



HEALTHIER, LONGER,
BETTER LIVES

AIA Philippines Group

Environmental, Social and Governance Report 2023

Philippine Business Unit Report



HEALTHIER, LONGER,
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HEALTHIER, LONGER,
BETTER LIVES

AIA INVESTMENT MANAGEMENT
AND TRUST CORPORATION PHILIPPINES



AIA Digital+



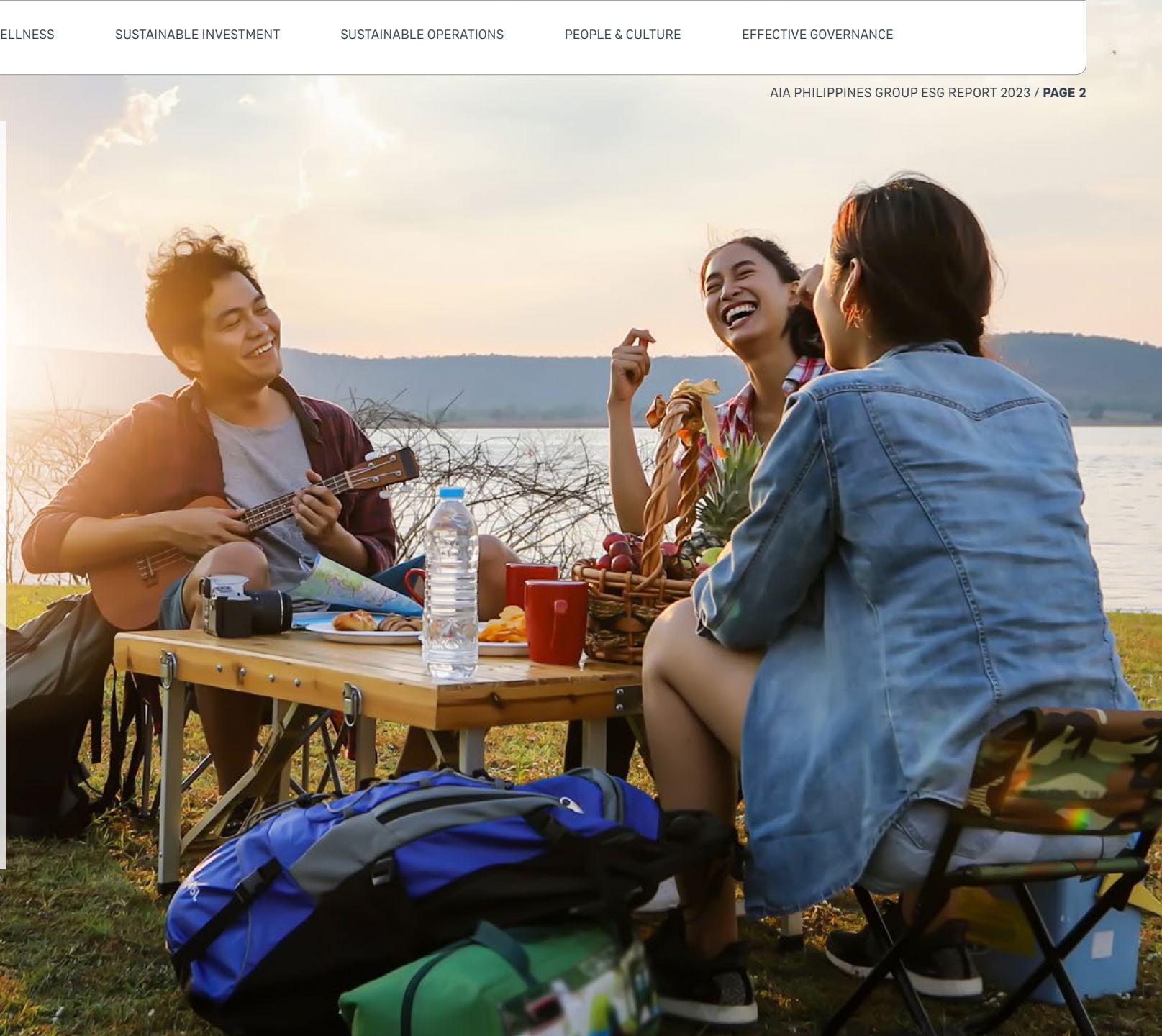
Sustaining Healthier, Longer, Better Lives

AIA's Purpose is to help people live Healthier, Longer, Better Lives. It underpins everything we do.

Sustaining Healthier, Longer, Better Lives is about delivering on our Purpose, creating value for all stakeholders and futureproofing our business through making our Environmental, Social and Governance (ESG) philosophy integral to how we do business.

As part of the largest pan-Asian life and health insurer and a significant asset owner and investor, we recognize the scale of positive transformation we can make to contribute to a healthier, sustainable future for Asia.

Our ESG Report 2023 showcases the actions we are taking to create this future.





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2023 ESG Highlights

Health & Wellness

PHP3.3 BILLION paid in total benefits and claims for the life insurance business.

PHP 9.2 BILLION paid in claims for the HMO business.¹

Nearly 1.2 MILLION individual policies, almost One MILLION participating members of group insurance schemes, and over 1 million HMO customers¹ served.

Close to PHP 130 BILLION in total sum assured provided until end of 2023 (includes life, critical illness, and medical)

¹ MediCard Philippines Data

Sustainable Investment

Over PHP3.8 BILLION invested in a combination of renewable energy, green bonds, utilities, and infrastructure.

Sustainable Operations

Sustained 96% DIGITAL SUBMISSIONS achieved for our buy, service and claims transactions, reducing paper usage across operations.

99% of OUTBOUND COMMUNICATIONS done digitally. Procurement of Energy Service in line with the Group ESG-initiated process.

AIA Tower Cebu

100% transitioned to renewable energy.

People & Culture

Allies in AIA, a network of LGBTQIA+ and allies that aims to promote equitable workplace inclusion, was institutionalized.

50% of SENIOR LEADERS are women

Effective Governance

AIA Philippines and BPI AIA both recognized with Three Golden Arrows Award for top scores in the 2022 ASEAN Corporate Governance Scorecard Assessment mandated by the Insurance Commission.

About AIA Philippines Group

The AIA Philippines Group refers to AIA Philippines (AIA Philippines Life and General Insurance Company Inc.), formerly AIA Philam Life (The Philippine American Life and General Insurance Company) and its affiliate companies BPI AIA Life Assurance Company (formerly BPI-Philam Life Assurance Company), AIA Investment Management and Trust Corporation Philippines (AIAIM PH), MediCard Philippines, and AIA Digital+, its information technology support company that services AIA business units across Asia.

By putting its customers at the center of its operations, the AIA Philippines Group has earned the trust of its stakeholders and has achieved continued growth over the years.

The AIA Philippines Group is guided by its mission of racing against risk to empower Filipinos to live healthier, longer, better lives. Through its strong network, it is able to offer financial solutions such as life protection, health insurance, savings, education, retirement, investment, group and credit life insurance, and fund management products and services.

AIA Philippines and its affiliates are a member of AIA Group Limited, the largest independent publicly listed pan-Asian life insurance group.



HEALTHIER, LONGER,
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AIA Digital+



HEALTHIER, LONGER,
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AIA INVESTMENT MANAGEMENT
AND TRUST CORPORATION PHILIPPINES



About AIA

AIA Group Limited and its subsidiaries (collectively “AIA” or the “Group”) comprise the largest independent publicly listed pan-Asian life insurance group. It has a presence in 18 markets – wholly-owned branches and subsidiaries in Mainland China, Hong Kong SAR¹, Thailand, Singapore, Malaysia, Australia, Cambodia, Indonesia, Myanmar, New Zealand, the Philippines, South Korea, Sri Lanka, Taiwan (China), Vietnam, Brunei and Macau SAR², and a 49 per cent joint venture in India. In addition, AIA has a 24.99 per cent shareholding in China Post Life Insurance Co., Ltd.

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\$286 billion as of 31 December 2023.

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 42 million individual policies and over 18 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 codes “1299” for HKD counter and “81299” for RMB counter with American Depositary Receipts (Level 1) traded on the over-the-counter market under the ticker symbol “AAGIY”.

¹ Hong Kong SAR refers to the Hong Kong Special Administrative Region.

² Macau SAR refers to the Macau Special Administrative Region.

STATEMENT FROM THE GROUP
CHIEF EXECUTIVE AND PRESIDENT

“ Health and Wellness is central to our business. It connects us with our customers and the general public as we bring our Purpose to life through various initiatives that promote healthy living.”

Melita Teo
Chief Executive Officer



I am proud to share with you our 2023 ESG report, which highlights our achievements in fulfilling our Purpose of helping people live healthier, longer, better lives, while actively supporting sustainable practices that address societal and environmental issues.

This is the year we began to make concrete progress on our Environmental, Social and Governance (ESG) commitments. Having defined a clear direction and measurable expected results, we were able to take concrete steps toward achieving our goals in the five pillars identified as our ESG priorities: Health and Wellness, Sustainable Operations, Sustainable Investments, People and Culture, and Effective Governance.

Among these, we have decided to concentrate our efforts on Health and Wellness and Sustainable Operations, as these areas present opportunities for immediate, impactful successes, significant outcomes, and positive results.

Health and Wellness is central to our business. It connects us with our customers and the general public as we bring our Purpose to life through various initiatives that promote healthy living. We diligently tracked key metrics tied to our AIA One Billion initiative, including lives saved, sum assured for life, critical illness, and medical coverage, as well as claims paid out. It was also this year that we rolled out our Hope for the Breast program, a comprehensive initiative aimed at making a meaningful impact in the fight against breast cancer.

In Sustainable Operations, we gained momentum thanks to the initial measures we took in 2022 and have now adopted the AIA Group guidelines on energy efficiency. We have also taken the first step in encouraging vendors to adopt ESG processes by introducing to them the EcoVadis score.

Moreover, notable outcomes have been realized across our three other pillars, underscoring their importance in our overall success. In Sustainable Investments, we broadened our portfolio with investments of over PHP3.8 billion in renewable energy, green bonds, utilities, and infrastructure. In People and Culture, we continued to promote workplace diversity in our quest to further strengthen our culture of innovation and inclusion. An LGBTQIA+ and allies group was established, helping to promote equitable workplace inclusion. Women leaders, meanwhile, remain instrumental in our organization. In Effective Governance, we continued to follow a clear and comprehensive framework of industry-leading practices, policies, and requirements and ensured compliance with responsible business practices. This has resulted in consistent recognition for our efforts these past five years.

The coming year will bolster our resolve in the conduct of responsible business practices and ensure that ESG factors are deeply ingrained in the way we conduct our business, thanks in great part to the momentum gained by the AIA Group's progress in ESG in 2023.

We are proud to be part of the first pan-Asian life and health insurer to have its short-term targets validated by SBTi (Science Based Targets initiative). With targets that are firmly grounded in scientific principles and aligned with the Paris Agreement, they serve as crucial milestones on the path towards decarbonization, establishing a system of accountability where our practices and methodologies must always be toward achieving a more sustainable future. We join them in our collective commitment to attaining net-zero greenhouse gas (GHG) emissions by 2050.

My gratitude to the team for taking to heart our ESG priorities. These lofty goals we have set for ourselves will demand a lot of work in the years to come, but I am confident that our efforts will bear fruit, enabling an organization that operates more sustainably, and contributes to our Purpose of helping more Filipinos live Healthier, Longer, Better Lives.

Melita Teo
Chief Executive Officer

Our ESG Strategy

The ESG Strategy of the AIA Philippines Group, in alignment with the AIA Group, is built around five pillars: Health and Wellness, Sustainable Investment, Sustainable Operations, People and Culture, and Effective Governance.

Together, these pillars of the ESG Strategy contribute to sustainable business operations for the AIA Philippines Group, shaping its people and the communities it engages with.



Our ESG Strategy

OUR STAKEHOLDERS



MATERIAL TOPICS



OUR ESG STRATEGY



PRIORITIES

- Engaging Communities Within the Philippines
- Improving Access to Quality Healthcare
- Building Better Integrated Health and Wellness Outcomes
- Deepening ESG Engagement
- Augmenting ESG Training and Capacity
- Broadening Portfolio Inclusions
- Ensuring Greener Buildings
- Improving Environmental Performance
- Advancing Digital Transformation
- Encouraging Good ESG Practice
- Supporting Development and Career Progression
- Accelerating Progress in Diversity and Inclusion
- Strengthening Risk Awareness
- Enriching and Rewarding Opportunities for All
- Board Governance
- Ensuring Effective Risk Management and Responsible Business Practices

Delivering on Our Strategy

The following table summarizes how the five pillars of the ESG Strategy align with the strategic priorities of the AIA Philippines Group as an insurer, investor and responsible business.

HEALTH & WELLNESS

PRIORITIES	2023 PROGRESS
1. Engaging Communities Within the Philippines	
Engage communities in the Philippines to improve their physical and mental wellness, at the same time championing financial inclusion.	Insure 125,000 new customers, with a total sum assured of PHP140 billion <ul style="list-style-type: none"> • 2021: 78,276 new customers insured, PHP92 billion in total sum assured (including life, critical illness, and medical) • 2022: 94,372 new customers insured, PHP118 billion in total sum assured (including life, critical illness, and medical) • 2023: 109,552 new customers insured, PHP129 billion in total sum assured (including life, critical illness, and medical)
	Number of times people were engaged through activations/on ground events and online/ social media engagements <ul style="list-style-type: none"> • Engaged Filipinos over 54 million times in 2023, helping them to live Healthier, Longer, Better Lives..
	Screen 400 women through Hope Mobi-Clinic, as part of the Hope for the Breast Program <ul style="list-style-type: none"> • 448 women screened, including selected AIA employees, and residents from Pasig and San Juan.
2. Improving Access to Quality Healthcare	
Provide greater access to quality care, relevant and timely information, diagnoses, treatment and rehabilitation	Number of customers utilizing My AIA ecosystem service partners <ul style="list-style-type: none"> • Over 3,000 customers utilizing My AIA ecosystem service partners.
	Number of customers engaged in AIA Vitality <ul style="list-style-type: none"> • Almost 20,000 engaged Vitality customers.
3. Building Better Integrated Health and Wellness Outcomes	
Build on leading integrated health and wellness solutions and reward customers for behavioral improvements	Number of people with improved health outcome as measured by AIA Better Health Outcome Score <ul style="list-style-type: none"> • More than 30 percent increase in members with improved health outcomes vs 2022.



Delivering on Our Strategy

SUSTAINABLE INVESTMENT

PRIORITIES	2023 PROGRESS
<p>1. Deepening ESG Engagement</p> <p>Deepen ESG engagement with investee companies.</p>	<p>Thematic engagement methodology enhancement</p> <ul style="list-style-type: none"> Thematic Engagement exercise kicked off in the last quarter of 2023 on the topic of Supply Chain Management. <p>Thematic engagement completion rate</p> <ul style="list-style-type: none"> 91 percent of 23 in-scope investee companies were engaged in the thematic area of Supply Chain Management.
<p>2. Augmenting ESG Training and Capacity</p> <p>Augment knowledge and capacity among investment analysts through dedicated training initiatives.</p>	<p>Percentage of general accounts investments directly managed scored against in-house ESG Rating Scorecard</p> <ul style="list-style-type: none"> 46 investee companies (FI and EQ) have been scored against in-house ESG scorecard by the end of 2023. All ESG scores are updated. <p>ESG training</p> <ul style="list-style-type: none"> 100 percent of in-scope individual in AIAIM PH have participated in the Chartered Financial Analysts (CFA) ESG Investing Training Session.
<p>3. Broadening Portfolio Inclusions</p> <p>Broaden portfolio inclusions by specific considerations of green bonds, sustainability bonds, renewable and alternative energy and infrastructure.</p>	<p>Investment and disclosure of Green Bonds, Sustainability Bonds, renewable energy, alternative energy, and infrastructure</p> <ul style="list-style-type: none"> Over Php3.8 billion invested in a combination of renewable energy, green bonds, utilities, and infrastructure in 2023: <ul style="list-style-type: none"> Water utilities PHP474 million Road and rail infrastructure PHP1.43 billion Renewable energy (RE) PHP1.41 billion Green bonds PHP904 million (includes ACEIC and ACEN bonds which are also counted as RE)

Delivering on Our Strategy

SUSTAINABLE OPERATIONS

PRIORITIES	2023 PROGRESS
<p>1. Ensuring Greener Buildings</p> <p>Ensure that all new buildings and any redevelopments adhere to industry recognized green building standards.</p>	<p>All new and redeveloped buildings to adhere to green building standards</p> <ul style="list-style-type: none"> • Conversion to LED lights of all AIA PH occupied and controlled properties completed. • Compliance to Group guidelines on energy efficiency efforts. • WELL HSR Certified: AIA Tower and AIA Center Cebu. • Urban garden in AIA Tower and three more buildings piloted. • Total carbon emissions for AIA Philippines in 2023 is 8,673.10 tons¹.
<p>2. Improving Environmental Performance</p> <p>Reduction of carbon footprint, while also measuring and managing the amounts of waste produced from operations.</p>	<ul style="list-style-type: none"> • Procurement of Energy Service in line with the Group ESG-initiated process. • Waste segregation and measurement are continuing for all owned properties and occupied premises. • On-site waste segregation piloted in some occupied spaces, particularly property management offices.
<p>3. Advancing Digital Transformation</p> <p>Increase digitalization and automation to reduce the usage of paper.</p>	<p>Percentage of transactions across buy, service, claims</p> <ul style="list-style-type: none"> • 2021: 53 percent of transactions across buy, service and claims have been digitalized. • 2022: 96 percent of transactions across buy, service and claims have been digitalized. • 2023: 96 percent of sustained digitalized transactions across buy, service and claims. <p>Percentage of outbound communications done digitally</p> <ul style="list-style-type: none"> • 99 percent of outbound communications done digitally for both AIA and BPI AIA
<p>4. Encouraging Good ESG Practice</p> <p>Encourage improvements in ESG performance with vendors.</p>	<p>All Tier 1 suppliers requested to provide their EcoVadis score to show their ESG performance. All Group Suppliers, except for 2 were able to provide their ratings.</p>

¹ Carbon emission reporting is in-line with the AIA Group-level emission reporting. As stated in the Group report, progress against the validated Science-based Target (SBT) will begin in 2025, against the 2019 operational emission baseline. For more details, please see the [Group ESG Report 2023](#) and the [Group Climate Transition Plan](#).



Delivering on Our Strategy

PEOPLE & CULTURE

PRIORITIES	2023 PROGRESS
1. Supporting Development and Career Progression	
Foster a learning culture that supports the development of its people.	Number of hours of training per employee (target: 24 hours) <ul style="list-style-type: none"> • Employees spent an average of 26.5 hours individually on capacity building/ upskill training.
2. Accelerating Progress in Diversity and Inclusion	
Promote workplace diversity and advance culture of innovation and inclusion.	Women in the workforce (target: 50 percent) <ul style="list-style-type: none"> • 62 percent of employees are women
	Women in senior leadership (target: 40 percent) <ul style="list-style-type: none"> • 50 percent of senior leaders are women
	Women in programs for leadership development (target: 45 percent) <ul style="list-style-type: none"> • 46 percent of women have completed/ enrolled in leadership programs
	Percentage of managers to complete Diversity and Inclusion training (target: 85 percent) <ul style="list-style-type: none"> • 99 percent of Managers have completed Diversity and Inclusion Training
3. Strengthening Risk Awareness	
Embed a culture of ethical decision-making and strong risk management.	Percentage of employees acknowledging compliance with Code of Conduct on annual basis (target: 100 percent) <ul style="list-style-type: none"> • 100 percent of employees completed Code of Conduct e-learning module
4. Enriching and Rewarding Opportunities for All	
Ensure fair, accountable and equitable processes for employment, progression and rewards.	Institutionalization of Allies in AIA, a network of LGBTQIA+ and allies that aims to promote equitable workplace inclusion.



Delivering on Our Strategy

EFFECTIVE GOVERNANCE

PRIORITIES	2023 PROGRESS
<p>1. Board Governance</p> <p>Foster business integrity and sound decision-making through a diverse and highly qualified Board.</p>	<p>Improve performance evaluation rating on board and management succession planning</p> <ul style="list-style-type: none"> The 2023 Board is diverse both in terms of gender, age, race, background, experiences, and skillsets, consisting of 25 percent female (with ages ranging from late 40s to 60s, of different racial origins within and outside Asia). They are trained and experienced executives and professionals on various relevant fields and industries. <p>Conduct annual continuing education for board members.</p> <ul style="list-style-type: none"> 100 percent of board members attended the annual training that was conducted. The topics discussed were corporate governance, conflict of interest, related party transactions, among others. <p>Annual board updates on ESG best practices and progress against key performance indicators (KPIs).</p> <ul style="list-style-type: none"> Report on ESG related activities, policies, and strategies are presented to the Board on a quarterly basis.
<p>2. Ensuring Effective Risk Management and Responsible Business Practices</p> <p>Effectively manage ESG-related risks and opportunities throughout the business.</p>	<p>Identify and refresh key ESG risks and risk tolerance at least once a year.</p> <ul style="list-style-type: none"> Majority of targets achieved more than 90 percent score vs. threshold, with rating consolidated for AIA PH and BPI AIA. Local targets will be revisited regularly to ensure effective and reliable results. ESG risk and tolerance for each pillar to be set and aligned with group framework. KRI for each pillar will also be set for quantifiable results.

About this Report

This report provides a summary of the ESG initiatives and performance, as well as key sustainability milestones achieved in 2023 by the AIA Philippines Group, made up of AIA Philippines (formerly AIA Philam Life) and its subsidiaries, BPI AIA Life Assurance Company (formerly BPI-Philam Life Assurance Company), AIA Investment Management and Trust Corporation Philippines (AIAIM PH), MediCard Philippines, and AIA Digital+. For performance not available locally, readers are encouraged to refer to the full ESG Report of AIA Group.

Our Approach to ESG Reporting

The AIA Philippines Group has a responsibility to be transparent and accountable to all its stakeholders, and this includes reporting on how its Companies make a difference in the communities it serves, address sustainability challenges, and make a lasting and meaningful impact.

Report Content Scope

The information provided in this report covers the ESG-related activities of the AIA Philippines Group in 2023. Initiatives and data shared refers to all four companies, unless indicated in the footnotes. While local data are disclosed, some that are measured and included in the AIA Group ESG Report 2023 are no longer incorporated into this local Annex Report. Readers are encouraged to refer to the AIA Group ESG Report 2023 for a deep dive on the details of ESG reporting approach and the methodologies employed, as well as comprehensive data on performance and data measured by the AIA Group.



Our Health and Wellness Pillar

The fulfilment of AIA's Purpose of helping people live Healthier, Longer, Better Lives remain at the core of the AIA Philippines Group's business. It is brought to life by its complete suite of protection and long-term savings products, enhanced with health and wellness propositions that address the varied needs of customers. With MediCard now a part of AIA Philippines Group, customers get access to an even more robust offering, completing the diagnosis, treatment and recovery stages of their health journey.

As a major player in the local life insurance industry, and strengthened by the combined capabilities of its subsidiaries, the AIA Philippines Group is well-positioned to make a difference in the country's huge protection gap, low insurance penetration rate, and high out-of-pocket healthcare expenses. To help address these social concerns, AIA Philippines launched initiatives and partnerships that will support individuals towards achieving Healthier, Longer, Better Lives, and are expected to have a lasting effect that will link back to ESG considerations.

Technology plays a significant role in supporting customers to stay on the path of wellness. My AIA, the single touchpoint digital platform for customers, helps them manage their health-related concerns with ease, from preventing sickness through the AIA Vitality app, staying protected, all the way to diagnosis, treatment and recovery. AIA Vitality, on the other hand, is AIA's wellness program accessible through the AIA Vitality app that incentivizes members with rewards for knowing and improving their health.

By developing innovative solutions and forging strategic partnerships, the AIA Philippines Group is able to offer more effective care management programs to deliver better health outcomes.

Summary of Strategic Priorities and Progress in 2023

PRIORITIES	2023 PROGRESS		
<p>1. Engaging Communities Within the Philippines</p> <p>Engage communities in the Philippines to improve their physical and mental wellness, at the same time championing financial inclusion.</p>	<ul style="list-style-type: none"> The mission to race against risk continues, with AIA Philippines tracking the progress of its Save Lives targets, based on the number of new customers protected and the corresponding amount of sum assured (includes basic, critical illness and medical). Targets were increased by 14 percent for the number of lives saved and 8 percent for sum assured. Final achievement for lives saved was at 88 percent, and 91 percent for sum assured. 	<ul style="list-style-type: none"> Through the combined efforts of the AIA Philippines Group, Filipinos were engaged over 54 million times in 2023, contributing to the AIA One Billion* initiative of the AIA Group. This was achieved through activations/on-ground events and online/social media engagement, helping them to live Healthier, Longer, Better Lives. 	<ul style="list-style-type: none"> AIA Philippines' Hope for the Breast program launched in 2022 aims to protect women and their loved ones from breast cancer, spreading awareness, education, and protection from the disease. Rolled out in 2023, the program's partnership with local government units and the participation of employees resulted in 448 women screened for breast cancer. <div data-bbox="2135 674 2219 745" data-label="Image"> </div> <p><i><u>For more information on the AIA One Billion initiative, readers are encouraged to access the AIA Group ESG Report 2023</u></i></p>
<p>2. Improving Access to Quality Healthcare</p> <p>Provide greater access to quality care, relevant and timely information, diagnoses, treatment and rehabilitation.</p>	<ul style="list-style-type: none"> Over 3,000 customers accessed the My AIA ecosystem for the year. 	<ul style="list-style-type: none"> Almost 20,000 AIA Vitality customers engaged, enabling customers to stay healthy. 	
<p>3. Building Better Integrated Health and Wellness Outcomes</p> <p>Build on leading integrated health and wellness solutions and reward customers for behavioral improvements.</p>	<p>There was an increase of 30 percent in improved health outcomes among members as compared to 2022.</p>		

Strategic Priority 1

Engaging Communities Within the Philippines

Engage communities in the Philippines to improve their physical and mental wellness, while championing financial inclusion.

The mission to Save Lives continues

The Save Lives commitment continues for the fourth year, as the AIA Philippines Group tracks its progress in fulfilling its corporate mission of racing against risk to protect every Filipino family.

For 2023, the target was to save 125,000 lives through customers who avail of protection products, and PHP140 billion in trinity sum assured, covering basic protection, critical illness and medical.

The AIA Philippines Group kept its promises, with PHP3.3 billion in claims paid out to customers of AIA Philippines and BPI AIA, and PHP9.2 billion to MediCard Philippines customers.

HOPE in NUMBERS

We continue to race against risk by providing Filipinos the protection they need for a hopeful tomorrow.

88% LIVES SAVED

In 2023,
125K
LIVES SAVED

90% BASIC SUM ASSURED

In 2023,
₱125 Billion
BASIC SUM ASSURED

92% TRINITY SUM ASSURED

In 2023,
₱140 Billion
TRINITY SUM ASSURED

*values as of December 2023

Strategic Priority 2

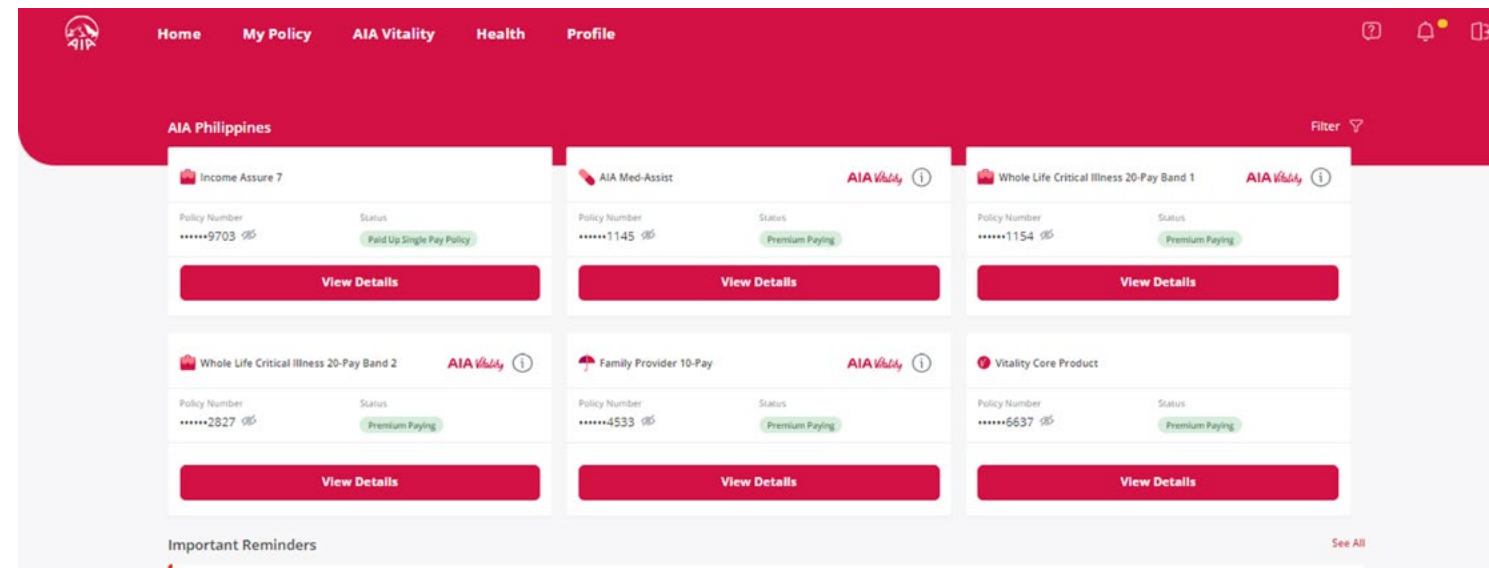
Improving Access to Quality Healthcare

Provide greater access to quality care, relevant and timely information, diagnoses, treatment and rehabilitation

Delivering quality healthcare with the help of technology

With MediCard Philippines now part of the AIA Philippines Group, customers can experience a comprehensive journey of protection, prevention, diagnosis, treatment, and support until recovery. This entire process takes place within the Total Health Solution ecosystem of the AIA Philippines Group and its integrated health insurance services. Customers can stay on the path to wellness, thanks to AIA Philippines and BPI AIA providing protection, AIA Vitality incentivizing healthy habits, and MediCard Philippines taking care of their diagnosis, treatment, and recovery.

In 2023, My AIA was able to support over 3,000 customers who accessed the platform.



Strategic Priority 3

Building Better Integrated Health and Wellness Outcomes

Build on leading integrated health and wellness solutions and reward customers for behavioral improvements.

AIA Vitality as Key Enabler for Healthy Living

AIA Vitality continues to motivate its over 100,000 members to do one more for their health.

In 2023, customers were empowered to live Healthier, Longer, Better Lives through the Total Health Solution proposition—offering solutions to help them understand and manage every aspect of their health, wellness and protection needs. Its year-end member engagement was close to 20 percent, fueled by core program benefit enhancements and targeted campaigns.

Key to engaging customers to live better is AIA Vitality, AIA Philippines' science-backed program that drives long-term behavior change by rewarding customers for making healthy choices. Year-long initiatives were implemented to ensure the attractiveness and relevance of the program, leading to better engagement. These included improved rewards through tactical offerings and special discounts.



Building Better Integrated Health and Wellness Outcomes

Taking Up the Fight Against Breast Cancer

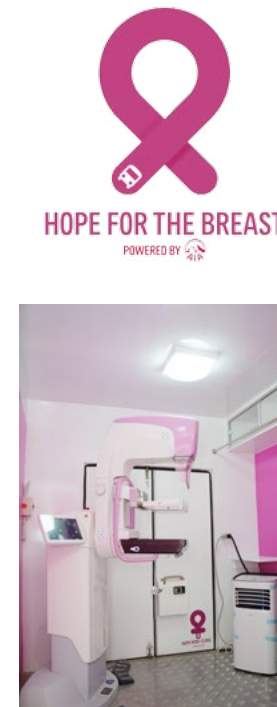
Hope for the Breast, AIA Philippines' program that aims to protect women and their loved ones from breast cancer, was rolled out and activated in two partner local government units (LGU) in 2023. On its first year, 448 women consisting of AIA employees and beneficiaries from the LGUs benefited from the breast cancer screening activity.

The holistic program is the first and only one of its kind, offering support to women from protection through its recently launched product AIA Breast Cancer Protect Lite, and diagnosis and treatment through its Hope Mobi Clinic, which is in partnership with The Medical City.

The launch of AIA Breast Cancer Protect Lite was part of the program to provide protection against breast cancer. It is an insurance plan that can provide a fixed coverage of PHP50,000 should the insured become diagnosed with breast cancer, or expires from breast cancer during the one-year policy term. It's an uncomplicated product where the customer needs only to fill out the application form for the insured (who must be 18 to 50 years old) and answer two health questions. At PHP450 for a year-long coverage, and available online through the AIA Philippines website. AIA Breast Cancer Protect Lite makes breast cancer coverage affordable and accessible to those who need it most.

Aside from providing protection, the program's diagnosis phase is delivered through the Hope Mobi Clinic, a truck fitted with a mammogram machine that can facilitate breast cancer screening in various communities. This was rolled out in San Juan and Pasig and will also be taken to other grassroots communities with low breast cancer awareness and no access to screening. Through the Hope Mobi Clinic, the program hopes to make testing, early detection, and treatment (for those diagnosed through the Hope Mobi Clinic in selected areas), more accessible to women who are unable to avail of these services.

As part of the partnership with The Medical City, the first 110 patients diagnosed with breast cancer through the screening will undergo free treatment at the hospital. This covers histopathological, surgical, and treatment procedures, as well as supplies and drugs. This covers patients who will be diagnosed until 31 December 2024.



PROTECT YOURSELF AGAINST BREAST CANCER TODAY!

Here's how AIA Breast Cancer Protect Lite can help:

PROTECTION
You'll receive 100% of the face amount if you get diagnosed within the coverage period

VALUE
P50,000 fixed coverage for only P450

COVERAGE
One (1) Year Coverage Period

Exclusive for women ages 18-50 with no pre-existing medical condition



Our Sustainable Investment Pillar

The AIA Philippines Group has the capacity to mobilize its substantial investment portfolio, in alignment with the AIA Group's ESG Strategy, to ensure that long-term sustainable value for policyholders is created.

As a group of companies that provides protection and long-term savings solutions to customers, a long-term risk management perspective must be taken in the investment decisions of the AIA Philippines Group. Because of this, ESG considerations must be integrated, actively managed and mitigated to create long-term stakeholder value.

To ensure that the commitment to sustainability comes into fruition, the AIA Philippines Group must expand its influence beyond the immediate stakeholders it affects. The Companies, specifically AIA Philippines and AIA Investment Management Philippines, who are directly responsible for its investment decisions, will promote, develop and enhance ESG-related business practices through active engagement with investee companies, rather than resort to outright divestment. The practice of internally assigning scores in the assessment of relevant ESG factors in potential and actual investee companies as one of the factors that affect investment decisions will continue. In instances where the transition of certain sectors toward a more sustainable or resilient business model is either not possible, or not occurring at the required pace, the AIA Philippines Group will display a certain amount of flexibility where it will consider excluding certain sectors from its portfolio.



Summary of Strategic Priorities and Progress in 2023

PRIORITIES	2023 PROGRESS	
1. Deepening ESG Engagement		
<p>Deepen ESG engagement with investee companies.</p>	<ul style="list-style-type: none"> Thematic Engagement exercise kicked off in the last quarter of 2023 on the topic of supply chain management. 	<ul style="list-style-type: none"> There are 23 in-scope companies under PH coverage, some with overlapping coverage between EQ and FI teams. Out of the total targeted Companies, AIA Philippines managed to get a response rate of 91 percent as of deadline set by the Group.
2. Augmenting ESG Training and Capacity		
<p>Augment knowledge and capacity among investment analysts through dedicated training initiatives.</p>	<ul style="list-style-type: none"> As of end-December 2023, 46 investee companies (FI and EQ) have been scored against in-house ESG scorecard. All ESG scores are updated. 	<ul style="list-style-type: none"> 100 percent of in-scope individual in AIAIM PH have participated in the Chartered Financial Analysts (CFA) ESG Investing Training Session.
3. Broadening Portfolio Inclusions		
<p>Broaden portfolio inclusions by specific considerations of green bonds, sustainability bonds, and renewable and alternative energy and infrastructure.</p>	<p>Over Php3.8 billion invested in a combination of renewable energy, green bonds, utilities, and infrastructure in 2023:</p> <ul style="list-style-type: none"> - Water utilities PHP474 million - Road and rail infrastructure PHP1.43 billion - Renewable energy (RE) PHP1.41 billion - Green bonds PHP904 million (includes ACEIC and ACEN bonds which are counted as RE) 	



Sustainable Investment

For over 100 years, AIA has supported its customers' protection and savings needs by prudently allocating capital. The investment strategies it applies today consider customer impacts decades into the future. Customers, investors and regulators are increasingly conscious of the effects of ESG-related outcomes on future prospects.

AIA believes that its success is inextricably linked to its shareholders, society, the economy and the natural environment. These perspectives are integrated into decision making across the investment cycle.

AIA structurally integrates and assesses relevant ESG factors associated with potential and actual investee companies to support investment portfolio decisions. In addition to evaluating ESG performance, investee companies are actively engaged to promote, develop and enhance ESG-related business practices. However, where it is determined that the transition of certain sectors towards a more sustainable or resilient business model is either not possible or not occurring at the required pace, excluding certain entities or sectors from AIA's portfolio will be considered.

AIA's sustainable investment underscores the following priorities:

- Deepening ESG engagement with investee companies
- Augmenting ESG training and capacity
- Broadening Portfolio Inclusions
- Enhancing Portfolio Exclusions
- Portfolio and Climate Disclosures

AIA Philippines continued to make significant progress and achievements in some of these sustainable investment priorities.

In line with the goal to deepen ESG engagement with investee companies, as in previous years, AIA Philippines participated in AIA's Group-wide Thematic Engagement exercise with covered companies. In 2023, the Company sought to better understand how investee companies incorporate and prioritize environmental, social and governance factors in their supply chain management practices. Through a targeted engagement program, the AIA Philippines investment team gained a deeper understanding of investee companies' supply chain management practices, risk and opportunities from a long-term sustainability perspective.

AIA Philippines continues to achieve 100 percent coverage of its internally developed ESG Rating Scorecard across its directly managed assets. This involves assessing investee companies directly covered by research analysts in accordance with the ESG Rating Scorecard and assigning an ESG Rating to each issuer. These ESG Ratings are reviewed at least once every 12 months. The externally validated ESG Rating Scorecard helps AIA's research analysts quantify ESG risks and opportunities when assessing investee companies and potential investments, considering material themes, and industry-specific factors across the environmental, social, and governance pillars.

Building on last year's momentum in formal qualifications to augment knowledge and capacity on ESG, AIA is proud to be the first company globally to mandate the CFA Institute's Certificate in ESG Investing qualification for its in-scope investment professionals. In 2023, more than 140 investment professionals across AIA business units have already passed and achieved the said certification, out of which six investment professionals were representatives from AIA Philippines.

In line with broadening portfolio inclusions, the Company continues to seek investments in instruments such as green bonds, sustainability bonds, renewable and alternative energy and infrastructure. Meanwhile, with the aim to ensure that the investments made meet the objective of delivering long-term sustainable financial outcomes, tobacco, cluster munitions and coal mining and coal-fired power generation continue to be excluded from AIA Philippines' investments. AIA is committed to monitoring regulatory and thematic developments, and regularly reviewing its approach to exclusions to ensure it continues to meet the long-term needs of its investment program.

As a notable investor in the region, AIA recognizes its substantial influence. The team is deeply committed to delivering long-term, sustainable financial outcomes as part of its Purpose of helping people live Healthier, Longer, Better Lives.

Our Sustainable Operations Pillar

The road to greener operations has commenced, with the first steps taken to make sustainability intrinsic to the AIA Philippines Group.

Changes in the way it operates—in workplaces, operations, and the value chain—must be done.

And while it has a long way to go, the initial steps to weave it into the fabric of the organization have been taken: from the commitment to net-zero and the adoption of AIA Group standards to operate green buildings, to staying committed to making digitalization a core part of the future and engaging the supply chain to encourage the shift to ESG practices.

As these initiatives continue to be operationalized, the AIA Philippines Group takes ownership of its broader footprint and encourages positive ESG practices where it can, one small step at a time. By leading by example, it can influence change among its people and the communities where it operates, and have a greater and lasting impact, encouraged by the knowledge that these help build business resilience today and in the future.

Summary of Strategic Priorities and Progress in 2023

PRIORITIES	2023 PROGRESS		
1. Ensuring Greener Buildings			
Ensure that all new buildings and any redevelopments adhere to industry recognized green building standards.	<ul style="list-style-type: none"> Initiatives taken to comply to Group guidelines on energy efficiency efforts. 	<ul style="list-style-type: none"> AIA Tower and AIA Center Cebu are WELL HSR Certified 	<ul style="list-style-type: none"> Urban garden in AIA Tower and three more buildings piloted.
2. Improving Environmental Performance			
Reduction of carbon footprint, while also measuring and managing the amounts of waste produced from operations.	<ul style="list-style-type: none"> Procurement of Energy Service in line with the Group ESG-initiated process. 	<ul style="list-style-type: none"> Waste segregation and measurement are continuing for all owned properties and occupied premises. 	<ul style="list-style-type: none"> On-site waste segregation piloted in some occupied spaces, particularly property management offices.
3. Advancing Digital Transformation			
Increase digitalization and automation to reduce the usage of paper.	<ul style="list-style-type: none"> Sustained achievement of 96 percent digitalized transactions across buy, service and claims since 2022. 	<ul style="list-style-type: none"> 99 percent of outbound communications done digitally for both AIA and BPI AIA. 	
4. Encouraging Good ESG Practice			
Encourage improvements in ESG performance with vendors.	All Tier 1 suppliers requested to provide their EcoVadis score to show their ESG performance. All Group Suppliers, except for two were able to provide their ratings.		

Strategic Priorities 1 and 2

Ensuring Greener Buildings

Ensure that all new buildings and any redevelopments adhere to industry-recognized green building standards.

Taking small steps towards high-impact results in the future

As the goal to operate sustainably gains traction in the AIA Philippines Group, more and more initiatives are being adopted and experimented, with the intention of rolling out successful ones across the entire enterprise. Facility managers are tasked to keep an open eye for efforts that can be done small scale, for trial and wide-scale implementation in case of favorable results.

Despite the limited garden space in AIA buildings in the Philippines, there are idle areas that can be maximized and repurposed for urban gardening. To jumpstart the initiative, areas in AIA Tower Makati and AIA Center Cebu were identified for pilot implementation, with the concept design and contractor procurement ongoing.

Waste was measured for the first time in 2022, as part of the efforts to assess the impact on the environments in which AIA Philippines and its subsidiaries operate. Last year, waste segregation and measurement were established and implemented across all owned properties and occupied premises. Quarterly data are regularly submitted to AIA Group ESG to track progress.

Energy-efficient usage has been piloted in some occupied spaces, particularly in the Building Admin/ Property Management offices. By April 2024, the policy on waste segregation policy and practices promoting energy efficiency will be in place, in alignment with the AIA Group initiatives.

A healthier workplace for AIA building occupants

The two major properties owned by AIA Philippines, AIA Tower and AIA Center Cebu, were certified with a WELL Health-Safety Rating (HSR) for Facility Operations and Management. This is an annual rating that guides owners and operators across large and small businesses to adopt evidence-based measures to ensure the health and safety of the people who inhabit the building.

The renewal of the certification for these two buildings are being facilitated, as well as new certifications applied for AIA Alabang, AIA Salcedo, AIA Cubao, AIA Baguio, and AIA Davao, with completion of certification expected by late 2024.



Strategic Priority 3

Advancing Digital Transformation

Increase digitalization and automation to reduce the usage of paper.

The digitalization process that began during the pandemic has become part of the standard way of doing business, enabling paperless operations, improving productivity, and reducing waste and costs in the process. Digital transformation as a strategy has a far-reaching impact. Aside from the significant reduction in the use of paper, it also affects service delivery, unlocking new ways to adopt sustainable practices in business operations.



Technology Support Throughout the Customer Journey

The shift towards achieving total experience management continues, with technology, digital, and analytics capabilities maximized to reduce friction across different customer journeys and enabling the employee customer champions. Systems were enhanced, analytics were expanded, and bots further developed to better serve and understand customers. With the digitalization processes in place, manual handling was reduced, and submission and communications shifted to Straight Through Processing (STP). These efforts resulted in much improved performance, jumping from 24 percent in December 2020 when the initiative started, to 79 percent in December 2023.

STP	20-Dec	21-Dec	22-Dec	23-Dec
Overall	24%	43%	81%	79%
Buy	75%	68%	64%	69%
Service	9%	37%	75%	83%
Claims	50%	46%	77%	67%

Improved Turnaround Time for Servicing

A new key performance indicator (KPI), the One Day Turn Around Time (TAT) was implemented in 2022. This means that buy, service and claims processes must be processed within one day from the time the request is received.

The One Day TAT for Buy resulted in a 14 percent increase from last year, due to the push in iPOS/ NGiPOS submissions and optimization of the underwriting process.

Overall One Day TAT for this year slid by two percent from 2022 due to the 25 percent decline in Claims One Day TAT. This is dependent on third party administration which are handled by external partners.

One Day TAT	December 2022	December 2023
Overall	81%	79%
Buy	38%	51%
Service	92%	88%
Claims	88%	63%



Our People & Culture Pillar

The AIA Philippines Group has the huge responsibility of ensuring that it is able to nurture the culture of AIA through its people; supporting and developing them so they can realize their potential, while strengthening the capability of its leaders and its workforce.

The AIA Operating Philosophy of “Doing the Right Thing, in the Right Way, with the Right People ... and the Right Results will come” guides the way the AIA Philippines Group operates. Rooted in its Leadership Essentials of Clarity, Courage and Humanity and driven by its Purpose of helping people live Healthier, Longer, Better Lives, it is an organization that seeks to find a better way in its actions and decision-making. Its operating model of empowerment within a framework, coupled with the principles that underpin its culture, creates an engaging environment for its people to deliver on its people proposition of Believe in Better.



Summary of Strategic Priorities and Progress in 2023

PRIORITIES	2023 PROGRESS			
1. Supporting Development and Career Progression				
Foster a learning culture that supports the development of its people.	Number of hours of training per employee (target: 24 hours) Employees spent an average of 26.5 hours individually on capacity building/ upskill training.			
2. Accelerating Progress in Diversity and Inclusion				
Promote workplace diversity and advance a culture of innovation and inclusion.	Women in the workforce (target: 50 percent) <ul style="list-style-type: none"> 67 percent of employees are women 	Women in senior leadership (target: 40 percent) <ul style="list-style-type: none"> 50 percent of senior leaders are women 	Women in programs for leadership development (target: 45 percent) <ul style="list-style-type: none"> 46 percent of women have completed/enrolled in leadership programs 	Percentage of managers to complete Diversity and Inclusion training (target: 85 percent) <ul style="list-style-type: none"> 99 percent of Managers have completed Diversity and Inclusion Training
3. Strengthening Risk Awareness				
Embed a culture of ethical decision-making and strong risk management.	Percentage of employees acknowledging compliance with Code of Conduct on an annual basis (target: 100 percent) <ul style="list-style-type: none"> 100 percent of employees completed Code of Conduct e-learning module 			
4. Enriching and Rewarding Opportunities for All				
Ensure fair, accountable and equitable processes for employment, progression and rewards.	Institutionalization of Allies in AIA, a network of LGBTQIA+ and allies that aims to promote equitable workplace inclusion.			

Strategic Priority 1

Supporting Development and Career Progression

Foster a learning culture that supports the development of its people.

A Stronger Workforce for the Future

ORGANIZATION OF THE FUTURE

Organization of the Future is one of the key enablers which underpins the Ascend 200 strategic priorities of the AIA Group. To ensure that its people will flourish through a simpler, faster and more connected organization, employee engagement and capability uplift remained a key priority for the companies within the AIA Philippines Group.

CAPABILITY UPLIFT THROUGH CATALYST FOR GROWTH

An array of Core Programs that are targeted for Individual Contributors, People Managers, and Senior Leaders are made available to employees of the AIA Philippines Group. As these companies invest in developing its people, its Catalyst for Growth Capability-Building Framework focuses on four areas which directly align with strategic priorities.

Additional programs are also implemented to support the different developmental needs of its people:

New Employee Orientation Online Course. New joiners are required to take the online course specially designed to help them navigate and facilitate their integration into the AIA Philippines Group. The self-paced course contains modules that will help them learn about the organization's history, teams, leadership team, and other essential information unique to working in any of the companies that are a part of the AIA Philippines Group.

LIFT Onboarding Program. The onboarding journey was revamped to improve new joiner engagement and retention. In May 2023, the AIA Lift program was launched to help new joiners "Learn, Integrate, Focus and Thrive" at AIA. With LIFT, the digital onboarding learning journey was enhanced with AIA Fundamentals to help new joiners understand the industry, business models, customers and culture. The hiring manager guides were also refreshed to better equip them in helping new joiners understand their roles, navigate the organization, understand the AIA business and culture, and continue to grow professionally and personally.

Life Office Management Association (LOMA). An international trade association for the insurance and financial services industry that provides globally recognized educational resources and products that illuminate new ideas and ignite potential. It helps career advancement and performance development by building a deeper understanding of the best practices in the insurance business.

Enterprise Leadership Program. An executive development program that is designed to help the senior leadership team embrace the AIA Operating Principles and Leadership Essentials, as well as achieve the Companies' ambitions.

LinkedIn Learning through Workday Learning. Integrated in Workday, HR's software system, are online learning courses accessible to employees anytime, anywhere through their desktop computers, laptops, or mobile phones. More than 16,000 LinkedIn Learning courses on creativity, business, technology, and management are made available to address the different learning needs of

employees. The LinkedIn Learning Bingo Rush was also recently launched as a fun way to encourage self-directed learning.

Udemy for Business. An online platform specifically designed for employees with technical development needs as they work on different projects related to technology, digital, and analytics.

Employees can earn online certifications and short courses coming from reputable institutions and subject matter experts.

Employees are regularly updated on the various learning and development opportunities available through numerous internal communication channels. The companies within the AIA Philippines Group value their people and are committed to help them develop their skills and capabilities to succeed in their role as they achieve personal and professional growth.

Through these combined approaches, the AIA Philippines Group achieved a target average of 26.5 learning hours per employee in 2023.



Supporting Development and Career Progression

Cultivating a Learning Culture

The AIA Philippines Group subscribes to a comprehensive and holistic development for its employees in the belief that each one of them can make a difference. The holistic development opportunities made available to them ensure a proportionate way for employees to make the best out of their learning journey.

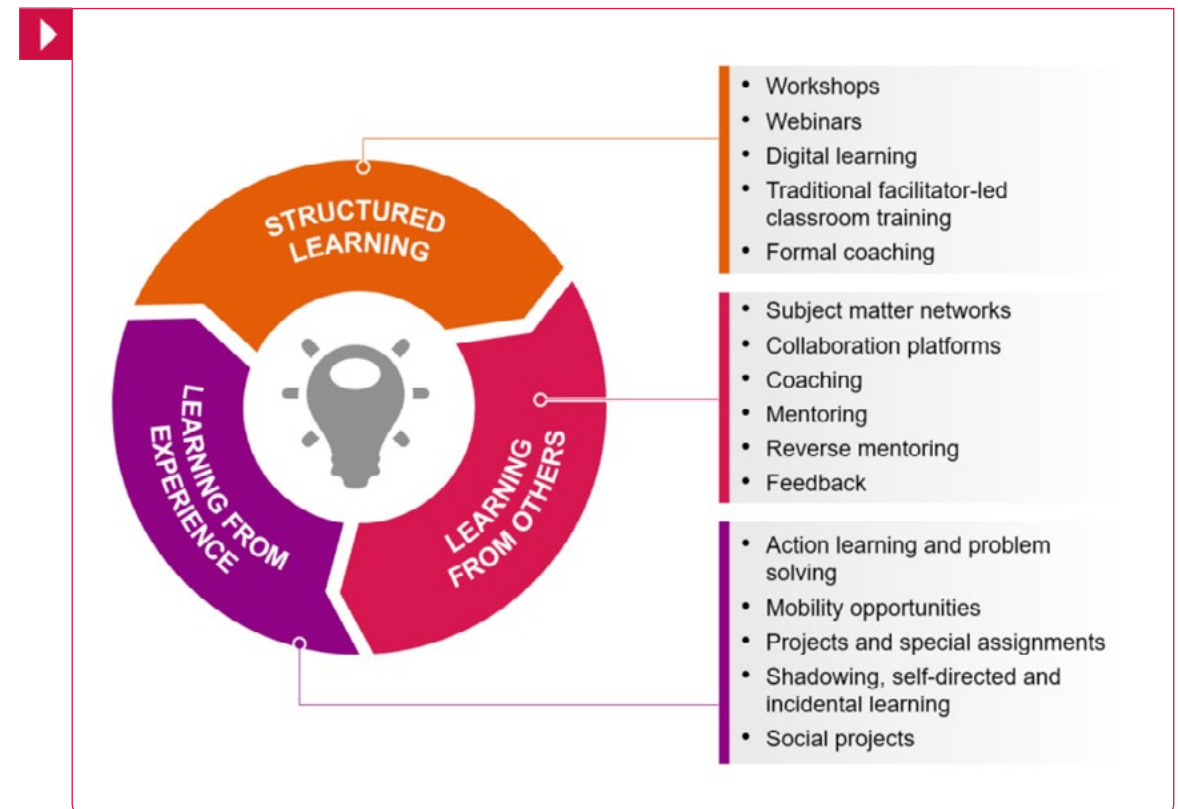
HOLISTIC LEARNING DEVELOPMENT

Providing the employees of the AIA Philippines Group with growth opportunities allows them to make a difference in their own unique way. Different learning methodologies are offered for those who wish to upskill and avail of the different learning opportunities.

First is through **Structured Learning** that can come in the form of workshops, webinars, digital learning, certifications, and facilitator-led trainings can help bridge the gap in skills and capabilities. The Companies have invested in providing different online learning platforms that make learning accessible and contribute to the overall development of employees.

Second is through **Learning from Others**. Peer learning is an effective way for employees to learn from others. Coaching is a critical aspect of managers' development of their teams. In addition, conferences, company events, networking opportunities, brownbag sessions and regular team meetings can be venues where they can share their knowledge and expertise, creating a natural setting for peer learning and leveraging subject matter experts (SME) within the different companies of the AIA Philippines Group.

And lastly, employees must be able to apply what they learned by **Learning from Experience**. The best learning opportunities come from providing employees on-the-job experience such as experiential learning, new project exposure, and job rotation and mobility to broaden their perspective and support their career aspirations.



Supporting Development and Career Progression

Caring for Employees' Health and Wellbeing

HEALTHY LIVING STARTS WITHIN

The AIA Philippines Group strives to create a work environment that is open and inclusive, where each employee's growth is encouraged, health is promoted, and everyone feels safe and supported. By having healthy employees, they will be more productive, collaborative, and connected.

In 2023, the AIA Philippines Group focused on supporting its employees' physical, mental, social, and financial well-being through engaging activities for their overall health. Through the WorkWell with AIA program, physical wellness was promoted among employees by providing access to onsite medical assessment, 24/7 teleconsult hotline, Annual Physical Exam (APE) services, and Flu vaccination program. Various sports clinics (badminton, basketball, volleyball and football) were organized for employees and a company-wide sportsfest was held to support AIA Vitality's Roar to Gold Employee Challenge to make healthy living exciting and rewarding.

The partnership with MindYou also continued this year, to provide employees access to mental health services, improve knowledge, raise awareness, and break the stigma surrounding mental health through talks and webinars. Mind You is an organization that provides accessible psychological support for large working communities and individuals from anywhere at any time in the Philippines. Through the partnership, onsite consultation with psychologists, onsite massage, and face to face and online talks were made available to employees.

Other initiatives to support financial wellness and improve social wellness were offered to employees such as Basic Money Concepts and Personal Finance talk, Sports Community kick-off, Love Week and International Women's Month celebration and Blood Donation Drive.



Supporting Development and Career Progression



Ensuring a Safe and Secure Workplace for Employees

A Safe, Healthy, and Secure Workplace awaits all the employees of the AIA Philippines Group. Occupational Safety, Security, and Health Standards are observed by its companies, as promoted by the Department of Labor and Employment, and business is conducted in a manner that protects the health, safety, and security of employees and customers.

Employees are mandated to promptly report to management or to the appropriate Corporate Security Personnel the situations that may pose health, safety, security, and environmental hazards. They are encouraged to notify management or Corporate Security of any issue that may impact the company's security, fire and life safety, or emergency readiness.

Using, selling, possessing, or working under the influence of illegal drugs at any of the companies within the AIA Philippines Group is strictly prohibited. At the same time, use of alcohol while conducting business is also prohibited.

The AIA Philippines Group strictly abides by local labor and employment laws including those addressing discrimination and harassment. Its Code of Conduct also mandates that employees treat each other with respect, including valuing each other's differences and respecting each other's opinions.

Physical security systems reduce the risk of exposure. Entry controls are implemented to ensure everyone's safety, security, and protection. The wearing of IDs is strictly observed.

The Companies respect the personal information and property of employees and as such, carefully maintain the personal information they provide. Employee trust must not be compromised by disclosing this information other than to those with a legitimate need to know.

Access to personal information or employee property is given only to authorized personnel with a legitimate reason to access such information or property.

From time to time, the AIA Philippines Group may access and monitor employee internet use and communications to assess compliance with laws and regulations, policies, and behavioral standards. Subject to local laws, employees will have no expectation of privacy with regard to workplace communication, and especially when using the information technology resources of the Companies.

Disciplinary Guidelines

Appropriate action is taken by the AIA Philippines Group against erring employees who violate company policies and procedures or have exhibited any aberrant behavior. Violating applicable laws, regulations, the AIA Code of Conduct, or encouraging others to do so may result in disciplinary action. Failing to promptly report known violations by others may also be a violation of the Code of Conduct.

Strategic Priority 2

Accelerating Progress in Diversity and Inclusion

Promote workplace diversity and advance a culture of innovation and inclusion.

Diversity and Inclusion in Action

The AIA Philippines Group fosters an inclusive workplace that fully embraces and celebrates differences and encourages open constructive dialogue. This is based on the belief that this promotes better decision-making, promotes innovation, fast tracks adaptability, and facilitates problem solving.

Among the many efforts that inculcates the AIA culture into employees, it is the AIA Code of Conduct that guides the organization's approach to inclusion and non-discrimination. A required module on the AIA Code of Conduct is part of the new hires' onboarding to ensure that employees have a proper culture integration. This covers the antiharassment policy, outlining expected workplace conduct and professionalism, including channels for escalation. AIA has zero tolerance for harassment or discrimination in any form, including on the basis of race, colour, religion, gender, nationality, age, disability, military service, marital status or sexual orientation.

As part of nurturing the culture of diversity and inclusion, a mandatory e-learning module for managers on unconscious bias was launched in 2022 to help create and maintain a positive environment where individuals are treated with respect and are free from all forms of discrimination, bullying or harassment.



Women in AIA by the numbers

Diversity and inclusivity within the AIA Philippines Group is monitored by tracking the representation and progress of women in the workforce.

67%
of employees

50%
of senior leaders

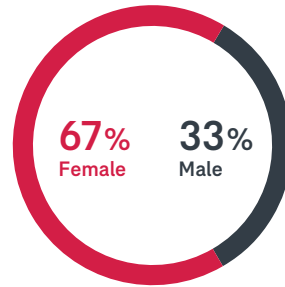
46%
have completed/ enrolled in leadership programs*

*excludes MediCard data

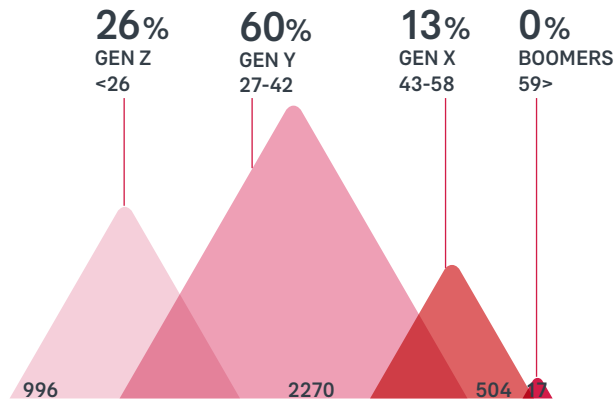
Workforce at a Glance



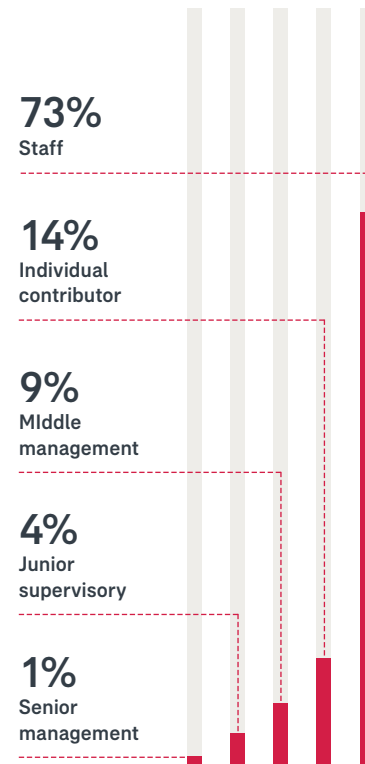
EMPLOYEE BREAKDOWN BY GENDER



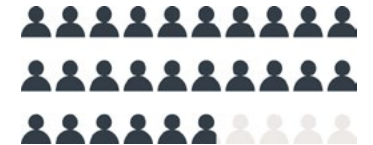
EMPLOYEE DEMOGRAPHICS BY AGE GROUP



EMPLOYEE BREAKDOWN BY SENIORITY



TOTAL HEADCOUNT*



2,663

* As at 31 December 2023 which includes full-time employees of AIA Philippines, BPI AIA, AIAIM Philippines, MediCard Philippines, AIA Digital+

Accelerating Progress in Diversity and Inclusion

Rising Allies in an Inclusive Workplace

A group of AIA employees came together in 2023 to create Allies in AIA, the LGBTQIA+ employee resource group. Its objective is to help strengthen the Companies' agenda to become an equal opportunity employer, and a champion for diversity, equity, inclusion, and belonging. It brings together LGBTQIA+ members and even allies to provide awareness, learning and growth to become more diverse and inclusive.

Allies in AIA will serve as the voice of LGBTQIA+ employees and allies in the Companies through awareness programs, professional development, networking and brand enhancement, and corporate social responsibility – bringing together LGBTQIA+ members and their allies, as well as leaders and everyone in the organization. These programs will help the companies within the AIA Philippines Group to become a more diverse, equitable, inclusive, and belonging organization – regardless of sexual orientation, gender identity, and gender expression – one that truly promotes healthier, longer, better lives through action for all its people.

While the membership is open to everyone from the AIA Philippines Group, current members are employees from AIA Philippines, BPI AIA and AIAIM Philippines. The group hopes to expand and eventually increase its numbers with representatives from AIA Digital+ and MediCard Philippines.



Strategic Priority 4

Enriching and Rewarding Opportunities for All

Ensure fair, accountable and equitable processes for employment, progression and rewards.

Rewarding Performance

Employees of the companies that are a part of the AIA Philippines Group can expect a dynamic work environment that encourages them to bring their best to work each day. In return, the Companies offer a Total Reward program including growth opportunities and a comprehensive package of pay and benefits which aims to give employees the choice and flexibility to meet their individual needs.

The Reward Philosophy of the AIA Philippines Group is built on the principle of providing an equitable, motivating, and market-competitive total remuneration package that fosters a strong performance-oriented culture. Its strong pay-for-performance culture is aligned with AIA Group's Operating Philosophy of "Doing the Right Thing, in the Right Way, with the Right People... and the results will come." It aims to ensure that individual rewards and incentives relate directly to the individual's performance, the function in which they work, and the overall performance of the business.

The **Short-Term Incentive (STI) Plan** is designed to reward employees for achieving individual objectives and contributing to AIA's annual business performance. It is an incentive scheme intended to link reward directly with individual and AIA's overall business success.

The **Employee Share Purchase Plan (ESPP)** is another important element of the Total Reward program which offers a convenient and attractive means for employees to further benefit from the Company's future success through its one-for-two share matching.

Recognition for Happy Hacks, Above and Beyond, and Super Synergy. To promote the right behaviors, recognition is given to employees who have given quantifiable contributions while exhibiting the Leadership Essentials. This is by a) innovating or simplifying processes, b) going above and beyond one's job to delight customers or c) promoting cross-functional collaboration and challenging the status quo.



Our Effective Governance Pillar

The AIA Philippines Group, as part of the AIA Group, holds itself to the highest ethical standards, with a clear and comprehensive framework of industry leading practices, policies and requirements.

It is supervised by robust management and Board oversight, ensuring that responsible business practices are adopted as an important part of the organization's culture that translate into implementation in the day-to-day operations. With ESG becoming an intrinsic part of business practices, the governance framework will continue to adapt, with the end goal of sustainability becoming deeply embedded into the organization.

Strong governance processes must also be cultivated to ensure sustainable stakeholder value. Clarity, transparency and accountability for business decisions follow when these are in place, ensuring that the AIA Philippines Group is in the best position to deliver on its promises to customers and communities, while contributing to a healthier planet.



Summary of Strategic Priorities and Progress in 2023

PRIORITIES	2023 PROGRESS		
<p>1. Board Governance</p> <p>Foster business integrity and sound decision-making through a diverse and highly qualified Board.</p>	<ul style="list-style-type: none"> The 2023 Board is diverse both in terms of gender, age, race, background, experiences, and skillsets, consisting of 25 percent female (with ages ranging from late 40s to 60s, and of different racial origins within and outside Asia). They are trained and experienced executives and professionals on various relevant fields and industries. 	<ul style="list-style-type: none"> The annual continuing education for board members was conducted this year, with 100 percent of board members attending. The topics discussed were corporate governance, conflict of interest, and related party transactions, among others. 	<ul style="list-style-type: none"> ESG-related activities, policies, and strategies are presented to the Board on a quarterly basis. Progress in each identified key performance indicators (KPIs) for each pillar is included in the reports.
<p>2. Ensuring Effective Risk Management and Responsible Business Practices</p> <p>Effectively manage ESG-related risks and opportunities throughout the business.</p>	<ul style="list-style-type: none"> Majority of targets in key ESG risks and risk tolerance achieved more than 90 percent score vs. threshold, with rating consolidated for AIA PH and BPI AIA. 	<ul style="list-style-type: none"> Local targets will be revisited on a regular basis to ensure effective and reliable results. ESG risk and tolerance for each pillar are to be set and aligned with group framework. Key results indicator (KRI) for each pillar will also be set for quantifiable results. 	



Strategic Priority 1

Effective Board Governance

Foster business integrity and sound decision-making through a diverse and highly qualified Board.

Strong corporate governance is essential to both the delivery of sustainable value and to maintaining a culture of business integrity. The AIA Philippines Group is committed to high standards of corporate governance, which sets the foundation upon which the Companies are able to grow the business, realize its Purpose, and help people live Healthier, Longer, Better Lives. Aligned with the AIA Group's ESG Strategy, the commitment to effective governance is demonstrated in the section below. Readers are encouraged to refer to the Corporate Governance Report of the AIA Philippines Annual Report 2023 for further details.

The AIA Philippines Group uphold its reputation through its commitment to the highest ethical standards and responsible business practices.

Corporate Governance

The AIA Philippines Group (comprised of AIA Philippines, BPI AIA, AIA Investment Management Philippines, MediCard Philippines, Inc., and AIA Digital+) confirms its full compliance with the Code of Corporate Governance. Its commitment to the highest standards of corporate governance is rooted in the belief that a culture of integrity and transparency is essential to the consistent achievement of its goals. Creating a sustainable culture, where trust and accountability are as vital as skill and wisdom, steers the Board towards achieving long-term value for shareholders and customers, and strengthens confidence in the institution.

Corporate Governance Policy

The Corporate Governance Policy that the companies under the AIA Philippines Group adheres to places on its respective Board of Directors the ultimate responsibility for the sustainable performance of the Companies, including its consistent achievement of business plans and compliance with statutory and corporate obligations. To fulfill such responsibility, the Board of each company adopts a policy of adherence to all legislations, regulations, and statutory standards as may be applicable and relevant to the Companies, and mandates all directors, senior management and employees to abide by the principles of good governance and the AIA Code of Conduct.

The corporate governance framework of the AIA Philippines Group underpins its commitment to corporate governance principles and leading practices.

Effective Board Governance

Corporate Governance Framework



Board Independence and Diversity

The Board of Directors of each company has a balanced composition of executive and non-executive directors, such that, no individual or small group of individuals can dominate the Board's decision making. The Board will determine whether a director is independent in character and judgment, or if there are relationships or circumstances which are likely to affect the director's judgment.

The Board also recognizes the benefits of having a diverse Board as an essential element in maintaining a competitive advantage and achieving optimal decision-making. The Board considers diversity in age, gender, ethnicity, culture, race, skills, regional and industry experience and background, and other distinctions in determining the composition of the Board of Directors.

The Board also ensures that each director does not have, directly or indirectly, a financial, legal or other relationship with the companies under the AIA Philippines Group that would reasonably interfere with the exercise of independent judgment in carrying out his or her responsibilities.

Board Committee Composition

For AIA Philippines, each of the three Board committees - the Audit and Related Party Transactions (RPT) Committee, the Corporate Governance Committee (formerly named the Governance, Nomination and Compensation Committee), and the Board Risk Committee, is chaired by an Independent Director. The Audit and RPT Committee is composed of all the three Independent Directors of the company. The Corporate Governance Committee is composed of majority Independent Directors and Non-Executive Director. The Board Risk Committee includes the Chief Executive Officer as its only Executive Director while majority members are Independent Directors. The inclusion of the Executive Director 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 company's operations.

For BPI AIA, its Audit and RPT Committee and Corporate Governance Committee are headed by two different Independent Directors. No Director of the company chair two or more committees to ensure that the Committee Chairpersons can devote their time to the Committee they are leading.

Similar to AIA Philippines, MediCard Philippines has the Audit and RPT Committee, Corporate Governance Committee, as well as the Board Risk Committee.

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 various companies, locally or abroad.

The Companies augment the Board and management's ESG knowledge and skills by providing ESG- focused trainings. For its 2023 Annual Continuing Board Training, the topics concentrated on ESG, covering topics such corporate governance and enterprise risk management.

Effective Board Governance

Continuing Education for the Board of Directors

Refresher trainings are part of the annual activities lined up for members of the board of the companies within the AIA Philippines Group. This is to ensure that they are regularly updated with the latest knowledge on topics mandated by the Insurance Commission (IC).

An orientation is conducted for newly elected directors, with the assistance of the Corporate Secretary, to familiarize themselves with the companies that they are elected to. This covers various topics, including corporate governance and an introduction to the company's business, Articles of Incorporation, By-Laws, and the Code of Conduct, as well as a discussion on the organizational profile, and its policies and procedures, information that are crucial to help them have a deeper understanding of the company. The orientation should be able to aid new directors in effectively performing his or her functions.

Members of the board are provided with annual continuing training to promote effective board performance and continuing qualification of the directors in carrying out their duties and responsibilities. The objective of the annual training is to provide the board with regular updates on the developments in the business and regulatory environment, including emerging risks relevant to the company. The training program includes Insurance Commission (IC)-mandated topics on corporate governance, specifically:

- Code of Corporate Governance for IC-regulated companies
- ACGS and IC Annual Corporate Governance Report
- Board Responsibilities
- Illegal activities of corporations/directors/officers
- Protection of minority shareholders
- Liabilities of directors
- Confidentialities
- Conflict of interest
- Related-party transactions
- Enterprise risk management
- Case studies and financial reporting
- Audit

The annual board training also includes other courses and coverage that the Board may deem appropriate for its training and development needs.

For the past five years, the companies that are a part of the AIA Philippines Group have been conducting their own four-hour IC-Mandated Annual Continuing Board Training on Corporate Governance where various topics were covered and discussed by competent speakers who are experts in their field. Outside of these training opportunities provided to the board, directors are encouraged to attend continuous professional education programs.

Strategic Priority 2

Ensuring Effective Risk Management and Responsible Business Practices

Effectively manage ESG-related risks and opportunities throughout the business.

Responsible Business Practices

The AIA Philippines Group takes pride in its long history of successful operation, and value the reputation it has earned of being reliable and trustworthy and acting with integrity. It believes that delivering on its Purpose of helping people live Healthier, Longer, Better Lives depends critically on the constant pursuit of integrity, accountability, and transparency at all levels.

AIA Philippines Group serves millions of customers and their families, providing financial security and protection across multiple generations. As it takes steps to further embed its ESG Strategy, it continues to maintain only the highest standards of responsible business practices across its operations.

AIA Code of Conduct

AIA employees hold themselves to the highest standards of integrity and ethics in everything they do. By taking these measures, the organization ensures that the trust placed by customers is protected, thereby maintaining and enhancing the foundation of long-term sustainability and success. AIA's Code of Conduct defines how this trust is maintained and reflects the Operating Philosophy of Doing the Right Thing, in the Right Way, with the Right People and the Right Results will come.

The AIA Code of Conduct is designed to give AIA officers and employees a practical understanding of how to make the right decisions in their day-to-day work. It provides clear guidance on important issues and outlines how employees should behave and conduct business at all times and under all circumstances.

As part of the AIA Group, AIA Philippines Group employees adhere to the same Code of Conduct. To ensure that all AIA employees are aware of the provisions of the AIA Code of Conduct, an annual certification program is conducted where all employees confirm their knowledge, understanding, and practice of the rules and guidelines written in the Code.

Every employee is expected to take personal responsibility for observing standards of integrity and to report any suspected violation of the Code of Conduct. Employees are empowered to identify and escalate any issues without fear of retaliation. 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 follow the same responsible practices as employees.

Preventing Bribery and Corruption

A zero-tolerance approach on bribery and corruption is adopted by the AIA Philippines Group. Under its policies, employees and other persons representing AIA are prohibited from offering, accepting, paying or authorizing any bribes or participating in any form of corruption in any business interaction that involves AIA and government officials, customers, or employees.

Anti-corruption training is compulsory for all employees. Reviews are conducted from time to time to monitor compliance with the Anti-Corruption Policy, which outlines the roles and responsibilities of employees.

Ensuring Effective Risk Management and Responsible Business Practices

Preventing Fraud

The AIA Philippines Group adopts a zero-tolerance approach to fraud and expects all employees and third parties to act with honesty and integrity. The policy is intended to reinforce management procedures designed to aid in the prevention, detection, and investigation of fraud, thereby safeguarding the Companies' assets and providing protection from the legal and reputational consequences of fraudulent activity. All suspected cases of fraud are investigated, and disciplinary procedures enforced, including prosecution and termination.

The Anti-Fraud Policy was submitted to the Insurance Commission following the requirements of IC Circular 2016-50. The Insurance Commission wants to ensure that all companies are prepared and ready to combat insurance fraud for its own protection and for the welfare of its stakeholders and the insuring public.

Whistleblower Protection Program

The AIA Philippines Group does business with integrity and follows the highest ethical principles in its transactions. Any employee (or anyone) may raise concerns of misconduct or wrongdoing within AIA and the AIA Philippines Group that can allow investigation to fix any problems. The Whistleblower Protection Policy applies to all employees of the AIA Group including companies with the AIA Philippines Group. This Policy guides all employees on how to raise ethical concerns, and guides managers on how they should respond when this happens.

'Whistleblower' refers to someone (an employee of the AIA Philippines Group, business partner, agent, consultant, vendor, customer, or other party) who informs AIA or any of the Companies of suspected illegal or improper ways of doing business involving violation of laws, regulations, AIA or the AIA Philippines Group policies, and other unethical actions that might negatively impact the reputation of AIA and any of the companies within the AIA Philippines Group.

Employees who are aware of possible wrongdoing within AIA and the AIA Philippines Group have a responsibility to disclose that information to management. Reports are taken seriously and investigated confidentially. Employees or other individuals will not suffer retaliation for reporting suspected wrongdoing in good faith.

Speak up culture is encouraged and widely promoted in the Companies. Regular reminders are distributed to promote reporting whenever employees see or suspect potential misconduct or fraud. A hotline and a link are made available and the employee may choose to report issues anonymously.

An AIA Ethics line (<https://www.aiaethicsline.com>) was developed to support the program. It is an independently managed website and hotline (telephone) service, receiving reports in local language, 24 hours a day, and seven days a week. AIA and anyone from the AIA Philippines Group can communicate with anonymous whistleblowers via a secure platform using the AIA website. The report may also be made by using the AIA Group Ethics and Compliance Hotline.

Anti-Money Laundering and Counter Terrorist Financing (AML/ CTF) Program

AIA does not permit the use of its products and service for money laundering and terrorist financing purposes. The AIA Philippines Group formulated its respective AML/ CTF program in accordance with the Anti-Money Laundering Act of 2001, as amended. The AML/ CTF program also aligns with the AIA Group AML/ CTF Policy. In addition, the AIA Philippines Group also adopted the AIA Group Economic Sanctions Policy, which sets out standards to manage the risk of dealings with governments, individuals, and entities subject to sanctions programs.

The AML/ CTF Program includes a risk-based approach to conducting customer due diligence, ongoing monitoring, suspicious activity reporting, training, and record-keeping.

All new employees are required to complete the AML/ CTF training. The management, officers, and staff remain vigilant in the fight against money laundering and financing of terrorism and collectively oppose any effort to violate the anti-money laundering laws.

In 2022, the AIA Philippines Group reviewed and revised many of its processes and tools to comply with new regulations and to make its AML/ CTF program more effective, efficient, and sustainable.

Ensuring Effective Risk Management and Responsible Business Practices

Securing Customer Information

DATA PRIVACY

The AIA Philippines Group recognizes its responsibilities in protecting the personal data and sensitive information of all its stakeholders including employees, customers, intermediaries, business partners, and third-party service providers. The Board of Directors, management, and employees of the companies within the AIA Philippines Group commit themselves to adopt and adhere to the Data Privacy Policy provisions to ensure protection of personal information and sensitive data collected and shared.

The Data Privacy Program of the AIA Philippines Group is aligned with RA 10173, the local Data Privacy law. It contains 11 Data Privacy Principles aimed to guide and establish the necessary controls to safeguard the privacy of the personal information in the hands of the companies within the AIA Philippines Group and its employees.

To strengthen corporate governance, the AIA Philippines Board of Directors appointed a Data Protection Officer for the AIA Philippines Group who is tasked to oversee the implementation of its Data Privacy Program based on the issued Implementing Rules and Regulations of the local law and ensure that appropriate operational controls are implemented across all units or departments.

The AIA Philippines Group's Data Privacy Policy provides guidance to all employees, intermediaries, and third parties on how personal data should be collected, used, stored, transferred, and disposed. It further clarifies the roles and responsibilities of the employees and intermediaries about the relevant standards and procedural controls expected to be observed to secure and protect personal data.

The local Data Privacy law and the Data Privacy Policy require the business to conduct Privacy Impact Assessment (PIA), a risk assessment process used to evaluate certain business activities' impact on data privacy for the purpose of avoiding or minimizing such adverse impacts and to ensure adequate safeguards are in place. PIAs are conducted before any business initiatives, projects and any changes in processes that may impact personal data. It is also conducted and reviewed on an annual basis of major processes.

The Data Privacy Program of the AIA Philippine Group is subject to regular review and evaluation.

DATA PROTECTION AND CYBERSECURITY

The AIA Philippines Group is committed to protecting the interests of its customers, partners, employees and stakeholders, ensuring high standards of information security. Information security policies and standards consistent with those of leading companies globally was developed to ensure that its systems, processes and information are secure.

A dedicated information security team oversees the implementation and operation of cybersecurity controls across the AIA Philippines Group. The team is focused 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 key systems that process customer data and support business processes.

The AIA Philippines Group strongly believes that cybersecurity is the responsibility of every employee. Therefore, employees and external contractors are educated about how to protect themselves and AIA from cyber threats through web-based awareness and readiness training and by conducting regular cyber-defense assessments including ethical hacking and incident management drills.

Protecting Intellectual Property Rights

The AIA Philippines Group works hard to protect its brands from misrepresentation and misuse. All of its intellectual property is protected by registering trademarks or patents ("Marks") either locally for specific business unit use or across all jurisdictions for cross-jurisdictional use. Its Marks are registered under one entity, AIA Company Limited, for effective control and oversight.

The extensive trademark portfolio is managed centrally by the AIA Group Legal to ensure consistent application of use guidelines and avoid dilution resulting from inconsistent usage. To enhance this process, an external provider is engaged to monitor, report and prosecute unauthorized use of all owned Marks across all jurisdictions. At the same time, registration and management of Marks are done locally to protect the exclusive right to its use as well as to add value to locally available products and services.

Historically significant Marks are proactively maintained to sustain goodwill and foster consumer recognition. AIA maintains written agreements with its business partners detailing the ownership rights of its owned Marks and allowing for specific use by its business partners while the agreements are in effect.

Ensuring Effective Risk Management and Responsible Business Practices

Commitment to Customers

As a reliable and caring partner, the companies within the AIA Philippines Group are dedicated to protect every Filipino family and empower them to achieve Healthier, Longer, and Better Lives.

The Customer Service Standards of the AIA Philippines Group demonstrates its commitment to effectively address customer needs and fulfill its promise of providing financial and wellness solutions at key milestones in their lives.

The drive for service excellence is anchored on three things: providing personalized solutions, seamless experience and consistency in delivering on committed promises to customers.

Personalized Solutions. The AIA Philippines Group makes sure that its product solutions are anchored on customers' needs, risk profile and financial capacity with the use of the Financial Needs Analysis tool, as embedded in its Sales Process. Through the use of data and policy transaction records, the nurturing and engagement initiatives including communications are also tailored to the likely service needs of customers, guiding them towards the next best action for their insurance policies.

Seamless Experience. To ensure that there is a clear understanding of the customers' sentiments, the Companies put on the customer's lens, thinking cap and walk their path in the development of journey maps for all potential customer interactions. The objective is to foster delightful and frictionless experience to customers at all times—from buying a policy to claiming a benefit. Customers are also empowered to manage their insurance policies anytime and anywhere through a secure online portal, My AIA.

Consistency in Delivering Promises. Service levels and standards are set for the various policy services offered to customers. Inquiries and requests are fulfilled within service standards and in a timely manner. The Financial Advisors and frontline servicing staff have been equipped with the necessary information and tools for a first contact resolution.



