



HEALTHIER, LONGER,  
BETTER LIVES

AIA ESG REPORT 2023 SUBSECTION REPORT

# Sustainable Operations





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# 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.

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**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 emissions<sup>1</sup>, 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.***

<sup>1</sup> 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)

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**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)

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**SOUTH KOREA**

**AIA TOWER**

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

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**PHILIPPINES**

**AIA CENTRE CEBU**

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

**PHILAMLIFE TOWER**

- WELL Health-Safety Rated (2023)

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**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 CO<sub>2</sub>e, or 2.13 tonnes of CO<sub>2</sub>e 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 CO<sub>2</sub>e.

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<sup>®</sup> 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 tons<sup>1</sup>, derived from tracked data collected from 83 per cent by surface area<sup>2</sup> occupied by AIA full-time employees.

An extrapolation<sup>3</sup> 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 m<sup>3</sup> of water, or 13.14 m<sup>3</sup> 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 1<sup>1</sup> 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.



<sup>1</sup> 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

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**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.



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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](mailto:esg@aia.com) or write us at the address below:

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