AIA PHILIPPINES GROUP ESG REPORT 2024

SUSTAINING HEALTHIER, LONGER, BETTER LIVES

HEALTHIER PLANET, HEALTHIER COMMUNITIES

Philippines Business Unit Report

HEALTHIER, LONGER, BETTER LIVES

BPI

FORMERLY BPI-PHILAM LIFE ASSURANCE CORPORATION

HEALTHIER, LONGER, BETTER LIVES

AIA INVESTMENT MANAGEMENT AND TRUST CORPORATION PHILIPPINES

MediCard

Prescribed by Doctors

AIA Digital+

CONTENTS

HEALTHIER PLANET, HEALTHIER COMMUNITIES

2024 saw AIA Philippines continue to innovate best-inclass protection, health and wellness, and long-term savings solutions to serve its customers. By putting customers first, we remain strongly positioned to address our customers' evolving needs and priorities.

AIA is a trusted partner of our customers in creating a secure and healthy future for them and their loved ones, while providing them with products and services that will also enrich their health and well-being. Guided by its values and the strength, integrity and stability of our business, AIA makes it possible to fulfill our commitments to its customers, while leveraging the global insight and expertise of its parent company headquartered in Hong Kong, AIA Group, enabling AIA Philippines to leverage its vast resources to fuel business growth and customer satisfaction.

AIA Philippines, formerly Philam Life, officially rebranded and aligned with its Hong Kong-based parent company, AIA Group Limited, on 9 August 2021. The AIA Group is a leading pan-Asian life insurance organization headquartered in Hong Kong and founded over a century ago, with presence in 18 markets across Asia Pacific.

Originally established as The United States Life Insurance Company in the Philippines in 1947 by AIG founder Cornelius Vander Starr and his partner, Earl Carroll, its name was amended to The Philippine American Life Insurance Company a year later. It eventually became more popularly known as Philam Life, serving as a "house of savings" for Filipinos. Within two years since it was founded, the Company was able to achieve its goal of helping Filipinos protect themselves against risk, contributing to the postwar recovery of the Philippine economy. By providing financial security, it helped Filipinos rebuild their lives and contribute to the nation's economic resurgence.

AIA's journey in the Philippines has since been a story of sustained growth and commitment, deeply intertwined with the nation's economic development. Over the decades, AIA has solidified its position as a leading life insurance provider in the Philippines. It has adapted to the changing needs of Filipinos, expanding its range of products and services. AIA has shown a commitment to innovation, by introducing things such as wellness programs, and adapting to digital transformation.

In 2024, AIA Philippines continues to reinforce its strength and legacy, armed with a promise to be with its customers wherever life goes –through every unique journey and stage in life. The acquisition of MediCard Philippines demonstrates AIA's commitment to providing comprehensive health and wellness solutions. The continued strength of its bancassurance arm BPI AIA, and the expertise of AIA Investment Management and Trust Corporation Philippines (AIAIM Philippines) shows the formidability of its products and services to meet every customer's need. AIA Philippines has also invested heavily in digital solutions, to make their services more accessible to the Filipino people. Looking ahead, the company continuously empowers more Filipino families and secure their future as it fulfills its mission of racing against risk to protect every Filipino family and help them live Healthier, Longer, Better Lives.

INTRODUCTION 2

2024 ESG Highlights 3

About AIA Philippines Group 4

Statement from the AIA Philippines CEO and President 5

OUR PROGRESS 9

Our Overall Progress 9

Summary of Priorities and Progress 18

Climate Action 22

OUR APPROACH 6

ESG Governance Framework 6

ESG Strategy 7

Internal Engagement and Advocacy 8

OTHER INFORMATION 23

About this Report 23

2024 ESG HIGHLIGHTS

HEALTH & WELLNESS

Delivering better health outcomes, championing financial inclusion and expanding access to quality care

Php 2.2 billion paid in total benefits and claims for the life insurance business

Php 9.4 billion paid in claims for the HMO business[2]

Over 1 Million individual policies, and **nearly 800,000** participating members of group insurance schemes, and **almost one million** HMO customers served

Close to Php 233 billion in total sum assured provided until end of 2024 (includes life, critical illness & HMO) [2]

[1] Inclusive of reinsurance

[2] Including MediCard Philippines Data

SUSTAINABLE INVESTMENT

Creating long-term value through sustainable investments, future focus, and active engagement for net-zero goals

As a result of bottom-up integration of ESG in our general account investment portfolio, **over PHP 3.63 billion** was invested in a combination of renewable energy, green bonds, utilities, and infrastructure

SUSTAINABLE OPERATIONS

Improving the environmental performance of our operations and incorporating ESG into sourcing considerations

Achieved 58.1% Scope 1 and Scope 2 as compared to 2019

AIA Alabang and AIA Salcedo buildings transitioned to **100%** renewable energy

PEOPLE & CULTURE

Fostering a learning environment, equitable processes and a diverse, inclusive culture

4.23 in 2024 Gallup Rating (68th percentile)

36.97 hours average spent time per employee on capacity-building/ upskilling

100% employees engaged in at least 1 professional development training session

66.87% women in workforce

60% women in senior leadership

Great Place to Work Certification®

Best Places to Work Certification

EFFECTIVE GOVERNANCE

Continuing to operate to the highest standards of business practices.

7 consecutive years – Golden Arrow awards for AIA Philippines

5 consecutive years – Golden Arrow awards for BPI AIA

3-arrow recognitions for 2024 ASEAN Corporate Scorecard Assessment mandated by the Insurance Commission

ABOUT AIA PHILIPPINES GROUP

About AIA Philippines

AIA Philippines (AIA Philippines Life and General Insurance Company Inc.) formerly AIA Philam Life (The Philippine American Life and General Insurance Company), is the country's premier life insurance company. Originally established on 21 June 1947 and became popularly known as Philam Life, AIA Philippines has earned the trust of customers for its financial strength, strong brand name, and ability to deliver on its promises.

AIA Philippines has PHP 257.76 billion in total assets and PHP 57.35 billion in net worth as of 31 December 2024 while serving nearly 1.2 million individual policyholders and nearly 800,000 insured group members.

AIA Philippines understands the needs of its customers and provides holistic solutions that include life protection, health insurance, savings, education, retirement, investment, group, and credit life insurance. It also offers bancassurance through its subsidiary, BPI AIA Life Assurance Corporation (formerly BPI-Philam Life Assurance Corporation).

Based on the unaudited reports submitted to the Insurance Commission as of 31 December 2024, the combined total premium income of AIA Philippines and BPI AIA was at PHP 29.77 billion.

AIA Philippines is a member of AIA Group, the largest independent publicly listed pan-Asian life insurance group.

About BPI AIA

BPI AIA Life Assurance Corporation is a strategic alliance between two leading companies in the country — Bank of the Philippine Islands (BPI) and AIA Philippines Life and General Insurance Company Inc. (AIA Philippines). BPI is a leading universal bank with over 170 years of experience in the local banking industry and an extensive branch network of more than 850 branches and 2,500 ATMs and CAMs. AIA Philippines is the premier life insurance company in the country and the market leader for over 70 years.

BPI AIA's professional and expertly trained Sales Executives are assigned in BPI branches nationwide or work remotely using digital tools to render financial advisory services that address customers' financial and protection needs.

With the combined expertise and resources of the two trusted companies, BPI AIA policyholders are assured that their insurance is backed by financial strength and stability.

About AIA Investment Management and Trust Corporation Philippines

formerly Philam Asset Management, Inc. (PAMI)

AIAIM Philippines is a wholly owned company of AIA Philippines providing on-the-ground application of AIA Investment Management investment expertise to Philippine assets. In 2022, the Bangko Sentral ng Pilipinas (BSP) approved the application of AIAIM Philippines to operate as a Trust Corporation. In May 2022, AIAIM PH started to manage the peso investment portfolio of AIA Philippines, and focused on investment requirements that support its core insurance business. As of 31 December 2024, AIAIM PH manages PHP156.4 billion across asset classes and has a team of 27 employees. AIAIM PH solely caters to the needs of AIA Philippines and dedicates investment resources to manage its peso assets.

About MediCard Philippines

MediCard is a leading Health Maintenance Organization (HMO) offering total healthcare services to corporations, SMEs, individuals and families. MediCard has sustained its leadership position as it remains among the Top 3 HMOs in the Philippines and Top 500 corporations in the Philippines, attributed to its strong market presence and continuous effort to establish connections between its HMO card, MediCard clinics located at key cities, partners and doctors nationwide to provide the healthcare that Filipinos deserve.

MediCard now boasts over one million members and over 63,000 accredited doctors in over 2,000 hospitals and clinics nationwide.

STATEMENT FROM AIA PHILIPPINES CHIEF EXECUTIVE OFFICER AND PRESIDENT

Insurance plays a vital role in fostering resilience and sustainability. By protecting individuals and businesses from risks, we enable economic stability and promote long-term growth. As we protect more Filipino families through insurance, we also strive to build a better future together through sustainability.

In the Philippines, AIA continues to develop our sustainability ambition, performance, and accountability, with deeper integration of ESG principles across our operations – grounded in our five pillars to create long-term value for our stakeholders.

Further, I am proud of the measurable progress we have made in the Philippines across all pillars of ESG:

- **Health and Wellness:** We are committed to promoting the health and well-being of our customers, employees, and communities through various programs and initiatives. AIA Healthiest schools has reached over 7,200 students and more than 139 school personnel across eight schools in five regions — Western Visayas, CALABARZON (Cavite, Laguna, Batangas, Rizal and Quezon), National Capital Region, Bicol, and Cordillera Administrative Region (CAR). AIA Philippines' Hope for the Breast program also expanded in 2024, through Hope Mobi Clinic, a partnership between AIA Philippines and The Medical City. The clinic-on-wheels, which is equipped with advanced mammography technology, traveled to communities and has served over 1000 women in San Juan, Pasig, and Quezon City through free screenings.

- **People & Culture:** We foster a diverse and inclusive workplace where everyone feels valued and respected. We also invest in our employees' growth and development, empowering them to reach their full potential. That's why I'm proud to share that we scored 4.3 at the 2024 Gallup Score, which is a global standard in employee engagement in the workplace. AIA Philippines also secured two prestigious certifications awarded by Great Place to Work®, the global authority on company culture, and Best Places to Work, a premier employer-of-choice certification provider.

- **Sustainable Operations:** We continue to actively reduce our environmental footprint by implementing sustainable practices across our operations, from energy efficiency to waste management. In 2024, we achieved a 58.1% GHG reduction in our operational Scope 1 and Scope 2 emissions as compared to 2019. AIA Tower Cebu and AIA Tower Salcedo have also transitioned 100% to renewable energy. Certifications for the prestigious WELL Health-Safety Ratings have been achieved for 7 AIA buildings in Makati, Cebu, Alabang, Baguio, Cubao and Davao.

- **Sustainable Investment:** We integrate ESG factors into our investment decisions, supporting companies that are committed to sustainability and responsible business practices. In 2024, as a result of bottom-up integration of ESG in our general account investment portfolio, AIA Philippines Group invested over PHP 3.6 billion in renewable energy, green bonds, utilities and rail and road infrastructure.

- **Effective Governance:** We uphold the highest standards of corporate governance, ensuring transparency, accountability, and ethical conduct in all our operations. Receiving seven consecutive Golden Arrow Awards for AIA Philippines and five consecutive for BPI AIA testifies to our commitment to exemplary corporate governance practices.

I am deeply grateful to our dedicated team for their unwavering commitment to ESG. Their passion and hard work have enabled our organization to operate more sustainably, allowing us to truly build a healthier and more resilient future for the Philippines.

We recognize that our ESG journey is ongoing, and we remain steadfast in our commitment to continuous learning and improvement. By working together, we can create a positive impact on society and the planet, ensuring that present and future generations live Healthier, Longer and Better Lives.

MELITA TEO
CHIEF EXECUTIVE OFFICER

"ESG guides our decision-making and shapes our culture. As we protect more Filipino families through insurance, we also strive to build a better future together through sustainability. Last year, we achieved a 58.1% GHG reduction in our operational Scope 1 and Scope 2 emissions as compared to 2019 and received WELL health safety rating certifications for 7 AIA buildings. We expanded Hope for the Breast and AIA Healthiest Schools to reach women and children in our communities. We are pleased with the progress we have made across the ESG pillars, protecting our planet, empowering our people, and leading with integrity, while driving sustainable business growth."

OUR APPROACH

ESG Governance Framework

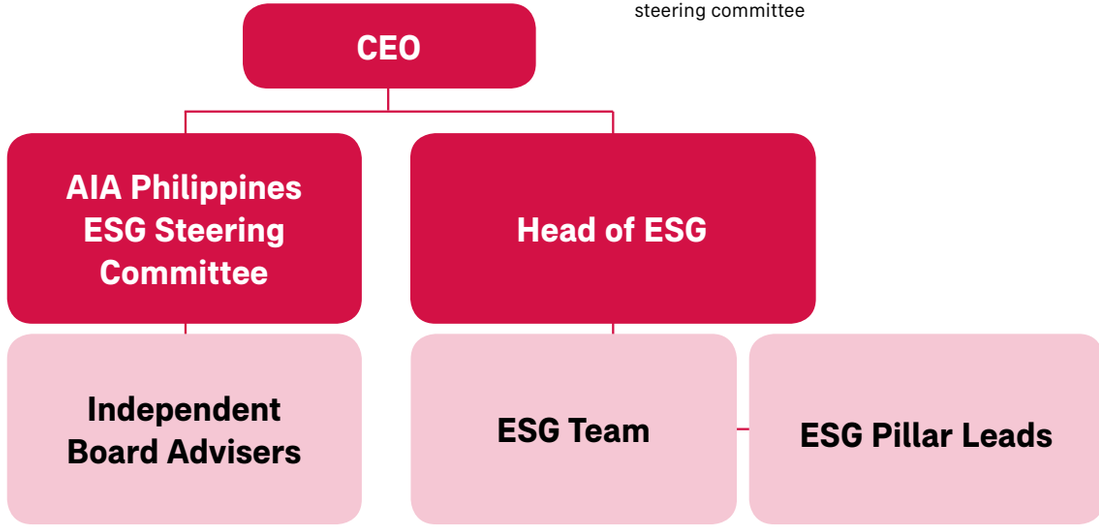
Robust governance is essential for holding us to a high standard, delivering positive social and environmental outcomes, generating sustainable financial performance and ensuring we are efficient and effective in making decisions.

Our ESG governance framework

Within our overall corporate governance structure, our ESG governance leverages cross-functional expertise, senior management and Board oversight. Our accountable and robust structure also ensures that our strategy is delivered in an integrated and coordinated way across our operations.

Our Committee includes:

- CEO is in charge of managing local business
- ESG Steering Committee oversees all ESG initiatives, including budget and disbursement
- Execution of Initiatives are led by the local head of ESG with the support of ESG Pillar Leads and ESG Team
- Head of ESG will report to the ESG Steering Committee
- Escalations and progress updates on local ESG-related matters will be on a regular basis
- Quarterly reporting to the local steering committee



ESG is a key differentiator and reason to believe for our brand in the country – it defines how we show up for Filipinos, beyond the benefits they expect to receive through their AIA, BPI AIA and MediCard policies.

It's also one of the ways we bring both our Purpose and employee value proposition to life – we believe in better, so we enable Healthier, Longer, Better Lives through ESG initiatives that promote health, financial inclusion, diversity, equity and inclusion, and sustainability.

As we intensify our focus on customers, and endeavor to enable customer delight, it is important that we meet not just our customers' functional needs through our propositions and service delivery, but also their emotional and social values.

Customers trust companies that align with their values. ESG is thus critical to AIA meeting the needs of and building a strong connection with our customers.

MELISSA HENSON
CHIEF MARKETING OFFICER
AND ESG HEAD
AIA PHILIPPINES

ESG STRATEGY

Our ESG strategy serves as the foundation of our ambition to create long-term value for our stakeholders. ESG is deeply embedded in our business strategy, operations and decision making, ensuring that it drives meaningful impact. With this approach, we aim to unlock new opportunities and foster a sustainable ecosystem in an ever-evolving global landscape. Our strategy is built on a framework of robust governance and accountability, with strong leadership oversight, transparent reporting and a commitment to ethical business practices. ESG is integrated across our organisation through five key pillars: Health & Wellness, Sustainable Investment, Sustainable Operations, People & Culture and Effective Governance. The table below provides an overview of these core pillars that define our ESG strategy and priorities that clearly articulate and underpin our progress.

INTERNAL ENGAGEMENT AND ADVOCACY

AIA CAN

In 2024, we launched AIA Can in the Philippines based on the Group-wide multiyear eco-office movement aimed at raising the awareness of sustainability practices within the office, inspiring employees and driving behavioral change across six areas: waste management, energy usage, water usage, travel and transportation, sustainable procurement and environmental wellness.

Our AIA CAN guidebook and checklist help business units run sustainability-related employee programs, with a purpose-built digital dashboard tracks that measures progress. These include replacing personal bins with communal recycling bins, using energy-efficient LED lighting and promoting the use of reusable items within the office.

Business units within the organization also organized sustainability events such as tree-planting drives, which helps restore nature and enhance biodiversity. These activities created a more sustainable workplace, fostering a strong sense of environmental responsibility for all.

By end of 2024, AIA Philippines has achieved a Gold status among AIA markets in the AIA CAN Leaderboard.

OUR OVERALL PROGRESS

Health & Wellness

This pillar directs AIA's resources to engaging, inspiring and delivering better health outcomes, championing financial inclusion and expanding access to quality healthcare, producing a wider, fairer, impact on society.

The fulfilment of AIA's Purpose of helping people live Healthier, Longer, Better Lives remain at the core of AIA Philippines' business. Through its complete suite of protection and long-term savings products, the company also offers enhanced health and wellness propositions that address the varied needs of customers. With MediCard now a part of AIA Philippines, customers get access to a more comprehensive, personalized, accessible, and impactful integrated health solutions to protect more Filipino families and those that matter to them most.

As a major player in the Philippine life insurance industry, AIA Philippines is uniquely and strongly 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 evolving needs and social concerns, AIA Philippines continued to launch and expand initiatives and programs that not only align with its strategic business priorities but also place emphasis on sustainability being a fundamental driver of value creation for shareholders and stakeholders. As a long-term business, sustainability for AIA is a business imperative.

Engaging communities within the Philippines

Since its launch in the Philippines in August 2024, AIA Healthiest Schools was introduced locally in August 2024. Since then, the program has reached over 7,200 students and more than 139 school personnel across eight schools in five regions — Western Visayas, CALABARZON (Cavite, Laguna, Batangas, Rizal and Quezon), National Capital Region, Bicol, and Cordillera Administrative Region (CAR). The program equips students aged 5 to 16 with the knowledge, skills, and tools to make healthier choices and build a foundation for lifelong well-being.

Through AIA Healthiest Schools, participating students and educators gain access to free curriculum-linked resources built on four pillars of well-being: healthy eating, physical activity, mental health, and sustainability. With its implementation partner Corazon S. Atayde Memorial Foundation (CSAMF), AIA Philippines piloted the program in schools such as Happy Hollow Elementary School and Happy Hollow National High School in Baguio; San Diego Elementary School and Commonwealth High School in Quezon City; San Juan Central School in Laguna; Lictin Integrated School in Catanduanes; Comagaycay Elementary School in Camarines Sur; and Polopiña National High School in Iloilo — serving grassroots communities to ensure that the program supports underserved populations effectively.

AIA Philippines' Hope for the Breast program also expanded in 2024, through Hope Mobi Clinic, a partnership between AIA Philippines and The Medical City. The clinic-on-wheels, which is equipped with advanced mammography technology, travels to communities and offers free breast cancer screenings and comprehensive treatment support to Filipino women, eliminating barriers of cost and distance that often prevent women from accessing this vital healthcare service. By end of 2024, it has served 1000 women in San Juan, Pasig, and Quezon City through the free screenings.

Improving access to quality healthcare

Through MediCard, customers experience a more comprehensive suite of health solutions, offering end-to-end health journeys that include protection, prevention, diagnosis, treatment, and support until recovery. This entire process takes place within the Total Health Solutions ecosystem of the AIA Philippines Group and its integrated health insurance services, amplified by MediCard. More details soon.

Building better integrated health and wellness outcomes

In 2024, we advanced on our AIA One Billion goal to engage 1 billion people to help them live Healthier, Longer and Better Lives by 2030. AIA Philippines Group engaged Filipinos over 94 million times in 2024. It has also engaged 97,352 Vitality members for AIA PH and BPI AIA, with 9,823 Vitality members with improved health outcomes.

AIA Vitality remains 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. In 2024, it also held "AIA Pedal & Punch," an exclusive workout experience through indoor cycling and boxing classes for AIA Vitality members to inspire them to embrace healthier habits.

Sustainable Investment

This pillar delivers long-term value by seeking sustainable investment outcomes, investing for the future and engaging with our investee companies to achieve near-term investment targets and net-zero commitment.

To mobilize its substantial investment portfolio, AIA Philippines Group seeks to deliver long-term sustainable value for policyholders, in alignment with the AIA Group's strategy on sustainable investment.

In 2024, AIA Group made progress towards its validated near-term Science-Based Targets Initiative (SBTi) targets. AIA deepened its engagement with companies that are focused on energy transition and power generation, to encourage decarbonization efforts aligned with SBTi targets.

To strengthen its ESG integration, AIA enhanced its ESG Rating Scorecard framework to better consider climate-related risks, while maintaining 100% coverage across in-scope directly managed general account investment portfolio assets.

It also continued to mandate the CFA Institute's Sustainable Investing Certificate under the CFA Institute for in-scope research analysts and portfolio managers, and fostered continuous learning and knowledge sharing on evolving ESG standards and regulatory developments.

AIA Group also continued to enhance its collaborative engagements with and through organizations, such as the Climate Action 100+ (CA100+) and the Asia Investor Group on Climate Change (AIGCC). At COP29, it signed a Statement of Intent with Blackrock, the Monetary Authority of Singapore and other partners to explore blenmded finance opportunities for large-scale decarbonization projects in Asia. It also upheld its portfolio exclusions on tobacco, cluster munitions, coal mining and coal-fired power generation.

In the Philippines, AIA Investment Management engaged one of the fastest-growing renewable energy companies in Asia Pacific in the energy transition and power generation survey as part of the AIA Group Thematic Engagement exercise. AIA Philippines Group also invested more than PHP 3.6 billion in renewable energy, green bonds, utilities and infrastructure. These include water utilities, road and rail infrastructure and green bonds.

In 2024, AIA Group made progress towards its validated near-term Science-Based Targets Initiative (SBTi) targets. AIA deepened its engagement with companies that are focused on energy transition and power generation, to encourage decarbonization efforts aligned with SBTi targets.

Sustainable Operations

This pillar aims to improve the environmental performance of AIA's operations and incorporate ESG factors into sourcing considerations.

With AIA's ambition to achieve net-zero emissions by 2050, AIA continues to advance its sustainability agenda across its operations.

AIA Group targets a 46.2% reduction in Scope 1 and 2 emissions by 2030, aligned with the 1.5°C pathway in accordance with the Paris Agreement. Beyond 2030, AIA Group is committed to its goal of achieving net-zero by 2050. Additional information about the GHG reduction targets, how AIA Group calculates, assure and review the SBTs is outlined in **AIA Group's CTP 2023.**

Ensuring green buildings

In 2024, AIA Philippines has achieved a 58.1% reduction in operational (Scope 1 and Scope 2) Greenhouse Gas (GHG) emissions compared to 2019. AIA assets such as AIA Center Cebu, AIA Tower, AIA Salcedo building and AIA Alabang building have transitioned to 100% renewable energy thru the Philippines' Green Energy Option Program in partnerhsip with ACEN and Advent Energy. Certifications for the prestigious WELL Health-Safety Rating, an annual rating that empowers business owners and operators to take the necessary steps to prioritize the health and safety of their staff, visitors and stakeholders, have been achieved for 7 AIA buildings, including those in Makati, Cebu, Alabang. Baguio, Cubao and Davao.

The WELL Health-Safety Rating is a testament to AIA Philippines' dedication to creating workspaces that prioritize the health and well-being of its occupants. Seven AIA Philippines owned buildings have already achieved this prestigious rating, undergoing rigorous assessments to ensure high standards of air quality, lighting, acoustics, ergonomics, and more. The company has also implemented other green building initiatives, including solar panel installations, urban gardening, and robust waste management programs. AIA Center Cebu, which is LEED Core & Shell Silver Certified, and AIA Tower are pursuing LEED EB+OM certification, strengthening AIA Philippines' commitment to sustainable building practices.

Urban garden program is also operational across 8 properties in Makati, Cebu, Davao, Cagayan de Oro, Baguio, General Santos and Tacloban.

In 2024, AIA Philippines has achieved 58.1 reduction in operational (Scope 1 and Scope 2) Greenhouse Gas (GHG) emissions compared to 2019.

— 2024 AIA GROUP ESG REPORT CLIMATE DISCLOSURE

People and Culture

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

Our people are central to our continued ability to deliver on our Purpose of helping more Filipinos to live Healthier, Longer and Better Lives. Our Purpose, Operating Philosophy, Leadership Essentials and operating model of empowerment within a framework unites our people, connects them to our shared Purpose, and forms a foundation that we continuously nurture, promote and protect.

In terms of employee engagement, our 2024 Gallup Score is 4.3, based on the globally recognized analytics survey that measures workplace performance worldwide. AIA Philippines also has secured two prestigious certifications awarded by Great Place to Work®, the global authority on company culture, and Best Places to Work, a premier employer-of-choice certification provider. These put the company in the league of exemplary businesses globally recognized for fostering a positive and supportive workplace culture, which prioritizes employee well-being and engagement.

AIA Philippines earned its Best Places to Work certification in late 2024, establishing a benchmark for workplace excellence. The company was assessed through a comprehensive human resources (HR) questionnaire and an employee experience evaluation, which appraised leadership style, HR practices, career advancement opportunities, compensation and benefits, diversity, equity and inclusion, and more. After the deliberation, AIA Philippines emerged as one of the top five companies certified as Best Places to Work, gaining international recognition for its extensive employee well-being programs.

The company's standing as an outstanding employer was also affirmed when it earned its Great Place to Work® certification in December 2024. Achieving an impressive survey score for company culture, values, and workplace environment, AIA Philippines employees reported high scores for topics such as trust among teams and management, pride in the work done, and camaraderie.

Supporting development and career progression

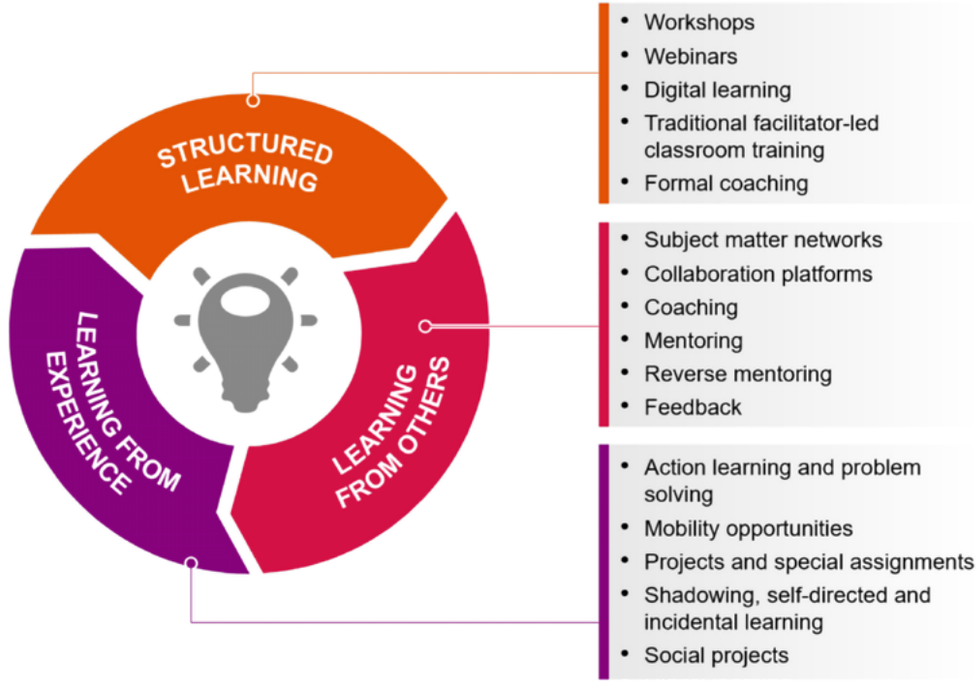
We are committed to providing opportunities for growth and fostering talent development. One hundred percent (100%) of our employees took at least 1 training session for professional development, with an average of 36.97 hours per employee dedicated to learning and upskilling.

Cultivating holistic 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.

Different learning methodologies are offered for those who wish to upskill and avail of the different learning opportunities.

- 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.
- 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.
- Learning from Experience. The best learning opportunities come from providing employees on-thejob experience such as experiential learning, new project exposure, and job rotation and mobility to broaden their perspective and support their career aspirations.



In terms of employee engagement, our 2024 Gallup Score is 4.3, based on the globally recognized survey that measures workplace employee engagement. AIA Philippines also has secured two prestigious certifications awarded by Great Place to Work®, the global authority on company culture, and Best Places to Work, a premier employer-of-choice certification provider.

Other programs include:

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. 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 via LinkedIn Learning, an American global massive open online course provider. LinkedIn Learning is 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 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.

Accelerating progress in diversity and inclusion

Our commitment to foster an inclusive and engaging workplace that attracts and retains talented people from a range of backgrounds remains a priority. We recognize that diversity enriches our social fabric and fosters innovation and inclusivity, and we take proactive steps to ensure an equitable and supportive work environment. Sixty (60) percent of our leaders are women, and more than 60% of the total workforce are women.

Allies in AIA, the LGBTQIA+ employee resource group, remains strong in driving AIA Philippines Group's 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.

As the voice of LGBTQIA+ employees and allies in AIA Philippines Group, Allies in AIA work together to conduct awareness programs, professional development activities, networking and brand enhancements, and corporate social responsibility programs to bring together LGBTQIA+ members and their allies, as well as leaders and everyone in the organization. These programs 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. Membership is open to AIA Philippines, BPI AIA, AIA Investment Management, MediCard and AIA Digital+.

Enriching and rewarding opportunities for all

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 Right 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.

Ways of Working Awards. In 2024, we rolled out One AIA Ways of Working (WOW) that guide us in how to work together to best maximize our strength and culture as the AIA group of companies in the Philippines -- with AIA PH, BPI AIA, Medicard, AIAIM PH and Digital +To promote the right behaviors, recognition is given to employees who have given quantifiable contributions while exhibiting the Leadership Essentials.

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

62.4% **AIA PH**

53.8% **AIA IM**

66% **BPI AIA**

70.6% **MEDICARD**

60% of senior leaders

55.6% **AIA**

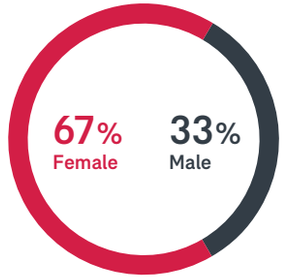
100% **AIA IM**

100% **BPI AIA**

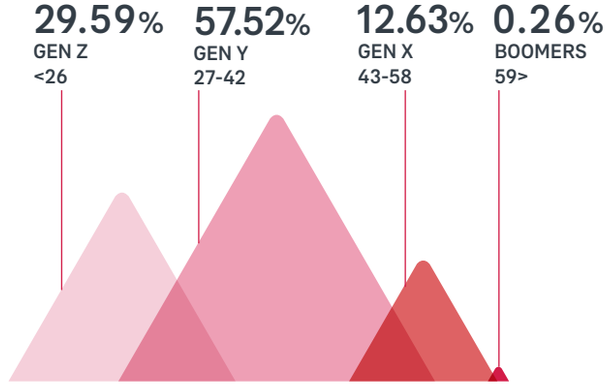
65.6% **MEDICARD**

WORKFORCE AT A GLANCE

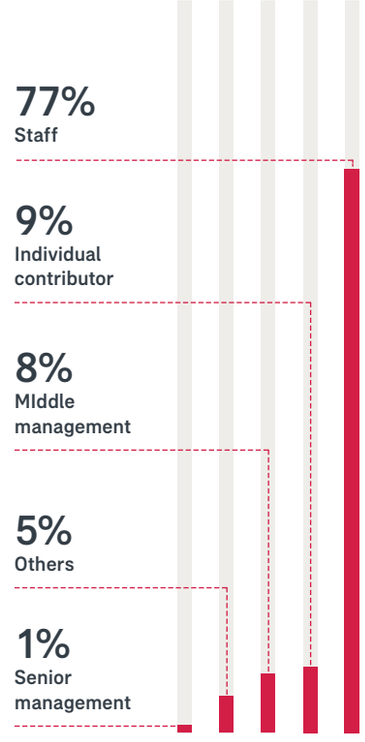
EMPLOYEE BREAKDOWN BY GENDER



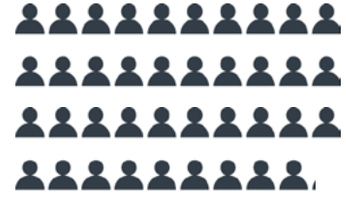
EMPLOYEE DEMOGRAPHICS BY AGE GROUP



EMPLOYEE BREAKDOWN BY SENIORITY



TOTAL HEADCOUNT*



3,897

* As at 31 December 2024 which includes full-time employees of AIA Philippines, BPI AIA, AIAIM Philippines, MediCard Philippines, AIA Digital+

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.

Effective Governance

This pillar ensures that AIA Philippines Group continues to operate to the highest standards of business practices, both in terms of our engagement with stakeholders and how we manage risks. This provides the necessary management oversight, incentives and organizational accountability, data governance systems and transparent reporting to enable us to succeed.

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.

Reaffirming our commitment to helping customers live Healthier, Longer and Better Lives, we commissioned Regional Vitality research in the Philippines. We also continued engaging with our customers through our customer feedback system, leveraging insights to refine our business approach and enhance our customer experience. Ensuring the highest standards of data privacy, protection and cybersecurity remains a priority. We also provided ongoing Security Awareness Refresher training for employees and external contractors, reinforcing best practices in cybersecurity.

Corporate governance policy

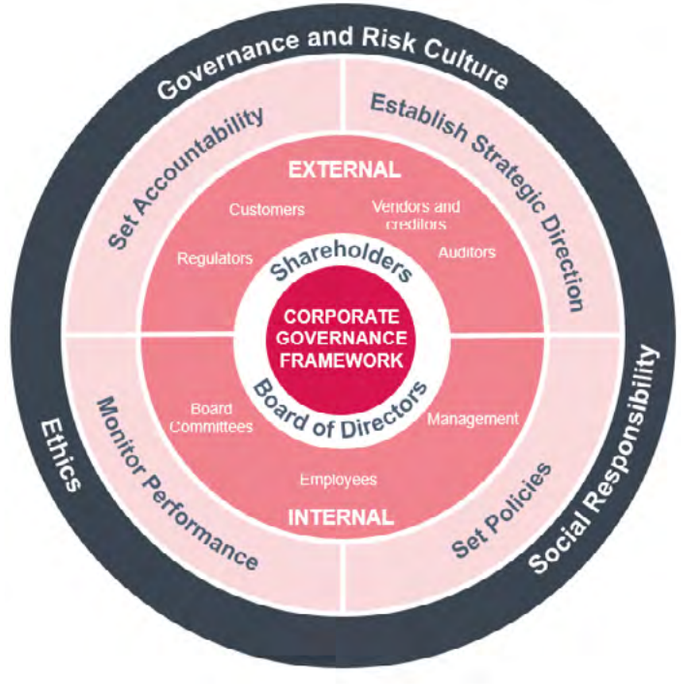
The AIA Philippines Group (comprised of AIA Philippines, BPI AIA, AIA Investment Management Philippines, MediCard Philippines, Inc., and AIA Digital+) confirms its full compliance with the Code of Corporate Governance. Its commitment to the highest standards of corporate governance is rooted in the belief 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.

Our Corporate Governance 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. The Board is diverse, consisting of 28.5% female, and incumbent directors are trained professionals and executives with experience across fields and industries.

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.

In 2024, AIA Group revised the Code of Conduct, with the aim to maintain a firm commitment to operating with the highest standards of business practices, both in terms of its engagement with stakeholders and how we manage risks. To uphold the highest levels of integrity, we provided mandatory training for our workforce on anti-bribery and corruption, fraud prevention, anti-money laundering, and countering the financing of terrorism. Additionally, we proactively identified emerging risks to our business, strengthening our risk management framework to mitigate potential challenges effectively.

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.

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.

Ensuring effective risk management and responsible business practices

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.

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.

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.

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.

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.

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.

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.

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.

Golden Arrow Awards

AIA Philippines Life and General Insurance Company, Inc. (AIA Philippines), one of the country's largest life insurance companies, and BPI AIA Life Assurance Corporation (BPI AIA), won the ASEAN Corporate Governance Scorecard (ACGS) Golden Arrow Awards, a prestigious accolade recognizing exemplary corporate governance practices.

For AIA Philippines, this is the seventh consecutive year of being honored with a Golden Arrow Award, and for BPI AIA, the fifth straight year. Both companies received three-arrow recognitions.

The ACGS measures the performance of companies by the Philippine Code of Corporate Governance and internationally recommended corporate governance practices as espoused by the ACGS. The award covers areas such as the rights of shareholders, equitable treatment of shareholders, the role of shareholders in corporate governance, disclosure and transparency, and the responsibilities of the board. Companies that score at least 80 points in the ACGS Assessment are given the award.

AIA Philippines' and BPI AIA's corporate governance framework encompasses governance and risk culture, social responsibility, and ethics. AIA Philippines' Board of Directors is composed of qualified and excellent members who are responsible for the sustainable performance of the Company, which include compliance with statutory and corporate obligations.

AIA Philippines and BPI AIA won the ASEAN Corporate Governance Scorecard (ACGS) Golden Arrow Awards, a prestigious accolade recognizing exemplary corporate governance practices. For AIA Philippines, this is the seventh consecutive year of being honored with a Golden Arrow Award, and for BPI AIA, the fifth straight year. Both companies received three-arrow recognitions.

SUMMARY OF PRIORITIES AND PROGRESS

PILLAR	PRIORITIES	2024 PROGRESS
Health & Wellness	**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.	• Close to PHP 233 billion in total sum assured provided until end of 2024 (includes life, critical illness and HMO). • 54 million were engaged for the AIA One Billion movement. • More than 1,000 women screened in 3 cities for Hope for the Breast program. • 8 schools in 5 regions nationwide, 139 personnel and 7,232 learners were engaged for AIA Healthiest Schools.
	2. Improving Access to Quality Healthcare Provide greater access to quality care, relevant and timely information, diagnoses, treatment and rehabilitation.	• There are more than 97,000 Vitality members by end of December 2024. • Over 1 Million individual policies, and nearly 800,000 participating members of group insurance schemes. • Almost one million HMO customers served.
	3. Building Better Integrated Health and Wellness Outcomes Build on leading integrated health and wellness solutions and reward customers for behavioral improvements.	• 9,823 members posted improved health outcomes in at least one metric (i.e., blood pressure, glucose, cholesterol, body mass index) compared to 4,000 in 2023.

PILLAR	PRIORITIES	2024 PROGRESS
Sustainable Investment	**1. Deepening ESG Engagement** Deepen ESG engagement with investee companies.	• AIA Investment Management engaged one of the fastest-growing renewable energy companies in Asia Pacific in the energy transition and power generation survey as part of the AIA Group Thematic Engagement exercise.
	2. Augmenting ESG Training and Capacity Augment knowledge and capacity among investment analysts through dedicated training initiatives.	• 100% of in-scope individuals in AIAIM PH have participated in the Chartered Financial Analysts (CFA) Institute's Sustainable Investing Certificate (formerly Certificate in ESG Investing). • As of end of December 2024, AIA PH maintained 100% coverage of general account investments against in-house ESG Rating Scorecard.
	3. Broadening Portfolio Inclusions Broaden portfolio inclusions by specific considerations of green bonds, sustainability bonds, and renewable and alternative energy and infrastructure.	As a result of bottom-up integration of ESG in our general account investment portfolio, over PHP 3.63 billion was invested in renewable energy, green bonds, utilities, and infrastructure in 2024, including: • Water utilities – PHP736 million • Road and rail infrastructure – PHP1.42 billion • Renewable energy – PHP1.04 billion • Green bonds – PHP650 million (includes bonds in a renewable energy company and a water utilities company)

PILLAR	PRIORITIES	2024 PROGRESS
Sustainable Operations	**1. Ensuring Greener Buildings** Ensure that all new buildings and any redevelopments adhere to industry recognized green building standards.	• Achieved a 58.1% reduction in operational (Scope 1 and Scope 2) Greenhouse Gas (GHG) emissions compared to 2019. [1,2] • Certifications for the prestigious WELL Health-Safety Rating, an annual rating that empowers business owners and operators to take the necessary steps to prioritize the health and safety of their staff, visitors and stakeholders, have been achieved for 7 AIA buildings, including Makati, Cebu, Alabang. Baguio, Cubao and Davao.
	2. Improving Our Environmental Performance Reduce our carbon footprint, while also measuring and managing the amount of waste produced from our operations.	• AIA assets such as AIA Center Cebu, AIA Tower, AIA Salcedo building and AIA Alabang building have transitioned to 100% renewable energy thru the Philippines' Green Energy Option Program in partnerhsip with ACEN and Advent Energy. • Installation of automatic motion detection lighting system has been completed for all sites. • Urban garden program is also operational across 8 properties in Makati, Cebu, Davao, Cagayan de Oro, Baguio, General Santos and Tacloban. • Demand management program is in place for common areas of all owned properties and occupied premises. • Waste Measurement and Reporting is 100% in place.
	3. Encouraging Good ESG Practice Encourage improvements in environmental performance with vendors.	• All suppliers are now required to adhere to AIA Philippines Supplier Code of Conduct with an ESG provision. All suppliers are also required to answer AIA Philippines' ESG supplier questionnaire which has a minimum of 5% weight on supplier score and selection.
	4. Advancing Digital Transformation	• Adoption of single portal for Customer and Agent (MyAIA). • Completion of other journeys in CCM / utilization of D365. • Continuous push for more submissions via digital channels i.e. My AIA, corporate website. • Continuous push for 24/7 Claims submission (hardstop on paper submission).

[1] ESG Report: https://www.aia.com/content/dam/group-wise/en/docs/ESG/2024/Main-ESG-Report_EN.pdf

[2] Climate Disclosure: https://www.aia.com/content/dam/group-wise/en/docs/ESG/2024/Climate-Disclosure-Report_EN.pdf

PILLAR	PRIORITIES	2024 PROGRESS
People & Culture	**1. Overall**	• Achieved 4.3 Gallup Score, a global standard for employee engagement in the workplace. • Certified as a Great Place to Work®. • Certified as one of the Best Places to Work.
	2. Supporting Development and Career Progression Foster a learning culture that supports the development of our people.	• 100% of our employees took at least 1 training session for professional development. • 36.97 hours per employee were dedicated to learning and upskilling.
	3. Accelerating Progress in Diversity and Inclusion Promote workplace diversity and advances our culture of innovation and inclusion.	• 66.87% of employees are women (62.4% AIA PH, 66% BPI AIA, 53.8% AIA IM, 70.6% MediCard) • 60% of senior leaders are women (57.9% AIA, 100% BPI AIA) • Continued strengthening of Allies in AIA to promote a more equitable and inclusive workplace for members of the LGBTQIA+ community.
	4. Strengthening Risk Awareness Embed a culture of ethical decision making and strong risk management.	• 100% of employees acknowledged compliance with the AIA Group Code of Conduct on an annual basis.
Effective Governance	**1. Board Governance** Foster business integrity and sound decision-making through a diverse and highly qualified Board.	• The 2024 Board is diverse, consisting of 28.5% female, and incumbent directors are trained professionals and executives with experience across fields and industries. • AIA Philippines and BPI AIA Life Assurance received the ASEAN Corporate Governance Scorecard (ACGS) Golden Arrow Awards, a prestigious accolade recognizing exemplary corporate governance practices. • For AIA Philippines, this is the seventh consecutive year of being honored with a Golden Arrow Award, and for BPI AIA, the fifth straight year. Both companies received three-arrow recognitions.
	2. Ensuring Effective Risk Management and Responsible Business Practices Effectively manage ESG-related risks and opportunities throughout the business.	• The 2024 IC-Mandated training for directors have been duly complied with and completed. • ESG key risk indicators for four out of the five pillars are being finalized. All ESG Controls on data reporting have been fully migrated digitally.

CLIMATE ACTION

An AIA Group Limited Report

After publishing our first Climate Transition Plan in 2023, we embedded our net-zero commitments and targets into our core business in 2024.

Climate change poses significant challenges to Asia, profoundly affecting its environment, economies and populations. The region is experiencing increased frequency and intensity of extreme weather events, such as heatwaves, heavy rainfall and flooding. The 2023 heatwave led to record-breaking temperatures across countries like Thailand and Myanmar, exacerbating health risks and straining infrastructure. Moreover, Asia's extensive coastlines and low-lying areas make it highly susceptible to sea-level rise. Cities face increased flooding risks, leading to displacement and economic losses. Jakarta, for example, is sinking at an alarming rate, prompting plans to relocate Indonesia's capital. The degradation of vital ecosystems, such as peatlands and coral reefs, further compounds these issues. Peatland drainage releases significant carbon dioxide, contributing to global warming, while coral reef loss threatens marine biodiversity. These changes directly impact communities reliant on natural resources, leading to economic hardships and health challenges.

Addressing these multifaceted impacts requires comprehensive mitigation and adaptation strategies to safeguard the wellbeing of Asia's populations.

As the first pan-Asian life and health insurer to have our near-term Science Based Targets initiative (SBTi) targets validated in 2023, our commitment to achieving net-zero emissions by 2050, made in December 2021, continues to guide our decarbonization journey and serves as our north star. Our commitment drives the adoption of innovative methodologies to advance sustainability. Climate transition is an ambitious and challenging journey, but one we are committed to pursuing with integrity and methodical precision. In 2024, we have built on the momentum established in previous years, intensifying our focus on delivering against our SBTi commitments. This has involved translating ambition into tangible results by aligning stakeholders to focus on delivering outcomes.

Recognising the importance of robust governance, we have reinforced our systems and processes to ensure we stay on course to meet these targets.

A cornerstone of this effort has been the establishment of a comprehensive control ecosystem, underpinned by capacity-building initiatives for our colleagues and a clear roadmap of actionable priorities.

Our climate transition strategy is multidimensional and emphasises rigorous planning and execution. In 2024, we developed the framework for operationalising key levers to deliver on our SBTi targets and created robust reporting and disclosure frameworks. We also launched ESGOne, AIA's first ever digital tool for data collection and analysis. ESGOne aggregates AIA's climate footprint and effectively measures our progress against the climate targets across business units and for the Group. The system took over a year to develop in partnership with Group technology. It has the capability to process thousands of data inputs across 18 markets, increase efficiency and reduce manual error in reporting and data extraction. To support the training on this tool, we organised workshops and interactive sessions for employees as well as developing standard operating procedures and guidance documents.

We are further developing a renewable energy sensitivity pathway that will model different scenarios for emissions increase from operations over the next five years, together with varying the estimated emissions reduction from other decarbonization levers to develop our renewable energy roadmap.

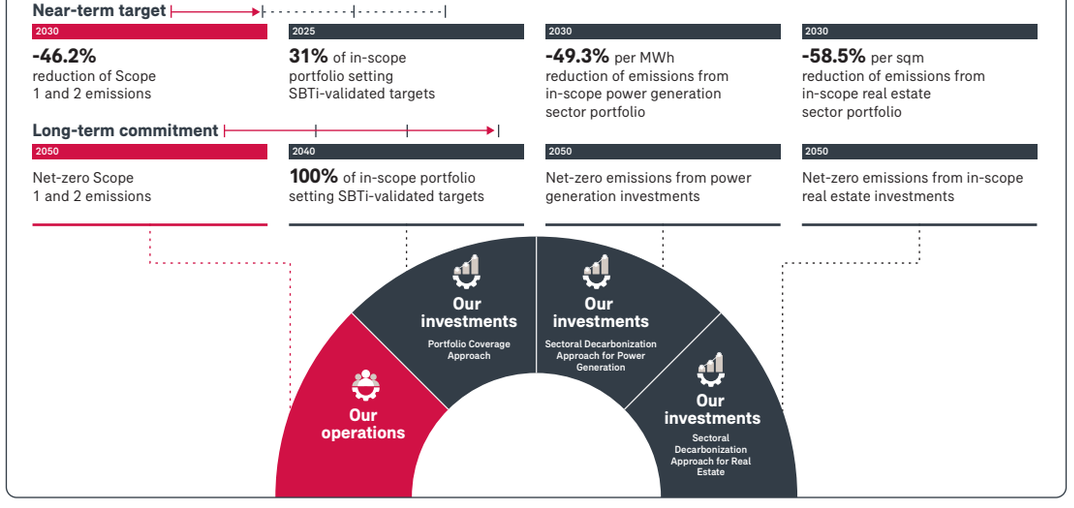
Our systematic approach supports the delivery of our climate targets and ensures we uphold the principles of transparency and accountability, embedding best practices throughout our operations. Collaboration remains at the heart of this journey.

By engaging closely with value chain partners, investors, investee companies, policymakers and regulators, we are weaving a cross-collaborative fabric that amplifies the impact of our efforts.

There is a critical intersection between climate and health. In 2024, we deepened our focus on integrating climate considerations into our healthcare strategy, conducting research to better understand the impacts of climate change on human health.

This aligns with our Purpose of helping communities live Healthier, Longer, Better Lives. As we move forward, we remain dedicated to evolving our practices, leveraging insights and working collaboratively to achieve a sustainable and resilient future for all.

OUR SBTi AND CLIMATE COMMITMENTS



ABOUT THIS REPORT

This report provides a summary of the ESG initiatives and performance, as well as key sustainability milestones achieved in 2024 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+.

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.

Scope of this report

The information provided in this report covers the ESG-related activities of the AIA Philippines Group in 2024.

Initiatives and data shared refers to all four companies, unless indicated in the footnotes.

For performance not available locally, readers are encouraged to refer to the full ESG Report of AIA Group. This includes 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. **Click here**.