

Environmental, Social and Governance

ESG STRATEGY SUMMARY 2021



HEALTHIER, LONGER,
BETTER LIVES



Sustaining Healthier, Longer, Better Lives



Our ESG Strategy empowers us to deliver long-term value for stakeholders and deliver our Purpose, by addressing our most material ESG topics through a clear programme of goals, meaningful commitments, and tangible actions.

Over the last year, we have reinforced our strengths whilst taking bold new steps towards advancing our sustainability agenda in each of the five pillars of our Strategy.

Taken together, these contribute to Sustaining Healthier, Longer, Better Lives and supporting sustainable and healthier development for Asia, its people and communities as well as the planet.

"With our scale, trust, and influence in Asia, AIA has a responsibility to address material ESG challenges including climate change, access to healthcare, and inequality. With that in mind, our ambition is to take a leading role in contributing to the sustainable development of the region. Our Report, Sustaining Healthier, Longer, Better Lives, sets out our focus on ESG as we deliver our Purpose of helping people live Healthier, Longer, Better Lives."

LEE YUAN SIONG

GROUP CHIEF EXECUTIVE AND PRESIDENT

HEALTH AND WELLNESS

1



Health and Wellness

ENABLING BETTER HEALTH OUTCOMES

We engage, inspire, and deliver better health outcomes, champion financial inclusion and expand access to quality care, producing a wider positive impact on society, employees, agents, partners, shareholders and our communities.

US\$2 TRILLION

total sum assured provided



Served the holders of more than

39 MILLION AND OVER 16 MILLION

individual policies and
participating group insurance
scheme members, respectively



More than

US\$16 BILLION

in total benefits and claims.



ENGAGING COMMUNITIES ACROSS ASIA

We have set a target to engage
ONE BILLION PEOPLE BY 2030
to live Healthier, Longer, Better Lives.

PROVIDING GREATER ACCESS TO QUALITY CARE

Signed over **1.9 MILLION**

AIA Vitality and China Wellness
Programme members to date

BUILDING BETTER INTEGRATED HEALTH AND WELLNESS OUTCOMES

54% of at-risk AIA Vitality members have
seen their blood pressure levels improve

CONTRIBUTION TO UN SUSTAINABLE DEVELOPMENT GOALS



HEALTHIER, LONGER,
BETTER LIVES

SUSTAINABLE OPERATIONS

2



REDUCING OUR ENVIRONMENTAL FOOTPRINT

We reduce the environmental footprint of AIA's operations as well as incorporate ESG factors in sourcing considerations.

ENSURING GREENER BUILDINGS

100% of new buildings and redevelopments to be green certified



IMPROVING OUR ENVIRONMENTAL PERFORMANCE

Committed to achieve **NET-ZERO GHG EMISSIONS BY 2050**

Also committed to the **SCIENCE BASED TARGETS INITIATIVE**

Reduction of GHG per employee by **53%** compared with 2018



ADVANCING DIGITAL TRANSFORMATION

77% of our buy, service and claims transactions were submitted digitally

1,200 tonnes of paper saved



ENCOURAGING GOOD ESG PERFORMANCE

Plan to engage **TIER 1 SUPPLIERS** on ESG performance

CONTRIBUTION TO UN SUSTAINABLE DEVELOPMENT GOALS



SUSTAINABLE INVESTMENT

3



GENERATING SUSTAINABLE VALUE FOR POLICYHOLDERS

We deliver long-term value by allocating capital to companies that commit to sustainable outcomes, investing for the future and lowering our exposure to the risk of stranded assets in a future low or zero carbon economy.

DEEPENING ESG ENGAGEMENT

Designed
ESG RATING SCORECARD
as first step to investment
screening



AUGMENTING ESG TRAINING AND CAPACITY

Created pool of
**DEDICATED INVESTMENT ESG SUBJECT
MATTER EXPERTS**

BROADENING PORTFOLIO INCLUSIONS

As of 2021 AIA has over
US\$5.2 BILLION INVESTED
in a combination of renewable
energy, green, social and
sustainability bonds



ENHANCING PORTFOLIO EXCLUSIONS

AIA has **COMPLETELY DIVESTED**
its directly-managed listed equity and
fixed income exposure to coal mining
and coal fired power businesses –

SEVEN YEARS AHEAD OF SCHEDULE

CARBON FOOTPRINTING OUR PORTFOLIO

COMMITTED TO NET-ZERO AND THE SBTi
with the goal of reducing Scope 3 emissions
from our investment portfolio.

Since 2018, the carbon footprint of our
directly-managed listed equity portfolio

REDUCED BY 31.4%

CONTRIBUTION TO UN SUSTAINABLE DEVELOPMENT GOALS



PEOPLE AND CULTURE

4



People and Culture

EMPOWERING OUR WORKFORCE

We empower our people to succeed through fostering a learning environment, ensuring equitable and fair processes for employment and progression and a diverse, inclusive and supportive culture.

SUPPORTING DEVELOPMENT AND CAREER PROGRESSION

Received multiple awards including recognition from **FORBES** as an **EMPLOYER OF CHOICE**

Ranked in the **TOP QUARTILE** in Gallup's global financial services and insurance industry benchmark of employee engagement for the **FIFTH CONSECUTIVE YEAR**



ACCELERATING PROGRESS IN DIVERSITY AND INCLUSION

42% of women in senior leadership roles
>70 nationalities across AIA Group

STRENGTHENING RISK AWARENESS

Achieved **100%** of employees acknowledging compliance with the AIA Group Code of Conduct on an annual basis

ENRICHING AND REWARDING OPPORTUNITIES FOR ALL

Committed to launch **AIA WORKFORCE WELLBEING PROGRAMME** to employees in all markets by end 2023



CONTRIBUTION TO UN SUSTAINABLE DEVELOPMENT GOALS



EFFECTIVE GOVERNANCE

5



EFFECTIVE GOVERNANCE

We ensure that AIA continues to operate to the highest standards of business practices, both in terms of its engagement with stakeholders, and how we manage risks. This provides the necessary management oversight, incentives, organisational accountability, data governance systems and transparent reporting to enable us to succeed.

BOARD GOVERNANCE

All Non-executive Directors on the Group Board are

INDEPENDENT



ALL BOARD COMMITTEES are chaired by and comprised almost entirely of INEDs

ENSURING EFFECTIVE RISK MANAGEMENT AND RESPONSIBLE BUSINESS PRACTICE

ESG-related risks, similar to other material risks, are managed within the **ERM FRAMEWORK**

PROMOTING ESG BEST PRACTICES

ESG-specific investor meetings accounted for **20% OF TOTAL INVESTOR MEETINGS** held during 2021



ESG RATINGS AND INDEX INCLUSION

Achieved ESG **REGIONAL AND INDUSTRY TOP PERFORMER** rating from Sustainalytics and an improved MSCI ESG rating from **A TO AA**



CONTRIBUTION TO UN SUSTAINABLE DEVELOPMENT GOALS



LOOKING TO THE FUTURE

As the largest pan-Asian life and health insurer, with our legacy of trust, scale and influence, we have a responsibility to address environmental and social challenges facing Asia and take a leading role in contributing to the sustainable development of the region.

We hold ourselves accountable and take lessons learned from our stakeholder to continuously sharpen how we embed ESG into our business through consistent collaboration, engagement feedback.

By continuing to embed ESG considerations into our business, we will deliver value to all our stakeholders, advance our Purpose and strengthen AIA's long-term shareholder value.