HEALTHIER, LONGER, BETTER LIVES

AIA ESG REPORT 2023 SUBSECTION REPORT

Sustainable Investment

Contents

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 Konyn
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

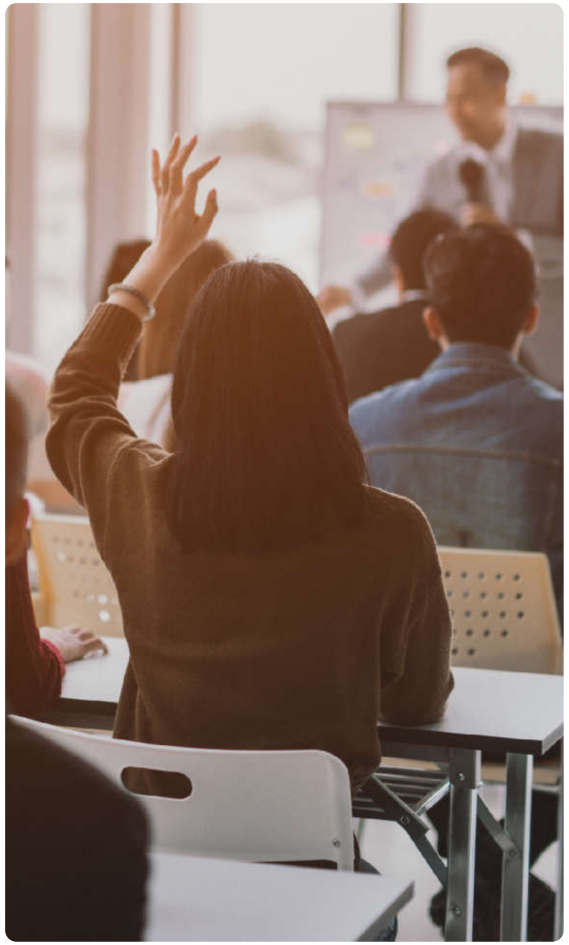
The thematic engagement questionnaire was designed by AIA Group's Stewardship team with input from the Group Investment ESG Centre of Excellence and Group Sustainability teams, and was formulated with reference to various international corporate governance standards, including the International Corporate 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-zerocommitment

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 CO_2e, which is comprised of:

- Listed Equity = 0.7m tCO_2e
- Corporate Bonds = 7.5m tCO_2e
- Direct Real Estate = 0.05m tCO_2e
- Power Generation Project Finance = <0.01m tCO_2e

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 tCO_2e

CORPORATE BONDS
7.5m tCO_2e

REAL ESTATE
0.05m tCO_2e

POWER GENERATION PROJECT FINANCE
<0.01m tCO_2e

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 CO_2e 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:

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