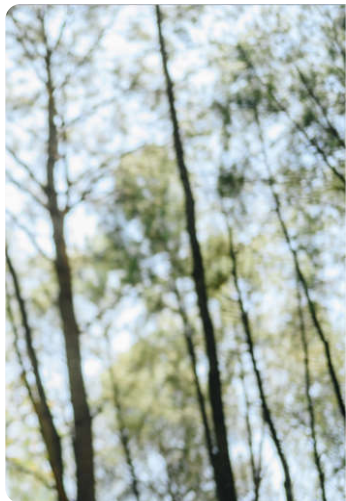
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EFFECTIVE GOVERNANCE

Effective Governance is one of AIA's five ESG strategic pillars. This pillar ensures that AIA continues to operate to the highest standards of business practices, both in terms of our 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.

Effective Governance Priorities

⊕ Board Governance

⊕ Ensuring Effective Risk Management and Responsible Business Practices

⊕ Promoting Best ESG Practices

⊕ ESG Ratings and Index Inclusions

“Clarity, transparency and integrity are the defining factors of AIA's governance approach.”

MITCH NEW
GROUP GENERAL COUNSEL
AND CHAIRMAN OF THE
ESG COMMITTEE



“Strong risk governance is more than just protection – it is about creating sustainable value through informed decision making.”

JAYNE PLUNKETT
GROUP CHIEF RISK OFFICER



In 2024, we revised our Code of Conduct. 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. To uphold the highest levels of integrity, we provided mandatory training for our workforce on anti-bribery and corruption, fraud prevention, anti-money laundering, and countering the financing of terrorism. Additionally, we proactively identified emerging risks to our business, strengthening our risk management framework to mitigate potential challenges effectively.

Reaffirming our commitment to helping customers live Healthier, Longer, Better Lives, we commissioned Regional Vitality research across key markets, including Hong Kong, Singapore, Malaysia, Thailand and the Philippines. We also continued engaging with our customers through our customer feedback system, leveraging insights to refine our business approach and enhance the customer experience. To ensure the highest standards of data privacy, protection and cybersecurity remain a priority. In 2024, we obtained the Service Organization Control (SOC) Type 2 certification for our Group Information Security function,

demonstrating our commitment to safeguarding data. We also provided ongoing Security Awareness Refresher training for employees and external contractors, reinforcing best practices in cybersecurity.

We maintained strong performance across various rating indices and took significant strides in enhancing transparency through improved disclosures. To further strengthen data governance, we launched multiple internal training programmes across our markets, ensuring the highest levels of data integrity. Additionally, we enhanced our internal control ecosystem to securely process and manage ESG disclosures related information, developing a more robust framework to support our long-term sustainability objectives.

BOARD GOVERNANCE

This priority fosters business integrity and sound decision making through a diverse and highly qualified Board.

The Board is the ultimate decision-making body for all matters considered material to the Group. It is responsible for developing and implementing the Group's corporate governance practices and ensuring high standards of governance are maintained in all aspects of the Company's business.

The Board includes members with deep experience in our markets in both the public and private sectors. Our governance structure enables appropriate delegation between the Board, its committees and management, while ensuring that the Board can maintain appropriate levels of review, challenge and guidance in its relationship with management.

Read more in the [Corporate Governance Report part of the Annual Report 2024](#), to be published in April 2025.

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 Independent Non-Executive Directors (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:

- Audit Committee
- Nomination Committee
- Remuneration Committee
- 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. Chairpersons of 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. The Board is comprised of members with extensive business, financial, government, regulatory and policy experience from a variety of contexts. Their skills, knowledge, experience and background have contributed meaningfully to the Board's understanding of the ongoing development of the major markets of the Group, and are relevant and valuable to the development of the Group's corporate strategies. They also support AIA's purpose, values and culture.

The Company's approach to achieving diversity is set out in its Board Diversity Policy, which ensures consideration of diversity in the Board's composition across all measures. This includes race, gender, religion and national origin, as well as diversity of experience from both the private and public sectors.

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 standards and regulatory matters
- ESG matters
- compliance and conduct
- best practice in relation to the handling of whistleblowing complaints
- 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.



CASE STUDY

BOARD OF DIRECTORS VISIT TO AIA THAILAND

In December 2024, the Board and members of the Group Executive Committee visited AIA Thailand in Bangkok to gain a better understanding of local operations, meet AIA employees and management, and facilitate discussions about opportunities in the region. The programme included a staff townhall for employees of AIA Thailand, business update presentations, meetings with local regulators, panel discussions and a gala dinner.

At the staff townhall, senior employees from AIA Thailand had the opportunity to have a face-to-face dialogue with members of the Board and get their strategic insights.

The gala dinner was attended by top agency leaders and local management and business partners. During the dinner, there was an AIA One Billion Trail donation presentation to the Thai Red Cross Society to support its effort to improve the Thai language literacy of underprivileged children.

ENSURING EFFECTIVE RISK MANAGEMENT AND RESPONSIBLE BUSINESS PRACTICES

This priority effectively manages ESG-related risks and opportunities throughout our business.

Effective risk management

Effective risk management 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.

Risk Management Framework

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 Boards of Directors of each operating subsidiary is 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.

Risk testing and analysis

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 on the effectiveness of key controls and recommends improvements as necessary. The effectiveness of the RMF is also independently assessed on a regular basis.

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.

Read more in the [Risk Management section of the Annual Report 2024](#), to be published in April 2025.

ESG RELATED RISK EXAMPLES RELEVANT TO AIA



Adverse extreme weather events from acute physical climate risks

Data protection

Cybersecurity

People management

Responsible business practices



Material shifts in climate and pollution to lifestyle risk factors

Impact of climate and pollution shifts on human health and wellbeing



CASE STUDY

RESPONDING TO EMERGING RISKS: AI-DRIVEN DIGITAL ECONOMIES

AI-powered innovations are creating dynamic digital economies. Intelligent workflows are catalysing new business models, revenue streams, and ways of engaging and serving customers. Recent advancements in generative AI have enabled us to develop more intuitive and natural interactions with customers. We use conversational agents to enhance the service we give to our customers and intelligent systems to make our digital platforms more accessible and usable.

By embracing responsible AI principles of transparency, accountability and fairness, we continue to harness these technological advances to drive sustainable growth and competitiveness with an emerging digital ecosystem to meet our customers' evolving preferences.

Recognising the evolving environment, we proactively updated our Responsible Use of Artificial Intelligence Standard in August 2023, introducing additional controls and guidelines on the use of generative AI. It focuses on fairness and preventing the creation or reinforcement of unintended bias in AI-driven analytics and decision making. Additionally, our Group-wide AI Council ensures the responsible application of this technology in our activities. All employees with access to AI tools will be required to complete a training module 'Responsible Use of AI' to ensure an understanding of how the use of AI might affect customer outcomes. This provides a robust framework for AI use in both internally developed or externally sourced solutions.

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



CASE STUDY

RESPONDING TO EMERGING RISKS: EMERGING TECHNOLOGIES AND DIGITAL SUPPLY CHAIN RESILIENCE

Combined technologies such as blockchain, Internet of Things and AI can enhance the visibility, traceability and reinforcement of digital supply chains.

At the same time, concerns about vulnerabilities have grown as vendors increasingly rely on microservices, third-party application programming interfaces (APIs) and open-source components embedded in their solutions. 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 respective service providers.

Cyber threats at any point along the digital value chain can result in significant disruptions, while data breaches involving the leakage of customer and sensitive information would have a wide range of repercussions. This underscores the need for a comprehensive, technology-enabled approach to supply chain resilience.

AIA's controls 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 cyber security processes and controls. We closely monitor and maintain this register and have recently reviewed the risk assessment criteria and processes for managing third parties to ensure they remain sufficient and effective.

Third parties are independently monitored on technical indicators of service vulnerabilities on an ongoing basis. These reports provide us with a real-time view of our providers' risk through a consolidation of indicators and externally available datapoints. This enables us to respond, contain and remediate where needed in an appropriate and timely manner.

Responsible Business Practices

We are committed to maintaining the highest standards of responsible business practices across our operations. As Asia's largest life and health insurer responsible for serving tens of millions of customers and their families, it's critical that our business practices are based on trust and our employees seek and maintain integrity, accountability and transparency at all levels.

Code of Conduct

The AIA Code of Conduct provides clear guidance on how we conduct business and defines the high professional standards to which we hold ourselves. It reflects our Operating Philosophy and is key to maintaining trust and building sustainable relationships with all stakeholders – customers, agents, distribution partners, regulators and investors.

The Code of Conduct applies to everyone who works at AIA and is available in multiple languages to ensure that all employees and agents can access and understand its standards and expectations.

When joining AIA, every employee is required to undertake training on the Code of Conduct. We also require every employee to complete an annual certification attesting to their familiarity and compliance with the Code of Conduct.

This training 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 of Conduct 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.

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-bribery/corruption training is compulsory for all employees. Reviews are conducted to monitor compliance with our Anti-Bribery/Corruption Standard, 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 Standard sets out requirements for managing the risk of fraud, including training as well as preventive and detective measures. The Standard 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. This includes the loss of employment and/or employment-related benefits, reporting incidents to law enforcement and seeking legal remedies through civil courts.

Whistle-blowing programme

We provide reporting channels that can be used by AIA stakeholders to raise concerns about a violation of the Code of Conduct or other behaviour that falls short of the high standards expected by the Group. These stakeholders may be employees, distributors, customers or suppliers.

The reporting channels include a 24-hour, multilingual third-party administered ethics hotline, which supports complete anonymity. All allegations are assessed using a consistent process and investigated when warranted.

Our whistle-blowing programme monitors these concerns and protects the anonymity of reportees. Group Compliance provides regular reports to the Board Audit Committee 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 2024, issues reported to the programme included: 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.

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.

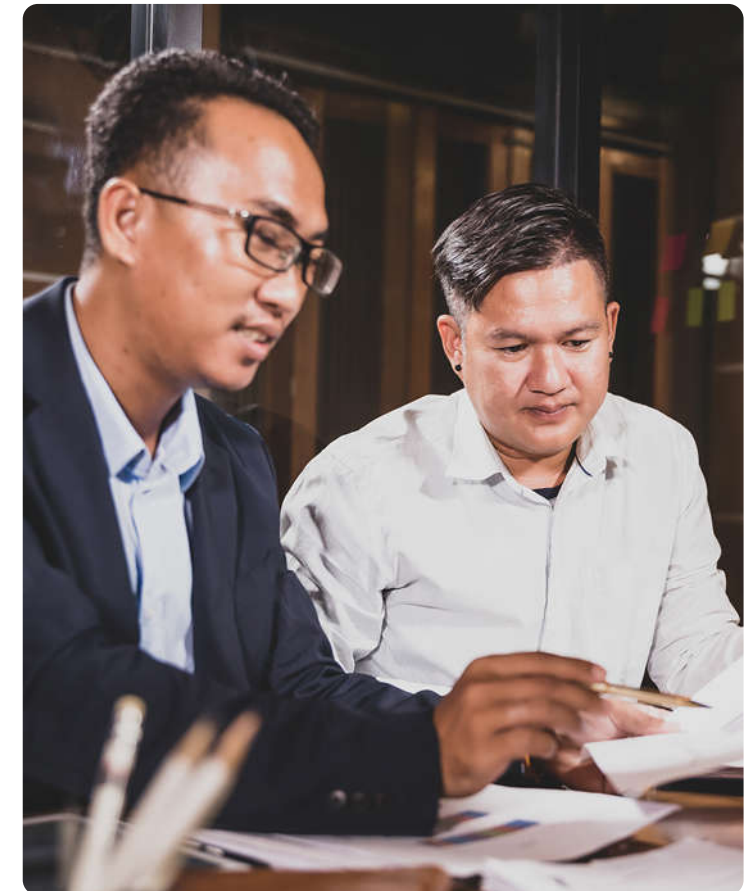
The Group AML/CFT programme includes a risk-based approach to conducting:

- customer due diligence
- ongoing monitoring
- suspicious activity reporting
- training
- 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. We also require every employee to complete periodic refresher training to ensure they are aware of AIA's AML/CFT requirements and their responsibility to comply with AML/CFT laws.

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 dealings with governments, individuals and entities subject to sanctions programmes.



[Read more on AIA's Code of Conduct.](#)



Our commitments to our customers

AIA has a customer-centric approach and a strong commitment to responsible business conduct. We aim for high standards of service throughout every stage of the customer journey 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. They must also review product and marketing materials to ensure the information provided is adequate and clear.

We also have a responsibility to ensure that our intermediaries maintain a high standard of service and professionalism when interacting with our customers. Our business quality framework supports our intermediaries and manages the associated sales conduct risk. Key elements of this 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

- interactive point of sale 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 and take action where necessary. For example, anyone who attempts to deceive customers by providing unsupported or fictitious claims about our products or those of our competitors 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

With a wide range of products and services on offer, transparency and clarity in communications are key to meet the diverse needs of our customers. We ensure that we clearly explain all aspects of our policies, products and services to customers including:

- product suitability
- policy coverage
- cost structure exclusions.

We also 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

Understanding our customers' everyday needs and challenges is an essential component of fulfilling our purpose to help them live Healthier, Longer, Better Lives.

In 2024, AIA commenced Regional Vitality Research in Hong Kong, Singapore, Malaysia, Thailand and the Philippines to understand how AIA Vitality may support customers to live healthily.

The comprehensive research design uses online journalling, in-depth customer interviews and quantitative online surveys to gather full health and wellness insights. The research is currently underway and is expected to be completed by Q2 2025.

We will use the insights from the research to identify how different customers approach different dimensions of healthy living. This will allow us to shape AIA Vitality to become an indispensable health partner that supports our customers with their daily health and wellness needs.

Listening to our customers

Receiving regular feedback from our customers provides us with opportunities to build deeper relationships, gain insights into their evolving needs and preferences, and develop personalised and meaningful experiences. It also helps us to maintain responsible business practices by identifying both our strengths and areas where we need to improve.

We use two main systems to collect and measure feedback from our customers: Customer Relations Survey (Net Promoter Score) and Real-Time Customer Survey.

Handling of customer complaints

We aim to handle all complaints and investigations in a prompt, efficient, fair and transparent manner. Throughout 2024, we received 0.0012 complaints per customer, with an average resolution time of 12 days.

Our complaints handling principles for the Group and business units are outlined in the AIA Servicing Operations Standard. This ensures that any complaints received by AIA are handled fairly, consistently and promptly, and in accordance with Business Unit Standard Operating Procedures and local regulations in addition to the Standard. We also have an established process for disclosure to local regulators.



CUSTOMER FEEDBACK SYSTEM	FREQUENCY	DESCRIPTION
Customer Relations Survey (Net Promoter Score measurement)	Annually	<p>Measures the strength of our end-to-end customer experience and our competitiveness in the life and health insurance industry.</p> <p>The Net Promoter Score (NPS) is a global standard metric to measure customers' likelihood to recommend AIA. AIA is compared to key insurance brands.</p> <p>In 2024, Hong Kong, Malaysia, Indonesia, Vietnam, Taiwan and China ranked first in their regions on NPS.</p>
Real-Time Customer Survey	Immediately after service interactions	<p>Measures satisfaction with our customer service.</p> <p>If a customer provides a rating of less than three stars, our customer service team receives an alert. If customers have given consent to be contacted, the team follow up and offer recovery actions, with resolutions recorded and leveraged to drive continuous improvement.</p>

Ensuring data privacy and security

Protecting the sensitive information entrusted to us by our customers, employees and business partners is of paramount importance to the Group. We maintain strict standards and policies for how we use and protect this information and we update them regularly in line with technological developments and emerging risks.

Data privacy

The Group-wide AIA Data Privacy Standard outlines how personal data should be collected, used, stored, transferred and disposed of by the Group and our affiliates. It also outlines the Group's statement of values in regard to data.

We use operational controls to reinforce the Data Privacy Standard across the Group, which includes the use of Privacy Impact Assessments (PIAs). PIAs evaluate the impact of certain business activities on data privacy to avoid or minimise adverse impacts and ensure adequate safeguards are in place.

The Data Privacy Standard 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.

To safeguard our data, we only use artificial intelligence (AI) models and data that are held directly by AIA or by our partners in managed secure environments. 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 internally developed and externally sourced solutions.

Data protection and cybersecurity

To protect the interests of our stakeholders and keep our systems, processes and information secure, we commit to maintaining information security policies and standards that are consistent with leading companies globally. We safeguard our critical assets from cyber threats using classification and threat modelling techniques and strengthen cybersecurity controls through continuous assessment and testing.

The Board Risk Committee is provided with regular cybersecurity updates and a formal information security report annually.

This report provides updates to the committee on the information security landscape within AIA and

to highlight key changes within the previous 12 months. It covers key incidents, risks and assessments of AIA's information security readiness initiatives, as well as information security plans for the next year.

Our Group cybersecurity controls are overseen by our Group Chief Technology, Life Operations Officer and information security team.

These controls protect AIA from cyber threats by:

- detecting any anomalies
- effectively responding to cybersecurity issues
- enhancing defensive controls
- investing in security analytics such as key systems that process our customer data and support business processes.

The Director of Information Security handles all cybersecurity issues and reports directly to the Head of Group IT Operations. We partner with leading information security service providers to further secure our operational environment, with external cybersecurity assessments or audits conducted on a regular basis.

Our annual Security Awareness Refresher Training is mandatory for all AIA employees and external contractors to complete. This series of e-Learning courses updates their knowledge and reinforces their understanding of their responsibilities concerning security awareness. It covers general security awareness, general information security and data awareness.

Employees and external contractors must pass all assessments within these courses to successfully complete the training. We also conduct regular cyber-defence assessments including ethical hacking and incident management drills.

In 2024, AIA obtained the Service Organization Control (SOC) Type 2 certification for our Group Information Security function. This provides control assurance on cyber security protection. We also maintained the International Organization for Standardization (ISO) 27001 certification covering identity access management, cybersecurity and cloud security operations.

To keep on top of emerging risks, we will continue to invest in information technology safeguards to ensure our controls meet our objective of avoiding cyber breaches. This includes cloud security, cyber defence automation and Zero Trust security.



Assessing third-party security

AIA engages third-party service providers to carry out a range of business functions. This includes assessing and monitoring controls implemented by these third parties, and ensures compliance with AIA's information security requirements.

We maintain a robust framework and processes tailored for AIA service providers, ensuring high standards of risk management.

This is further supported by appropriate levels of insurance coverage to mitigate potential cybersecurity-related incidents. Notably, in 2024, there were no material third-party information breaches.

Protecting intellectual property rights

All of AIA's 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. This protects the AIA brand from misrepresentation and misuse. All our marks are registered under one entity, AIA Company Limited, for effective control and oversight.

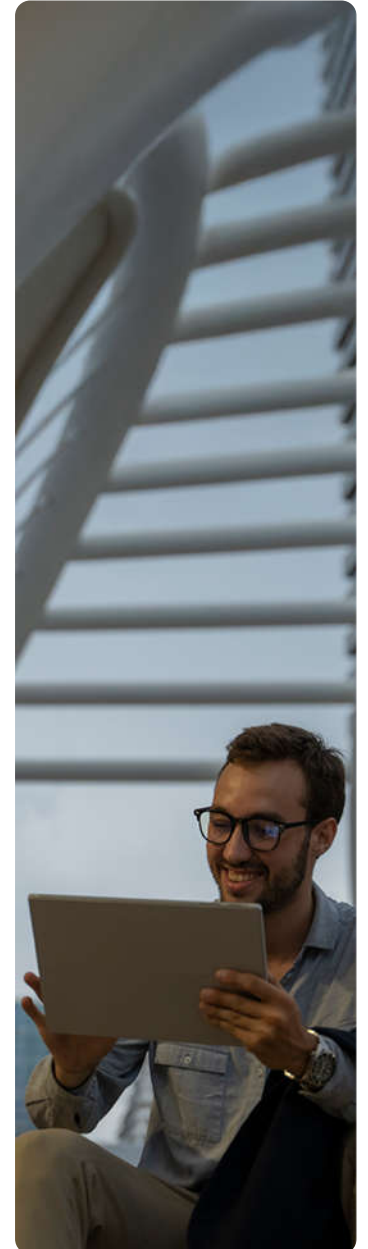
Our Group Legal function centrally manages our extensive trademark portfolio ensuring consistent application of usage guidelines to protect AIA's brand integrity and prevent dilution from inconsistent use. We also work closely with an external provider to monitor, report on and prosecute unauthorised use of our marks across all jurisdictions.

We maintain written agreements with our business partners detailing the ownership rights of our marks. This allows for specific use of our marks by our business partners while those agreements are in effect.

[Read more on data privacy at AIA in our Privacy Policy Statement.](#)



[Read more in the Effective Risk Management section.](#)



PROMOTING BEST ESG PRACTICES

This priority promotes ESG best practices across the region.

Our proactive engagement with ESG risks and developments ensures we remain informed and maintain a high level of ESG knowledge and expertise to influence positive change across the industry.

We regularly contribute to discussions and activities on 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
- engaging with our investors to gain feedback, share insights and knowledge, and identify industry developments that matter most to our shareholders.

Demonstrating best practice

In 2024, AIA was once again recognised for our sustainability performance and our commitment to influencing positive ESG transformation in our industry and across Asia.

We were recognised in Morningstar Sustainalytics' 2024 ESG Top-Rated Companies List in the ESG Regional and ESG Industry categories.

Hong Kong Institute of Certified Public Accountants (CPA) 2024 Best Corporate Governance and ESG Awards recognised AIA for our high standards of corporate governance and ESG practices and reporting, with a Special Mention in the Most Sustainable Companies/ Organisations category.^{1,2}

AIA received the 'Carbon Neutrality and Sustainable Development' Gold Award (Insurance Industry) from the Greater Bay Area Economic and Trade Association. This award highlights the company as a corporate model in promoting sustainable development.³

Collaboration through ESG-related organisations

AIA strives to achieve international best practice through transparent collaboration in ESG matters and active membership of global and regional ESG-related organisations.

In 2024, we joined an additional two ESG-related organisations as part of our commitment to participate in building a more sustainable financial services industry.

Read more on our [Internal Engagement and External Advocacy in the AIA ESG Report 2024](#).



ESG-RELATED ORGANISATION	LEVEL OF MEMBERSHIP	JOINED
 UN Global Compact	Signatory	2016
 Women in Finance Asia (WiFA)	Member	2018
 Taskforce 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
 Singapore Sustainable Finance Association (SSFA)	Member	2024
 Sustainable Energy Association of Singapore (SEAS)	Member	2024

1 <https://www.hkicpa.org.hk/en/Thought-leadership/Corporate-governance-and-sustainability/Best-Corporate-Governance-and-ESG-Awards>

2 <https://www.hkicpa.org.hk/-/media/Document/APD/BCGESGA/Judges-Report--2024.pdf>

3 <https://ghkmbayarea.org/2024-12-19-2024%E5%91%A8%E5%B9%B4%E6%85%88%E5%96%84%E6%99%A%E6%9C%83/>




ESG RATINGS AND INDEX INCLUSIONS

This priority establishes AIA as a global leader on key ESG indices, ratings and benchmarks.







ESG ratings and indices are an important tool to help investors and stakeholders assess an organisation's exposure to ESG risks, measure their sustainability progress and make informed decisions about whether an organisation's values align with their own.

We measure AIA's progress across a broad range of ESG ratings and internationally recognised sustainability indices for transparency and to provide a comprehensive overview of our ESG risks and opportunities. In 2024, we maintained our strong performance across these ratings and indices.

AIA is one of the largest Hong Kong-headquartered constituents of the Hang Seng Corporate Sustainability Index¹ and we maintained the MSCI ESG Rating of 'AA'.

ORGANISATION	DESCRIPTION	2024	2023	2022
	Morningstar Sustainalytics provides high-quality analytical ESG research, ratings and data to institutional investors and companies.			
	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 four consecutive years.			
	<p>Percentile (Insurance)</p> <p>Percentile (Global Universe)</p>	Top 10th percentile Top 10th percentile	Top 10th percentile Top 10th percentile	Top 10th percentile Top 10th percentile
				
	Formerly known as Morgan Stanley Capital International, the MSCI ESG ratings measure a company's resilience to long-term industry-material ESG risks.	AA	AA	AA
	The AA rating identifies AIA as an industry leader in managing its most significant ESG risks and opportunities.			

¹ As at 31 December 2024.

ORGANISATION	DESCRIPTION	2024	2023	2022
 <p>Hang Seng Corporate Sustainability Index Series</p>	<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+
 <p>Corporate ESG Performance</p> <p>RATED BY ISS ESG</p> <p>Prime</p>	<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
 <p>CDP</p> <p>DISCLOSURE INSIGHT ACTION</p>	<p>CDP is a not-for-profit organisation that helps investors, companies, cities, states and regions to manage their environmental impacts by assessing climate risks and low-carbon opportunities.</p> <p>Climate Change Score</p>	C	B	C
 <p>FTSE4Good</p>	<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
 <p>STOXX</p> <p>Indices by Qontigo</p> <p>Member 2022/2023 ESG Leaders Indices</p>	<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> <p>STOXX Limited Asia/Pacific ESG Leaders 50 Index</p>	Included	Included	Included
 <p>恒生指數</p> <p>HANG SENG INDEXES</p>	<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> <p>Hang Seng Index (HSI) ESG Enhanced Index</p> <p>Hang Seng Index (HSI) Low Carbon Index</p>	Included	Included	Included

AIA GROUP: MAINTAINING BRAND INTEGRITY AND CONSISTENCY



CASE STUDY

In his role as Group Senior Regional Counsel, Clive Anderson supports seven of the Group's jurisdictions with regulatory matters and mergers and acquisitions, as well as participating in operational boards where he provides advice to management.

Clive is also a career development coach for leaders in the legal department and provides formal and informal mentoring to teams across the Group.

One of Clive's responsibilities is managing AIA Group's intellectual property portfolio. He is responsible for registering AIA trademarks such as 'Healthier, Longer, Better Lives' and protecting them from unauthorised use. Clive explains that having a centralised person monitoring and authorising trademarks across AIA's 18 markets helps to prevent any inconsistencies or oversights that could arise.

"If every market was doing their own thing, it would be hard to control whether our trademarks were being diluted or used in a way that was not intended by Group Marketing," Clive said.

"Having a centralised model ensures consistency in the use of our trademarks across all jurisdictions. It also provides oversight on whether someone is infringing on AIA's intellectual property so we can take the necessary legal actions in that region."

Given the broad scope of his role, Clive has the opportunity to connect with people across the Group every day. He sees first-hand how AIA's purpose is exemplified and championed by the top levels of management so it can filter down throughout the organisation and then on to customers and other stakeholders. This includes participating in employee programmes such as AIA Vitality, improving exercise and eating habits, and finding opportunities to affiliate with organisations that promote a healthy lifestyle, such as AIA's partnership with the Tottenham Hotspur Football Club.

Clive provides an example of a recent leadership conference where one of the agency leaders from AIA Singapore demonstrated how he was using AIA's branding, tools and activities to support his customers to live Healthier, Longer, Better Lives.

"It's one thing to talk about ideas and initiatives, but when you see them in action it's a totally different thing," Clive said. "It helps you to understand the value and impact that our brand can have on people's lives."

Working alongside the ESG team, Clive appreciates the decisions that the team make on a daily basis to reduce AIA's carbon footprint and introduce responsible behaviours across the Group, such as segregating waste and minimising single-use plastics.

"Our ESG team are so passionate about what they do," Clive said. "They are excited to share their lived experience and engage others into wanting to make a difference too. It's not always easy and it can take a while to see results, but they continue to engage and we are starting to see the traction from their determination. AIA is recognised for our ESG programme because we put it front and centre in our organisation, which all comes down to the hard work of the team. I commend them for the belief they have in what they're doing."

Clive's view of ESG is that every small decision made today, such as how the Group invests its money and choosing which partners to work with, adds to the Group's overall sustainability impact and contributes to a better future.

He said, "I equate the impact of ESG to planting a seed. We won't always necessarily get to see the seed germinate and grow into a flower or tree. Other people will get to see and appreciate it. Our role is to start the process so it will benefit future generations."



"We all do our part individually to actively practice ESG behaviours and when you put all of those actions together you see the big wheel turning."

CLIVE ANDERSON
GROUP SENIOR REGIONAL COUNSEL

AIA GROUP: USING INTERNAL AUDIT TO STRENGTHEN AIA'S PRIORITIES



CASE STUDY

As Regional Director of Group Internal Audit, Kate Gui oversees a large portfolio that provides audit services to a number of business units, Group office and AIA asset management companies.

Kate also leads Group Internal Audit's efforts in six Group functional areas: distribution, investment, financial reporting, financial management, third party management and ESG. She joined AIA in 2016.

The purpose of the Group Internal Audit team is to assist the Board, Audit Committee and executive management to protect the assets, reputation and sustainability of the Group. The internal audit function plays a crucial role in evaluating and improving the effectiveness of AIA's risk management. In addition to protecting AIA's assets, having strong internal controls ensures the accuracy and reliability of financial reporting and promotes operational efficiency and compliance with company requirements.

Kate explains that internal audit is the third line of defence within AIA's governance framework.

"Group Internal Audit provides independent, objective, reliable, insightful and timely assessment and reporting of the overall effectiveness of risk management, internal control and governance process across the Group," Kate said. "We challenge executive management to improve the design and operating effectiveness of their processes. This includes fostering a culture of integrity, promoting sustainable business practices and ensuring that our operations are conducted in a socially responsible way."

The ESG landscape continues to evolve as regulators in the jurisdictions in which AIA operates issue new requirements and guidelines. Through focused reviews and continuous business monitoring, Group Internal Audit provides audit coverage of ESG at all levels of the organisation to help ensure compliance with regulatory expectations and the AIA Group strategy.

Kate and her colleagues perform two main roles in helping the Board's ESG efforts.

Kate said, "The first role is providing assurance over the main concerns of the Board, such as ensuring that ESG aspects are integrated into AIA's strategy, organisation structure, governance process and investment initiatives."

"For example, the team provides a view on the adequacy of processes over data collection and aggregation for disclosures, to help achieve accuracy and completeness. GIA can also act as a trusted advisor and add value to special projects by identifying opportunities for process improvement and strengthening staff awareness of various ESG-related internal requirements."

To maintain the integrity and quality of AIA's internal audit processes, Kate and her team undergo regular training to ensure they adhere to the industry's professional audit standards and practices that have been established by the Institute of Internal Auditors (IIA).

Group Internal Audit also works with an external firm to complete an annual quality review of their processes and engage an independent reviewer for the Five-Year Independent Assurance Review, which is required by the IIA Standards.

Kate explains that Group Internal Audit's methodology was designed to strengthen AIA's governance approach and is continually assessed and reviewed to ensure it is as effective as possible.

"We systematically link AIA's strategic priorities to our audit activities and to embed our internal audit strategy into each stage of the audit engagement, from planning to reporting," she said. "This ensures that our audit initiatives are always aligned with AIA's strategies priorities."



"Group Internal Audit supports the governance structure of AIA and embeds ESG elements into our ongoing audit processes."

KATE GUI
REGIONAL DIRECTOR OF GROUP
INTERNAL AUDIT, AIA



AIA ESG REPORT 2024

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:

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