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Media Release

AIA Commits to Achieving Net-Zero Greenhouse Gas Emissions by 2050

Largest pan-Asian life and health insurer to commit to net-zero emissions

AIA has also completed divestment from coal mining and coal-fired power seven years ahead of target

Hong Kong, 7 December 2021 – AIA Group Limited (“AIA” or the “Company”; stock code: 1299) announces its commitment to achieve net-zero greenhouse gas (GHG) emissions by 2050. AIA has also committed to the Science Based Targets initiative (SBTi), a global body enabling businesses to set ambitious emissions reduction targets in line with the latest climate science. In addition, AIA has completed the entire divestment of directly-managed listed equity and fixed income exposure to coal mining and coal-fired power businesses, seven years ahead of schedule.

Lee Yuan Siong, AIA Group Chief Executive and President, said, “Our commitment to net-zero by 2050 will support the delivery of long-term sustainable value for our customers, our shareholders and our communities. AIA is wholly focused on Asia and, driven by our Purpose of helping people live Healthier, Longer, Better Lives, we have a responsibility to help address climate change and contribute to sustainable and healthier development for Asia.”

Amita Chaudhury, AIA Group Head of Sustainability, said, “We know that our communities are exposed to the damaging effects of climate change. The United Nations Intergovernmental Panel on Climate Change has warned that extreme climate events will increase morbidity and mortality, particularly in Asia⁽¹⁾. AIA’s net zero commitment allows us to play an important role in reducing the risk that climate change poses to the health of communities in Asia and to deliver on our Purpose.”

Commitment to the Science Based Targets initiative

AIA’s Science Based Targets (SBT) will be in line with the latest climate science necessary to meet the goals of the Paris Agreement – limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C. These five-to-ten-year targets will be reviewed every five years.

We will integrate the SBTi commitment into our US\$286 billion investment portfolio⁽²⁾ engagement processes, with the target that 100 per cent of in-scope investee companies establish their own SBT by 2040. Working closely with SBTi, we will set comprehensive targets for the Group’s operational emissions. The SBTi will also provide an independent assessment and validation of AIA’s targets.

Global industry ESG leadership through coal divestment

In the culmination of a multi-year exercise, we have divested from our entire directly-managed listed equity and fixed income exposure to coal mining and coal-fired power businesses. We completed this divestment in October 2021, seven years ahead of our original target. AIA will make no new investments in businesses directly involved in coal mining or generating electricity from coal.

This announcement builds on AIA's long-term commitment to sustainability, including engagements with the United Nations Global Compact since 2016, the CDP since 2017 and Climate Action 100+ since 2019.

We believe that investing in companies with sound Environmental, Social and Governance (ESG) practices supports the delivery of sustainable outcomes and superior financial returns, enhancing our ability to meet our long-term financial commitments.

Strong corporate governance oversees new net-zero commitment

AIA's operational emissions will be overseen by a new Climate and Net-Zero Steering Committee that reports directly to the Group Chief Executive and President. AIA's Group Chief Investment Officer will have direct oversight of the integration of the Company's net-zero commitment into its portfolio engagement process. Progress against our ambitious climate related goals will be regularly reported to the Company's Board of Directors.

AIA's annual ESG Report will include updates on our progress towards net-zero to ensure accountability and transparency. We will also continue to report on our progress towards the UN Principles for Responsible Investment (PRI), the UNEP FI Principles for Sustainable Insurance (PSI), and towards the Task Force on Climate-related Financial Disclosures (TCFD) framework.

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About AIA

AIA Group Limited and its subsidiaries (collectively "AIA" or the "Group") comprise the largest independent publicly listed pan-Asian life insurance group. It has a presence in 18 markets – wholly-owned branches and subsidiaries in Mainland China, Hong Kong SAR⁽³⁾, Thailand, Singapore, Malaysia, Australia, Cambodia, Indonesia, Myanmar, New Zealand, the Philippines, South Korea, Sri Lanka, Taiwan (China), Vietnam, Brunei and Macau SAR⁽⁴⁾, and a 49 per cent joint venture in India.

The business that is now AIA was first established in Shanghai more than a century ago in 1919. It is a market leader in Asia (ex-Japan) based on life insurance premiums and holds leading positions across the majority of its markets. It had total assets of US\$330 billion as of 30 June 2021.

AIA meets the long-term savings and protection needs of individuals by offering a range of products and services including life insurance, accident and health insurance and savings plans. The Group also provides employee benefits, credit life and pension services to corporate clients. Through an extensive network of agents, partners and employees across Asia, AIA serves the holders of more than 39 million individual policies and over 16 million participating members of group insurance schemes.

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

About the Science Based Targets initiative

The Science Based Targets initiative (SBTi) is a global body enabling businesses to set ambitious emissions reductions targets in line with the latest climate science.

The initiative is a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) and one of the We Mean Business Coalition commitments. The SBTi defines and promotes best practice in science-based target setting, offers resources and guidance to reduce barriers to adoption, and independently assesses and approves companies' targets.

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1. https://www.ipcc.ch/site/assets/uploads/2018/02/WGIAR5-Chap24_FINAL.pdf
2. Investment portfolio size as at June 2021
3. Hong Kong SAR refers to the Hong Kong Special Administrative Region
4. Macau SAR refers to the Macau Special Administrative Region