



HEALTHIER, LONGER,  
BETTER LIVES

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE

**REPORT 2020**

STOCK CODE 1299

**AIA GROUP LIMITED**  
友邦保險控股有限公司

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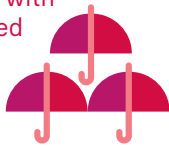
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# 2020 ESG AT-A-GLANCE

## Health and Wellness

We provide cover with a total sum assured of almost

**US\$ 2 TRILLION**



Serve the holders of

**MORE THAN 38 MILLION** individual policies



**AND OVER 16 MILLION**

participating members of group insurance schemes



**13 MILLION BENEFIT PAYMENTS**

were made during 2020, helping customers and their families to cope with challenges at different life stages



WITH MORE THAN

**US\$ 16 BILLION**

paid in benefits and claims



AND OVER

**US\$ 4.5 MILLION**

contributed to our communities



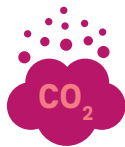
## Green Operations

### ENVIRONMENTAL PERFORMANCE

Reduction in total carbon emissions to

**42,550 TONNES**

**1.8 TONNES** per employee



### ENERGY PERFORMANCE

Reduction in total energy use to

**3,062 kWh**

per employee



### PAPER USAGE

**MORE THAN 70%**

of our buy, service and claims transactions were submitted digitally, reducing our need for paper



## Sustainable Investment

### INVESTMENTS IN HEALTHCARE

**US\$ 4.3 BILLION**



### INVESTMENTS IN INFRASTRUCTURE

**US\$ 32.1 BILLION**

invested in infrastructure-related sectors such as transportation and telecommunications



### CLIMATE ENGAGEMENTS

Engaged with and scored

**1,200+ COMPANIES**

in the Group's investment portfolio, developing insights on their awareness of and preparedness against climate risk



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## People and Culture

### Top Quartile

in Gallup's global financial services and insurance industry benchmark of employee engagement for the fourth consecutive year

### DIVERSITY

**39%**

of our senior leaders are women

### OVER

**23,000**

employees across 18 markets

## Effective Governance

All Non-executive Directors on AIA Group Limited Board are

**Independent**

All Board committees are chaired by and comprised of a majority of

**Independent**

Non-executive Directors

**Ranked 2<sup>nd</sup>**

in the insurance industry by Sustainalytics in its ESG Risk Rating assessment

## Key ESG Memberships and Signatories



## Key Index Inclusions and Ratings



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# Chairman's Statement

**"A better and more sustainable future for all."**

**Mr. Edmund Sze-Wing Tse**

Independent Non-executive Chairman



# Staying true to our Purpose

I am delighted to present AIA Group's Environmental, Social and Governance (ESG) Report 2020.

Our history in Asia spans more than a century and throughout that time we have earned a reputation as a trusted partner in all of our communities.

2020 was a difficult and in some ways unprecedented year. The outbreak of COVID-19 touched so many of us and impacted individuals, communities and global events. I am especially proud that despite this difficult operating environment, our outstanding teams were able to demonstrate AIA's Purpose of helping people live Healthier, Longer, Better Lives. I am immensely grateful to all of our employees, agents, and partners for their ongoing commitment to supporting our customers and communities when they needed us the most.

Effective corporate governance helps ensure that AIA remains resilient during the most challenging times. The Board's Independent Non-executive Directors have extensive experience in the public and private sectors; perspectives that have been invaluable in providing objective judgement and direction this year. As a Board, we continue to meet our commitment to ensure that our practices are aligned

with global best practice. We are firm believers that our strong governance culture, supported by sound risk management, is fundamental to ensuring a sustainable future for our organisation.

Our commitment to sustainability and our ability to manage associated risk have created tangible value for our business and for the communities we serve. Over the years, we have endeavoured to build sustainable measures into our key metrics. This also guides our approach to our customer and employee relationships, helping ensure that we have the right processes in place to build on our strong history. This includes seeking and considering input from key internal and external stakeholders on issues related to climate change, public health, data privacy, cybersecurity, and ethical business practices. For us, managing these risks effectively is instrumental to the sustainable growth of our business and, in turn, our Group.

As we embark on a new decade, I believe the long-term fundamental drivers of growth for the life insurance industry in Asia remain robust. AIA continues to benefit from the powerful demographic, social and economic changes that are occurring in our markets. Rising

incomes are driving rapid growth in the middle classes and Asian consumers are transforming the region's economies. At the same time, the provision of social welfare remains low. The pandemic has accelerated many trends, particularly the interest in Healthier, Longer, Better Lives. These structural trends are creating substantial opportunities for us to help people across the region meet their long-term savings and protection needs. We believe that protecting our customers while helping them on their journey to become healthier is the best service we can provide, for today and for the future.

In 2021, we look forward to continuing to play a leading role in creating a more sustainable tomorrow as we help millions of people live Healthier, Longer, Better Lives.



**Edmund Sze-Wing Tse**

Independent Non-executive  
Chairman  
12 March 2021

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# Statement from Group Chief Executive and President

**“We will make a positive  
difference to the  
sustainable development  
of our communities.”**

**Mr. Lee Yuan Siong**  
Group Chief Executive and  
President





# A transformational, long-term ESG Strategy

The COVID-19 pandemic has transformed the way we all live and work and brought out the very best of AIA and our people.

I am extremely proud of our teams across the organisation whose efforts helped AIA demonstrate our resilience and commitment to our customers and communities who were dealing with the challenges of lockdowns and mandated quarantines. We moved quickly to build on our digital capabilities to provide customers with uninterrupted support and service. In addition, we worked with governments and our partners to increase protection to our customers and provided critical donations to organisations supporting frontline healthcare workers. All of this helped provide peace of mind to our customers when they needed us the most.

Helping our customers live Healthier, Longer, Better Lives has become our Purpose as an organisation and it underpins everything we do. Continuing to incorporate ESG considerations within our operations will remain vital for AIA as we transform our Purpose into

reality—with tangible and measurable outcomes for our customers and communities.

I am proud to announce that we have launched a transformational, long-term Environmental, Social, and Governance Strategy (ESG Strategy) reflective of our position as a global industry leader. For more than a century, AIA has strived to have a positive impact on our customers and communities across Asia. Our ESG Strategy further embeds that commitment and identifies five key areas of focus: Health and Wellness; Green Operations; Sustainable Investment; People and Culture; and Effective Governance.

## Health and Wellness

While economic development in Asia has brought significant improvements in standards of living, lifestyle-related diseases are the main contributor to premature deaths in the region. At the same time, expectations of wellness, health and maintaining quality of life into old age are increasingly front of mind for many Asians. As a

trusted partner, we engage with our communities and provide products that are focused on delivering better outcomes for our customers, helping them to stay healthier and live better for longer.

## Green Operations

The environment has a direct impact on the health and well-being of our customers, employees and communities. Therefore, it is vital that we ensure appropriate measures are taken to address key areas of impact within the environmental footprint of our own businesses, particularly in areas such as waste management and property development. It is equally important that our business partners are expected to adopt best practices that enable our communities to thrive for many generations to come.

## Sustainable Investment

We use our influence as a leading life insurance company in Asia to drive sustainable investment across the region. We seek sustainable outcomes and secure investment income

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in order to deliver on the long-term savings and protection needs of our customers. We also understand the impact that our investments can have on people’s lives and believe it is essential to take ESG factors into consideration when making our investment decisions so that we help drive sustainable behaviours to create long-term value. A testament to this can be seen in our ambition to divest from the coal mining and coal-fired power sectors by 2028, making us the first major insurance firm in Asia to make this commitment with no exceptions.

## People and Culture

Our people span multiple nationalities, cultures and communities, which we believe gives us a competitive advantage that is integral to our continued success. We promote an inclusive and collaborative culture that supports the development of key capabilities. This provides a platform for meaningful and rewarding careers with AIA. By engaging with and empowering our people, we are confident they will grow with us in their professional lives and do their best when supporting our customers and communities.

## Effective Governance

Sound and effective governance and operating to the highest standards of responsible business practices underpin sustainability. It guides AIA’s approach to engaging with our stakeholders, effectively managing risk, while supporting innovation in our businesses and allows us to continue to drive economic and social development across the region.

In 2020, we were pleased that our practices were recognised by a number of independent third parties. This is demonstrated through our CDP score, which placed AIA among CDP’s “Leadership” group (score of A-) for climate change performance, the highest scoring tier for our sector. This is one of the highest ratings for climate change performance for a Hong Kong-headquartered company. We are also glad that for two consecutive years, Sustainalytics has placed AIA in the first percentile of companies in the insurance industry.

Despite the trials of the past year, we have seen unprecedented collaboration, including governments, companies, and non-profits working together to serve our communities with courage and compassion. We have seen multiple COVID-19 vaccines approved at unprecedented speeds and businesses quickly adopt technologies to maintain critical access for patients during the darkest times. At AIA we are deeply aware of the social and environmental issues our communities face, and are committed to overcoming them in a sustainable and ethical fashion.

We look forward to continuing to be a long-term partner for all our customers, to helping ensure they live Healthier, Longer, Better Lives, and by doing so, we will make a positive difference to the sustainable development of our communities for decades to come.

With warmest regards,



**Lee Yuan Siong**

Group Chief Executive and President  
12 March 2021

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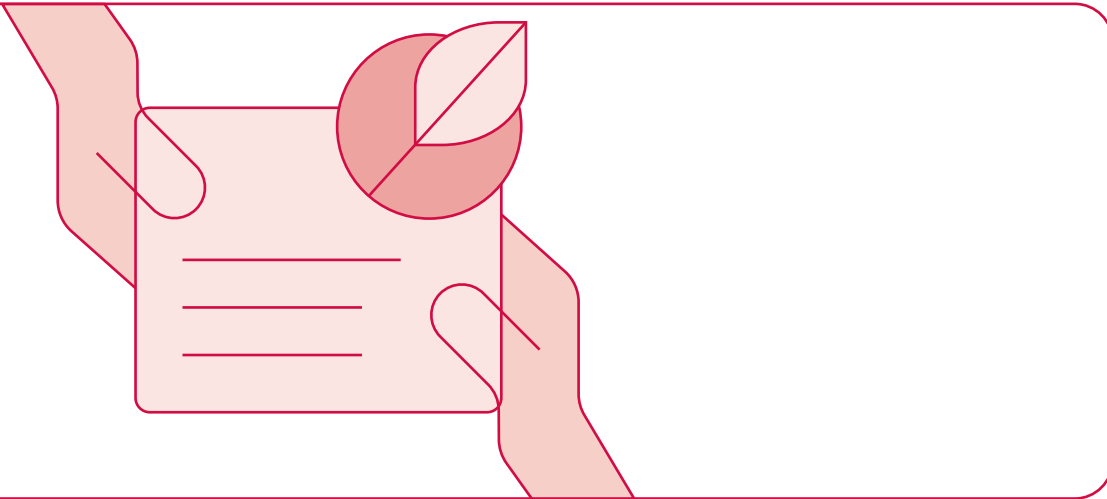
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# About This Report

AIA Group Limited (the “Company”) is pleased to present its ESG Report 2020 (the “Report”), which sets out in detail our ESG Strategy and commitment to our Purpose to help millions of people across Asia live Healthier, Longer, Better Lives.

## Who We Are

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<sup>1</sup>, Thailand, Singapore, Malaysia, Australia, Cambodia, Indonesia, Myanmar, the Philippines, South Korea, Sri Lanka, Taiwan (China), Vietnam, Brunei, Macau SAR<sup>2</sup> and New Zealand, 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\$326 billion as of 31 December 2020.

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 38 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”).

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<sup>1</sup> Hong Kong SAR refers to Hong Kong Special Administrative Region.

<sup>2</sup> Macau SAR refers to Macau Special Administrative Region.

## Our Purpose

Our Purpose is to help millions of people across Asia live

# HEALTHIER, LONGER, BETTER LIVES

For more than a century, AIA has strived to make a significant, positive impact for our customers and communities across Asia. As we look to the future, this commitment is reinforced by our Purpose: to help millions of people live Healthier, Longer, Better Lives. Our Purpose guides the decisions we make and the actions we take as an organisation - empowering and

enabling people to understand and manage their health, while meeting their long-term savings and protection needs. We believe that helping to create a healthier Asia is one of the most important and valuable things we can do for our communities, today and in the future.



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# Our ESG Statement



**AIA's ambition is to be a global industry leader in ESG, shaping a sustainable future for the communities we serve and creating long-term value for all our stakeholders.**

Our ESG Strategy is realised by improving healthcare standards and wellness levels, by green operations, driving sustainable investing, supporting our people culture, and effective governance.

# Our ESG Strategy

In 2020, the Group conducted a review of its ESG Strategy with the ambition to develop a more focused and impactful ESG programme that maximises the value we bring our communities.

A new ESG Strategy was developed considering feedback from both our internal and external stakeholders, and AIA's material sustainability issues, with an ambition to address ESG risks and drive meaningful impact. During 2021, AIA will establish key performance indicators (KPIs)

for each of the strategic pillars in order to measure and manage our ESG performance. The ESG Strategy focuses on five pillars: **Health and Wellness, Green Operations, Sustainable Investment, People and Culture, and Effective Governance.**

## OUR ESG STRATEGY IS BUILT ON FIVE PILLARS



This Report has been developed around these five pillars. Each section of this Report focuses on a pillar of the ESG Strategy, followed by our approach which is discussed in detail with corresponding proofpoints and initiatives.

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## Health and Wellness

-  Engage and inspire people to improve their health and wellness through initiatives, events, community programmes and campaigns.
-  Champion financial inclusivity and reduce the burden of medical expenses through a focus on protection, prevention and personalised propositions.

-  Provide greater access to quality care, relevant and timely information, diagnoses, treatment and rehabilitation through our ecosystem partners.
-  Build on our leading integrated wellness solutions and reward customers for behavioural improvements, delivering better health outcomes.



## Green Operations

-  Increase digitalisation and automation to reduce the usage of paper and need for business travel.
-  Ensure that all new buildings adhere to industry-recognised green building standards and environmental management best practices.



-  Encourage improvements in environmental performance while prioritising vendors and business partners who exemplify good ESG practices.
-  Reduce our carbon footprint, while also measuring and managing the amount of waste produced from our operations.



## Sustainable Investment

-  Deepen ESG engagement with investee companies in directly managed portfolios. Produce insights and case studies to enhance understanding and the adoption of best practices.
-  Broaden portfolio inclusions by specific considerations of green bonds, sustainability bonds, renewable and alternative energy, and infrastructure.
-  Continue to carbon footprint our investment portfolio, with annual public disclosure and develop emission reduction targets for our portfolio.

-  Continue to build on the consideration of ESG issues in the investment process by augmenting knowledge and capacity among our investment analysts through dedicated training initiatives.
-  Enhance portfolio exclusions in consideration of our objective to secure long-term investment outcomes.



## People and Culture

-  Foster a learning culture that supports the development of our people and provides a platform for meaningful and purposeful careers with AIA.
-  Embed a culture of ethical decision making and strong risk management, in adherence to our Operating Philosophy and Code of Conduct.

-  Create a supportive work environment that promotes workplace diversity and advances our culture of innovation and inclusion.
-  Ensure fair, accountable and equitable processes for employment, progression, and rewards for our people to deliver sustainable business results.

## Effective Governance

-  Maintain a governance programme consistent with international best practice that fosters business integrity and sound decision-making through a diverse and highly-qualified Board comprising a majority of Independent Non-executive Directors.
-  Lead the promotion of ESG best practice across the region, engaging with all stakeholders including shareholders, regulators, vendors, green finance and industry associations.

-  Effectively manage ESG risks and opportunities throughout our business, maintaining and ensuring the sufficiency of our risk management framework to uphold commitments to the highest standards of responsible business practices.
-  Establish AIA as a global leader on key ESG indices, ratings and benchmarks through effective and relevant ESG reporting.

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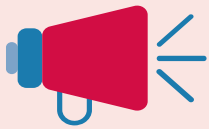
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## What role does life and health insurance play in addressing sustainability issues?

The insurance industry plays an important role in addressing the sustainability challenges our communities face across the region.

Life and health insurance provides people with peace of mind knowing that they are protecting themselves, their families and their employees against life's uncertainties. Our policies protect millions of people and businesses of all sizes.

Non-communicable diseases (NCDs) are a leading cause of death globally. AIA is committed to wellness programmes that help our customers address the significant risk factors associated with increasing levels of NCDs in Asia.

In addition, life and health insurance solutions play a vital role in supporting the continued growth and development of the region. They collect regular premiums from individuals holding long-term savings and protection policies. These premiums are pooled by life insurance companies and deployed into large-scale collective capital investments to match policyholder benefits. These finance long term investment in infrastructure and commercial investment to support further economic growth.

While rapid urbanisation and economic development bring rising wealth, lifestyle changes have also disrupted the traditional family networks that people have historically relied upon for security

and support. These shifts, including the most recent challenges posed by COVID-19, have exacerbated the protection gap for many in our communities. Life and health insurance and savings options help to address the protection gaps from these societal shifts, reducing the burden on families and national healthcare systems, while providing people with a range of options for accessing medical treatment.



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# Our Material Issues

AIA's ESG Strategy provides a framework to prioritise and address sustainability issues.

Material ESG issues are sustainability challenges that have the potential to affect our business, stakeholders, strategy, and reporting. Our leadership team identify material issues by taking account of the feedback from our stakeholders and the risks and opportunities posed to our business.

## We Assess Material ESG Risks and Opportunities

In consideration of stakeholder feedback and the risks and opportunities posed to our business, the following three material issues have been identified by the ESG Committee as being central to our efforts to operate sustainably while supporting our communities.

- The Growing Protection Gap
- Lifestyle-Related Diseases
- Pollution










Other issues that present both risks and opportunities to our business more broadly are outlined on this page and discussed in sections of this Report. Given the challenges posed by COVID-19 to our communities, this was included as a material issue for 2020.

## We Engage with Our Stakeholders

AIA's Environmental, Social and Governance Committee (ESG Committee) oversees the development of the ESG Strategy and monitors performance against ESG metrics and initiatives at the Company. The ESG Committee comprises members of the Group Executive Committee, and an Independent Non-executive Director of the Board.

The ESG Committee considers feedback from the Group's stakeholders, including investors, employees, customers, regulators, and the Board. The ESG Committee also considers research both commissioned internally and published by academic institutions.

AIA is proactive in engaging with our stakeholders on ESG matters, including investors. The Company also regularly responds to consultations with regulators and industry associations on ESG topics.

<p><b>Climate change</b></p> 	<p><b>COVID-19</b></p> 	<p><b>Cybersecurity</b></p> 
<p><b>Data protection</b></p> 	<p><b>Digitalisation</b></p> 	<p><b>Diversity &amp; inclusion</b></p> 
<p><b>Recruitment &amp; retention</b></p> 	<p><b>Responsible business practices</b></p> 	<p><b>Staff development &amp; training</b></p> 

Our process to identifying and assessing ESG risks is discussed in further detail within the Effective Governance section.

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# Our Approach to ESG Reporting

This Report has been structured using the framework provided by our ESG Strategy. The Report is also produced in accordance with the “Core” option of the Global Reporting Initiative (GRI) Standards and Financial Services Sector Supplement, with reference to the ESG Reporting Guide set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (HKSE). As a signatory to the United Nations Global Compact (the UN Global Compact), AIA also reports on our progress toward the UN Global Compact Ten Principles, and the Task Force on Climate-related Financial Disclosures (TCFD).

## Our reporting scope

To provide a comprehensive review of our impact and performance, the Report includes data from all business units where we maintain majority operational control; and excludes data from Tata AIA Life Insurance Limited (Tata AIA Life) where we own a 49 per cent interest in a joint venture.

For easy reference to our reporting disclosures, the GRI Index, the UN Global Compact, and the HKSE ESG Content Index are provided at the end of this Report. Additional information relevant to our ESG performance, including financial data and corporate governance matters, can be found in our Annual Report 2020. AIA makes every effort to ensure consistency between the Chinese and English versions of this Report. However, in the event of any inconsistency, the English version shall prevail.

This Report was reviewed and approved by the Company’s Board of Directors (the Board) on 11 March 2021.

## The United Nations Sustainable Development Goals

Developed by the United Nations (UN), the Sustainable Development Goals (SDGs) are 17 overarching goals that provide a global framework for peace and prosperity in consideration of the environment. Adopted in 2015 by all Member States of the UN, they are strategically important to governments across Asia.

AIA has identified and reported on eight SDGs, shown below and their related targets where our business has the greatest ability to drive change within our markets. This Report outlines our support for related SDGs, with examples and case studies to show how we do this.

While we support these goals, our most direct contribution is to SDG 3, supporting Good Health and Well-being, through our Purpose of enabling Healthier, Longer, Better Lives.

# SUSTAINABLE DEVELOPMENT GOALS



 Please click on the SDG icons above to be redirected to discussions on each goal.

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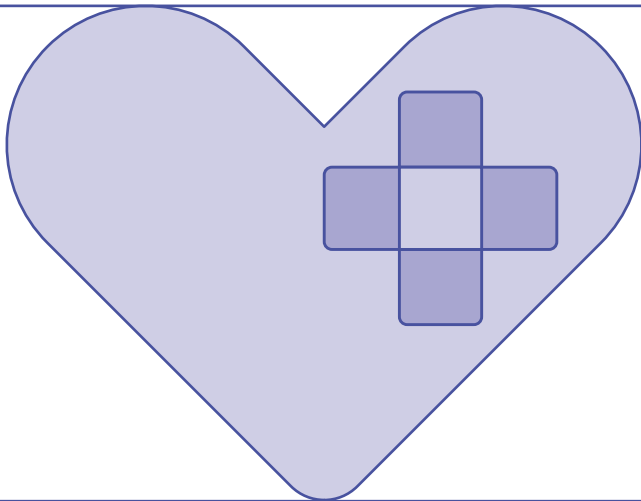
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# Health and Wellness

**Our ability to sustain AIA's success requires an understanding of the Health and Wellness challenges that our markets face. By identifying the impacts these issues have on our communities and on our business, we are able to proactively address these in a manner that creates lasting and meaningful shared value.**

Our ESG Strategy outlines our approach to driving better health outcomes, greater engagement and access to quality care through our Health and Wellness ecosystem.

## Our Strategic Approach

- 

**Engage and inspire people to improve their health and wellness through initiatives, events, community programmes and campaigns.**
- 

**Provide greater access to quality care, relevant and timely information, diagnoses, treatment and rehabilitation through our ecosystem partners.**
- 

**Champion financial inclusivity and reduce the burden of medical expenses through a focus on protection, prevention and personalised propositions.**
- 

**Build on our leading integrated wellness solutions and reward customers for behavioural improvements, delivering better health outcomes.**



AIA's Purpose of enabling Healthier, Longer, Better Lives is aligned with the SDG 3, to promote good health and well-being for all.

This section outlines our contributions toward achieving this objective, and SDG Target 3.4: by 2030, reduce by one third\* premature mortality from NCDs through prevention and treatment and promote mental health and well-being.

\*Compared to 2015 levels

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We strive to proactively offer our customers new ways to engage with us, to support their resilience in the face of uncertainty and to ensure our continuity of support and service through difficult times.



 Engage and inspire people to improve their health and wellness through initiatives, events, community programmes and campaigns.

# Engaging and Inspiring Healthy Living

The nature of risk has changed. Poor lifestyle choices and a general of lack of awareness of healthy living practices contribute to high rates of NCD's across Asia<sup>3</sup>. AIA will continue to work with our customers and communities to better understand and raise awareness of the evolving health challenges and concerns faced by people, providing tailored content, preventative screening and wellness solutions that motivate people to adopt healthier lifestyles.

## Our Research

The research we conduct allows us to better understand the evolving health challenges and concerns faced by people across the region. This contributes to our development of new products and initiatives that motivate people across Asia to adopt healthier lifestyle habits.

In 2020, we released a groundbreaking research initiative, "Healthier Together", revealing eight key ingredients that

enable people to live Healthier, Longer, Better Lives. The study was conducted by global data insights company Kantar Group and involved in-depth interviews with more than 80 experts from a broad spectrum of professional disciplines. In addition, there was a survey of 6,000 consumers across our six markets in the region, representing a cross-section of cultures in Asia, including Australia, Mainland China, Hong Kong, Malaysia, Thailand and Singapore.

The findings of the study delivered a blueprint for "How to live Healthier, Longer, Better Lives" with specific behaviours people can adopt to achieve this, beyond the obvious steps of exercising, eating healthily and getting sufficient sleep, particularly in the context of COVID-19. Based on extensive insights and data, we discovered eight core ingredients, along with tangible actions that people can take.

## AIA Healthier Together Study: Eight Ingredients for Living Healthier, Longer, Better Lives



**Understand yourself and your emotions**

### What you can do:

Take time to understand what motivates you, understand what is important to you in life, and understand your limits, strengths, and weaknesses.



**Take time to understand your motivations, values, strengths and weaknesses.**



**Feel a sense of independence**

### What you can do:

Feel confident identifying what is right for you, focus time and energy on things you can control, and be capable of improving your mental health.



**Feel confident identifying what you can control and what is right for you.**

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<sup>3</sup>World Health Organization (WHO) 2018



**Self-Motivate**

**What you can do:**

Focus on your own personal goals, look for ways to make work/tasks/chores more engaging, and see setbacks as learning opportunities.



**Focus on personal goals and see setbacks as learning opportunities.**

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**Make time to recharge**

**What you can do:**

Create clear boundaries between work and personal time and find ways to recharge your energy levels.



**Create clear boundaries between work and personal time.**

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**Maintain quality relationships**

**What you can do:**

Focus on giving people your full attention, be open and honest with others, and seek out like-minded people who share similar interests.



**Seek out like-minded people and focus on giving them your full attention.**

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**Be active and engaged**

**What you can do:**

Be an active member of your wider community, remain socially active with friends and family, and remain physically and mentally active.



**Be active in your community, and keep physically, socially and mentally active.**

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**Never stop learning or exploring**

**What you can do:**

Explore new ideas and engage with new things, challenge your own thinking, and be open to change.



**Explore new ideas and challenge your own thinking.**



**Have an optimistic outlook**

**What you can do:**

Look for the positive things in everyday situations, not letting negative events of the past affect the present and finding enjoyment in work.

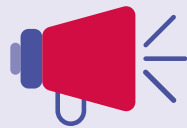


**Look for the positive every day and stay focused on the present.**

The survey highlighted that there is still more that people can be doing to live Healthier, Longer, Better Lives, with 85 per cent of those surveyed rating their adoption of the eight ingredients as insufficient, leaving only 15 per cent in a high performing group.

The group of survey participants who felt they are adopting most of the ingredients of living Healthier, Longer, Better Lives, said that COVID-19 had less of a negative impact on their lives.

The AIA Healthier Together study supports our Purpose by identifying real actions people can take to improve their physical and mental well-being. In 2021, we will actively consider a number of options that will allow customers to interact with, and measure themselves against the results, including integrating the study into our customer propositions.



## AIA Live Inspires, Motivates and Educates

Leveraging the collective power of our AIA Vitality Ambassadors, AIA produced a first-of-its-kind online all-day health and wellness event called AIA Live. Over eight hours of live streaming, viewers tuned in to 37 sessions of exclusive and curated health and wellness content, which offered unique insights, tips and practical sessions to inspire people to live Healthier, Longer, Better Lives.

More than 30 AIA Vitality Ambassadors, including AIA Global Ambassador David Beckham, and partners from around the world shared stories about how they have changed their lives in a positive way.

The event drew an audience of more than 63,000 viewers from 60 countries on the day, one million social media engagements, and ultimately reached 39 million people online. AIA Vitality members also earned additional points for engaging with AIA Live.

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Provide greater access to quality care, relevant and timely information, diagnoses, treatment and rehabilitation through our ecosystem partners.

## Greater Access to Quality Care

Through integrating an expanding range of health and wellness services across all our customer touchpoints, we will make quality care more accessible to our customers. Through our collaboration with partners, we will help people at all stages of their health journey, by getting involved in the prediction, prevention, diagnosis, treatment and recovery stages when needed.

### Virtual Healthcare

Online health consultations have become widely accepted by patients and healthcare providers in recent years. When the outbreak of COVID-19 and social distancing measures accelerated the need for holistic digital health solutions, global healthcare and technology companies were able to scale existing software platforms and expand their telemedicine capabilities.

Throughout this year, AIA has deployed telemedicine solutions and many of our business units strengthened their partnerships with providers to ensure that our customers had vital access to healthcare. We used these solutions to

empower our customers with the right knowledge, tools and professional support to help them be more resilient.

From January to December 2020, AIA Singapore saw a sevenfold increase in telemedicine consultations for chronic diseases through Whitecoat, a mobile application. AIA Sri Lanka provided free telemedicine consultations for all its customers from January to April 2020 through its oDoc service. AIA China, through its strategic partner WeDoctor, also provided teleconsultations to help customers manage chronic illnesses.

AIA continues to enhance its telemedicine business by utilising a combination

of artificial intelligence (AI), biometrics, online risk assessments and physical health screenings to ensure a seamless customer experience. Our goal is to minimise unnecessary face-to-face visits with doctors and steer them to the most appropriate healthcare specialist that will be able to deliver accurate diagnoses.

As at December 2020, telemedicine consultations were available to 1.3 million customers.

Please refer to the Supplement: Supporting our Communities through COVID-19 for further details on telemedicine initiatives in the context of COVID-19.



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## Strategic Partnerships

### Personal medical case management service

Through our partnership with Medix, a global health management solutions provider, AIA has been able to provide our customers with access to state-of-the-art guidance and support from a globally renowned team of medical experts. Having worked with Medix in Hong Kong and Singapore since 2016 and 2018 respectively, we have expanded our regional partnership to Thailand, Malaysia, Indonesia, Vietnam, India and Australia.

Our partnership means AIA's policyholders have access to a review of their medical circumstances by specialists drawn from Medix's team of 300 in-house physicians and its global network of more than 4,000 world-leading, independent medical specialists.

The holistic medical assessment ensures people have access to the tools needed to make the best decisions concerning their condition and their care, including access to a second opinion if desired.

As well as relieving concerns about diagnoses, it also helps ensure they receive the best possible care wherever they are in the world. By providing our policyholders with personal medical case management, AIA helps overcome local healthcare disparities and makes international expertise available.

This year, in Australia, Indonesia, Thailand, Malaysia, Vietnam, and Hong Kong, AIA and Medix offered an additional COVID-19 rehabilitation case management service. Eligible policyholders who experienced ongoing COVID-19 related health issues after being discharged from hospital were offered support through recovery and rehabilitation to help them rebuild their health.

AIA's partnership with Medix enhances our differentiated proposition in health and well-being and demonstrates our pledge to go beyond the traditional, passive insurance business model to become a genuine partner with our customers by improving recovery outcomes.



### OF OUR CUSTOMERS WHO USED THIS SERVICE IN 2020:



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**Champion financial inclusivity and reduce the burden of medical expenses through a focus on protection, prevention and personalised propositions.**

## Champion Financial Inclusion

Across our markets, AIA has a strong commitment to financial inclusion, which includes offering new products and coverage to previously underserved communities, such as the elderly, young people or those with pre-existing conditions.

As discussed through examples within this sub-section, we seek to understand our customers and our diverse communities, tailoring our products to meet their needs through:

- Providing protection to people not traditionally served by the insurance industry, by expanding into new markets and communities within those markets.
- Developing innovative propositions that offer cover and mechanisms to obtain cover for previously uninsurable diseases and conditions, new diseases and conditions, and expand this coverage to include new treatments and access to care.
- Increasing existing insurance cover of our customers, to address any shortfall in treatment costs, through new add-ons or solutions.

AIA offered free COVID-19 cover for SME employees in select markets, while in others we enabled digital services such as teleconsultation services for doctor appointments. As a recognition of our close partnership with SMEs, for the third consecutive year, AIA Hong Kong received the Best SMEs' Partner Award from the Hong Kong General Chamber of Small and Medium Business, for providing high-quality, flexible products and services across both group insurance and retirement.

### Financial Education

Financial education is a fundamental part of the development of communities and we host a number of initiatives across our markets to educate our communities on the importance of savings and insurance. By improving financial literacy and helping people make informed financial planning decisions, we are empowering people to improve their own financial well-being and that of their families and local community.

One of our signature programmes is run by the Philam Life Foundation (the Foundation), the Corporate Social Responsibility (CSR) arm of our business in the Philippines. The Foundation runs programmes to help Filipinos achieve financial security, where only about one third of the adult population had a bank account in 2019.

### Small and Medium Enterprises

AIA is a major provider of group insurance, supporting businesses and protecting their employees across the region.

More than half of the Asian labour force works for Small and Medium Enterprises (SMEs), and as they prosper, SMEs contribute significantly to the development of local economies. In 2020, AIA issued more than 80,000 SME policies covering more than 2.3 million employees in 2020.



### What is the Protection Gap?

The protection gap is the shortfall in resources required to protect individuals and families against unforeseen mortality and morbidity risks. In Asia, the mortality protection gap for 2019 was estimated at US\$83 trillion and it is thought to be increasing by 4 per cent every year. Research suggests that more than three-quarters of households in Asia face a mortality protection gap of about eight times the average annual household income<sup>4</sup>.

Contributing to this gap are the rising costs and complexity of healthcare alongside the growth of lifestyle-related diseases, particularly diabetes, hypertension and high cholesterol. The COVID-19 pandemic has also shown how vulnerable we are to novel infectious diseases.

The lack of sufficient protection cover for all these diseases can have broader social and economic consequences across the region, not to mention their potential impact on lives and families. AIA serves the holders of more than 38 million individual policies and over 16 million members of group insurance schemes across the region. As the largest pan-Asian life and health insurer, we are in a unique position to address these challenges.

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<sup>4</sup> Swiss Re Institute 2020

To address these issues, the Foundation established the Philam Savings Awareness and Values Education Sessions (Philam SAVES) initiative, running programmes to teach the principles of financial management to students, their parents and teachers. Philam SAVES is a volunteer initiative by our employees and financial advisors, and is endorsed by the Philippine Government’s Department of Education.

In 2020, we signed an agreement to extend Philam SAVES to reach 150,000 grade 4 and 5 students in the Bangsamoro Autonomous Region of Muslim Mindanao, in southern Philippines. With this agreement we exceeded our commitment to reach 100,000 savers by 2020.



Our commitments to financial inclusion align with SDG 10 and related target of 10.1 to empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

## Strategic partnerships: empowering women in Sri Lanka

According to a 2015 AIA survey, Sri Lankan women are the primary decision-makers on matters relating to their family’s protection and future, and are proactive about managing their health and financial well-being. Sri Lanka’s low insurance penetration rate of 1.7 per cent suggests that if insurers can understand women’s protection priorities and connect with more women, the number of Sri Lankan women and families insured would increase.

This year, AIA Sri Lanka and the International Finance Corporation (IFC) signed an agreement to develop a targeted women’s insurance programme strategy and suitable products for Sri Lankan women. The partnership will allow AIA to reach more women and empower them to protect what is most important to them. As well as increasing women’s access to suitable products, we hope this initiative will also help bring more women into the insurance industry as employees, agents and future leaders.

## Microinsurance Offerings

More than half the world’s population do not have any kind of formal social security protection<sup>5</sup>. For people living in rural and underserved urban areas, microinsurance products can provide protection for those who are unable to afford traditional insurance solutions. AIA Philam Life in the Philippines and Tata AIA Life in India offer microinsurance products in their respective markets, reaching communities without access to traditional life and health insurers. By partnering with microfinance institutions AIA Cambodia has expanded protection cover to more communities across the country.



This section supports SDG Target 1.5 of building resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters.

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<sup>5</sup> ILO 2019

 **Build on our leading integrated wellness solutions and reward customers for behavioural improvements, delivering better health outcomes.**

Although economic development in Asia has brought significant improvements in standards of living, the region continues to face significant social and environmental challenges.

Health problems associated with lifestyle factors and pollution are reflected in an increase of NCDs, which account for 71 per cent of all deaths globally<sup>6</sup>. 37 per cent of deaths from these diseases also occur before the age of 70 while low and middle-income countries face the greatest risk from NCDs, further compromising poverty reduction and development efforts<sup>7</sup>.

Communicable diseases including HIV, tuberculosis, malaria and viral hepatitis, put billions of people around the world at risk. Meanwhile, the protection gap in Asia keeps increasing and was estimated to be US\$ 83 trillion<sup>8</sup> in the region in 2019.

# Delivering Better Health Outcomes

AIA will build on its integrated wellness solutions to address the lifestyle-related risk factors associated with the increasing levels of NCDs and help meet the needs of diverse communities throughout the region. We will work to accomplish this aim by incentivising our members to understand and reward them for improving their health, focusing on preventative screenings and prevention and continuously innovating to address health challenges to ensure customers receive the right care at the right time.

## NON-COMMUNICABLE DISEASES, INCLUDING MENTAL HEALTH ISSUES, CAN BE ATTRIBUTED TO FIVE BEHAVIOURAL FACTORS<sup>7</sup>

NON-COMMUNICABLE DISEASES ARE RESPONSIBLE FOR OVER **70%** OF ALL DEATHS WORLDWIDE

### 5 KEY RISKS



PHYSICAL INACTIVITY



UNHEALTHY DIET



SMOKING

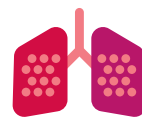


EXCESS ALCOHOL

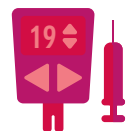


AIR POLLUTION

### 5 CHRONIC CONDITIONS



LUNG DISEASE



DIABETES



CANCER



HEART DISEASE



MENTAL HEALTH

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<sup>6</sup> WHO 2018

<sup>7</sup> WHO 2014

<sup>8</sup> Swiss Re Institute 2020



# AIA Vitality

## AIA wellness programmes

AIA Vitality is our comprehensive science-backed wellness programme that engages with participants to encourage them to make measurable improvements to their health. This award-winning programme builds on concepts of behavioural economics, motivating members to improve their health and well-being by earning AIA Vitality Points, which entitle them to benefits and rewards.

AIA Vitality helps members improve their well-being through three key steps:

### 1. Know Your Health

An AIA Vitality health assessment, which includes

fitness, nutritional and wellness evaluations, encourages members to understand their current state of health, identify areas for improvement, and complete health checks with healthcare providers. Every action members take to complete their health assessment earns AIA Vitality Points.

Members are also encouraged and rewarded with AIA Vitality Points, and offered discounts for screenings and vaccinations to detect and prevent communicable diseases.

### 2. Improve Your Health

AIA Vitality encourages members to set health goals and then awards AIA Vitality Points for taking steps towards achieving them. These steps typically include increasing exercise and activity levels, making healthier meal choices, taking part in fitness

programmes, attending smoking cessation courses and getting sufficient sleep. Membership rewards include vouchers for coffee and healthy food, and gym memberships. AIA Vitality also has partnered with leading providers of wearables, giving members access to wearables devices at discounted rates, which can in turn assist our members on their health journey.

### 3. Be Rewarded

Taking positive steps to improve health thus earning AIA Vitality Points, enables members to progress through four Vitality status levels, from Bronze to Platinum, enjoying better rewards at each tier. In addition to incentives for healthy living, the benefits also include discounts of up to 15 per cent on our insurance products and vouchers or discounts on shopping, entertainment and travel purchases.

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## Fulfilling Our Promise

Through AIA Vitality we are empowering people to take control of their health and focus on the risks associated with increasing rates of NCDs such as diabetes, cardiovascular disease and cancer.

AIA Vitality is currently available in Hong Kong, Thailand, Singapore, Malaysia, Australia, South Korea, Macau, the Philippines, Indonesia and New Zealand. AIA has also developed a wellness programme to meet the specific needs of our customers in Mainland China.

We monitor and report on the health impacts of the AIA Vitality Programme with verifiable health data. To date we have captured 8.7 million health assessments, 4.1 million body mass index (BMI) readings and are tracking more than 790,000 workouts submitted via fitness trackers each day.

### OVERALL MEMBERSHIP OF OUR WELLNESS PROGRAMMES ACROSS THE GROUP EXCEEDED 1.8 MILLION AT THE END OF DECEMBER 2020.

**24%**



of our members who started with an unhealthy BMI range have moved to a healthy range

**73%**



of our members who started with an unhealthy glucose range have moved to a healthy range

**52%**



of our members who started with an unhealthy blood pressure range have moved to a healthy range

A member's AIA Vitality Age is their actual age relative to a variety of health factors. Members improved their Vitality Age by an average of

**0.67 years**

since joining the programme

**37%**



of our members who started with an unhealthy cholesterol range have moved to a healthy range



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## Maintaining Fitness Habits

The importance of staying healthy was a particular focus in 2020. Pandemic prevention measures changed many people’s established fitness habits and threatened to negatively impact physical and mental well-being.

To ensure that AIA Vitality members maintained their fitness and wellness habits, even when they had to stay home and were socially isolated, AIA found new ways to engage with customers, and introduced new ways for them to earn points and stay motivated.

During the year, we made several enhancements to the AIA Vitality platform to improve reach and engagement. Members completed nearly one million new mental well-being assessments over the 12 months as we increased our focus on mental resilience across our markets. We also entered an exclusive regional partnership with Holmusk, a global data science and healthcare technology company to develop AI enabled nutrition coaching services for AIA Vitality’s nutrition programme.

In March 2020, when Australia moved into a nationwide lockdown, many people could not go to the gym, workout outdoors or participate in sports as they usually did. In response, AIA Vitality increased the number of points awarded for daily step goals, leading to a 23 per cent increase in members using tech devices to track their activities.

AIA Australia and AIA New Zealand also developed the AIA Vitality Well-being Toolkit, an online resource comprising articles, podcasts and videos, providing tools, tips and

inspiration on staying mentally and physically well and active at home. Members could also earn points through participation in online workouts when advised to stay indoors.

In October, AIA Singapore organised AIA Health & Wellness Live 2020, awarding AIA Vitality Points to members for tuning in. This two-day event featured both live and pre-recorded content, featuring panel discussions on balancing business productivity and employee wellness, the healthcare revolution, and provided tips from health and mental wellness experts, healthy recipe cooking demonstrations and workouts.

## Innovating to Address Health Challenges

AIA continues to develop new products that provide care to our customers throughout their lives, to support the prevention, treatment, and management of health outcomes.

### Cancer and Serious Infections Disease Protection

In 2020 we launched AIA One Absolute – Cancer & Serious Infectious Disease Protection (AOACS) in Hong Kong, a first-in-market proposition that pays claims based on the impact of the customer’s condition and their medical journey.

There are more than 100 types of cancer and myriad treatment options that depend on the type and stage of the cancer and whether it has metastasised from the original site. Meanwhile, infectious diseases continue to evolve, and existing viruses such as malaria and dengue have spread to new areas. Scientists have discovered at least 40 new infectious diseases since the

1970s, including SARS, Ebola, MERS, avian flu, swine flu and Zika virus, while diseases such as cholera and tuberculosis, thought to be in decline, have rebounded.

Rather than linking claims to a technical or medical diagnosis or medical bills, AIA has innovated to address changes in cancer treatments and outcomes. As well as providing life insurance and health protection based on the severity of cancer and carcinoma-in-situ and future medical advances in treatments, AOACS includes cover for any known or novel serious infectious disease that the WHO declares to be a Public Health Emergency of International Concern, which includes COVID-19.

With claims calculated using a transparent scoring system and total benefits payable up to 160 per cent of the sum assured in the most severe cases, AOACS offers extra protection for conditions with a high degree of severity, at an affordable premium.

### Well-being Coaching Programmes

More people are surviving cancer than ever before, thanks to early detection and improved treatments.

Regardless, a cancer diagnosis can be an overwhelming and isolating experience. Recent studies suggest health outcomes and quality of life can improve with greater patient engagement and self-management, but there is a lack of supporting tools for cancer patients outside of the clinical setting.

Research has also demonstrated that patients who focus actively on their well-being, such as logging

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their symptoms, exercising, and undergoing rehabilitation, have better health outcomes while undergoing cancer treatments and in their post-cancer lives.

In 2018, in light of these findings, AIA partnered with CancerAid to develop a pilot programme to support our customers undergoing cancer treatment.

The CancerAid Coach Program is a digital application-based initiative that includes weekly educational modules, self-management tools and techniques, and a personal coach who provides education, motivation, accountability, and

well-being support. The six-week coaching programme empowers members living with cancer to gain greater control over their disease and support them to make a successful transition to a full and meaningful life after cancer.

This digital and personalised approach helps patients to navigate their care and achieve improved health outcomes.

The results have been positive: 40 per cent of CancerAid Coach customers progressed through to AIA comprehensive occupational rehabilitation programmes, and 82 per cent of customers who enrolled in

these programmes returned to work. In addition, 97.5 percent of customers reported that they were satisfied with the programme.

At Australia's 2020 Shared Value Awards, the CancerAid Coach Program was awarded Shared Value Project of the Year, while AIA Australia was honoured as Shared Value Organisation of the Year. Both awards reflect AIA's commitment to doing more to make a difference in the lives of customers when they need it most.

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# SUPPLEMENT: Supporting Our Communities Through COVID-19

This supplement to our Report this year outlines the considerable ways that we have supported our communities during this challenging time.

2020 was an exceptional year with all of our communities facing unprecedented socioeconomic challenges as COVID-19 affected millions of lives across our markets, impacting people’s physical, mental and financial well-being.

From the early weeks of the pandemic, AIA responded rapidly, staying true to our Purpose of helping people live Healthier, Longer, Better Lives.

People working in every part of our business were proactive and quick to adapt. We changed the way we worked to address the needs of our stakeholders and respond to unexpected situations. It was vital that we acted quickly and stayed resilient to ensure continuity of support.



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In 2020, we contributed over

**US\$4.5 MILLION**

to community causes.



Our employees volunteered more than

**13,000 HOURS.**



To find out more about our CSR programmes, visit our CSR webpage.



## Expanding Protection Cover

Many of our customers faced unexpected health concerns and worries about financial insecurity. AIA wanted to reassure and support our customers and encourage community resilience by offering additional insurance cover free of charge in some markets, as one of a number of other initiatives.

### Mainland China

In the early days of the pandemic, AIA China took a series of immediate actions to alleviate the financial stress suffered by patients. This included a RMB 200,000 payment to policyholders in case of disability or as a compassionate benefit to families as a result of COVID-19, during the critical period from February to June 2020. AIA China also provided insurance protection of up to RMB 600,000 for each medical worker from a total of 43 hospitals, who went to Hubei province and its capital city of Wuhan to offer their care and support.

### Hong Kong and Macau

AIA Hong Kong responded to the developing pandemic by providing free enhanced protection against COVID-19 and claim support measures to all customers.

Identifying a protection gap for frontline cleaning workers, AIA initiated a campaign titled “Unsung Heroes” and offered free protection benefits as a way to thank these essential workers who provide an invaluable service to Hong Kong and Macau. The AIA Foundation also donated 10,000 health protection kits to disadvantaged families.

As a significant commitment to our communities, AIA extended free COVID-19 coverage until 30 September 2020, with HK\$/MOP 15,000 diagnosis benefit and HK\$/MOP 150,000 compassionate benefit, to all Hong Kong and Macau residents and AIA customers who registered for the free cover via the AIA Connect mobile app. As part of this campaign AIA offered free COVID-19 protection cover to over 500,000 people.

### Singapore

AIA Singapore provided free COVID-19 coverage for 2.6 million existing eligible individual customers, corporate members, employees and AIA representatives. As part of the AIA #ShareTheLove 2020 campaign, we enabled customers to purchase affordable life cover for themselves and provide loved ones with additional cover for free. AIA offered complimentary AIA #ShareTheLove Insurance plans covering COVID-19 and 21 infectious diseases, including dengue fever for the essential workforce.

To ease worries about financial instability, AIA Singapore introduced AIA Retrenchment Cover for selected AIA plans as a complimentary benefit for policyholders should they be retrenched involuntarily and remain unemployed. This free coverage waives the premiums for specified policies for up to 12 months.

### Australia

In Australia, AIA sought to alleviate potential stressors for customers making claims and took a flexible approach to assessment wherever possible. For long-term income protection claimants, we lifted the requirement for a monthly medical certification and placed these customers on scheduled payments for three months, to avoid the need to visit a doctor in person. For other claims, staff sought to get information from claimants by phone or via telehealth services, to reduce the need for in-person medical reviews.

### Sri Lanka

AIA worked with Sri Lanka’s Ministry of Health to provide free life insurance cover worth LKR 500,000, as well as a hospital cash benefit to employees from three of the main hospitals and centres dedicated to treating COVID-19. As part of its own #ShareTheLove campaign, AIA Sri Lanka also gave customers the opportunity to give someone else a year of life cover worth LKR 1 million when they bought a new policy.

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## Expanding Virtual Healthcare Access

Technology was key to keeping our people and our communities safe and ensuring continuity from the start of the pandemic. Across the world, as concern grew about healthcare facilities being overwhelmed, we worked with our strategic partners to develop more online medical services to offer accessible solutions to our customers and ease pressure on local medical infrastructure.

When it became imperative to practice social distancing and exercise caution when meeting indoors, we were able to leverage our existing digitalisation initiatives and accelerate other projects to make many of our products available online.

At a time when health, well-being and access to healthcare were of the utmost importance and yet often inaccessible, we put digital solutions in place to facilitate and ensure continuity of care. The value of telehealth services has been demonstrated in many of our markets. Key examples of some of these initiatives are outlined below.

### Mainland China

By making its network of over 45,000 licensed doctors available to provide online medical consultations directly to customers, AIA China and its strategic partner WeDoctor helped to ease pressure on local hospitals dealing with COVID-19 patients.

### Thailand

To support people at high risk of contracting the virus and those concerned about symptoms, AIA Thailand, in collaboration with communications firm True Digital Group and SAMITIVEJ, a Thai hospital group, launched Virtual COVID-19 Clinic. The service provided a 24/7 teleconsultation service free of charge for a one-month period.

### Singapore

Aiming to reduce some of the pressure on the health system, AIA Singapore, in partnership with on-demand telemedicine provider WhiteCoat, offered corporate customers access to teleconsultation services with doctors as part of their employee benefits and covered the cost of 50,000 teleconsultations for holders of the HealthShield Gold Max policy.

### Australia

To reduce the potential impact of the pandemic, AIA Australia moved face-to-face occupational rehabilitation services to a telehealth service and delivered more services to customers at home through its health coaching programmes.

Medical studies suggest that patients who recover from COVID-19 have an increased chance of developing chronic lung diseases. To ensure better health outcomes for our customers, AIA Australia created an industry-first telehealth programme called Breathe Well, to help customers manage their respiratory health. Breathe Well offers seven coaching sessions delivered by exercise physiologists and education on appropriate exercises during their recovery. The programme also identifies participants who require a formal rehabilitation programme and then connects them with an expert rehabilitation team.

### Sri Lanka

In recognition of the difficult circumstances, AIA Sri Lanka made its oDoc service free to select insurance customers. oDoc is a mobile application that connects patients with doctors for video, audio and text consultations, allowing customers to book over 400 Sri Lanka Medical Council registered general practitioners and specialists, receive prescriptions and get medication delivered. If lab tests are required, the app can arrange for a mobile lab to be sent to homes or offices.

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## Safeguarding Health through Digital Sales

To safeguard the health of our customers, employees and agents, we moved to digital sales in many markets and will continue to leverage leading-edge digital technology to proactively respond to the ever-changing market landscape.

We also introduced AirSign and Sign Everywhere solutions, so our customers could have the option to sign forms on their mobile phones without meeting in person. AirSign solutions have been launched in Hong Kong, Singapore, Thailand, Malaysia, the Philippines, Indonesia, Myanmar and Cambodia. In an industry first initiative for Sri Lanka, AIA also enabled customers to use enterprise-grade, secure remote digital signatures.

### Hong Kong

In July, AIA Hong Kong launched “Remote Insurance Purchase” to make it safe for customers to buy insurance and receive uninterrupted protection by connecting with AIA via digital, telephone, post and video-conference services. A total of 23 products were made available under this arrangement, including medical, critical illness, term policies and personal accident categories.

### Indonesia

Amid extended social restrictions in Indonesia, we introduced AIA DigiBuy, which allowed customers to purchase insurance through a virtual meeting by telephone or video call. Through AIA DigiBuy, agents were able to explain product and benefits and continue the sales process remotely.

### The Philippines

AIA Philam Life launched The Coffee Closing Project, an enhanced digital selling platform with a 20-minute three-step process:

1. e-Submission and e-Signature, where customers review and acknowledge the insurance agreement;
2. e-Payment via debit or credit card; and
3. Auto Underwrite using Fusion, a proprietary technology, to finalise the insurance policy.



## Award for Resilience

At the 2020 Hong Kong International Data Corporation (IDC) Digital Transformation Awards, AIA received the Hong Kong 2020 Special Award for Resiliency. The market research company reported that AIA responded with speed and purpose to the outbreak of COVID-19 by accelerating the adoption of new digital tools

and online capabilities, to ensure agents could continue to deliver uninterrupted service and support to our customers and our communities.

Remote agency meetings, communications and remote sales were enabled across all markets, and by the end of April 2020, almost half of AIA’s sales were being closed remotely. In addition,

significant progress was made on increasing access to digital learning and recruitment, with most markets on track to deliver enhanced capabilities. While COVID-19 helped accelerate the adoption of some of these new tools, digitalisation drives our transformation strategy.

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## Supporting Mental Well-being

Financial instability, lockdowns, quarantine, closed borders, travel bans, and social distancing measures all raised concerns about increased social isolation and the negative impact on mental well-being.

In Australia, AIA proactively engaged with regulators and the government to raise concerns about the potential for increased mental health problems. AIA Australia, alongside other insurers and superannuation funds, partnered with mental health organisation SuperFriend to advocate for the adoption of initiatives to address mental health issues during the pandemic.

In May, AIA Australia entered a partnership with the Mentemia mental well-being platform, to launch an evidence-based mental health app. Available free of charge to everyone in Australia for six months, the app contained simple, bite-size tools and techniques to help communities cope with common stressors.

AIA Malaysia partnered with ThoughtFull to provide its employees with free unlimited access to mental health coaching by certified professionals via ThoughtFullChat, a mobile app.

## Community Support and Donations

From the start of the pandemic, AIA recognised the importance of supporting local communities and healthcare infrastructure, responding to the new issues faced by communities with both donations and community engagement.

Across the markets we operate in, we pledged a total of nearly US\$1 million of pandemic support to charities, medical institutions and partners who can channel resources to families in need, extending our support to a wider group of beneficiaries.

### Mainland China

In collaboration with WeDoctor, AIA China contributed more than RMB 4 million to sponsor medical kits to Wuhan and surrounding cities in Hubei, which included 10 tonnes of disinfectant, 960 virus testing kits, 60 respirators and 20 thousand pairs of surgical gloves. In partnership with the Amity Foundation, more than 3,800 AIA China agents and employees raised over RMB 500,000 in funds that were used to purchase an ambulance and 150,000 pairs of surgical gloves for Hubei province.

### Vietnam

To provide financial support for doctors and medical staff working on the frontline, AIA Vietnam made donations totalling VND 2 billion for essential medical equipment. AIA Vietnam also set up a financial assistance programme of up to VND 23 billion for frontline medical workers who tested positive for COVID-19.

### Thailand

“Fight Together Against COVID-19” rallied AIA Thailand employees, agents, business partners and customers to engage with communities across the kingdom as volunteers on various relief projects targeting low-income families, people with disabilities and other under-served groups. They distributed 12,000 kindness survival kits to people most affected by COVID-19 in 12 provinces across Thailand and our agency force also donated THB 300,000 to local hospitals and the National Cancer Institute.

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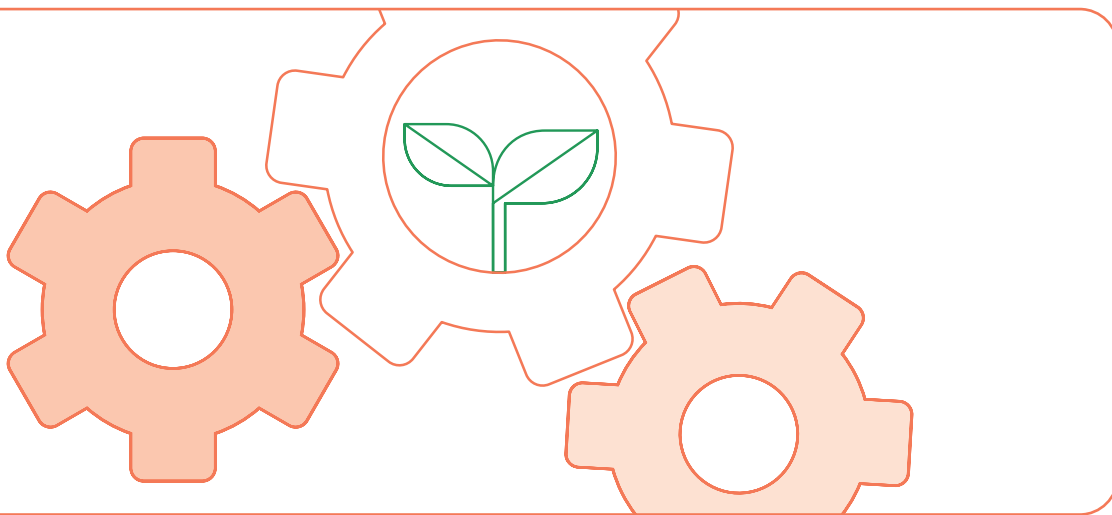
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# Green Operations


The environment has a direct impact on the health and well-being of our customers, our employees and our communities. It is critically important that we understand the effects of our own impact, and where possible, influence positive environmental practices amongst our stakeholders and within our markets.


Our Green Operations pillar encompasses four key priorities.

## Our Strategic Approach

- 

Increase digitalisation and automation to reduce the usage of paper and need for business travel.
- 

Encourage improvements in environmental performance while prioritising vendors and business partners who exemplify good ESG practices.
- 

Ensure that all new buildings adhere to industry-recognised green building standards and environmental management best practices.
- 

Reduce our carbon footprint, while also measuring and managing the amount of waste produced from our operations.



This section outlines our support of SDG 13 on climate action, and SDG Target 13.3 to improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

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 Increase digitalisation and automation to reduce the usage of paper and need for business travel.

**60%+**  
of communications with policyholders completed digitally, requiring fewer paper letters.

## Digital Transformation

AIA's digital transformation is helping to shape our future and end the traditional view of insurance as an industry reliant upon forms and paperwork. Meanwhile, our use of video conferencing technology has improved efficiency and reduced the need for business travel.

Building on a framework created in 2018, we track our levels of digitalisation and automation in operations across all our markets. Our main focus is on digitalising more of our customer interactions, to create better service options and reduce the amount of paper we consume.

During 2020, as a result of the COVID-19 pandemic, we made more products available through digital channels and customers were able to buy products and submit more claims online than ever before.

As of the end of the year, more than 70 per cent of our buy, service and claims

transactions were submitted digitally. We now use digital methods for more than 60 per cent of communications with policyholders, requiring fewer physical paper letters.

Following the successful utilisation of video conferencing technology in 2020 for meetings and collaboration, AIA aims to continue to use this technology, where feasible, to reduce the need for business travel. Emissions from business travel are incorporated within the Group's Scope 3 emission footprint found in Our TCFD Report.

 Encourage improvements in environmental performance while prioritising vendors and business partners who exemplify good ESG practices.

## Encouraging Good ESG Practice

We consider it our responsibility to engage with our value chain partners including suppliers on good ESG practice.

AIA encourages suppliers to minimise their energy consumption and carbon footprint, and we promote the use of environmentally friendly technology. AIA also urges that our event partners consider their environmental performance, incorporating environmental considerations as part of our supplier registration process.

As well as reducing paper usage through digitalisation, we have committed to choosing sustainably sourced paper throughout our operations. Other aspects of our approach to supplier engagement are discussed under the Effective Governance section of this Report, which outlines our approach towards due diligence.



Details of AIA's Supplier Code of Conduct are [linked here](#).

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Ensure that all new buildings adhere to industry-recognised green building standards and environmental management best practices.

## Green Buildings

The built environment has a direct impact on people's health and well-being. As a major property investor in Asia, the overall sustainability and environmental impact of a building is always a key consideration in our real estate acquisition.

AIA's commitment to incorporating green standards as an integral part of the design concept and construction phase, are outlined as requirements within the Group's ESG Investment Standard.

Through our investments, we are able to commit resources to acquire or develop green

buildings, while also continuing to retrofit and upgrade older buildings in our portfolio to higher green standards. Our portfolio of green buildings also plays an important role in reducing our environmental impact and providing energy-efficient, low carbon spaces to employees and tenants.

## Developing sustainable buildings by achieving WELL Building Certification

The quality and design of indoor environments can affect our well-being, so developing healthy, sustainable buildings aligns with our Purpose to help people live Healthier, Longer, Better Lives. AIA's commitment to green buildings is evidenced by our Leadership in Energy and Environmental Design (LEED) certified building portfolio.

In 2020, AIA Thailand went further and achieved the WELL Building Standard Gold-level Pre-certification for AIA East Gateway, a mixed office and retail development in south-east Bangkok. By adopting the WELL Building Standard, AIA goes beyond environmental performance of the building and embraces human-centred design, benefiting the physical and mental well-being of building users.

AIA East Gateway incorporates many distinctive features including an outdoor swimming pool, multi-functional gymnasium and sports complex, a jogging track, landscaped gardens with water features and ventilation systems with high-efficiency filters.



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## Our Portfolio of Green Buildings

Award Name	Building	Location	Year of Award
WELL Building Standard Gold-Level Pre-certification	AIA East Gateway	Bangkok, Thailand	2020
Dual GOLD LEED certifications (New Construction + Existing Buildings: Operations and Maintenance)	AIA Capital Centre	Bangkok, Thailand	2018
LEED Platinum Rating in the category of Existing Buildings: Operations and Maintenance	Two AIA Financial Center	Nanghai, China	2018
LEED Platinum Rating in the category of Existing Buildings: Operations and Maintenance	One AIA Financial Center	Nanghai, China	2017
Pre-certification of LEED Silver	Philam Life Center Cebu	Cebu, Philippines	2017
Certificate of Green Building Design Label	Two AIA Financial Center	Nanghai, China	2015
The LEED Gold Certification	AIA Sathorn Tower	Bangkok, Thailand	2015
Best Commercial Development (Thailand), Best Green Development, Best Office Development and Highly Commended Architectural Awards in Thailand	AIA Sathorn Tower	Bangkok, Thailand	2015
Best Commercial Development in Thailand 2014 Award	AIA Capital Centre	Bangkok, Thailand	2014
Best Commercial Development in South East Asia in 2014	AIA Capital Centre	Bangkok, Thailand	2014
LEED Silver Certification for Existing Buildings: Operations and Maintenance	AIA Central	Hong Kong, China	2012
Excellent Rating of the Hong Kong Building Environmental Assessment Method HK-BEAM for New Office Designs	AIA Central	Hong Kong, China	2005

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Reduce our carbon footprint, while also measuring and managing the amount of waste produced from our operations.

# Reducing our Carbon Footprint

AIA will take initiatives to reduce our operational carbon footprint, while also reducing waste and raising awareness on the impacts of pollution.

In 2020, the Group produced 42,550 tonnes of CO<sub>2</sub>e, or 1.8 tonnes per employee. The decrease in our overall footprint this year was due to a significant reduction in business travel and remote-work measures put in place across our Group in response to COVID-19.

Total energy consumption across the Group was 71,651,432 kWh, amounting to 3,062 kWh per person.

The largest contributor to our operational footprint is the electricity we use in our buildings, which contributes to our Scope 2 emission footprint of 38,029 tonnes. Other sources of emissions include those from our corporate vehicle fleet and business travel.

AIA continues to monitor our environmental footprint, and implement energy efficiency measures, where applicable throughout our business, including solutions such as LED lighting and video conferencing technology.

Please also refer to Our TCFD Report for details on our historic carbon footprint, and our approach to addressing climate change.

## Waste Management

In 2017, AIA established an Environmental Policy to specifically champion group-wide efforts to manage our operational footprint. Building on this policy, AIA launched

its internal Environmental Procedures in 2020 and will monitor and review them annually or as required to ensure relevance and effectiveness.

We are committed to reducing the amount of single-use plastic we use in our daily operations, promotional materials and by third parties representing AIA. This has already been implemented for staff dining areas and workspaces at Group Office, for AIA Group events and at the AIA Leadership Centre (ALC).

We also encourage the recycling and reduction of waste in other significant areas of our operations, practicing waste separation during corporate events and ensuring that unwanted electronic waste such as computers and telephones are donated or disposed of properly.

Other recommendations include prioritising sustainable seafood at all catered corporate events, and where possible, sourcing from sustainable palm oil producers. As part of our ESG Strategy, we also intend to establish procedures to measure and disclose the amount of waste our operations produce.

## Pollution

Addressing pollution is a challenge that goes beyond the influence of a single business, and requires the concerted effort and action of both the private and public sectors. AIA's memberships in ESG organisations provide us with one such forum to discuss environmental issues with peers and other leading businesses.

Burning coal and wood in the home for cooking and heating is still commonplace in many parts of Asia and this is a well-known cause of indoor air pollution. Research supported by AIA this year showed that these residential sources also contribute significantly to outdoor air pollution. Advances in technology have reduced emissions from traffic and electricity generation, meaning that emissions from residential cooking and heating now account for a greater proportion of outdoor air pollution. It is crucial that efforts to reduce fine particulate matter (PM<sub>2.5</sub>) find ways to address these residential pollution sources.

AIA's influence lies in raising awareness on the health impacts of pollution, and in exploring ways in which we can assist our customers in reducing their exposure to specific pollutants. Our solutions enable us to play a more active role in addressing this risk factor and in enabling our customers to live Healthier, Longer, Better Lives.



For further details on how we address our operational footprint, please refer to our Environmental Policy linked here.

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# Sustainable Investment

Through our investments, AIA seeks sustainable outcomes and secures investment income in order to deliver on the long-term savings and protection needs of our customers. This enables us to achieve our Purpose and fulfil our commitments to customers.

We also understand the impact that our investments can have on people’s lives and believe it is essential to take ESG factors into consideration when making our investment decisions so that we help to drive sustainable behaviours, including the creation of long-term value.

## Our Strategic Approach

- 

**Deepen ESG engagement with investee companies in directly managed portfolios. Produce insights and case studies to enhance understanding and the adoption of best practices.**
- 

**Continue to build on the consideration of ESG issues in the investment process by augmenting knowledge and capacity among our investment analysts through dedicated training initiatives.**
- 

**Broaden portfolio inclusions by specific considerations of green bonds, sustainability bonds, renewable and alternative energy, and infrastructure.**
- 

**Enhance portfolio exclusions in consideration of our objective to secure long-term investment outcomes.**
- 

**Continue to measure the carbon footprint of our investment portfolio, with annual public disclosure and develop emission reduction targets for our portfolio.**

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**Deepen ESG engagement with investee companies in directly managed portfolios. Produce insights and case studies to enhance understanding and the adoption of best practices.**

In each market, our experienced fixed income and equity research analysts are responsible for the consideration of ESG matters in investment decisions according to our investment approach.

Investee engagements at AIA are conducted on specific themes or sectors and therefore may touch all of our investee companies, or only those within the sector engaged, for example, our engagement across the palm oil sector. AIA's ESG team and Group Investment function will coordinate on areas for engagement, the preparation of any materials, assessment and/or scoring methodology, and briefing of our research analysts who engage regularly with our investee companies.

AIA's ESG team continues to work closely with the Group Investment function, sharing and seeking to apply industry knowledge, trends, and international best practices, as well as devising and implementing specific investment engagements, aligned with international market-leading approaches, and outcomes for certain topical areas. The ESG team and Group Investment function will seek to enhance our investee engagement approach and methodology, for example, through using internal scores so that deeper and broader insights can be derived, across sectors, geographical locations and/or asset classes.

## ESG Engagements

AIA continues to engage with companies on any ESG-related concerns before or after an investment decision, regardless of asset class. AIA believes that active engagement with investee companies, particularly those in emerging market economies, is an effective mechanism for improving ESG awareness and practices, driving sustainable behaviour and in securing sustainable, long-term outcomes.

### Proxy Voting

Voting at company meetings is an important part of the dialogue between a company and its shareholders. As an asset owner it is a fundamental aspect of our fiduciary duty to our customers and our commitment to sustainability.

Our Proxy Voting Standard (Voting Standard) is based on principles of good corporate governance, which serve to protect the long-term interests of shareholders. Senior investment management at our business units will decide on whether the voting event or transaction is significant enough for review by AIA. If a review is justified, the relevant research analyst and portfolio managers will provide an analysis of the voting decision and resolution. The relevant portfolio managers will then determine whether AIA will participate in voting.

Our Voting Standard also outlines a list of mandatory ESG issues that must be considered in our voting decisions.

### Our Approach to the Palm Oil Sector

Unsustainable palm oil production has significant negative social and environmental impacts, including deforestation, pollution and biodiversity loss. AIA is a member of the Principles for Responsible Investment (PRI) Investor Working Group on Sustainable Palm Oil and is committed to engaging with companies across the palm oil value chain to encourage more sustainable practices. We also assessed our exposure to palm oil producing companies in our investment portfolio, across both fixed income and equity asset classes, engaging with these businesses on improving their sustainability practices both in their operations and supply chains. AIA also developed additional internal guidance and scoring methodology for our research analysts in engaging with, and assessing the sustainability of, a palm oil plantation or mill, across asset class.

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## Our Approach to Driving Long-Term Value

As an insurer, we are committed to the needs of our customers over many years, and this requires investing in businesses that practice good governance in addition to understanding the impacts of social and environmental factors on their operations. We believe that sound governance underpins good corporate behaviour, which contributes to good results for stakeholders and our abilities to achieve sustainable long-term outcomes.

Business owners and asset managers are increasingly aware of the potential risk and value impact of ESG factors, and their effect on profitability and investment returns. AIA understands that issuers looking to create long-term stakeholder value must ensure a sound approach to the planning and management of ESG aspects. Ignoring ESG risks is likely to have financial consequences alongside other key considerations such as ignoring credit, currency and commercial risks, or other reputational issues.

AIA believes that a sustainable business model drives shareholder value, is a key determinant of management ability, and determines whether an issuer can meet its financial obligations longer term.

AIA's investment decisions with respect to ESG are based upon:

- an assessment of ESG factors in potential and actual investee companies;
- the belief that active engagement with investee companies is a more effective mechanism to promote, develop and enhance ESG-related business practices; and
- certain specified exclusions where those sectors or categories have been determined to not be consistent with our Purpose.

AIA assesses ESG issues as they relate to an investee company's operations, considering the impact that ESG risks may pose to a company's profits, assets, business and people. AIA employs a consistent approach to addressing these ESG

issues, considering a range of ESG factors, including but not limited to water shortage, energy supply, climate change, environmental regulations, labour supply and relations, resource scarcity/bottleneck, management capability and integrity, and financial management.

Research analysts are required to incorporate an assessment of ESG risks and issues into their research reports. AIA research analysts refer to a company's ESG report to better understand how these issues and risks are being managed. Analysts also consider ESG research and data produced by third-party research providers.

Given the increasing importance of ESG scores, and the insights that this can provide, AIA will also be considering ways to incorporate ESG scores into the assessment and research process.

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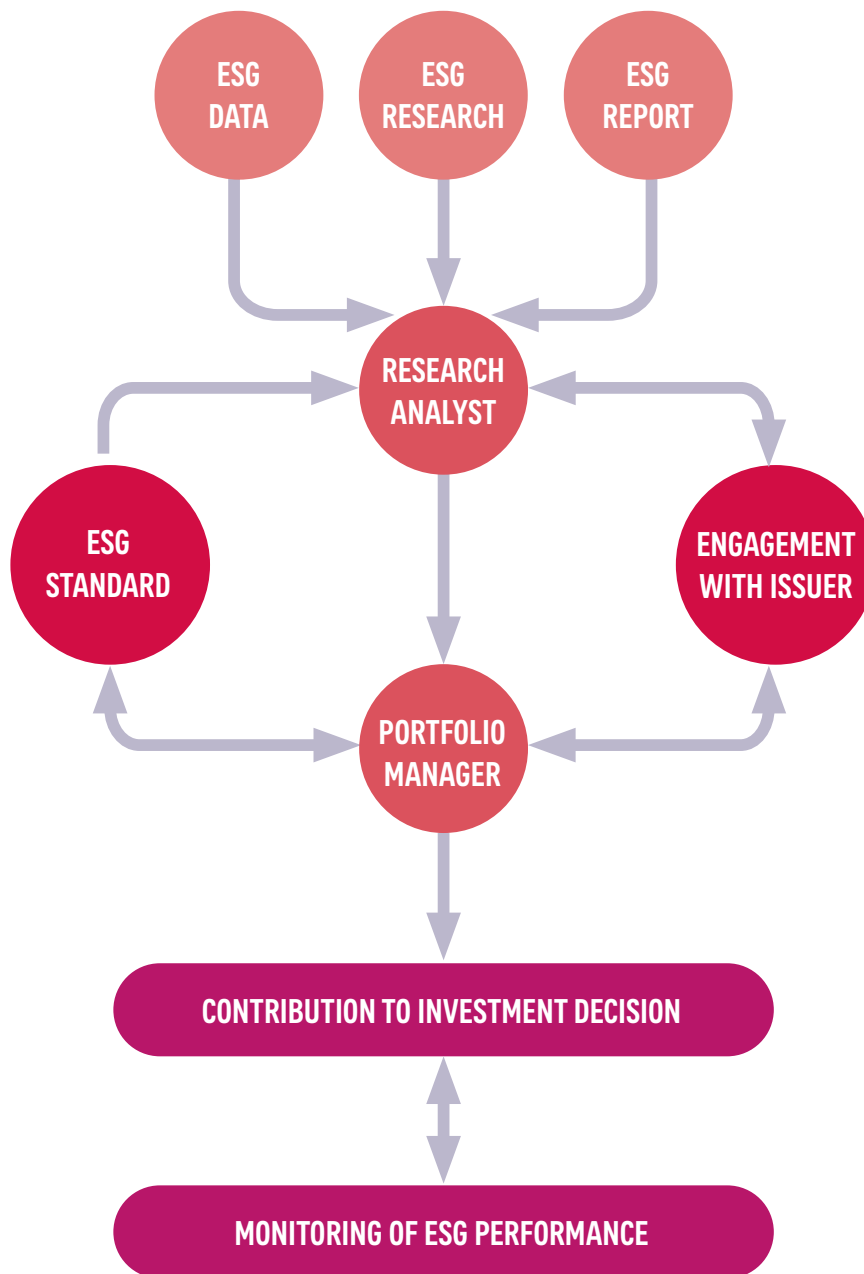
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For further details on how we address ESG issues within our investment portfolio, please refer to our Responsible Investment Policy, linked here.

 Continue to build on the consideration of ESG issues in the investment process by augmenting knowledge and capacity among our investment analysts through dedicated training initiatives.

## ESG Training and Development

Developing and enhancing capacity on understanding and assessing ESG issues is a priority for AIA, and essential in making informed and relevant investment decisions, as we believe that a sustainable business model drives shareholder value. Given the dynamic and constantly evolving nature of the ESG space, and material ESG risks that companies face, our analysts are provided with access to ESG resources, materials and training.

Our ESG Standard was developed with input from our Group Investment leadership as well as the Chief Investment Officers of our business units. This leadership group has ownership of our approach, including maintaining appropriate documentation, as well as training and development of the portfolio managers and research analysts at business units.

In 2019, AIA was the first Hong Kong-headquartered business to become a signatory to the PRI as an asset owner.

This allows us to benefit from the resources of the PRI as we continue to integrate ESG considerations into our process and demonstrate our commitment to sustainable investment. AIA will submit its first report to the PRI in 2021.

AIA has also been a supporter of the TCFD since 2018. AIA will review regional and international initiatives to address climate change and continue to evolve our approach based on our external commitments.

Our analysts complement their research activities by accessing and utilising ESG resources, including webinars, industry discussion forums, external research reports and thought leadership articles. The Group Investment function works closely with the ESG team to raise awareness and keep the research and portfolio management teams informed about industry developments, and the current focus areas of stakeholders such as regulators, asset owners and trade associations.



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## Investee Company Engagement on COVID-19

The outbreak of COVID-19 has emphasised the greater need for the private sector to support and protect the health of their staff, communities, service providers and clients.

To understand how business leaders were adapting to the new environment, AIA conducted a survey with its portfolio companies in 2020. We wanted to assess and identify leaders in relation to business continuity, and support for local communities during the pandemic. Throughout the engagement, we found consistent humanitarian-centric responses in local community engagement.

### Key findings include:

- Across South East Asia, the private sector played a critical role in organising and distributing resources and accelerating the production

of personal protective equipment to address community needs. In Malaysia and the Philippines, the private sector led by providing COVID-19 testing and quarantine facilities and alleviating overburdened public healthcare systems. Indonesian firms also responded quickly to the surge in demand for essential health and hygiene products.

- In Mainland China, a coordinated private sector response contributed significantly to the country’s continuity and recovery after the immediate impacts of COVID-19. Chinese firms mobilised resources, scaled critical technologies that facilitated better research and treatment, and rapidly redirected expertise and supplies to stem the spread of COVID-19.
- Hong Kong and Singapore saw private sector donations of critical medical supplies to healthcare professionals along

with launching community engagement initiatives.

- Rapid scaling of digital solutions across all markets helped sustain business continuity, build community resilience and fast-tracked the pace of digital integration. There was widespread adoption of cloud services and private networks along with increased video conferencing for group and client meetings among our portfolio investees, many of whom implemented remote working procedures.

The survey reiterated the essential role played by businesses across Asia, in redirecting expertise and resources and contributing to community resilience during these times.

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 Broaden portfolio inclusions by specific considerations of green bonds, sustainability bonds, renewable and alternative energy, and infrastructure.

## Broadening Portfolio Inclusions

AIA is aware of the continual need to contribute to the sustainable development of our communities. Through our infrastructure and other investments, AIA will continue to report on investments in sustainability and support for energy transition, through our investments in clean energy, transportation, healthcare and green bonds.



### INVESTMENTS IN INFRASTRUCTURE AS AT 31 DECEMBER 2020: US\$ 32.1 BILLION

Examples of these investments include:

**US\$776 MILLION**  
in water utilities

**US\$6.4 BILLION**  
in transportation infrastructure

**US\$3.5 BILLION**  
in road and rail infrastructure

AIA also had:

**US\$407 MILLION**  
in renewable energy

**US\$4.3 BILLION**  
in the healthcare sector

**US\$1.1 BILLION**  
in green bonds

**US\$1.8 BILLION**  
in ESG (green, social, and sustainability) bonds

According to Asian Development Bank estimates, developing countries in Asia will need to invest US\$1.7 trillion in infrastructure every year for the next decade to maintain their growth momentum, tackle poverty, and mitigate and adapt to the impacts of climate change.

Much of the investment needed to close the infrastructure and climate funding gap will be from the private sector. AIA continues

to mobilise savings, directing this to infrastructure and other productive investments. This contributes to the sustainable development of our communities in Asia.

As an asset owner, with US\$247.4 billion invested assets, we already have significant investments in infrastructure, healthcare and other industries. Our commitment to sustainable

investment supports the growth and development of capital markets and provides valuable capital for infrastructure, economic growth, and thereby the sustainable development of the region and our communities.

AIA has been active in providing funding for many infrastructure projects in the region. Out of our total fixed income and equity investments, approximately US\$32 billion is invested in infrastructure-related sectors, representing an increase of 6.6 per cent compared to 2019. This demonstrates our unwavering commitment to the long-term sustainable development of our markets.

**11**  
SUSTAINABLE CITIES AND COMMUNITIES

The following section outlines our support of sustainable cities and communities, including alignment with SDG Target 11.3. to enhance inclusive and sustainable urbanisation and capacity for participatory, integrated and sustainable human settlement planning and management.

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 **Enhance portfolio exclusions in consideration of our objective to secure long-term investment outcomes.**

## Portfolio Exclusions

**In consideration of both our Purpose and our commitment to secure sustainable long-term investment outcomes, our ESG Strategy outlines our approach and the initiatives we have taken to exclude certain sectors from our investment universe. These are sectors which are deemed inconsistent with our Purpose and objectives.**

We believe longer-term stakeholder value, including investment return, will be impacted by the ultimate decline in sustainability of certain sectors. It is therefore from a long-term risk management perspective that AIA has decided to exclude some sectors from our investment programme. Any sectors excluded from the investment programme are reflected in the automated pre-trade controls implemented in our investment trading platforms, providing robust pre-trade restriction governance.

In 2018, we took the significant initiative of excluding tobacco manufacturing from our investment portfolio, 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.

We also exclude cluster munitions from our investments. Cluster munitions are a controversial weapon that cause significant civilian

casualties, with some of our markets signing treaties to ban their manufacture. AIA does not invest in such businesses, and our investment exclusion list reflects this commitment.

While we believe that active engagement is a more effective mechanism for improving ESG awareness and practices in parallel to driving sustainable behaviour as opposed to the outright exclusion, AIA will continue to monitor regulatory and thematic developments, and regularly review its exclusion list.

All of our directly managed full discretion investment operations, including any assets managed by our discretionary external managers, are required to abide by AIA’s exclusion list. This year, AIA took significant steps to divest our exposure to coal-mining and coal-fired power generation sectors.

Further details of AIA’s approach can be found in Significant Steps to Address our Exposure to the Coal Sector within the Sustainable Investment section on page 51.

## Our Investment Managers

As an asset owner, we work with many investment managers who manage and invest money representing general account assets on behalf of AIA. We consider the ESG practices of investment managers during the selection process, reviewing their approach to both ESG engagement with investee companies and assessing ESG factors during investment decisions. After awarding a mandate, AIA continues to monitor the ESG practices of these external parties throughout the relationship.

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 Continue to carbon footprint our investment portfolio, with annual public disclosure and develop emission reduction targets for our portfolio.

# Carbon Footprinting Our Portfolio

As an asset owner, our environmental influence extends to our investments and the diverse sectors in which we invest, primarily across Asia. AIA is committed to being transparent with our stakeholders and focusing on areas of impact. This includes reporting on our portfolio's carbon footprint.

## Measuring Our Footprint

AIA is committed to being transparent with our stakeholders and focusing on areas of impact in our ESG reporting. As such, we engaged a third-party consultant, Deloitte Advisory (Hong Kong) Limited (Deloitte), to assist us in the significant initiative of carbon footprinting our directly managed equity portfolio investments as at 31 December 2019 and 30 November 2020.

AIA remains staunchly committed to reducing its carbon footprint. We continue to look for measures that will aid in demonstrating the outcomes of our efforts in this regard over a sustained period. We continue to evolve our measurement methodology as the market and our investees make fuller and more consistent disclosures on carbon emissions. As demonstrated by the outcomes below, we are pleased and

proud to show a 24 per cent reduction in one of our primary measurement bases over the past three years.

## Methodology and Application

AIA measures carbon footprinting in its directly managed equity portfolio investments with reference to the weighted average carbon intensity (WACI) of the issuers in the equity portfolio. This is calculated based on the portfolio 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 portfolio company's market capitalisation represents in the market capitalisation of the whole portfolio. This

methodology for calculating the carbon footprint was developed in conjunction with Deloitte, but applies a standard metric for the market established by MSCI Inc.

Deloitte was engaged to calculate the weighted average of the issuers' carbon intensity in the equity portfolio, given the subjective nature of the calculation methodology and their experience in undertaking similar exercises. Deloitte had previously been engaged to calculate the weighted average carbon intensity of the issuers in our equity portfolio for 2018.

In the current exercise, Deloitte has taken advantage of enhanced market disclosure and data availability across our investment portfolio to restate the WACI of our equity portfolio for 2018, and has corrected certain data errors relating to their 2018 calculation.

## Results

### Weighted Average of the Issuers' Carbon Intensity (tonnes of CO<sub>2</sub>e/ US\$ million)

2018 (As restated - Note)	2019	As at 30 November 2020
413.82	368.06	313.57

Note: A Weighted Average of the Issuers' Carbon Intensity (tonnes of CO<sub>2</sub>e/ US\$ million) of 301 as at 31 December 2018 was previously reported.

The results confirm AIA's delivery of the commitment it made to address the carbon intensity within its equity portfolio actively and aggressively.

There has been a decrease of 24 per cent since 2018 due to our ambitious efforts to divest from the coal mining and coal-fired

energy sectors. AIA will continue to monitor its portfolio carbon footprint going forward, expanding to include other asset classes. AIA will use this data to assist our research analysts with making sectoral comparisons and raising awareness of risks such as those posed by potential carbon regulations in our markets.

Please refer to page 51 of this section for further details on our coal divestment, the carbon footprint of our operations and how we manage climate-related issues.

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## Significant Steps to Address our Exposure to the Coal Sector

Since confirming our support for the Paris Agreement in 2018, AIA has taken a phased approach to addressing our investments in carbon-intensive

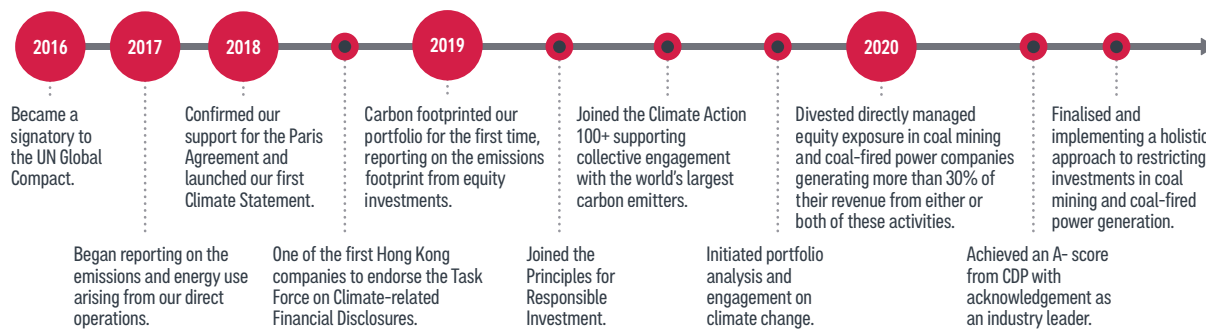
sectors, including becoming one of the first Asian asset owners to carbon footprint their investment portfolio in 2019.

After further research, and in line with AIA's Purpose of helping people live Healthier, Longer, Better Lives and overarching objective of

achieving long-term sustainable outcomes, AIA will divest all of its equities and fixed income investments in coal mining and coal-fired power generation. Our approach is encapsulated in the infographic below, with further detail included in our publicly available Coal Investment Statement [linked here](#).

# COAL DIVESTMENT

At AIA, our strategic focus on sustainability and our ability to manage associated risks creates tangible value for our business and for the communities we serve over the long term.

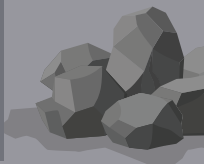


### OUR CRITERIA FOR DIVESTMENT

The Group will address the remaining coal mining and coal-fired power exposure within our directly managed equity and fixed income portfolios.

AIA will divest and / or run off our entire directly managed equity and fixed income exposure to coal mining and coal-fired power businesses by end of **2021** for equity and **2028** for fixed income.

AIA will not permit any new investments within businesses involved directly in either mining coal or generating electricity from coal.



### AS OF 2020, AIA HAD:

**\$ US\$ 407.2 MILLION**  
invested in renewable energy

**\$ US\$ 1.8 BILLION**  
invested in green, social and sustainability bonds

**A PORTFOLIO OF 6 CERTIFIED GREEN BUILDINGS WHICH ARE OWNED BY THE GROUP**

**2 DEGREES CELSIUS**

The Paris Agreement limits warming to 2 degrees Celsius, necessitating the need for drastic cuts in emissions.

**2010-2019 WAS THE HOTTEST DECADE RECORDED GLOBALLY**

Significant climate-related impacts recorded across our markets involved inclement weather, flooding and drought.

### MEASUREMENT

AIA will continue to measure the carbon footprint of our portfolio, through established methodologies, aligned with market standards.

AIA will also commit to measuring and disclosing our continued contributions to the development and sustainable growth of our markets.

### ONGOING SURVEILLANCE AND ANALYSIS



The asset class research teams at AIA will be responsible for ongoing surveillance and analysis in relation to current and new issuers.

### DISCLOSURE

AIA commits to disclosing our progress in divesting and running down our exposure to coal mining and coal-fired power businesses on an annual basis in our ESG Report.



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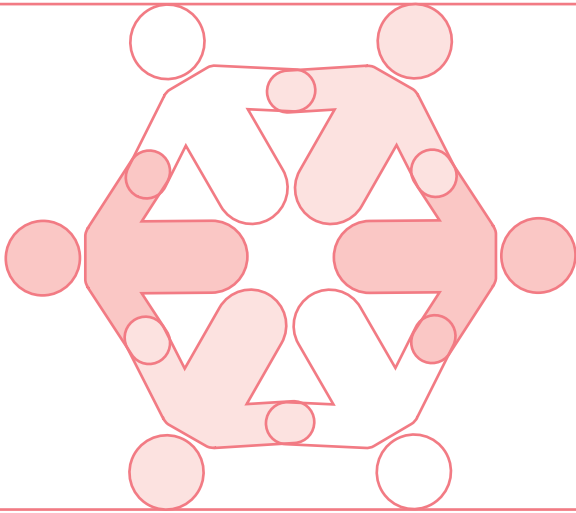
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# People and Culture

At AIA, our people span multiple cultures and communities.

We focus on developing, engaging, and helping our people to grow professionally and personally during their time at AIA. Our ESG Strategy outlines our approach to empowering our people to succeed, and ensuring a fair and supportive culture that enables them to serve and support our customers and communities.

## Our Strategic Approach

- 

Foster a learning culture that supports the development of our people and provides a platform for meaningful, purposeful careers with AIA.
- 

Create a supportive work environment that promotes workplace diversity and advances our culture of innovation and inclusion.
- 

Embed a culture of ethical decision making and strong risk management, in adherence to our Operating Philosophy and Code of Conduct.
- 

Ensure fair, accountable and equitable processes for employment, progression, and rewards for our people to deliver sustainable business results.

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## Our Workforce At-a-glance

As at 31 December 2020, AIA had a total of

**23,397** EMPLOYEES

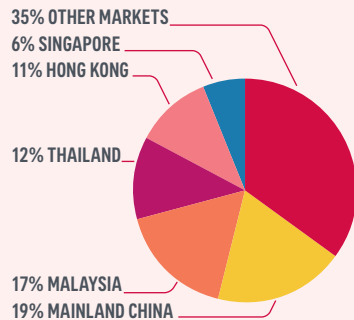
which included full-time and part-time, as well as contract employees<sup>9</sup>.



# Our Workforce At-a-glance

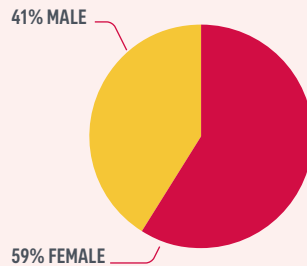
As at 31 December 2020, AIA had a total of 23,397 employees, which included full-time and part-time, as well as contract employees<sup>9</sup>.

## OUR EMPLOYEES ACROSS OUR MARKETS<sup>10</sup>

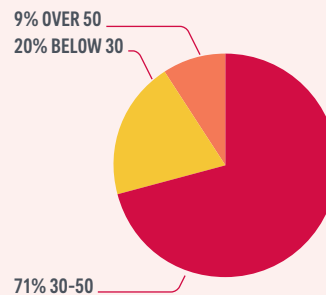


## OVERVIEW OF OUR EMPLOYEE DEMOGRAPHICS

### BY GENDER



### BY AGE GROUP



AIA's workforce is also supported by tens of thousands of agents across Asia.

## Recognition as an Employer

In 2020, our continued focus on our people has received several local, regional and global accolades and awards.

- For the second year in a row, the Group was recognised in the Forbes "World's Best Employers" list.
- AIA China was awarded the "Top Employer in China 2020" by Top Employers Institute.
- AIA Vietnam received the "Great Place To Work @ Vietnam" award by Great Place to Work and "Best Companies to Work for in Asia" award by HR Asia.
- AIA Malaysia was recognised in the "Most Attractive Graduate Employers to Work For" awards by Graduates Choice Award.
- AIA Singapore was the insurance and risk management sector winner in "Singapore's 100 Leading Graduate Employers" by GTI Media.
- AIA Indonesia received "Best Companies to Work for in Asia" and "Most Caring Companies" award by HR Asia.
- AIA Philam Life was recognised as "Best Companies to Work for in Asia" by HR Asia.
- AIA New Zealand received the YWCA GenderTick™ and multiple awards in 2020:
  - "Top Insurance Workplaces 2020" from Insurance Business Magazine;
  - "Employer of Choice" award by HRD Magazine; and
  - "Insurance Employer of the Year" from Insurance Business Magazine's Women in Insurance awards.
- AIA Taiwan received "Best Companies to Work for in Asia" award by HR Asia.

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<sup>9</sup> Includes employees on contracts, but excludes interns, agents of the Group and employees of Tata AIA Life.

<sup>10</sup> Percentage of total employees - figures for Hong Kong include Group Office employees, figures for Mainland China and Malaysia include our employees in our shared services centres.





Foster a learning culture that supports the development of our people and provides a platform for meaningful, purposeful careers with AIA.

## Developing Our People

Developing our people so they can achieve their potential and deliver on our Purpose and ambitions is a strategic priority for AIA. Our learning culture actively supports the development of key capabilities, to help our people succeed in their current roles while providing a platform for growth and meaningful careers with AIA.

AIA's holistic approach to learning and development includes a combination of knowledge and skills accumulated from on-the-job experiences, collaborative projects and digital learning, all supported by activities such as mentoring and coaching.

In 2020, we launched a new leadership and learning framework to support our new strategy.

To ensure our learning interventions continue to develop talent for the future, we continually research the skills and knowledge needs of our industry, review feedback from our employees, and design programmes to address

these needs. With a blended learning approach, our people development solutions are more targeted and effective in supporting our strategic priorities. In addition, our people are required to regularly complete mandatory training on key areas of our business.

The digitalisation of learning content and delivery methods will continue to play an important role in the development of our people. In 2020, we rolled out the AIA Learning Hub on our online platform, which provides access to thousands of digital learning courses and enables our people to create, curate and share content with one another.



Disclosure in this section supports SDG Target 4.4, to increase the levels of relevant skillsets, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

## Engaging our People

Ensuring that we offer a collaborative and inclusive workplace that prioritises employee engagement is a top priority for AIA. To help us monitor levels of engagement across our business units and functions, we conduct the Gallup Q12 employee engagement survey every year. It provides meaningful input to allow for the development of strategies to address areas requiring improvement, with the goal of building on our strong levels of engagement.

In 2020, 97 per cent of our people responded to the survey and the Group's employee engagement scores increased by 12 percentile points, keeping us

in the top quartile of Gallup's global financial services and insurance industry benchmark for the fourth consecutive year.

The Asia region provides many career opportunities with increasing demand and competition for skilled talent. We actively monitor our turnover levels against industry benchmarks to help us understand levels of employee engagement, thereby ensuring that the programmes and opportunities we

provide to our people create an environment in which employees perform their best and grow with AIA.

Across the Group, our employee turnover<sup>11</sup> was 9.5 per cent in 2020 compared to 13.5 per cent in 2019. We believe the pandemic has impacted this decrease.

### EMPLOYEE TURNOVER

BY GENDER

FEMALE

8.8%

MALE

10.4%

### EMPLOYEE TURNOVER

BY AGE GROUP

BELOW 30

14.3%

30-50

8.6%

ABOVE 50

4.9%

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<sup>11</sup> Excludes employees on fixed-term contracts, and involuntary turnover and employees of our joint venture Tata AIA Life.



## The AIA Leadership Centre

We continue to provide best-in-class talent development programmes at the ALC, our world-class learning facility in Bangkok, Thailand. Now in its fifth year of operation, the ALC delivers bespoke programmes to our senior leaders, top agency leaders and key partner executives with a clear focus on AIA’s strategic and governance priorities.

In 2020, the COVID-19 pandemic severely disrupted plans to host face-to-face leadership development programmes at the Bangkok facility. However, this presented AIA with an opportunity to drive a rapid, system-wide shift towards the digital delivery of leadership programmes. In the second quarter of 2020, AIA Group Learning successfully pivoted to a

hybrid learning model using both live and asynchronous virtual delivery and delivered the Group’s flagship leadership programmes through over 100 fully virtual learning forums.

## Succession and Organisation Planning

AIA is committed to developing a strong talent pipeline to sustain our business growth. Our comprehensive annual group-wide Organisation and People Review process identifies different talent segments to enable leaders to plan for the succession of key roles. The success of our approach to talent development and our group-wide succession planning is evidenced by many examples of internal promotions into key leadership roles throughout the Group in 2020, including at the most senior levels of the organisation.

## Employee Coaching and Internships

We encourage our employees to expand their networks, benefit from guidance and foster communication across different departments and seniorities. Currently coaching is supported in many of our business units and at Group Office.

Across our business units, we also offer development opportunities for hundreds of interns. Our programmes provide interns with first-hand experience of what a career at AIA is like and an opportunity to learn crucial skills in a fast-moving and customer-focused environment. They also provide us with a great opportunity to identify future talents for our business.

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## Agency Learning and Development

Our Premier Agency strategy focuses on developing best-in-class agents through innovative approaches to training and development. This differentiates AIA through the quality of advice we offer our customers and our ability to tailor solutions to their specific needs.

AIA has embraced e-learning for training and development. With more than 80 per cent of agency training available through e-learning and virtual classroom sessions, agents can log into the Learning Management System (LMS) via smartphones or tablets at any time to update their knowledge. LMS features are continually updated, and the system is accessible by trainers across markets. It includes training courses for both agents and agency leaders, to help ensure that our best practices are appropriately shared and embedded across the Group.

Learning about AIA Vitality is a key part of the product training process for agents. We empower our agents to engage with customers about the improvements they are making to their health and well-being on an ongoing basis.

AIA continues to work with specialised professional development associations to enhance our agency leadership programmes. This year we introduced revised modules from LIMRA to upgrade distribution management capability. Across the Group, we launched Chartered Insurance Agency Management (CIAM) certification for agency leaders and Chartered Insurance Distribution Executive (CIDE) certification for distribution executives.

To address the need for a quality pipeline of young agents, we revised our distribution management programme to focus on recruitment, productivity and retention practices. AIA Group Agency Distribution has also introduced a business-wide approach to performance coaching to develop distribution executives and sales leaders as performance coaches accredited by the International Coaching Federation. Coaching empowers our agents to engage and support their teams to give their best at work and encourages a greater sense of ownership. By engaging our next generation in developmental and change processes we are developing and coaching future leaders.



## AIA Singapore Recruits 500 Local Graduates

Against a background of increased redundancies and a worsening job market in Singapore due to the pandemic, AIA created up to 500 new career opportunities, in-depth training and financial support for fresh graduates.

The AIA Financial Career Scheme 2020 equips individuals with skills and knowledge to pursue a new career path in the financial services industry as an AIA Financial Adviser or AIA Premier Consultant. From September, successful candidates were enrolled progressively and received structured training over an initial 10-month period leading to three recognised certifications. All successful candidates enrolled in the programme were also assigned a mentor.



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Create a supportive work environment that promotes workplace diversity and advances our culture of innovation and inclusion.

## Diversity and Inclusion

We believe in the power of diverse, talented people to create value and meet customer and shareholder expectations. As a company with operations in 18 markets, we draw upon diverse perspectives and create an inclusive environment, that promotes innovation, better decision-making, adaptability and problem-solving that enable us to realise our Purpose.



Disclosure in this section aligns with SDG Target 5.5 on gender equality for women, and in ensuring the full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

At AIA, there is zero tolerance for discrimination or harassment in any form, across all aspects of diversity, including race, colour, religion, sex, nationality, age, disability, military service, marital status and sexual orientation.

All employees joining AIA are required to complete training on the Code of Conduct (the Code), which includes our approach to inclusion and non-discrimination, as part of their orientation. In addition, we have an anti-harassment policy and e-learning module for all employees, outlining expected workplace conduct and professionalism, including channels for escalation. We encourage employees to resolve issues by talking to and working with their management and human resources teams. In addition, employees are encouraged to speak up and ask questions, raise concerns or report instances of misconduct by contacting local or Group Compliance functions, or the Group's Ethics Hotline.

### Maintain an Inclusive Culture

Women represent 59 per cent of employees<sup>12</sup> across the Group as at 31 December 2020. We strive to provide an inclusive workplace and are proud to be an employer of choice for women across the region with 39 per cent of our senior leaders represented by women.

We recognise the importance of understanding different generational needs when shaping our policies and practices, and we strive to ensure that we create an inclusive workplace for all age groups. As at 31 December 2020, 62 per cent of our employees are Gen Y and Gen Z<sup>13</sup>.

AIA also values diverse perspectives for effective governance and decision making with the Board representing different nationalities and ethnicities, in addition to diversity in education, age, and experience.

### Internal and External Employee Networks

Our local affinity networks bring people together to facilitate professional and personal development and support a diverse and inclusive workplace.

Across the Group, networks, such as our employee-led and executive-sponsored Gender Equality Network at AIA Australia and AIA New Zealand, organise networking events, professional development sessions and opportunities to support and enable gender equality. To foster a supportive work environment, we created The NetWork at Group Office. This umbrella organisation enables employee affinity groups to facilitate diversity and inclusion initiatives and events for the professional and personal development of our people. In support of our locally led networks for women, AIA is a member of the Hong Kong chapter of the Women in Finance Asia Network and the 30% Club, which are working to develop a diverse pool of talent for all businesses to enhance gender balance at all levels of organisations.

In 2020, AIA joined the newly established Hong Kong chapter of the Bloomberg Women's Buy-side Network (BWBN) with Group Chief Investment Officer Dr Mark Konyn as our official representative. BWBN promotes meritocracy and inclusion in the asset management industry, and education on the diversity of career paths in the buy-side through meaningful engagement and active mentorship.

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<sup>12</sup> Refers to employees on permanent and fixed-term contracts, excluding employees of our joint venture, Tata AIA Life.

<sup>13</sup> Gen Y is defined as the generation born between 1980 and 1996 and Gen Z is defined as the generation born from 1997 onwards.



“Diversity and inclusion are the key components that drive innovation in our businesses. Today more than ever, collaboration and co-creation across different genders and backgrounds are fuelling the drive to sustain and prosper our industry.”

**Liu Chunyen**

Chief Investment Officer,  
AIA Singapore

The AIA Australia Pride Ally Network, an employee community that supports and celebrates our LGBTIQ+ family, has introduced Gender Affirmation Guidelines as a step towards better workplace inclusivity. After extensive internal consultation, these guidelines were developed to raise awareness about trans and gender diverse identities, promote understanding, and provide guidance for support when a colleague affirms their gender while employed with AIA Australia.

**SheWorks in Sri Lanka**

Women’s participation in the labour force of Sri Lanka has remained at a low rate of around 35 per cent from 2009 to 2017, compared to a global average of 49 per cent, despite the high levels of female educational attainment in Sri Lanka<sup>14</sup>.

AIA is one of 16 companies that joined the Sri Lanka SheWorks Partnership, a two-year peer learning platform for sharing business results and good practices on advancing gender equality in the workplace. Member companies recognised that advancing gender equality in business leads to better access to talent, higher productivity, more customers, and a stronger bottom line. SheWorks covers more than 170,000 Sri Lankan employees.

In 2020, AIA Sri Lanka’s Director and Chief Officer - Legal, Governance and Operations and SheWorks member Chathuri Munaweera, received an award for being one of the 16 trailblazers who are driving gender equality and gender parity in Sri Lanka.

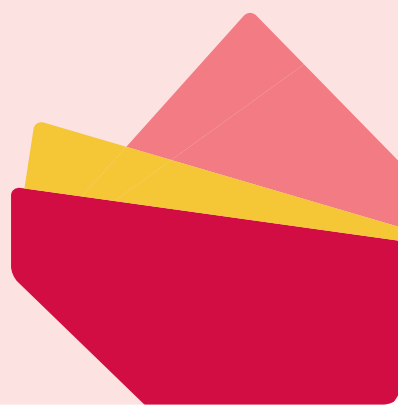
As part of its move to create a gender smart workplace, AIA Sri Lanka has enhanced women’s presence in leadership positions via mentoring and building succession pipelines. Propelling Ideas is a leadership learning programme that helped nurture six women leaders while increasing women’s representation in the top management tier. Among its family-friendly employee benefits, AIA Sri Lanka offers 100-day maternity leave, which has resulted in three out of four mothers returning to work.



“Gender parity is central to having a dynamic balanced workforce. Female employees and Wealth Planners play an integral part in our business success. AIA recognised early on, the narrowing trends of female participation at work in Sri Lanka. We have taken many sustainable steps to ensure that our female colleagues have a work environment that provides flexibility, at life stages where such support is needed most. It is not just about fixing the basics and having the best support during key stages of motherhood, but also ensuring that there is room to grow in your career whether in sales or in support functions.”

**Chathuri Munaweera**

Director & Chief Officer - Legal, Governance & Operations,  
AIA Sri Lanka



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<sup>14</sup> [International Finance Corporation 2019](#)



**Embed a culture of ethical decision making and strong risk management, in adherence to our Operating Philosophy and Code of Conduct.**

## A Risk-aware Culture

**A strong and resilient culture is key to the effective management of risk and relates to how an organisation navigates the challenges and opportunities posed to its business.**

Trust is integral to the products and services that AIA offers to our customers and is the foundation of all our interactions in the workplace, and with all other external stakeholders. We hold ourselves to the highest professional standards as defined in the Code, which outlines how we maintain this trust and reflects our Operating Philosophy of "Doing the Right Thing, in the Right Way, with the Right People... the Right Results will come".

AIA's Operating Philosophy and Code further outline expectations on professional conduct, identifying expected risk awareness and channels for reporting on potential risks. Frequent training and internal communications ensure that all employees are familiar with the appropriate reporting options, which typically start with an employee's manager or through the use of our internal or external hotlines.

Employees must certify compliance with the Code and other key policies annually and in this way, we check that employees understand their obligation to speak up, reporting any potential risks via the Group's channels. We assess whether employees are confident that, should they raise an ethical matter, it will be appropriately handled, and whether their manager makes them feel comfortable about raising concerns about risk.



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**Ensure fair, accountable and equitable processes for employment, progression, and rewards for our people to deliver sustainable business results.**

# Recognising and Rewarding Our People

Our total rewards programmes use a combination of market competitive financial and non-financial rewards to attract, engage and retain employees and motivate them to help AIA execute its strategic goals.

During AIA's recruitment processes we assess candidates' competencies and experience. We operate fair and equitable processes for employment, remuneration, promotion and termination, with decisions based only on performance.

Robust dialogues on individual progress are part of our ongoing performance development process. The performance development dialogue programme is designed to enable managers to continually assess performance and behaviours of their team and recommend development activities to help meet defined career objectives. In-depth performance discussions are conducted among our employees at least twice annually – during mid-year and year-end. Their focus is on what employees have accomplished

and, just as importantly, how they achieve their goals.

We are also proud to provide our employees with the opportunity to become AIA shareholders through our Employee Share Purchase Plan (ESPP) where employees can participate and receive 'matching shares' over time during their employment with us.

## Modernising the Way We Work

In 2020, we launched new experiences for all our managers and employees across all our business units, delivered through a new global human resources information system, operating on a global service delivery model.

As well as improving operational efficiencies, this initiative has empowered our managers with greater insights about their team and allowed managers and employees to take control of their needs with "anytime anywhere" self-service transactions. Employees have embraced new ways of working, such as providing more regular feedback and recognition to promote better performance and engagement. Digital learners can explore and complete more self-paced online courses when it is appropriate for them.

We prioritise listening to our employees. With new mechanisms in place to listen to, measure and act on experience feedback in a timely manner, we have achieved higher satisfaction levels and positive feedback from managers and employees.



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## Workforce Well-being

Our benefits and workforce well-being programmes help our employees, and their families live Healthier, Longer, Better Lives. We continue to provide flexible benefits tailored to local circumstances and employee’s needs. At Group Office, our workforce well-being programme focuses on physical and mental health. We also support our employees through programmes such as AIA Vitality memberships, team challenges and health check-ups.

We encourage employees to stay active, understand their health profile and take steps to safeguard their well-being. Our business units offer a range of benefits suited to local needs, which include flexible working, discounted gym memberships, other sporting and recreational facilities, and mothers’ rooms.

In 2020, additional measures were taken to ensure a safe and secure environment for our employees during the pandemic. Many of our business

units moved to remote or flexible working arrangements to protect our employees and their families, and our communities. Virtual learning, resources and programmes were launched through a centralised hub to equip our employees to cope with the pandemic and impact of working from home.



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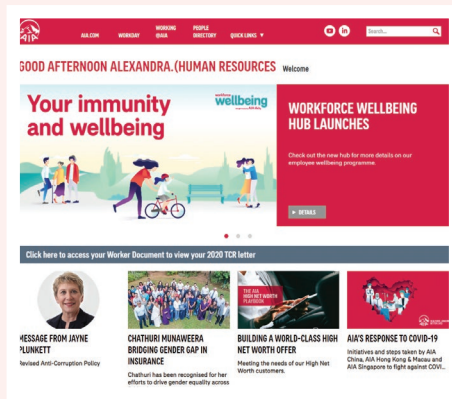


## Group Office Workforce Well-being

The year-long Workforce Well-being initiative started at AIA's Group Office in April 2019 and continues to bring our Purpose to help people live Healthier, Longer, Better Lives into the heart of our workplace.

In 2020, a cross-functional team of representatives from Human Resources, AIA Vitality, Strategy, Corporate Solutions and Healthcare continued to collaborate to create a range of activities to help employees improve their physical and mental well-being.

A microsite was established to host event enrolments, programme information and monthly activity calendars. In response to the pandemic, the programme was redesigned to support Group Office employees both mentally and physically in a virtual landscape. Two main themes were offered over the year: **Immunity & Self Care, and Thrive.**



The **Immunity & Self Care programme** offered several social hub pop-ups and virtual events to keep people connected as employees either worked from home or in the office in spilt teams. Events included free immunity-boosting ginger drinks, healthy juice bars and an array of educational virtual workshops and webinars. The webinar topics covered family health and nutrition, practising resilience and how to have empathetic conversations and manage conflicts at home.



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September saw the launch of a three-month employee campaign called **Thrive**, to shine a light on mental health in the workplace and at home. To encourage important dialogue about mental well-being, employees were supplied with educational conversation cards designed by the global 'R U OK?' movement.

The **Thrive** programme included a focus on mindfulness, and a series of five workshops were offered on Mondays and Fridays for four weeks by our Independent Director at AIA Sri Lanka, Deepal Sooriyaarachchi. The workshops gave employees a chance to learn about meditation, the art of breathing and how to control the racing mind.

In October, on World Mental Health Day, each Executive Committee sponsor shared a personal message for all Group Office employees about the importance of taking care of our own mental health.

To end the year, Workforce Well-being collaborated with the Group sponsorship team to involve the Hong Kong based Spurs coaches and bring a series of "movement for mental health" events. The programme offered exercise bootcamps at our AIA Vitality Park on the Hong Kong waterfront, both for employees to join during the week and with their families on the weekends.



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## Workplace Safety

AIA ensures a safe and secure environment for all employees, agents and visiting customers. In 2020, additional measures were required across all our businesses. We prioritised customer-facing staff and ensured that employees had a sufficient supply of masks to commute safely, when necessary, while most businesses provided hand sanitiser to employees. During

the year we introduced a moratorium on business travel and only business-critical journeys were permitted.

We maintain high levels of workplace safety and conduct fire drills at all premises. To ensure that our employees operate in a healthy environment, we continue to monitor air quality at select office spaces. For example, the office space at AIA Hong Kong has been certified as having

“Excellent Indoor Air Quality”. We also sample air quality at our offices in Singapore and monitor air quality at our offices in the Philippines.

For details on AIA’s emission reduction initiatives, please refer to the Green Operations section and Our TCFD Report.



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## SUPPLEMENT: Supporting Our Employees During COVID-19

The safety of our employees has been our paramount concern since the outbreak of COVID-19. Throughout the year, many business units moved to remote or flexible working arrangements when required. Our response has been specific to local needs and has evolved as precautions were introduced by governments to prevent the spread of the disease. At a corporate level, this required proactive and targeted communications. We deployed a range of tools, including online resources on local intranets and microsites such as our “COVID hub”, and used videos, virtual town halls and messages from senior leaders to support our employees and provide up-to-date information regarding the effect of the virus.

With many of our people around the region working from home, we focused on finding ways to

work and collaborate effectively on a remote basis, including utilising technology efficiently. The need for social distancing and lockdowns in some cities and markets, combined with travel bans, saw a rapid increase in the use of video conferencing.

The medical insurance policies across the majority of our business units provided permanent employees with free coverage for expenses related to COVID-19.

When our employees were able to work in the office, we ensured safeguards were put in place to deliver a safe working environment. This included temperature checks, policies regarding masks in the office, and scenario planning should someone in the office building test positive for COVID-19. To support the mental well-

being of our employees, we also promoted our Employee Assistance Programmes, which are available in a number of markets and include a 24-hour support hotline.

AIA also has a group-wide incident management plan and local plans to handle any potential case of COVID-19 within our offices. All business units have business continuity and incident management plans in place and activated a team of senior leaders to handle our pandemic response. This communications effort included a high level of collaboration from a range of functions at the company, including Risk, Human Resources, Corporate Facilities, Technology and Operations and Corporate Security.



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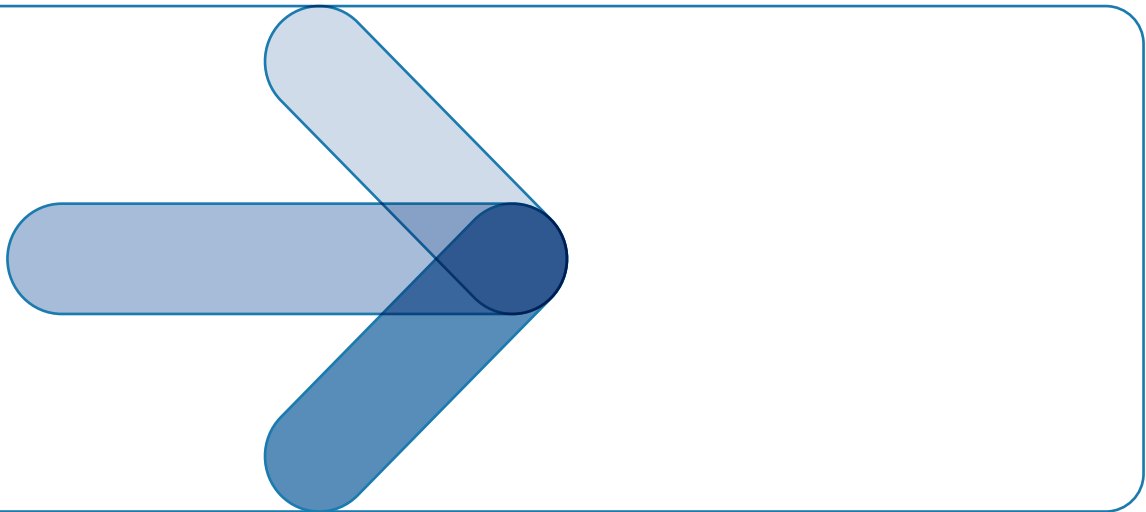
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# Effective Governance

Strong corporate governance is essential both to the delivery of sustainable value and to maintaining a culture of business integrity. AIA is committed to high standards of corporate governance, which sets the foundation upon which we are able to grow our business, realise our Purpose, and help people live Healthier, Longer, Better Lives.

Through our ESG Strategy, we demonstrate our commitment to effective governance, outlined in the section below. We encourage you to refer to the Corporate Governance Report of the Annual Report 2020 for further details.

We uphold our reputation through our commitment to the highest standards and responsible business practice.

## Our Strategic Approach

- 

Maintain a governance programme consistent with international best practice that fosters business integrity and sound decision-making through a diverse and highly-qualified Board comprising a majority of Independent Non-executive Directors.
- 

Effectively manage ESG risks and opportunities throughout our business, maintaining and ensuring the sufficiency of our risk management framework to uphold commitments to the highest standards of responsible business practices.
- 

Lead the promotion of ESG best practice across the region, engaging with all stakeholders including shareholders, regulators, green finance and industry associations.
- 

Establish AIA as a global leader on key ESG indices, ratings and benchmarks through effective and relevant ESG reporting.



This section outlines our support of SDG 16 on peace, justice and strong institutions. Our approach to good governance, as discussed in this section, is aligned with SDG Target 16.5 and SDG Target 16.6.

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**Strong corporate governance is essential both to the delivery of sustainable value and to maintaining a culture of business integrity.**



 **Maintain a governance programme consistent with international best practice that fosters business integrity and sound decision-making through a diverse and highly-qualified Board comprising a majority of Independent Non-executive Directors.**

**Our Board includes members with deep experience in our markets, including in areas as diverse as commerce, regulation and the public sector. This expertise is supported by a structure that enables appropriate oversight while allowing for in-depth consideration of various matters by the Board's committees and delegation of operational matters to management, while ensuring that the Board retains overall control.**

## Board Independence

Board independence is critical to effective corporate governance. Providing independent and objective judgment that acts in the interests of the Company and its stakeholders is central to the Board's oversight. Nine out of the ten Board members are Independent Non-executive Directors.

With the exception of the Group Chief Executive and President, the Board is made up entirely of Independent Non-executive Directors, underscoring our strong commitment to operating according to international best practice.

# Board Governance

Strong corporate governance is essential both to the delivery of sustainable value and to maintaining a culture of business integrity. The Board is responsible for the development and implementation of the Group's corporate governance practices. It ensures the maintenance of high standards of governance in all aspects of the Company's business, setting the strategic direction for the Group and ensuring accountability and sustainability by maintaining appropriate levels of review, challenge and guidance in its relationship with the Company's management.

## Board Committee Composition

Each of the four Board committees, namely the Audit Committee, the Nomination Committee, the Remuneration Committee and the Risk Committee, is chaired by an Independent Non-executive Director. The Audit Committee, the Nomination Committee, and the Remuneration Committee comprise of Independent Non-executive Directors. The Risk Committee includes the Group Chief Executive as its only non-independent Director. His inclusion is to ensure that the Risk Committee has the benefit of detailed financial and operational information to ensure appropriate oversight in support of ensuring the sustainability of the Group's operations.

## Board Diversity

Board diversity is important to ensuring robust corporate governance and decision-making. The Board draws on extensive business, financial, government, regulatory and policy experience from a broad spectrum of backgrounds, as relevant to the Group's business operations and development. The Board also reflects a diversity of nationalities, ethnicities, educational backgrounds, functional expertise, gender and age.

The Group's Board Diversity Policy outlines the following objectives:

- the Board remains committed to maintaining that a majority of its membership shall be Independent Non-executive Directors; and
- the Board's membership is made up of members with diverse backgrounds and experience, including diversity of nationality, ethnicity, and gender, with such members demonstrating appropriate knowledge, experience and understanding of the markets in which the Company operates and its business.

## ESG Governance

The Board's membership includes expertise in the management of ESG matters, with various members demonstrating deep fluency in ESG issues and trends, while bringing valuable experience and perspectives gained from their previous positions serving on ESG or sustainability committees of listed companies, as well as in public service and government positions.

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 Effectively manage ESG risks and opportunities throughout our business, maintaining and ensuring the sufficiency of our risk management framework to uphold commitments to the highest standards of responsible business practices.

# Effective Risk Management and Responsible Business Practices

A commitment to responsible business practices and effective risk management are essential in order to create an environment where issues can be addressed promptly as they arise. We are also committed to the fair treatment of our customers and their data, always striving to understand their needs and wants.

## Effective Risk Management

Investors increasingly consider ESG risks as an important factor in their investment decision-making, with research showing that companies with better capacity to manage ESG-related risks produce higher returns over the long-term<sup>15</sup>. At AIA, a comprehensive approach to risk management ensures that we have the frameworks in place across our business to address relevant risks.

The Board retains ultimate responsibility for the oversight of the Group’s risk management activities and monitors material group-wide risks, whether they are relevant to the industry or unique to the Group and its businesses. The Board is supported by the Board Risk Committee (BRC) and executive risk committees (eRC), such as the Operational Risk Committee (ORC) and Financial Risk Committee (FRC), which are comprised of our senior executives.

AIA’s Risk Management Framework (RMF) ensures that we have the capabilities and

processes in place to identify, quantify and monitor risk across the Group. The boards of directors of our business units are responsible for reviewing this framework to ensure that it is sufficiently effective given local business environments and context.

We address ESG-related risks according to the process outlined in the RMF and categorise them based on the nature of the risk to our operations. Data protection, cybersecurity, people management and responsible business practices may have immediate operational impacts and are therefore viewed and treated as operational risks. Long-term challenges such as pollution and lifestyle risk factors impact the health and well-being of people across our markets and are viewed as insurance risks given the impact they may pose. Such emerging ESG issues may be discussed by the BRC, eRC or the ESG Committee.

AIA conducts scenario testing and business continuity analysis to ensure sufficient capital is earmarked to provide protection

to our policyholders and to ensure business continuity under stressed conditions. For further details on our approach, please refer to the Risk Management section of the Annual Report 2020.

Our internal audit function provides independent assurance on the effectiveness of our key controls and recommends control improvements as necessary. The function provides assurance that the appropriate controls in place to address material risks are effective.

AIA recognises that long-term ESG risks, such as climate change, pollution, the global pandemic and lifestyle-related NCDs, have far reaching impacts on our markets and require concerted contributions from businesses, governments and the general public alike. AIA aims to address these issues through discussion within our ESG member organisations, and by playing a proactive role through our business where we remain committed to enabling Healthier, Longer, Better Lives across the region.

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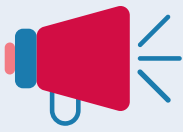
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<sup>15</sup> MSCI 2019





## ESG Committee

The ESG Committee comprises members of our Group Executive Committee and an Independent Non-executive Director of the Board. The ESG Committee is responsible for overseeing the governance around ESG, in addition to integrating and addressing ESG issues within our business. The ESG Committee also considers ESG research, feedback raised by key stakeholders and reports by rating agencies to provide input on specific ESG issues relevant to the Group.

The ESG Committee met four times in 2020 and reviewed our ESG Strategy, progress, and the content of this Report, and also considered our submissions to sustainability indices. The ESG Committee is responsible for updating the Board on ESG matters and provided biannual updates on material issues to the Board during 2020, while

ESG risks are also discussed and escalated to the Board through the Risk Committee.

All employees at AIA are responsible for contributing to the realisation of our ESG priorities, whether through upholding our principles for good governance or through direct ESG-focused roles within the Group's ESG team or Investment function. Across AIA's markets, employees also contribute to the Group's ESG reporting initiatives, the maintenance of our sustainable buildings, and our community outreach initiatives.

The ESG team, in collaboration with the Group Investment function, also engages with our business units on raising capacity and understanding of ESG issues among its leadership team.

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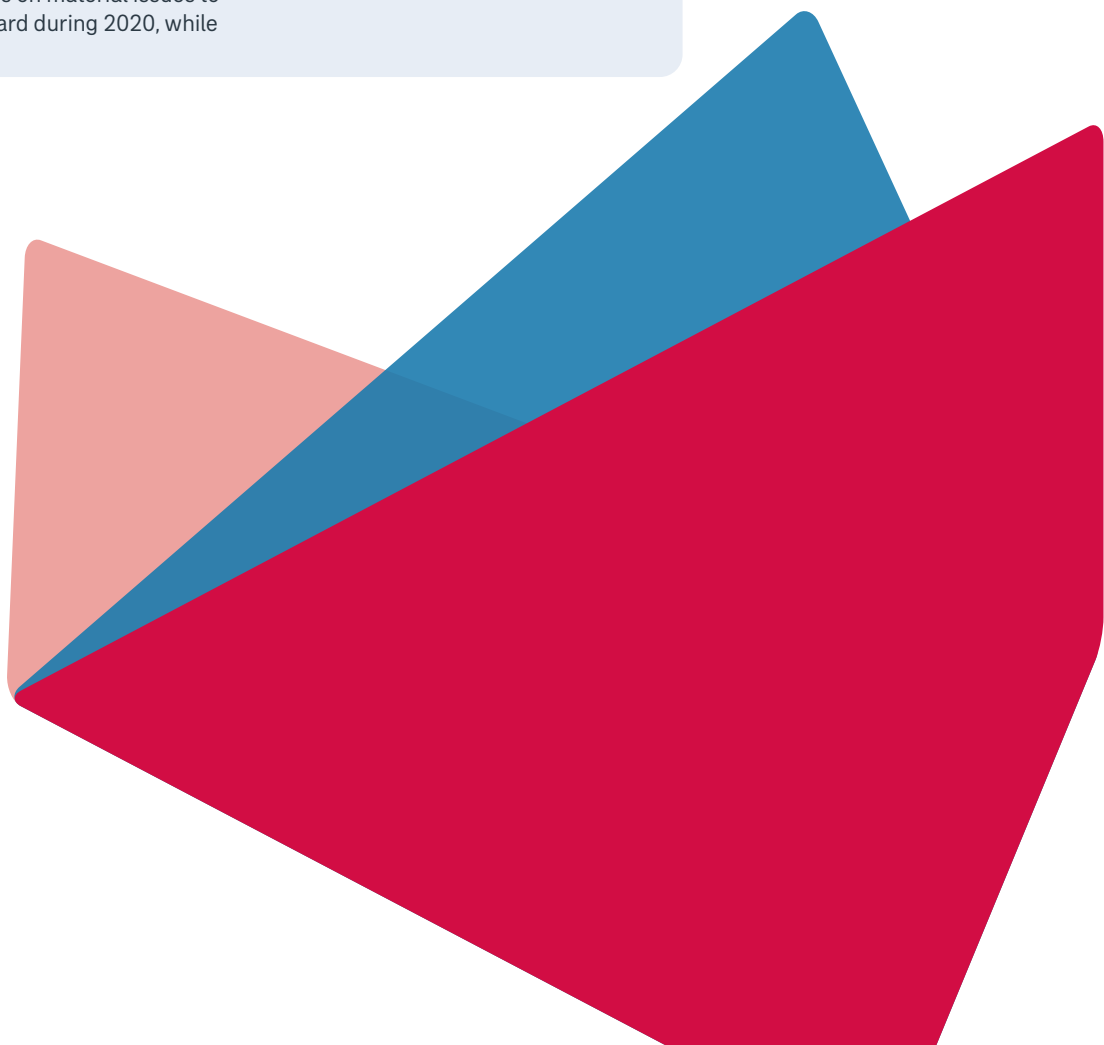
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## Responsible Business Practices

Our customers place a high degree of trust in our business, and in our ability to provide protection and financial security over time to millions across the region. We take pride in our long history of successful operation and value the reputation we have earned of being a reliable and trustworthy company that acts with integrity.

### Code of Conduct

At the heart of our approach to good governance is our Code. The Code provides clear guidance on how we conduct business at all times and applies to everyone who works at AIA. It reflects our Operating Philosophy, namely “Doing the Right Thing, in the Right Way, with the Right People... the Right Results will come.” It also defines how we hold ourselves to the highest standards of professionalism, which is key to maintaining trust and building sustainable relationships with our stakeholders – customers, agents, distribution partners, regulators and investors.

The Code has been translated into six languages and all employees are required to undertake training to familiarise themselves with the Code upon joining AIA. All employees are also required to complete an annual certification attesting to their familiarity and compliance with the Code. Training on the Code is supplemented with ethical leadership programmes

to equip AIA leaders with practical training to manage situations involving ethical dilemmas.

Each employee is expected to take personal responsibility for observing the highest standards of integrity and conduct, and to report any violations. We believe that our environment and the processes that we have empower employees to identify and escalate issues without fear of retribution. Non-compliance with the Code 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 apply similar standards and 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 any form of corruption in any business interaction that involves AIA and government officials, our customers, or employees.

Anti-corruption training is compulsory for all employees. Reviews and assessments are conducted from time to time

to monitor compliance with the Anti-Corruption Policy. The Anti-Corruption Policy also outlines the roles and responsibilities of employees to ensure compliance. Our business units are responsible for implementing processes and controls to reduce the risk of corruption and ensure compliance with all relevant local laws and regulations.

### Preventing Fraud

AIA is committed to the high ethical standards outlined in the Code and espouses a zero-tolerance approach towards fraud. AIA’s Anti-Fraud Policy sets out standards for managing the risk of fraud, including training as well as preventive and detective measures. Our operating entities implement procedures to prevent and facilitate early detection of fraudulent practices to protect customer interests and those of AIA, in line with this Anti-Fraud Policy.

Incidents and allegations or suspicions of fraud are assessed and investigated. If allegations or suspicions are substantiated, AIA is committed to taking a fair and proportionate approach in administering disciplinary actions. Other actions may include the loss of employment-related benefits, reporting the fraud to law enforcement authorities for prosecution or seeking a legal remedy against the employee for the fraud that has been committed.

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## Whistle-blower Policy

AIA provides channels for all of our stakeholders, including employees, distributors, customers and suppliers, to raise concerns about any violation of the Code or other behaviour that falls short of the high standards demanded by the Group.

To that end, AIA maintains a comprehensive Whistle-blower Programme designed to handle reports of misconduct and inappropriate behaviour with multiple reporting channels, including dedicated email channels and a 24-hour, multi-lingual third-party administered ethics hotline which permits complete anonymity.



Further details on our ethics hotline can be found here.

All allegations are assessed and investigated. Reporting through internal channels (such as Human Resources, Audit and Compliance) accounted for 66 per cent of the reports received during the year. Issues raised via the ethics hotline are handled by the Group Compliance team.

The Whistle-blower Programme is overseen by the Board Audit Committee, who receive regular reports from Group Internal Audit and Group Compliance on the number and nature of issues raised and the progress of all material investigations. AIA's Whistle-blower Protection Policy prohibits any form of retaliation against any employee providing a good faith report of an actual or suspected violation of the Code, AIA policies or the law.

In 2020, the programme received reports that included a broad range of issues. The

subject of reports varied widely, and included customer complaints, Human Resources and work grievances, matters relating to individual circumstances and matters relating to alleged breaches of AIA policies, workplace respect, individual or small group ethical conduct, and questions about business practices.

Among completed investigations in the period 2019-2020, 40 per cent covered allegations which were at least partly substantiated.

## Our Approach to Anti-money Laundering (AML) and Counter Terrorist Financing (CTF) and Sanctions

AIA is committed to a strict programme of compliance with all applicable AML/CTF laws and regulations to prevent the use of its products and services for money laundering and terrorist financing purposes.

The Group AML/CTF Policy sets out the detailed requirements of the Group AML/CTF Programme. This includes a risk-based approach to conducting customer due diligence, ongoing monitoring, suspicious activity reporting, training and record keeping. AIA uses a comprehensive AML/CTF monitoring software and online tool to screen, risk profile and monitor customer activity.

All new employees are required to complete AML/CTF training. Tied agents are also required to receive appropriate AML/CTF training. In addition, our Group Economic Sanctions Policy sets out standards to manage the risk of dealings with governments, individuals and entities subject to sanctions programmes.

## Our Commitments to our Customers

At AIA, we strive to meet customer expectations and earn our customers' trust by adhering to high standards of quality and customer service throughout the customer journey. AIA's programmes on consumer protection and fairness, as well as customer service and experience are deeply rooted in AIA's Operating Philosophy and Code.

As part of the product approval process, business units are required to perform an assessment to ensure that each product complies with all applicable laws, regulations and internal policies.

AIA's intermediaries also play a major role in building trust and confidence with our customers, through their conduct and professionalism. We have put in place internal standards for a business quality framework that sets out the minimum requirements to manage sales conduct risk which we believe ensures that the right outcomes are achieved for our customers.

The framework includes the following key elements:

- Market conduct guidelines must define the proper conduct and behaviour for intermediaries;
- Training programmes for intermediaries on AIA products and sales processes should cover Know-Your-Customer diligence;
- Sales processes must reflect the Code, which includes financial needs analysis for product suitability and affordability assessments; and

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- Our interactive Point of Sale (iPoS) technology guides our agents through the sales process and helps ensure a consistent, high-quality customer experience.

We monitor adherence to our standards through various means, including direct verification calls with customers and a mystery shopping programme.

Any misrepresentation, or attempt to mislead or deceive customers, for example through unsupported or fictitious claims about our products or those of our competitors, is not acceptable and may result in disciplinary action.

AIA also has in place an internal standard on our business quality framework which sets out the minimum requirements applicable to business partners. These include due diligence checks on prospective distribution partners, product training and on-going monitoring of business quality.

We have also put in place policies to promote transparency in communications with customers. For example, there are internal standards on sales illustrations, which establish the minimum requirements for disclosure and information presented in promotional materials for AIA products. Our goal is to clearly communicate key information about product features and projected insurance policy values and any assumptions that have been made relating to charges and returns. As part of the product approval process, business units perform reviews of all sales materials.

## Customer Engagement

With more than 38 million individual policies and over 16 million participating members of group insurance schemes, the scale and footprint of our customer base underscores our impact on our communities as we actively engage and nurture long-term relationships with our customers.

Achieving our Purpose of enabling people to lead Healthier, Longer, Better Lives requires that we engage in a meaningful way with our customers at each touchpoint in their journey, allowing us to develop a deep understanding of their unique needs and wants and meet their requirements.

### Customer segmentation

Helping our customers improve their health requires that we better understand their needs. To that end, we conduct research to understand the needs of various customer segments in order to customise our products and services.

This year, we expanded our segmentation model to Thailand to get a holistic view of different customers in terms of their life stage, attitude and behaviour. With these segmentation insights, we can customise our proposition based on unique customer needs. We have also developed digital sales tools and training to help agents identify their customer segments so they can provide more relevant professional advice and support, and engage better with their customers.

### Listening to our customers to deliver a best-in-class customer experience

It is our strategic imperative to create a distinctive, personalised and meaningful customer experience. To deliver this, we must listen to our customers and design and deliver an end-to-end customer journey anchored around their needs.

Customer experience research informs what customers expect and how we may enhance their interactions with us. This research has enabled us to understand more about how customers interact with us at different stages of the customer journey, so we can refine the design to better meet their requirements. We have also expanded our Voice of Customer programme, which was featured in last year's Report. Specifically, our annual Customer Relationship Survey (CRS) and Distributor Survey have been refreshed with new measurement metrics and design to get deeper insights at each stage of the customer journey.

We have also refined the framework design of our real-time closed loop customer feedback system, which provides us with customer feedback right after their interactions with AIA. By identifying the stages of the journey that are most important to customers, we are able to provide timely and proactive support.

With the valuable insights we learned from our customers and distributors, we continually improve our customer

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experience through enhanced business processes and communications, enabled by technology, digitalisation and analytical capabilities to meet their needs, particularly during the COVID-19 pandemic. This is discussed in further detail in the Health and Wellness section.

**Handling of customer complaints**

We have consistent guidelines for handling customer complaints across all our business units. This includes clear procedures and protocols for dealing with customer issues and the documentation related to the handling of cases. Customers can learn about the channels for submitting complaints through our websites as well as in our policy materials. AIA strives to handle all complaints and investigations in a prompt and efficient manner.

Resources are in place to address complaints across our business units, including a dedicated person to handle issues within an acceptable timeframe. We have also established a process to escalate issues to management when required, including a line of communication to Group Office.

**Securing Customer Information**

**Data protection and cybersecurity**

In providing our products and services, we ask our customers, employees and business partners to trust us with a range of sensitive information. To ensure we safeguard that information, AIA has in place a Group Data Privacy Compliance Policy to ensure adequate

safeguards for our customer and business data as well as compliance with data protection legislation. This policy is communicated via classroom sessions and e-learning to employees at Group Office and is regularly reinforced through refresher training and awareness activities focusing on topics such as proper data handling, breach reporting and phishing. All employees and agents are required to safeguard customers' personal information and are prohibited from disclosing customer information to unauthorised parties.

AIA is committed to protecting the interests of our customers, partners, employees and stakeholders, ensuring high standards of information security. AIA's Group Information Security Policy is consistent with industry-leading standards to ensure that our systems, processes and information are secure.

Our Group Chief Technology Officer and a dedicated information security team oversee the quality and consistency of technology risk management and cybersecurity across the Group. The team maintains a focus on protecting AIA from cyber threats by detecting any anomalies, effectively responding to cybersecurity issues, enhancing defensive controls and investing in security analytics. This includes focusing on our key systems that process our customer data as well as key supporting business processes. All cybersecurity issues are handled by the Director of Information Security, who reports directly to the Head of Group Technology Governance.

We also partner with leading information security service providers to provide further capability to ensure a secure operational environment. AIA safeguards its critical assets from cyber threats using classification and threat modelling techniques.

AIA believes that cybersecurity is the responsibility of every employee. Therefore, we educate our employees about how to protect themselves and AIA from cyber threats through web-based awareness and readiness training and conducting regular cyber-defence assessments including incident management drills.

In 2020, AIA continued to maintain ISO 27001 certification for our identity access management and cybersecurity operations services on our security controls, including our data security and encryption standards. AIA also commissioned an independent external assessor to conduct a high-level review on our cybersecurity controls and processes performance against the National Institute of Standards and Technology of the United States (NIST) standards.

AIA also continues to invest in Information Technology safeguards, including in the areas of Cloud Security, Data Protection and Mobile Application Security, to ensure sufficient operational controls which meet our information security objectives. In addition, all cloud services providers we engage must adhere to our Cryptography Standard.

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Appropriate data protection controls are also integrated into relevant operational processes and are regularly tested by our information security team. For example, procedural controls and information safeguards are built into our iPoS and interactive Mobile Office (iMO) systems that have been adopted by our insurance agents in their sales processes and broader day-to-day operations. These safeguards include user authentication and secure storage of customer data.

**Third-party assessments**

AIA reviews the data security standards of our third-party vendors through our Third-party Security Assessment process. This regularly assesses a broad range of security controls of our vendors, including data security and encryption, against ISO27001 and NIST standards. AIA also conducts privacy impact assessments to avoid or minimise adverse impacts on data privacy and to ensure appropriate safeguards are in place.

All access to customer data is subject to appropriate approvals and granted on a need-to-know basis, with recertification to confirm it remains correct.

Finally, AIA also has insurance coverage to protect the organisation against cyber-security related events and incidents.



**AIA's Privacy Policy Statement is publicly available and can be viewed here.**

**Supply Chain Management**

We work with many different product and service providers across our business. Sustainability is a key element of our supply chain as summarised in our [Supplier Code of Conduct](#) (Supplier Code).

The Supplier Code was developed to complement the Code. It applies to all of our suppliers and references international conventions such as the UN Declaration on Human Rights. The Supplier Code encourages sound ESG practices among our suppliers and a general culture of integrity in all matters. AIA also considers a supplier's sustainability performance during supplier selection, requesting information on environmental policies and employee information among others.

As a Group, we work with suppliers that demonstrate sound practice in regard to their ESG performance. We may conduct supplier and third-party assessments where necessary.

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Lead the promotion of ESG best practice across the region, engaging with all stakeholders including shareholders, regulators, green finance and industry associations.

## Promoting ESG Best Practice

AIA has taken the initiative to contribute to discussions shaping regional ESG regulations, best practice and disclosure. We engage with the Group’s investors on ESG topics and regularly participate in consultations with regulators and the insurance sector across the region and globally.

In 2020, AIA responded to the PRI China ESG Disclosure Survey and the Monetary Authority of Singapore’s Consultation on Environmental Risk (insurers and asset managers). AIA also responded to the International Financial Reporting Standards (IFRS) Foundation’s Consultation on Sustainability Reporting, supporting the development of a global set of internationally-recognised sustainability standards.

Expanding on our commitment to stakeholders discussed in the About this Report section, we will continue to evolve our disclosure to align with best practice on ESG reporting, engage with our stakeholders and respond to their needs.

AIA is also a member of a number of ESG associations, where we regularly participate in the promotion of ESG best practice and take part in roundtable discussions.

ESG-related Organisation	Level of membership
UN Global Compact	Signatory
Women in Finance Asia (WiFA)	Member
Task Force on Climate-related Financial Disclosures (TCFD)	Supporter
Principles for Responsible Investment (PRI)	Signatory
Hong Kong Green Finance Association (HKGFA)	Member
30% Club (Hong Kong Chapter)	Member
Climate Action 100+	Member
Principles for Responsible Investment Investor Working Group on Sustainable Palm Oil	Member

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 Establish AIA as a global leader on key ESG indices, ratings and benchmarks through effective and relevant ESG reporting.

## ESG Ratings and Index Inclusions

AIA is proud of our inclusion on sustainability indices, benchmarks and of our ESG Ratings and scores.

Our ESG reporting continues to evolve to meet our needs and those of our stakeholders, and we regularly assess the suitability of different ESG and sustainability standards and reporting guidelines. Our ambition is to be recognised for sustainability leadership globally and to be an ESG leader within the life and health insurance industry.

Since commencing our ESG journey, AIA has achieved consistent and substantial improvements in our ratings, illustrating our commitment to disclosure and improving our performance on material ESG issues. This is demonstrated through our CDP score, which placed AIA among its “Leadership” group (score of A-) for climate change performance, the highest scoring tier for our sector. This is also one of the highest ratings for a Hong Kong-headquartered company.

Sustainalytics assesses the ESG risk of companies, considering issues that could impact the long-term performance of the company’s investments. For two years running, Sustainalytics has placed AIA in the first percentile of companies in the insurance industry. Globally, we are in the fifth percentile, of a pool of more than 12,700 companies from all industries.

Meanwhile, AIA’s MSCI ESG rating improved from “BBB” in 2019 to “A” in 2020.

In Hong Kong we are proud of being recognised as a sustainability leader with a presence on two Hang Seng Corporate Sustainability Indices, the Hang Seng Corporate Sustainability Index (HSSUS) and the Hang Seng (Mainland China and Hong Kong) Corporate Sustainability Index (HSMHSUS).

These ratings are a testament to our approach to shaping a sustainable future and creating long-term value for all our stakeholders as we help millions of people in Asia to live Healthier, Longer, Better Lives.

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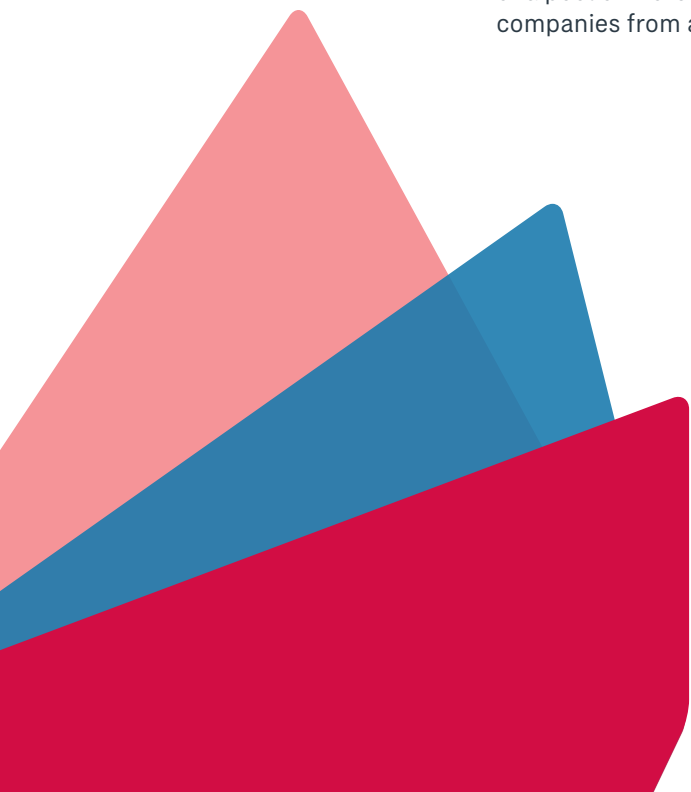
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A summary of our key ESG ratings and index inclusions is included below:



CDP is a not-for-profit organisation which enables investors, companies, cities, states and regions to manage their environmental impacts by assessing climate risks and low carbon opportunities.

	2020	2019
CDP Climate Change Score	A-	C
CDP Average Climate Change Score for Financials	B	C



AIA has consistently placed in the first percentile of the insurance industry in Sustainalytics' ESG Risk Rating assessment.

	2020	2019
Rank (Insurance)	2 <sup>nd</sup>	2 <sup>nd</sup>
Percentile (Insurance)	1 <sup>st</sup>	1 <sup>st</sup>
Percentile (Life and Health Insurance)	2 <sup>nd</sup>	2 <sup>nd</sup>
Percentile (Global Universe)	5 <sup>th</sup>	6 <sup>th</sup>



Providing a benchmark for sustainable investments both locally and regionally, the inclusion of AIA in the series is based on a sustainability assessment undertaken by Hong Kong Quality Assurance Agency (HKQAA). HSSUS tracks the performances of Hong Kong listed companies that excel in corporate sustainability, while HSMHSUS is a cross-market index that covers corporate sustainability leaders in Hong Kong and Mainland China.

	2020	2019
Rating	A+	A+



Formerly known as Morgan Stanley Capital International, the MSCI ESG ratings measure a company's resilience to long-term, industry material ESG risks.

	2020	2019	2018	2017	2016
Rating	A	BBB	BBB	BB	B



The ISS ESG Corporate ESG Performance Status takes into account ESG challenges that are profoundly distinct in individual sectors, as well as for companies and states, by assigning different "ISS ESG Prime" absolute performance thresholds. AIA has achieved "Prime" status two years in a row.

	2020	2019
Status	Prime	Prime



STOXX Limited is a Swiss globally integrated index provider. In their most recent review, STOXX included AIA in both their Asia/Pacific ESG Leaders 50 Index, and Global ESG Leaders Index.



FTSE4Good Index Series is designed to measure the performance of companies with strong ESG practices and is administered by the Financial Times Stock Exchange-Russell Group (FTSE Russell). AIA has been a FTSE4Good member since 2017.

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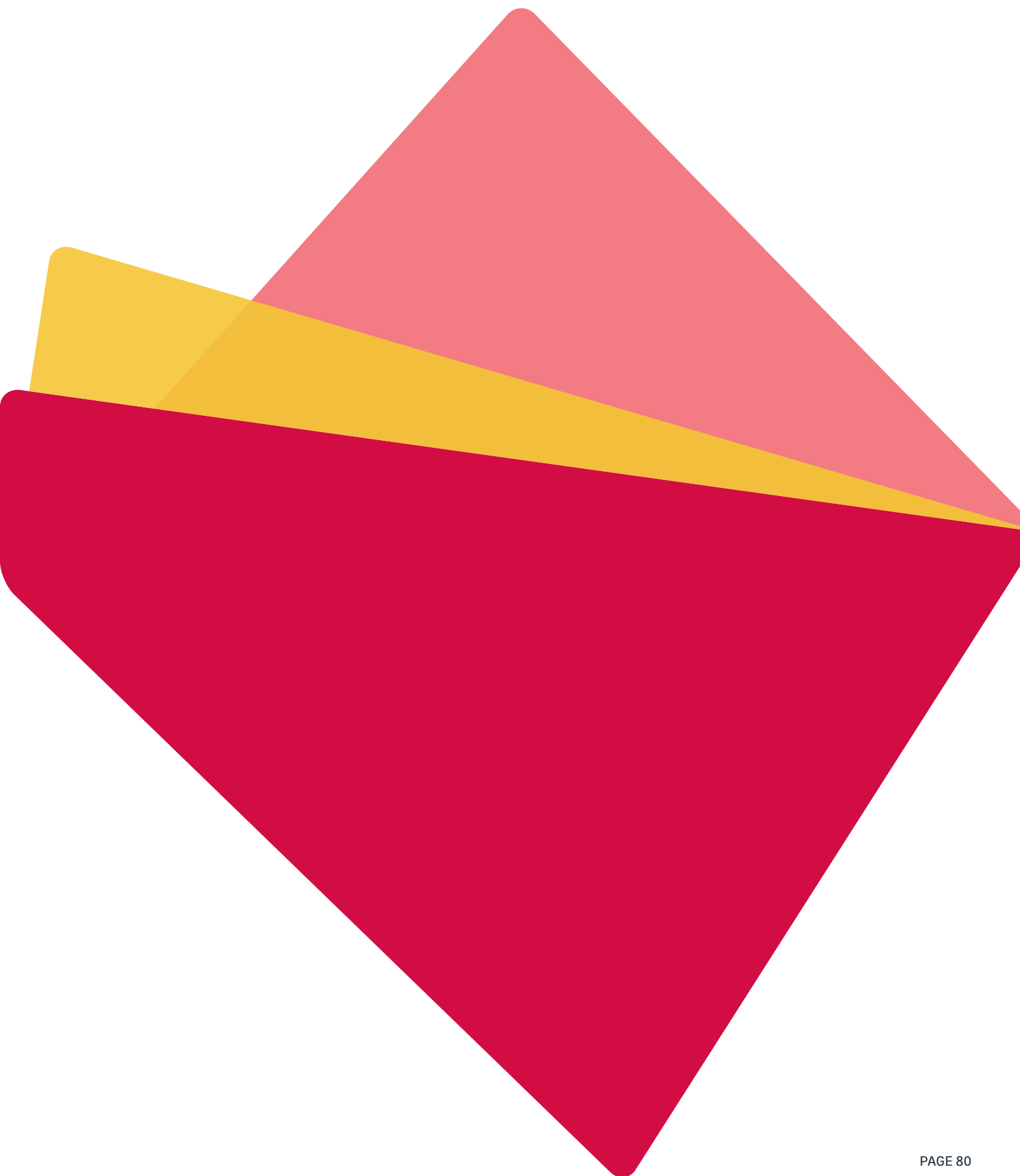
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# SUPPLEMENT: Our TCFD Report



# Our Task Force on Climate-related Financial Disclosures Report

The Task Force on Climate-related Financial Disclosures (TCFD) provides a consistent reporting framework for companies to disclose how they are addressing climate-related risks and opportunities. The section below builds on the Group's first TCFD report, published last year and outlines our contributions and progress against each of the four pillars of the TCFD recommendations.

## Governance of Climate Change Risks and Impacts

### Board-level Governance

At AIA, the Board retains ultimate responsibility for the oversight of the Group's risk management activities and monitors material group-wide risks, whether they are common to our industry or unique to the Group and its businesses. The Board is supported by the BRC, comprised of select Board members and chaired by an Independent Non-executive Director, as well as the ORC and FRC which are comprised of our senior executives. AIA's RMF ensures that we have the capabilities and processes in place to identify, quantify, underwrite and manage and report risk. The Board is responsible for reviewing this framework to ensure that it is sufficiently effective given the Group's business environment and context.

In addition, boards of directors of our business units play a similar role to ensure that the local risk framework is appropriately tailored to the local business and environment.

We address ESG-related risks according to the process outlined in the RMF and categorise them based on the nature of the risk to our operations. The physical impacts of climate change, including flooding, or damage to facilities have immediate operational impacts and are treated as operational risks. Long-term challenges, such as emerging ESG issues, may be discussed by the BRC, ORC, FRC, or the Group's ESG Committee.

### Management-level Governance

The Group's ESG Committee provides effective governance for integrating and addressing ESG issues, including climate change, within our business. The ESG Committee is comprised of members of the Group Executive Committee, with representation from an Independent Non-executive Director of the Board. The Committee meets on at least a quarterly basis and plays an integral role in overseeing the Company's ESG Strategy, policies and disclosure, including reporting to the Board on a biannual basis.

The ESG Committee also considers ESG research, feedback raised by key stakeholders including

institutional shareholders and reports by rating agencies and provides input on material ESG issues relevant to the Group.

In 2020, feedback on climate change was discussed by the ESG Committee at all four meetings, with key outcomes and feedback formulated and raised to the Board. This included approval of the Group's ESG Strategy.

On a day-to-day basis, AIA's ESG team works closely with the Group Investment function, working to develop consistent and enhanced approaches to addressing climate risk issues with the Group's analysts. The team also coordinates with the Group's Risk function on ESG matters, including on climate change, both at its Group office and local business units.

## Strategy

The WHO raises climate change as the greatest threat to human health this century. Our strategic approach to addressing both the risks and opportunities from climate change is outlined below.

Climate change risk forms part of our overall insurance risk profile through its role in increasing the frequency and intensity of certain diseases, and the health and mortality impacts resulting from natural disasters. We assess the overall level of insurance risk by taking into consideration a range of diverse risk factors across the many categories in our product range. This diversity of risk

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combined with our reinsurance programme and broad geographic footprint helps us to distribute risk and provide protection against the impacts of short-term climate change effects.

## Physical Climate Risks

The physical risks of climate change can be far-reaching and affect the quality of life for communities across the countries where we operate. Research shows that storm surge, drought, and rising sea levels are likely to pose significant disruptions to communities across the region over the long-term, affecting economic output and economic productivity. As a life and health insurer, the physical impacts of climate change posed do

not impact AIA in the same immediate manner as the property and casualty sector. Instead, AIA is more likely to be impacted by these challenges over the long-term.

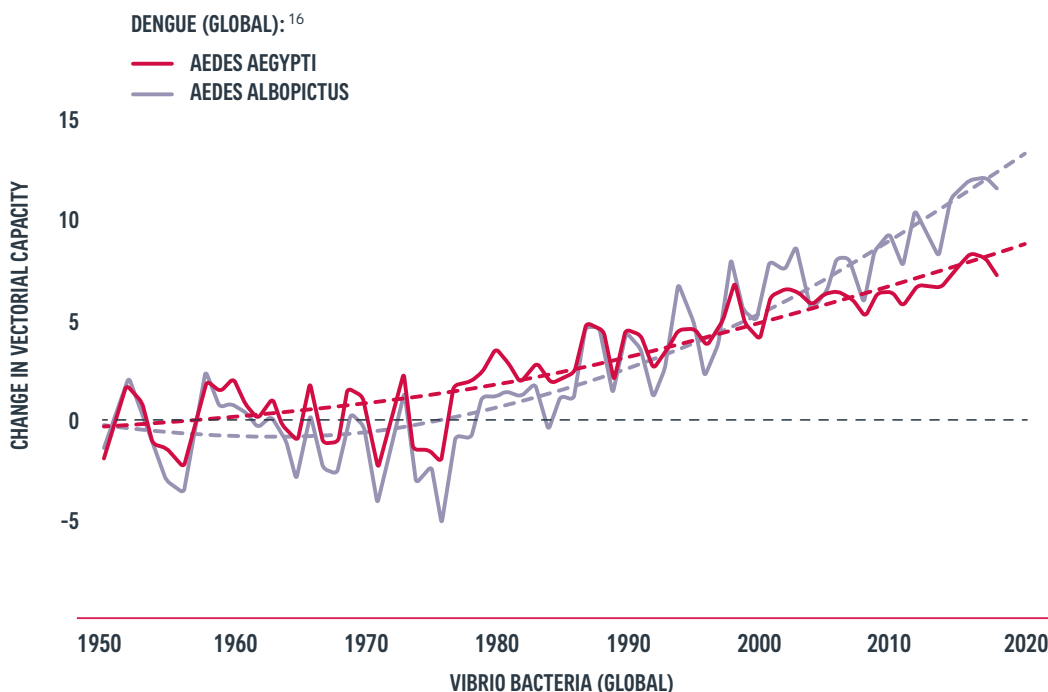
Through our insurance and investments solutions AIA plays an important role in helping communities adapt and achieve resilience against the health impacts of inclement weather and climate-related diseases.

Rising temperatures and increased precipitation are likely to result in a greater prevalence of vector-borne and respiratory illnesses, heart disease, and increases in heat-related morbidity and mortality. For example, dengue fever is a climate-related disease and Aedes mosquitoes are its vector. Since 1950, vectorial capacity, which is the potential for disease transmission, has

increased between 8.9 and 15 per cent for different strains of the virus<sup>16</sup>. Through our health insurance products, AIA offers cover against dengue in markets such as Singapore where this is a growing concern.

## Transition Climate-related Risks

Transition risks posed by climate change include increased regulation and related financial obligations such as the imposition of carbon taxes, increased disclosure, and more stringent environmental risk management that affect both our business and those of the companies that we invest in. Such risks are likely to present more short term impacts to companies within our investment portfolio.



<sup>16</sup> The Lancet 2020

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## Our Green Products

AIA Company (Trustee) Limited has long understood the importance of positive environmental stewardship in generating financial return, and options that take into account both environmental ratings and financial performance of companies are available to our MPF customers.

In select markets, as part of our unit linked investment products, our customers are also able to choose options associated with renewable energy and/or healthcare.



## Responding to environmental challenges

Communities in Australia have experienced an increase in extreme weather events and the 2019-2020 bushfire season was significantly worse than previous years<sup>17</sup>. More than 33 people lost their lives, at least 11 million hectares of bush, forest and parks burned, and an estimated 3 billion animals were killed or displaced by the fires<sup>18</sup>.

AIA Australia supported affected customers with immediate, short-term and long-term support. We provided tailored support to help customers in bushfire areas to meet their immediate needs, including accessing support services, accommodation, applying for government disaster grants, accessing financial counselling and mental health support.

Life insurance policyholders impacted by the bushfires, including those involved in fighting the fires, could apply for a premium waiver for all benefits for six months. To reduce the stress on customers, AIA also replaced lost policy documents without added cost. To alleviate a distressing situation, we expedited and prioritised decisions on claims for people in bushfire-affected regions to ensure people received timely support.

Devastating natural disasters can be traumatic, and many people may struggle with mental health later. AIA's rehabilitation team also developed new disaster recovery components for our well-being programmes tailored to those impacted by the bushfires.

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<sup>17</sup> [Australia's 2019-2020 Bushfires: The Wildlife Toll, World Wide Fund for Nature](#)

<sup>18</sup> [Australia's fires "killed or harmed three billion animals." BBC News](#)

# Risk Management

## Climate change scenarios and our insurance operations

### I. Identifying and assessing climate risks

AIA's risk governance framework is built on the 'Three Lines of Defence' model which clearly defines roles and responsibilities for the management of risk between Executive Management in the First Line, Risk and Compliance in the Second Line, and Internal Audit in the Third Line. The Group and business unit risk teams place reliance on and work closely with their respective first line partners in ensuring ESG-related risks are anticipated and managed. It is important to note that all pertinent and material risk exposures are escalated for resolution to our risk committees, regardless of the ownership over any specific ESG issue.

As previously discussed, longer term ESG issues such as pollution and lifestyle risk

factors primarily impact the health and well-being of people across our markets and thus are viewed as insurance risks given the impact they potentially pose. The above examples of ESG-related risks are managed by our risk teams and are discussed by the BRC, executive risk committees, or the ESG Committee as appropriate.

Climate change impacts are discussed within the Group's ESG team, and collaboratively with the Group Investment and Risk functions. AIA also regularly participates in industry discussions on environmental topics and is a member of the Hong Kong Green Finance Association.

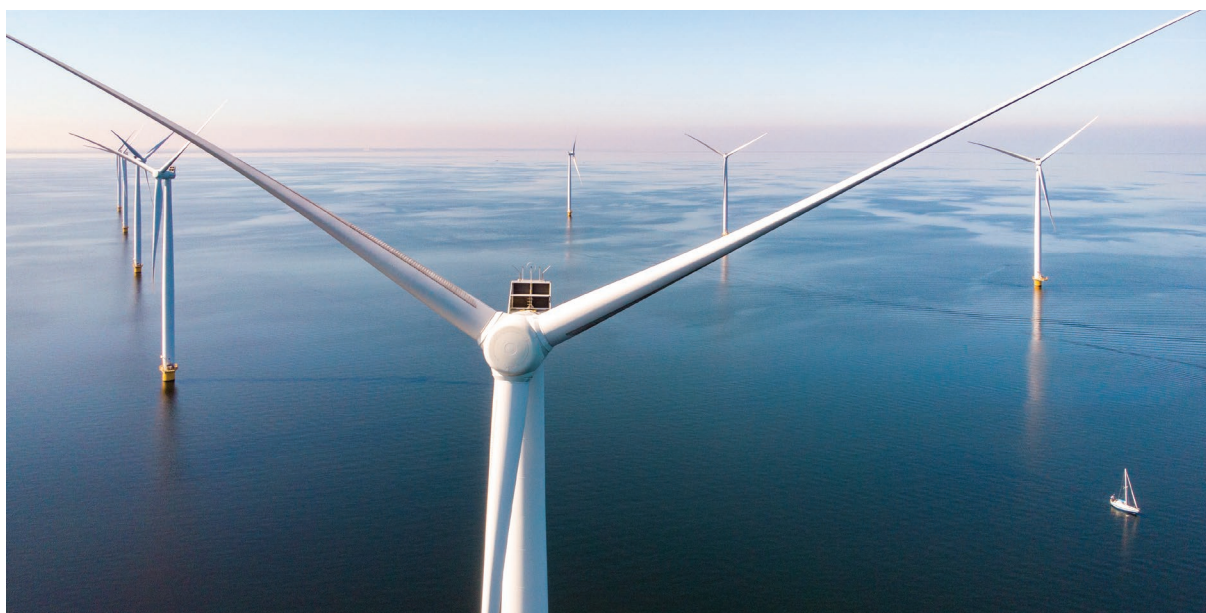
AIA also regularly considers academic research on climate change. In 2017, research funded by the UK Medical Research Council outlined potential impacts to morbidity from climate change-related temperature increases. The research presented two scenarios; a business-as-usual carbon emission trajectory, and those in adherence to the Paris Agreement. AIA continues to consider such research and looks forward to further guidance from regulators on how such scenario analysis

should be meaningfully conducted and has actively contributed to consultations on the topic with our regulators.

### II. Climate impacts and strategies within our investment portfolio

Increasing transitional and physical risks could affect companies in our investment portfolio, with research indicating far-reaching impacts from scenarios with 1.5°C and 2°C increases in temperatures. As discussed in the Sustainable Investment section of this Report, consideration of climate change, in addition to other ESG factors, is mandated within our investment process.

AIA continues to engage with businesses on raising awareness of these risk issues, and encouraging them to address these in a transparent way, thereby contributing in the transition to a low carbon economy. We also monitor investment opportunities across our markets in the transition to a low carbon and climate resilient future, supporting our communities to achieve their environmental targets and objectives.



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# Climate Engagements



Regulators across Asia continue to raise awareness of climate change, introducing disclosure requirements in regard to carbon and energy footprinting. However, there remain gaps in understanding how such climate risks may impact a company's operations, the value of its assets and profits.

AIA is devising ways to address and mitigate the risk of stranded assets in its portfolio. A stranded asset may lose value prematurely, either directly as a result of climate impacts or as a result of the broader energy transition.

As a responsible asset owner, we also continue to raise awareness of these issues with internal and external stakeholders regionally. Starting in 2019 through to early 2020, AIA engaged with over 1,400 companies in the Group's investment portfolio to assess how they address climate change risks, including their awareness of climate impacts, and any initiatives to monitor and reduce their environmental footprint. Our goal was to provide insights into the level of disclosure and preparedness in addressing

climate change across asset classes, from both a sectoral and regional perspective.

## Methodology

Investee companies completed a questionnaire that formed the basis for a subsequent scoring by the Group's investment analysts. These analysts used a scoring methodology developed according to the guidance provided by Transition Pathway Initiative (TPI), a global, asset-owner led initiative which assesses companies' preparedness in addressing physical and transitional risks in the shift toward a low carbon economy.

From the pool of companies assessed, more than 1,200 companies were scored across 11 markets: Hong Kong, Singapore, Mainland China, Malaysia, Indonesia, the Philippines, Thailand, Australia, Vietnam, South Korea and Taiwan (China). These markets were selected in consideration of the Group's investment exposure and considering the potential impact posed by climate change to these locations. Companies were scored on a five point scale, where "0" indicated no awareness by the investee

company of climate change and environmental risks, and "4" where a company reported a robust process for managing climate issues. The scores were based on each company's disclosure to the survey and response to environmental risks, and not actual emissions or environmental impact.

With the majority of the Group's investment portfolio allocated to sovereign bonds, this exercise covered the Group's exposure to both corporate bonds and equities.

Additional due diligence was conducted by the Group's ESG team and Investment function on select companies, in consideration of investment exposure, sector and region.

## Results

### Leading Regions

The strongest overall climate risk disclosure and awareness was in Australia, with the market noting the highest response rate among companies surveyed. After Australia, companies across Singapore demonstrated a strong understanding and preparedness in addressing climate risk issues, followed by Hong Kong.

Large disparities remained across South East Asia, with leading listed companies demonstrating a much stronger understanding of the impacts of climate risk issues on their operations, in comparison to small and medium-sized enterprises (SMEs). This raises concerns on the level of preparedness among SMEs to assess and address the impacts of climate change on their business.

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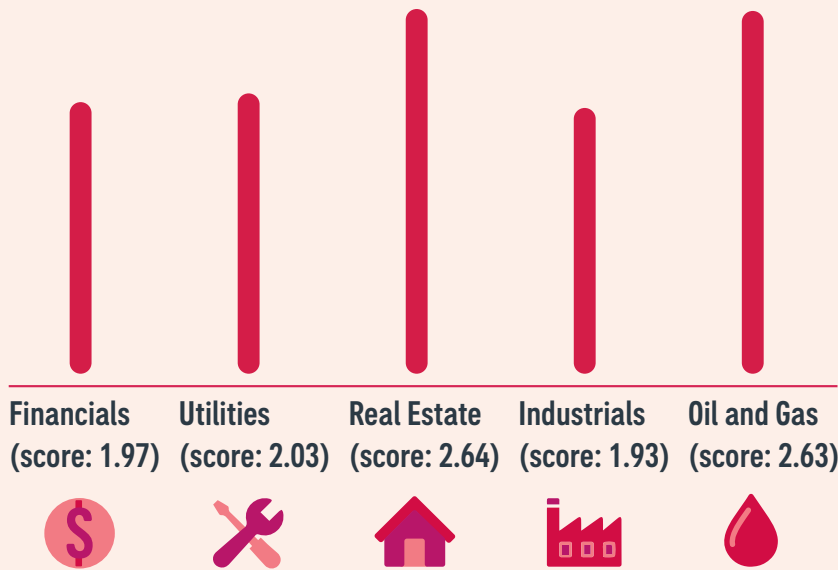
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**AVERAGE SCORES BY SECTOR ACROSS THE 11 MARKETS SELECTED:**



Companies in the financial services sector reported the lowest levels of awareness, with limited disclosure and integration of climate risks in most markets. This was surprising given the growing interest in disclosure structures such as the TCFD and the potential losses to companies in financial services from climate change. Exceptions to this trend were Australian financials, driven by local stakeholder interest in climate change disclosure.

Other sectors, including the oil and gas sector, demonstrated a stronger understanding of climate risk issues, likely

due to stakeholder interest and growing scrutiny of the climate performance of these sectors. The real estate sector also demonstrated strong knowledge of climate risks, particularly in markets such as Singapore and Hong Kong, where real estate companies were notable sustainability leaders.

AIA also continues to recommend that sustainability teams within companies engage with key functions such as investor relations and finance, to educate stakeholders on the impact of ESG issues, while integrating ESG considerations within the business.

AIA intends to build upon the results of this analysis with investee companies and seeks to devise a proposed action plan, through engagement and where determined by AIA to be appropriate, adjustment of our exposure based on these results. Through regulatory guidance and international practice, AIA also aims to further assess and continue to conduct scenario analysis of its investment portfolio to different warming scenarios.

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# Metrics and Targets

## Energy and Emissions

Total GHG Emissions per Scope (in tonnes of CO2e)				
CO2e tonnes	2020	2019	2018	2017
Scope 1 <sup>19</sup>	2,167	3,640	4,149	4,935
Scope 2 <sup>20</sup>	38,029	45,263	43,016	45,519
Scope 3 <sup>21</sup>	2,354	10,846	8,596	7,388
Total GHG Emissions	42,550	59,749	55,761	57,842
Total GHG Emissions Intensity per employee (scope 1, 2 and 3)	1.8	2.6	2.7	2.9

In 2020, the Group produced 42,550 tonnes of CO2e, or 1.8 tonnes per employee. The decrease in our overall footprint this year was due to reduced operations at our offices and business travel due to COVID-19.

Total energy consumption across the Group was 71,651,432 kWh, amounting to 3,062 kWh per person.

AIA has committed to a 25 per cent emission reduction target per person by 2030 with 2017 as a base year. The target applies to Scope 1 and Scope 2 emissions. AIA will continue to report on our progress against environmental targets as employees across our business units resume business travel and return to our office spaces.

AIA will also continue to monitor our environmental footprint, and implement energy efficiency measures, where applicable, throughout our business.

The largest contributor to our operational footprint is the electricity we use in our buildings, which contributes to our Scope 2 emission footprint of 38,029 tonnes.

Other sources of emissions include those from our corporate vehicle fleet and business travel.

Please also refer to the Sustainable Investment section of this Report for further detail on how AIA carbon footprints its investment portfolio.

### Assured data

Emissions and energy data from our Group Office, AIA Singapore, Hong Kong, Thailand, Mainland China and Malaysia in this Report were assured by an external auditor. Please refer to the Assurance Statement on page 105 of this Report for a further breakdown of our operations from buildings in scope of this data assurance exercise.

Total greenhouse gas emissions (Scope 1, 2, 3) from these markets amounted to 18,128 tonnes of CO2e or 43 per cent of our total emission footprint.

Total assured energy use from these markets amounted to 31,774,937 kWh.

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<sup>19</sup> Emissions from the fuel burnt by our corporate vehicle fleet, private air travel, generators and corporate kitchens. Scope 1 emissions include all markets where AIA has operational control.

<sup>20</sup> Emissions produced as a result of the electricity used across the markets and the Towngas used in Hong Kong. Scope 2 emissions include all AIA markets where AIA has operational control.

<sup>21</sup> Emissions produced indirectly from commercial business travel by airplane.

### Data calculation methodologies

AIA calculates emissions according to the guidelines provided by the Environmental Protection Department of the Hong Kong SAR Government. We identify emission factors on electricity consumption for each operating region via the sustainability reports of utility companies, or the Greenhouse Gas Protocol database and the List of Emission Factors published by the Institute for Global Environmental Strategies.

AIA relies on third-party data where this is available, with business travel emissions data for Group Office and AIA Hong Kong provided directly by

our travel agent. At our other markets where this data is not available, such as AIA Malaysia, AIA Singapore, and AIA Thailand, we refer to the Carbon Neutral Calculator for Short – Medium haul flights by the United Kingdom’s Department for Environment, Food, and Rural Affairs (DEFRA) emission factors.

Emissions from any private air travel are calculated according to the recommended practice of the International Air Transport Association (IATA). AIA also refers to the Fifth Assessment Report from the International Panel on Climate Change, in reference to any Global Warming Potential (GWP) factors used.



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# Feedback

Thank you for your interest in this Report.

Your feedback will help us to improve our overall ESG performance and disclosure.

If you have any questions or feedback, please contact our ESG team at [esg@aia.com](mailto:esg@aia.com) or write to us at the address below:

## Environmental, Social and Governance

**AIA Group Limited**

**35/F AIA Central**

**1 Connaught Road Central**

**Hong Kong**

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# Global Reporting Initiative and Hong Kong Stock Exchange Guide Content Index

This Report complies with the comply or explain requirements of the Hong Kong Stock Exchange ESG Guide, and the “Core” option of the GRI Standard Guide published in 2018. These disclosures have been set out in the content index below in accordance with

the guidelines of the GRI, and to allow for easy navigation to relevant sections of the Report.

Additional data and information is highlighted in this content index and commentary table on page 99. This includes any changes to methodology or

KPIs, not discussed in the main body of the Report.

This Report also serves as our 2020 communication regarding the progress of our implementation of the UN Global Compact (UNGC) Ten Principles, which have been outlined below.

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GRI Standard Disclosure Including UNGC	HKSE ESG Reporting Guide Reference	Disclosure	Section Cross Reference, Page and additional information
GRI 102-1	--	Name of organisation	About this Report – Who We Are
GRI 102-2	--	Activities, brands, products, and services	About this Report – Who We are
GRI 102-3	--	Location of headquarters	About this Report – Who We are Feedback on this Report
GRI 102-4	--	Location of operations	About this Report – Who We Are
GRI 102-5	--	Nature of ownership and legal form	About this Report – Who We Are
GRI 102-6	--	Markets served	About this Report – Who We Are
GRI 102-7	--	Scale of the organisation	About this Report – Who We Are People and Culture – Our Workforce At-a-glance Please also refer to the Group's Annual Results for the year ended 31 December 2020 for details on net sales and total capitalisation.
GRI 102-8	KPI B1.1	Information on employees and other workers	People and Culture – Our Workforce At-a-glance GRI and HKSE Commentary Table
GRI 102-9	GD B5 KPI B5.1 KPI B5.2 KPI B5.3 KPI B5.4	Supply chain description	Effective Governance – Effective Risk Management and Responsible Business Practices GRI and HKSE Commentary Table
GRI 102-10	--	Significant changes to the organisation and its supply chain	There have been no significant changes to the organisation and its supply chain.
GRI 102-11	--	Report how the Precautionary Principle is applied	Effective Governance – Effective Risk Management and Responsible Business Practices
GRI 102-12	--	External initiatives	People and Culture Effective Governance – Promoting ESG Best Practice, ESG Rating and Index Inclusions

GRI Standard Disclosure Including UNGC	HKSE ESG Reporting Guide Reference	Disclosure	Section Cross Reference, Page and additional information	
GRI 102-13	--	Membership of associations	Effective Governance – Promoting ESG Best Practice, ESG Rating and Index Inclusions	
GRI 102-14	Governance Structure 13	Statement from senior decision maker	Statement from Group Chief Executive and President	2020 ESG AT-A-GLANCE
GRI 102-16	--	Values, principles, standards and norms of behaviour	About this Report – Our Purpose Effective Governance – Effective Risk Management and Responsible Business Practices Please also refer to <a href="#">AIA's Code of Conduct</a>	CHAIRMAN'S STATEMENT
--	--	Membership of associations	Effective Governance – Promoting ESG Best Practice, ESG Rating and Index Inclusions	STATEMENT FROM GROUP CHIEF EXECUTIVE AND PRESIDENT
GRI 102-18	--	Governance structure of the organisation	About this Report Effective Governance – Board Governance, ESG Committee Please also refer to information on <a href="#">Our Leadership Team</a> .	ABOUT THIS REPORT
--	Governance Structure 13	Key impacts, risks, and opportunities	About This Report	HEALTH AND WELLNESS
GRI 102-40	Overall Approach Reporting Principles 14	List of stakeholders engaged by the organisation	About this Report – Our Material Issues	GREEN OPERATIONS
GRI 102-41 UNGC 3	--	Collective bargaining agreements	Labour unions are present across a number of AIA's business units, however we do not track the percentage of employees covered under these agreements.	SUSTAINABLE INVESTMENT
GRI 102-42	Overall Approach Reporting Principles 14	Identifying and selecting stakeholders	About this Report – Our Material Issues	PEOPLE AND CULTURE
GRI 102-43	Overall Approach Reporting Principles 14 KPI B6.2	Approach to stakeholder engagement	About this Report – Our Material Issues Effective Governance – ESG Committee The Group ESG Committee meets four times a year to discuss stakeholder feedback, including determining material ESG issues. Feedback is reported to the Group ESG Committee through existing stakeholder channels and is not limited to the Report preparation process.	EFFECTIVE GOVERNANCE
GRI 102-44	Overall Approach Reporting Principles 14 KPI B6.2	Report any key topics and concerns raised by stakeholders	About this Report – Our Material Issues GRI and HKSE Commentary Table	OUR TCFD REPORT

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<b>GRI Standard Disclosure Including UNGC</b>	<b>HKSE ESG Reporting Guide Reference</b>	<b>Disclosure</b>	<b>Section Cross Reference, Page and additional information</b>	
GRI 102-45	Reporting Boundary 15	Entities included in the consolidated financial statements	About this Report – Who We Are The scope of this Report has been defined in the About This Report section.	<b>2020 ESG AT-A-GLANCE</b>
GRI 102-46	--	Defining report content and topic boundaries	About this Report – Our Material Issues, Our Approach to ESG Reporting	<b>CHAIRMAN'S STATEMENT</b>
GRI 102-47	Reporting Principles 14	List of material topics	About this Report – Our Material Issues	<b>STATEMENT FROM GROUP CHIEF EXECUTIVE AND PRESIDENT</b>
GRI 102-48	--	Restatements of information	Sustainable Investment – Carbon Footprinting Our Portfolio	<b>ABOUT THIS REPORT</b>
GRI 102-49	Reporting Boundary 15	Changes in reporting	There have been no changes to the organisation's reporting boundary	<b>HEALTH AND WELLNESS</b>
GRI 102-50	--	Reporting period	About this Report	<b>GREEN OPERATIONS</b>
GRI 102-51	--	Date of most recent Report	AIA's ESG Report 2019 was published on 10 April 2019.	<b>SUSTAINABLE INVESTMENT</b>
GRI 102-52	--	Reporting cycle	AIA's ESG Report is published annually.	<b>PEOPLE AND CULTURE</b>
GRI 102-53	--	Contact point for questions regarding the report	Feedback on this Report	<b>EFFECTIVE GOVERNANCE</b>
GRI 102-54	--	Claims of reporting in accordance with the GRI Standards	About this Report – Our Approach to ESG Reporting	<b>OUR TCFD REPORT</b>
GRI 102-55	--	GRI Content Index	GRI and HKSE Content Index	<b>FEEDBACK</b>
GRI 102-56	Overall Approach	External Assurance	PwC Assurance Statement	<b>GRI AND HKSE GUIDE CONTENT INDEX</b>
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Material Topic Disclosure Including UNGC Principles	HKSE ESG Reporting Guide Reference	Disclosure	Section Cross Reference	
<b>Management Approach</b>				
GRI 103-1	Governance Structure 13	Explanation of why topics are material and its boundary	About This Report	2020 ESG AT-A-GLANCE
GRI 103-2	Governance Structure 13	The management approach and its components for material topics	About This Report	
GRI 103-3	Governance Structure 13	Evaluation of the management approach for material topics	About This Report	
<b>Economic Performance</b>				
GRI 103-1, 103-2, 103-3	KPI B8.2 Governance Structure 13	Discussion of management approach and related policies	Effective Governance	CHAIRMAN'S STATEMENT
GRI 201-1	KPI B8.2	Direct Economic Value generated and distributed	Health and Wellness Sustainable Investment Please also refer to the Group's Annual Results for the year ended 31 December 2020.	STATEMENT FROM GROUP CHIEF EXECUTIVE AND PRESIDENT
GRI 201-2	KPI A4.1	Financial implications and other risks and opportunities due to climate change	Our TCFD Report – Strategy, Risk Management Green Operations Sustainable Investment Please also refer to <a href="#">AIA's Climate Change Statement</a> .	ABOUT THIS REPORT
<b>Indirect economic impacts</b>				
GRI 103-1, 103-2, 103-3 GRI 203 UNGC 7 UNGC 8 UNGC 9	Governance Structure 13	Discussion of management approach and related policies	Our TCFD Report – Governance of Climate Change Risks and Impacts Sustainable Investment – ESG Engagements	HEALTH AND WELLNESS
GRI 203-1	KPI B8.1	Infrastructure investments and services supported	Green Operations Sustainable Investment – Broadening Portfolio Inclusions	GREEN OPERATIONS
GRI 203-2	--	Significant indirect economic impacts	Health and Wellness Sustainable Investment	SUSTAINABLE INVESTMENT
<b>Feedback</b>				
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Material Topic Disclosure Including UNGC Principles	HKSE ESG Reporting Guide Reference	Disclosure	Section Cross Reference	
<b>Anti-corruption</b>				
GRI 103-1, 103-2, 103-3	GD B7	Discussion of management approach and related policies	Effective Governance – Effective Risk Management and Responsible Business Practices	2020 ESG AT-A-GLANCE
GRI 205-2 UNGC 10	GD B7 KPI B7.3	Communication and training about anti-corruption policies	Effective Governance – Effective Risk Management and Responsible Business Practices  Anti-corruption training as part of the onboarding process is provided to new joiners of the Company.  The policy relating to anti-corruption is provided to the directors.  Please also refer to <a href="#">AIA's Code of Conduct</a>	CHAIRMAN'S STATEMENT  STATEMENT FROM GROUP CHIEF EXECUTIVE AND PRESIDENT
UNGC 10	GD B7	Compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	GRI and HKSE Commentary Table	ABOUT THIS REPORT  HEALTH AND WELLNESS
<b>Energy</b>				
GRI 103-1, 103-2, 103-3 UNGC 7 UNGC 8 UNGC 9	GD A2 GD A3	Discussion of management approach and related policies (environmental policies)  Policies on minimising the issuer's significant impact on the environment and natural resources	Green Operations – Reducing our Carbon Footprint  Our TCFD Report	GREEN OPERATIONS  SUSTAINABLE INVESTMENT
GRI 302-1	KPI A2.1 KPI A2.3	Energy consumption within the organisation  Energy intensity per employee  Reduction of energy consumption	Green Operations – Reducing our Carbon Footprint  Our TCFD Report – Metrics and Targets  GRI and HKSE Commentary Table	PEOPLE AND CULTURE  EFFECTIVE GOVERNANCE
GRI 302-3	KPI A2.1	Energy intensity	2020 ESG At-a-glance  Our TCFD Report – Metrics and Targets  GRI and HKSE Commentary Table  Green Operations – Reducing our Carbon Footprint	OUR TCFD REPORT  FEEDBACK
GRI 302-4	KPI A2.3	Reduction of energy consumption	Our TCFD Report – Metrics and Targets  Green Operations – Green Buildings, Reducing our Carbon Footprint  GRI and HKSE Commentary Table	<b>GRI AND HKSE GUIDE CONTENT INDEX</b>  GRI and HKSE Guide Content Index  GRI and HKSE Guide Commentary Table  Independent Practitioner's Limited Assurance Report



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<b>Emissions</b>				
GRI 103-1, 103-2, 103-3 UNGC 7 UNGC 8	GD A1 GD A2 GD A3 GD A4	Discussion of management approach and related policies (Environmental policies)	Our TCFD Report – Metrics and Targets GRI and HKSE Commentary Table Green Operations	2020 ESG AT-A-GLANCE
GRI 305-1, 305-2, 305-3, 305-4, 305-5	GD A1 KPI A1.1 KPI A1.2 KPI A1.5	Greenhouse gas (GHG) emissions (scope 1) Greenhouse gas (GHG) emissions (scope 2) Other greenhouse gas (GHG) emissions (scope 3) Greenhouse gas (GHG) emissions intensity Reduction of greenhouse gas (GHG) emissions	Our TCFD Report – Metrics and Targets GRI and HKSE Commentary Table Green Operations – Reducing our Carbon Footprint	CHAIRMAN'S STATEMENT STATEMENT FROM GROUP CHIEF EXECUTIVE AND PRESIDENT ABOUT THIS REPORT HEALTH AND WELLNESS
<b>Environmental Management Initiatives</b>				
GRI 306-3 (a)	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	GRI and HKSE Commentary Table	GREEN OPERATIONS
GRI 306-3 (a)	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	GRI and HKSE Commentary Table	SUSTAINABLE INVESTMENT PEOPLE AND CULTURE
GRI 103-1, 103-2, 103-3 GRI 306-4 GRI 306-5	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	GRI and HKSE Commentary Table	EFFECTIVE GOVERNANCE OUR TCFD REPORT
GRI 301-1	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	GRI and HKSE Commentary Table	FEEDBACK
<b>Environmental Compliance</b>				
GRI 103-1, 103-2, 103-3 UNGC 7 UNGC 8	GD A1	Discussion of management approach and related policies (Environmental policies)	Green Operations Our TCFD Report – Metrics and Targets	<b>GRI AND HKSE GUIDE CONTENT INDEX</b> GRI and HKSE Guide Content Index GRI and HKSE Guide Commentary Table
GRI 307-1 UNGC 7	GD A1	Non-compliance with environmental laws and regulations	GRI and HKSE Commentary Table	Independent Practitioner's Limited Assurance Report

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<b>Water Consumption</b>			
GRI 303-5	KPI A2.2	Water consumption in total and intensity	GRI and HKSE Commentary Table
GRI 103-1, 103-2, 103-3 GRI 303-1	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	GRI and HKSE Commentary Table
<b>Employment</b>			
GRI 103-1, 103-2, 103-3	GD B1	Employment related policies and approaches Compliance with relevant human resources related laws and regulations that have a significant impact on the issuer	People and Culture – Developing our People, Diversity and Inclusion, Recognising and Rewarding Our People GRI and HKSE Commentary Table
GRI 401-1 UNGC 6	GD B1 KPI B1.2	New employee hires and employee turnover	People and Culture – A Risk-aware Culture GRI and HKSE Commentary Table
<b>Occupational Health and Safety</b>			
--	GD B2	Information on policies and compliance with relevant laws and regulations relating to providing a safe working environment	People and Culture – Recognising and Rewarding our People, SUPPLEMENT: Supporting Our Employees During COVID-19 GRI and HKSE Commentary Table
GRI 401-9 GRI 401-10	KPI B2.1	Number and rate of work-related fatalities	GRI and HKSE Commentary Table
--	KPI B2.2	Lost days due to work injury	GRI and HKSE Commentary Table
GRI 103-2, 103-3 (a-i)	KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	People and Culture – Recognising and Rewarding Our People, SUPPLEMENT: Supporting Our Employees During COVID-19
<b>Training and Education</b>			
GRI 103-1, 103-2, 103-3	GD B3	Employment related policies and approaches on training and development	People and Culture – Developing Our People
UNGC 6 GRI 404-1	KPI B3.2	The average training hours completed per employee by gender and employee category	GRI and HKSE Commentary Table
GRI 404-3	--	Percentage of employees receiving regular performance and career development reviews	People and Culture – Recognising and Rewarding Our People GRI and HKSE Commentary Table

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<b>Diversity and Equal Opportunity</b>			
GRI 103-1, 103-2, 103-3	GD B1	Employment related policies and approaches related to inclusion and anti-discrimination	People and Culture – Diversity and Inclusion
UNGC 6 GRI 102-8	KPI B1.1	Total workforce by gender, employment type, age group and geographical region	People and Culture – Our Workforce At-a-glance GRI and HKSE Commentary Table
--	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	GRI and HKSE Commentary Table
<b>Human Rights</b>			
GRI 103-1, 103-2, 103-3 GRI 102-41 UNGC 3	--	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Effective Governance – Effective Risk Management and Responsible Business Practices People and Culture Effective Governance GRI and HKSE Commentary Table Please refer to our <a href="#">Supplier Code of Conduct</a>
GRI 103-2 (c-i) GRI 408-1 (c) UNGC 5	GD B4 KPI B4.1	Businesses should uphold the effective abolition of child labour	GRI and HKSE Commentary Table Please refer to our <a href="#">Supplier Code of Conduct</a>
GRI 103-2 (c-i) GRI 409-1 (c) UNGC 4	GD B4 KPI B4.1	Businesses should uphold the elimination of all forms of forced and compulsory labour	Please refer to our <a href="#">Supplier Code of Conduct</a> GRI and HKSE Commentary Table
<b>Local Communities</b>			
GRI 103-2 (c-i)	GD B8	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	About this Report – Our ESG Strategy Health and Wellness – Champion Financial Inclusion, SUPPLEMENT: Supporting Our Communities through COVID-19
GRI 203-1(a) UNGC 1	GD B8 KPI B8.1	Focus areas of community contribution	About this Report – Our ESG Strategy, Our Material Issues Health and Wellness – Champion Financial Inclusion
GRI 201-1(a-ii)	KPI B8.2	Resources contributed to the focus area	About this Report Health and Wellness – Delivering Better Health Outcomes, SUPPLEMENT: Supporting Our Communities through COVID-19
GRI FS14	--	Initiatives to improve access to financial services for disadvantaged people	About this Report Health and Wellness – Champion Financial Inclusion

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<b>Socioeconomic Compliance</b>			
GRI 103-1, 103-2, 103-3	GD A1, A2, A3 GD B1, B2, B4	Policies related to compliance within all social and environmental areas, including human resources	Effective Governance People and Culture
GRI 419-1	GD B4, B2, B1 GD A1, A2, A3	Significant fines and non-monetary sanctions for non-compliance with laws and regulations in relation to social and economic areas	GRI and HKSE Commentary Table
<b>Product Responsibility</b>			
GRI 103-1, 103-2, 103-3	--	Initiatives to enhance financial literacy by type of beneficiary	Health and Wellness – Champion Financial Inclusion
GRI 103-1, 103-2, 103-3 GRI 103-2 (c-i) GRI 416-2 GRI 417-2 GRI 417-3 GRI 418-1 GRI 419-1	GD B6	Policies relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	Effective Governance – Effective Risk Management and Responsible Business Practices People and Culture Please also refer to <a href="#">AIA's Code of Conduct</a> GRI and HKSE Commentary Table
GRI FS10, FS11	--	Percentage and number of companies held in AIA's portfolio with which AIA has interacted on environmental or social issues  Percentage of assets subject to positive and negative environmental or social screening	Sustainable Investment – ESG Engagement Our TCFD Report – Risk Management Effective Governance Please also refer to the Group <a href="#">Responsible Investment Policy</a>
GRI CRE 8	--	Type and number of sustainability certification, rating, and labelling schemes for new construction, management, occupation, and redevelopment	Green Operations – Green Buildings
<b>Data Protection and Privacy</b>			
GRI 103-2 GRI 103-3 (a-i)	KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Effective Governance – Effective Risk Management and Responsible Business Practices
GRI 418-1	KPI B6.5	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Effective Governance

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# Global Reporting Initiative and Hong Kong Stock Exchange Guide Commentary Table

The GRI and Hong Kong Stock Exchange ESG Guide disclosures that are not covered in the above sections of the Report are in the commentary

table below. The information provided in the following tables covers the twelve-month period ended 31 December 2020.

Material Topic Disclosure Including UNGC Principles	HKSE ESG Reporting Guide Reference	Disclosure	Supplementary Information
<b>Energy</b>			
GRI 302-1 302-3 302-4	KPI A2.1 KPI A3.1	Energy consumption within the organisation  Energy intensity per full-time employees	<ul style="list-style-type: none"> <li>Direct energy consumption at AIA: 8,363,417 kWh</li> <li>Indirect energy consumption at AIA: 63,288,015 kWh</li> <li>Total energy use at AIA: 71,651,432 kWh</li> <li>Energy intensity per employee: 3062.4 kWh</li> <li>Direct energy consumption at Group Office, Hong Kong, Singapore, Mainland China, Thailand and Malaysia: 2,969,886 kWh ✓</li> <li>Indirect energy consumption at Group Office, Hong Kong, Singapore, Mainland China, Thailand and Malaysia : 28,805,051 kWh ✓</li> <li>Total energy use at Group Office, Hong Kong, Singapore, Thailand, Mainland China and Malaysia: 31,774,937 kWh ✓</li> </ul>

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Material Topic Disclosure Including UNGC Principles	HKSE ESG Reporting Guide Reference	Disclosure	Supplementary Information
<b>Emissions</b>			
GRI 305-1, 305-2, 305-3, 305-4, 305-5	GD A1 KPI A1.1 KPI A1.2 KPI A1.5	Greenhouse gas (GHG) emissions (scope 1) Greenhouse gas (GHG) emissions (scope 2) Other greenhouse gas (GHG) emissions (scope 3) Greenhouse gas (GHG) emissions intensity Reduction of greenhouse gas (GHG) emissions	<ul style="list-style-type: none"> <li>Total Scope 1 emissions for the Group: 2,167 tonnes of CO2e</li> <li>Total Scope 2 emissions for the Group: 38,029 tonnes of CO2e</li> <li>Total Scope 3 emissions for the Group's business units, excluding Myanmar and Vietnam: 2,354 tonnes of CO2e. AIA will gradually expand the scope of the data.</li> <li>Total emissions for the Group: 42,550 tonnes of CO2e</li> <li>Total emissions per employee: 1.8 tonnes of CO2e</li> <li>Total scope 1 emissions for Group Office, Hong Kong, Singapore, Thailand, Mainland China and Malaysia: 781 tonnes of CO2e ✓</li> <li>Total Scope 2 emissions for Group Office, Hong Kong, Singapore, Thailand, Mainland China and Malaysia: 16,412 tonnes of CO2e ✓</li> <li>Total Scope 3 emissions for Group Office, Hong Kong, Singapore, Thailand and Malaysia: 935 tonnes of CO2e ✓</li> <li>Total emissions for Group Office, Hong Kong, Singapore, Thailand, Mainland China and Malaysia: 18,128 tonnes of CO2e ✓</li> </ul>

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Material Topic Disclosure Including UNGC Principles	HKSE ESG Reporting Guide Reference	Disclosure	Supplementary Information	
<b>Environmental Management Initiatives</b>				
GRI 306-3 (a)	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	As a life insurer, our policies do not require the input of any hazardous materials, nor do we produce any hazardous substances. As a result, the production of hazardous waste is not applicable to our operations.	2020 ESG AT-A-GLANCE
GRI 306-3 (a)	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	AIA's waste consists of food and office products such as paper, which does not have a material impact at this time.  Going forward AIA will consider the need to measure our waste footprint.	CHAIRMAN'S STATEMENT  STATEMENT FROM GROUP CHIEF EXECUTIVE AND PRESIDENT
GRI 103-1, 103-2, 103-3 GRI 306-4 GRI 306-5	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	Non-hazardous waste is sorted and recycled at select business units.  We continue to raise awareness on the importance of waste reduction through signage and internal communications.  As a life insurer the production of hazardous waste is not applicable to our operations.  See A1.3 and A1.4 as to why AIA does not measure hazardous and non-hazardous waste respectively at this time.	ABOUT THIS REPORT  HEALTH AND WELLNESS  GREEN OPERATIONS  SUSTAINABLE INVESTMENT
GRI 303-5	KPI A2.2	Water consumption in total and intensity	In 2020, 10 of AIA's business units consumed 211,525 tonnes of water, amounting to 11.8 tonnes of water per employee.  AIA is unable to report on water usage in buildings where water meters are shared with other building tenants, or where it is included in total rental costs.	PEOPLE AND CULTURE  EFFECTIVE GOVERNANCE
GRI 302-1	KPI A2.3	Reduction of energy consumption	No specific targets were set for energy efficiency, as AIA's greenhouse gas emissions targets inherently reflect an improvement in energy efficiency.	OUR TCFD REPORT
GRI 103-1, 103-2, 103-3 GRI 303-1	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	As a life insurer, we operate predominantly in office spaces, and thus issues of water consumption and water efficiency are not material to AIA.	FEEDBACK
GRI 301-1	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Packaging material is not applicable to the nature of our operations as a life insurer.	<b>GRI AND HKSE GUIDE CONTENT INDEX</b>  GRI and HKSE Guide Content Index  GRI and HKSE Guide Commentary Table  Independent Practitioner's Limited Assurance Report

Material Topic Disclosure Including UNGC Principles	HKSE ESG Reporting Guide Reference	Disclosure	Supplementary Information
<b>Compliance with ESG Regulation</b>			
GRI 307-1 UNGC 2 UNGC 7	GD A1, GD B1, GD B2, GD B4, GD B6, GD B7	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations related to the HKSE ESG Subject Areas of Emissions, Employment, Health and Safety, Labour Standards, Product Responsibility and Anti-Corruption	There were no significant fines or non-monetary sanctions for non-compliance with laws and regulations during the reporting period.  There are no newly applicable or developing laws or regulations related to ESG areas that have had a significant impact on our business.
<b>Employment</b>			
GRI 103-1, 103-2, 103-3	GD B1	Employment related policies and approaches toward working hours and rest periods	Working hours are determined by AIA's business units, taking into account any local legislation governing working hours and rest periods in the jurisdictions where we operate.  As discussed in the People and Culture section of the report, AIA also offers flexible working options at select business units.
<b>Human Rights</b>			
GRI 408 GRI 409 UNGC 5	B4.1 B4.2	Policies in place to prevent child and forced labour  Description of steps taken to eliminate such practices when discovered	Child and forced labour are not ESG issues that are material to our day to day operations in the financial services industry, where we require highly skilled and technical services.  AIA prohibits the use of child labour within our supply chain, as outlined by our Supplier Code of Conduct. For further details please refer to our <a href="#">Supplier Code of Conduct</a> .
<b>Occupational Health and Safety</b>			
GRI 403-9 GRI 403-10	KPI B2.1	Number and rate of work-related fatalities	This disclosure is immaterial to the nature of operations for life and health insurers.  Our employees are not typically exposed to high risk activities that may cause any physical harm on a day to day basis.  Please refer to the People and Culture section of this Report for details of our initiatives to foster a healthy and safe workplace.
--	KPI B2.2	Lost days due to work injury	Our employees are not typically exposed to high risk activities that may cause any physical harm and lost workdays. This is immaterial to the nature of operations at life and health insurers.  Please refer to People and Culture of this Report for details of our initiatives to foster a healthy and safe workplace.

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Material Topic Disclosure Including UNGC Principles	HKSE ESG Reporting Guide Reference	Disclosure	Supplementary Information	
<b>Supply Chain Management</b>				
--	KPI B5.1	Number of suppliers by geographical region	AIA continues to encourage improvements in environmental performance while prioritising vendors and business partners who exemplify good ESG practices. AIA does not report on the number of suppliers by geographical region at this time, but will continue assess feasibility of reporting this information going forward.	2020 ESG AT-A-GLANCE
GRI 102-9	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored	AIA monitors and engages with suppliers, conducting risk assessments, where applicable, such as on information security risk.	CHAIRMAN'S STATEMENT
GRI 102-9	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	The supply chain management and monitoring system, and the <a href="#">Supplier Code of Conduct</a> , which contains an overview of the monitoring and review process to identify environmental and social risks are described under Effective Governance — Effective Risk Management and Responsible Business Practices.	STATEMENT FROM GROUP CHIEF EXECUTIVE AND PRESIDENT
GRI 103-2	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	The Group's internal Environmental Procedures provide guidance on sustainable sourcing. Under the <a href="#">Supplier Code of Conduct</a> , AIA may choose to enquire about any ESG related practices or policies during the supplier registration process, and or embed specific ESG related provisions within contract terms and conditions.  To monitor suppliers' performance, AIA may also conduct its own due diligence, including audits or investigations in relation to possible breaches of law, regulation, or company policy as it deems appropriate.	ABOUT THIS REPORT
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Material Topic Disclosure Including UNGC Principles	HKSE ESG Reporting Guide Reference	Disclosure	Supplementary Information	
<b>Diversity and Equal Opportunity</b>				
GRI 102 GRI 405	KPI B1.1	Total workforce employment type	AIA will assess the feasibility of collecting and disclosing the breakdown of employees by employment and contract type.	2020 ESG AT-A-GLANCE
GRI 401	KPI B1.2	Employee turnover by geographical region	The employee turnover by local markets is not disclosed due to sensitivity.	CHAIRMAN'S STATEMENT
--	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	AIA will assess the feasibility of collecting and disclosing this information.	STATEMENT FROM GROUP CHIEF EXECUTIVE AND PRESIDENT
UNGC 6 GRI 404-1	KPI B3.2	The average training hours completed per employee by gender and employee category	Average Training Hours By Gender <sup>22</sup> Female: 12.4 hours Male: 11.9 hours  By Employee Level Junior staff :12 hours Middle management: 13.7 hours Senior management: 27.3 hours	ABOUT THIS REPORT  HEALTH AND WELLNESS  GREEN OPERATIONS
<b>Product Responsibility</b>				
--	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	This is not applicable as our products are intangible and not subject to any recall procedures.	SUSTAINABLE INVESTMENT
GRI 102-43 GRI 102-44 GRI 418-1	KPI B6.2	Number of products and service-related complaints received and how they are dealt with	AIA is currently assessing the feasibility of collecting and disclosing such information.	PEOPLE AND CULTURE  EFFECTIVE GOVERNANCE
--	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	AIA is currently assessing the feasibility of collecting and disclosing such information.	OUR TCFD REPORT
--	KPI B6.4	Description of quality assurance process and recall procedures	Effective Governance - Our Commitments to our Customers  Recall procedures are not applicable to the nature of our operations.	FEEDBACK  <b>GRI AND HKSE GUIDE CONTENT INDEX</b>  GRI and HKSE Guide Content Index  GRI and HKSE Guide Commentary Table  Independent Practitioner's Limited Assurance Report

<sup>22</sup> Training hours for employees of AIA Myanmar, Tata AIA Life, or transferred employees are not included.

# Independent Practitioner's Limited Assurance Report

To the Board of Directors of AIA Group Limited



We have undertaken a limited assurance engagement in respect of the selected sustainability information of AIA Group Limited (the "Company") listed below under the 'Identified Sustainability Information' section and identified with a ✓ in the Company's Environmental, Social and Governance ("ESG") Report that covers the twelve-month period from 1 January 2020 to 31 December 2020 ("ESG Report 2020").

## Identified Sustainability Information

The Identified Sustainability Information for the twelve-month period from 1 January 2020 to 31 December 2020 is summarised below:

- Electricity usage (indirect energy use)
- Energy consumption from use of fossil fuels and gas (direct energy use)
- Total energy consumption
- Scope 1 Greenhouse Gas ("GHG") emissions (Note 1)
- Scope 2 GHG emissions (Note 2)
- Scope 3 GHG emissions (Note 3)
- Total GHG emissions (Scope 1, 2, 3)

Note 1: Emissions produced directly from fossil fuel including petrol, diesel, Towngas, liquid petroleum gas and jet fuel.

Note 2: Emissions produced indirectly from the consumption of electricity and Towngas.

Note 3: Emissions produced indirectly from commercial business travel by airplane, except from AIA China.

Selective quantitative data was provided for six of the Company's locations and related operations and these are the only locations included in the Identified Sustainability Information for the twelve-month period from 1 January 2020 to 31 December 2020, namely:

- the Company's Group Office operations in Hong Kong conducted from its premises located at AIA Central (1 Connaught Road, Central), Hopewell Centre (183 Queens Road East, Wan Chai) and 625 King's Road, North Point;
- the operations of AIA Hong Kong conducted from its premises located at AIA Hong Kong Tower (734 King's Road, Quarry Bay) and Kerry Building (683 Kings Road, Quarry Bay);
- the operations of AIA Singapore conducted from its premises at AIA Alexandra (371 Alexandra Road), AIA Tampines (3 Tampines Grande), AIA Tower (1 Robinson Road), Telepark (5 Tampines Central 6) and 1 Finlayson Green;

- the operations of AIA Malaysia conducted from its premises at AIA Menara (99, Jalan Ampang, 50450, Kuala Lumpur) and AIA Wisma (89, Jalan Ampang, Kuala Lumpur);
- the operations of AIA China conducted from its premises at One AIA Financial Center and Two AIA Financial Center (No.89 Zone Gui Cheng Street, Nanhai District Foshan City); and
- the operations of AIA Thailand conducted from its premises at AIA Thailand Tower 1&2 (181 Surawongse Road, Bangkok).

Data relating to the activities of the Company's insurance agents has been excluded from the selective quantitative data provided to us.

羅兵咸永道

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For the purposes of this limited assurance report, the selected quantitative data is defined above as the “Identified Sustainability Information”.

Our limited assurance report is in respect of the twelve-month period from 1 January 2020 to 31 December 2020 information for the Identified Sustainability Information of the locations mentioned above only and we have not performed any procedures with respect to earlier periods, other locations or any other elements included in the ESG Report 2020 and, therefore, do not express any conclusion thereon.

**Criteria**

The criteria used by the Company to prepare the Identified Sustainability Information is set out in the ESG Report 2020 under the section “OUR APPROACH TO ESG REPORTING”.

The Company’s Responsibility for the Identified Sustainability Information

The Company is responsible for the preparation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of the Identified Sustainability Information that is free from material misstatement, whether due to fraud or error.

**Inherent Limitations**

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial

information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. In addition, GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emission factors and the values needed to combine emissions of different gases.

**Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Our Responsibility**

Our responsibility is to express a limited assurance conclusion on the Identified Sustainability Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements

3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information, and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform this engagement to obtain limited assurance about whether the Identified Sustainability Information is free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of the Company’s use of the Criteria as the basis for the preparation of the Identified Sustainability Information, assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness

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The maintenance and integrity of the AIA Group Limited website is the responsibility of the directors; the work carried out by the assurance provider does not involve consideration of these matters and, accordingly, the assurance provider accepts no responsibility for any differences between the Identified Sustainability Information of AIA Group Limited on which the assurance report was issued or the assurance report that was issued and the information presented on the website.

of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- made inquiries of the persons responsible for the Identified Sustainability Information;
- understood the process for collecting and reporting the Identified Sustainability Information;
- performed limited substantive testing on a selective basis of the Identified Sustainability Information to check that data had been appropriately recorded, calculated and reported; and
- considered the disclosure and presentation of the Identified Sustainability Information.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Accordingly, we do not express a reasonable assurance opinion about whether the Company's Identified Sustainability Information has been prepared, in all material respects, in accordance with the Criteria.

### Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Company's Identified Sustainability Information for the twelve-month period from 1 January 2020 to 31 December 2020 is not prepared, in all material respects, in accordance with the Criteria.

Our report has been prepared for and only for the Company to include in the ESG report and may not be suitable for another purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.



**PricewaterhouseCoopers**  
Certified Public Accountants

Hong Kong  
12 March 2021

2020 ESG  
AT-A-GLANCE

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