



ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORT

REPORT 2019

Te Kaitiakitanga o te Taiao me te Whanau Kotahi

AIA NEW ZEALAND LTD



HEALTHIER, LONGER,
BETTER LIVES

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PROTECTION

Serve the holders of

MORE THAN

624
THOUSAND



individual policies

AND OVER

138
THOUSAND



participating members of
group insurance schemes

OVER

\$475
MILLION
IN BENEFIT PAYMENTS



were made during 2019, helping
customers and their families to
cope with challenges at different
life stages

COMMUNITY CARE

Over

\$170
THOUSAND



contributed to our
communities

ENVIRONMENTAL PERFORMANCE

Total carbon
emissions of

1,573
TONNES

1.67 TONNES
per employee



ENERGY PERFORMANCE

Energy use of

4,133
kWh

per employee



CORPORATE GOVERNANCE

AIA New Zealand
Limited Board and
Committees

KEY ESG MEMBERSHIPS AND SIGNATORIES

**Sustainable
Business Council**
wbcsd Global Network Partner

KEY INDEX INCLUSIONS AND RATINGS



Hang Seng Corporate
Sustainability Index
Series Member 2018-2019



FTSE4Good



As at 31 December 2019

Foreword

We are delighted to be able to introduce AIA New Zealand's first ever Environmental, Social and Governance Report.

AIA New Zealand has almost 40 years' experience in the New Zealand market and is part of the AIA Group, the world's largest life insurance company by market capitalisation. The company has a unique customer value proposition of life, health and wellbeing and is committed to making a difference in people's lives.

This report demonstrates the difference AIA New Zealand, and its family of committed employees, make to the environmental and social wellbeing of New Zealand.

Every action that this company takes, and every decision our Board and leadership make, is informed by our commitment to helping our customers live healthier, longer, better lives. We have a significant role to play in the health and wellbeing of the country and we are proud of the work that we do.

At the global level we are recognised as a leader in sustainability practices. In 2019 the AIA Group was included in the top 1 per cent of companies for Environment, Social Governance (ESG) risk management by the rating agency Sustainalytics, which ranked the Group second out of 253 companies in the insurance industry. The Group is also a member of Climate Action 100+, an investor initiative designed to ensure the world's largest companies take the necessary action on climate change.

More locally, AIA New Zealand has long been recognised as a leader in the areas of diversity and inclusion and more recently in corporate social responsibility. In 2019 AIA New Zealand signed up two major charitable partners: The Heart Foundation and the Mental Health Foundation of New Zealand. We are committed to working with our partners to bring to life our operating philosophy of "Doing the Right Thing, in the Right Way, with the Right People" and that is what this report is about. It is about demonstrating the good work AIA New Zealand is doing to advance its Environmental, Social and Governance goals. We are leading with purpose, while working to champion New Zealand to be the healthiest and best protected nation in the world.

2020 has brought with it many challenges. As communities around the world grapple with the uncertainty brought about by COVID-19, our priority as a Board and Executive continues to be the wellbeing of our employees and the many stakeholders we work with.

When the pandemic reached New Zealand shores AIA New Zealand stepped up. We were determined to put steps in place to look after our employees and support our customers. We are proud of the support packages we introduced and of the work of our employees at that time. Having demonstrated how agile and quick-to-respond AIA New Zealand can be in the face of great uncertainty, we know that we can continue to step up to support New Zealanders with their important insurance cover and with their health and wellbeing. We are looking forward to continuing to deliver on our many strategic goals; including our critically important ESG goals and targets throughout 2020 and beyond.



Theresa Gattung ONZM
Chair
AIA New Zealand



Damien Mu
CEO and Managing Director
AIA Australia and New Zealand



Nick Stanhope
CEO
AIA New Zealand

ABOUT THIS REPORT



AIA New Zealand Limited (**AIA NZ**) is pleased to present its Environmental, Social and Governance Report (**Report**), Te Kaitiakitanga o te Taiao me te Whanau Kotahi, which sets out in detail our Environment, Social and Governance (**ESG**) priorities and commitment toward our promise of enabling Healthier, Longer, Better Lives. This report describes how we address sustainability issues and contains cross references to information in the AIA Group ESG Report. AIA NZ's report has been structured to align with disclosures and frameworks set by AIA Group.

Who We Are

AIA NZ is part of the AIA Group, the largest independent publicly listed pan-Asian life insurance group with a presence in 18 markets in Asia-Pacific. This report details AIA NZ's contribution to AIA Group's wider ESG efforts across the region.

AIA NZ meets the protection needs of individuals by offering a range of products and services including life and health insurance and the wellbeing program AIA Vitality. AIA NZ serves the holders of more than 624,000

individual policies and over 138,000 participating members of group insurance schemes.

As a company with 100 years of history, and operating in New Zealand since 1981, our dream is to champion New Zealand to be the healthiest and best protected nation in the world. We strive to help our customers live healthier, longer, better lives by encouraging them to make positive lifestyle changes one small step at a time.

Our Material Issues

For 100 years, AIA has provided protection to individuals and families when they have needed it most. As a market leader, AIA is focused on the sustainability of our financial results. We also take the initiative to

understand the risks and opportunities posed to our business from sustainability challenges. This focus on sustainability is integral to our long-term growth and the inclusive development of our communities.



CLIMATE
CHANGE



CYBERSECURITY



DATA
PROTECTION



DIGITALISATION



DIVERSITY &
INCLUSION



EFFECTIVE
GOVERNANCE



FINANCIAL
PERFORMANCE



RECRUITMENT &
RETENTION



RESPONSIBLE
BUSINESS
PRACTICES



STAFF
DEVELOPMENT &
TRAINING



HEALTH &
WELLNESS

Our Approach to ESG

Core to all our ESG efforts is our purpose-led brand promise to help our customers lead Healthier, Longer, Better Lives, and our commitment to our Operating

Philosophy of “Doing the Right Thing, in the Right Way, with the Right People... the Right Results will come”.

ENVIRONMENT	SOCIAL	GOVERNANCE
SUSTAINABLE INFRASTRUCTURE	OUR PRODUCTS	THE RIGHT PEOPLE
RESOURCE USAGE	SUSTAINABLE INVESTMENT	RESPONSIBLE BUSINESS PRACTICES
ENERGY & EMISSIONS	CSR & COMMUNITY WELLNESS	EFFECTIVE RISK MANAGEMENT
OPERATING RESPONSIBLY	CONTRIBUTING TO OUR COMMUNITIES	DOING BUSINESS THE RIGHT WAY



We aim to address the sustainability challenges faced across New Zealand, to operate responsibly by mitigating our environmental impact, and to ensure that we always do business in the right way by adhering to the highest ethical standards.

At AIA NZ we follow AIA Group’s ESG Approach, which highlights core areas and aspects of our business that allow us to address our material issues and manage key areas of our operational impact. Each of these items is discussed in detail in sections of the report and includes supporting statistics, metrics and examples.





THE RIGHT PEOPLE

AIA has always been a business built on its people. At AIA, equipping our employees for success is vital to serving our customers and enabling our communities to live Healthier, Longer, Better Lives. Guided by our Operating Philosophy of “Doing the Right Thing, in the Right Way, with the Right People... the Right Results will come”, we focus on fostering a culture that promotes recruiting, developing and retaining high performing employees.

Culture and Employee Engagement

ENGAGING OUR PEOPLE

Continuing to build on our collaborative and inclusive workplace, which prioritises employee engagement, is a top priority for AIA. AIA NZ takes part in the annual AIA Gallup Q12 survey to help us monitor our people's level of engagement and develop targeted initiatives to address areas requiring improvement, with the goal of making AIA NZ an even better place to work. In 2019, 94 per cent of our people responded to the survey, scoring an average of 3.98 out of a possible five across 12 indicators of employee engagement.

All teams are given the resources to understand their results and create meaningful action plans on which to improve engagement. Throughout the year, our business units also complete pulse 'snapshot' surveys to continue to monitor and improve engagement levels.

We value the diverse insight of our employees in managing engagement so have formed the Enterprise Engagement Group (EEG), made up of high-performing employees across ANZ who develop and deliver new initiatives to increase engagement.



DRESS FOR YOUR DAY



In 2019, the EEG delivered **Dress For Your Day**, repealing Dress Codes and introducing guidelines that trust employees to dress appropriately

for their day at the office. Each Business Unit also has an Engagement Champion, who work as part of a cross-functional Engagement Committee to develop engagement in their respective teams.

“AIA's Dress For Your Day has meant I can come to work every day feeling like my true self. I am comfortable and confident going about my role wearing clothing that reflects who I am. AIA's approach to the dress code allows me to feel valued as an individual, and it has been wonderful to see friends and colleagues in the workplace with smiles on their faces as they showcase their own cultural, gender and style identities every day.” – **Clodagh Starr, Business Development Manager**

“Being able to dress for my day means I'm able to dress in a way that I feel comfortable, both physically and mentally, while still reflecting my best self.” – **Alex Ensoll, Learning Designer**

CONDUCT

At AIA, we hold ourselves to the highest standards of professional conduct and we pride ourselves on building a workplace that is safe and inclusive for all. AIA's Code of Conduct defines how we maintain trust and reflects our Operating Philosophy of "Doing the Right Thing, in the Right Way, with the Right People... the Right Results will come".

Alongside the Code of Conduct, we have a zero tolerance Harassment, Discrimination & Bullying policy and we take any breaches seriously. Employees are encouraged to discuss any potential issues with their management and the People and Culture team. In addition, our confidential 24/7 AIA Ethics Hotline is available for employees to speak up and ask questions, raise concerns or report instances of misconduct.

Developing our People

TALENT DEVELOPMENT

Development of our employees is a key strategic priority across the AIA Group. We foster a learning culture that supports the development of our people's key capabilities. We believe that this will both help them succeed in their current roles and provide a platform for meaningful, long-term careers with AIA.

We practise a holistic approach to learning and development, whereby knowledge and skills are accumulated from on-the-job experiences, collaborative projects, classroom and digital learning, supported by activities such as mentoring and coaching.

In 2019, AIA introduced a new Group-wide human resources information system which enables our New

Zealand employees to utilise a new digital learning platform. This platform includes LinkedIn Learning which is used alongside internally developed digital learning materials to support classroom and on-the-job learning.

All of our people have access to a range of learning opportunities, designed to both develop our people and strengthen AIA's culture and values. All employees are encouraged to develop the Leadership Essentials six personas, which are key to success at AIA; **Inspiring Leader, Forward-Thinking Entrepreneur, Collaborative Challenger, Determined Business Driver, Caring Mentor and Curious Learner.**

LEADERSHIP ESSENTIALS



Inspiring Leader



Forward-thinking Entrepreneur



Collaborative Challenger



Determined Business Driver



Caring Mentor



Curious Learner

CLARITY

COURAGE

HUMANITY

All new employees complete New Employee Orientation, a full-day course to share AIA's history, philosophy, values, and the opportunities that are available to them as employees of AIA.

Other face-to-face courses which are run throughout the year include:

- Adaptability
- Building Conscious Resilience
- Business Presentation Skills
- CEO Think Tank
- Change Leadership
- Coaching
- Decision Making
- Effective Planning
- Elevate – ANZ leadership course for women
- Emerging Leaders
- Emotional Intelligence
- Facilitation
- Healthy Conflict
- Managing Your Team Through Change and Uncertainty
- Mentoring
- Plain English
- Ready to Thrive
- Setting your Direction
- Thriving in Change and Uncertainty
- Turning Values into Mindsets
- Unconscious Bias

PERSONAL DEVELOPMENT

In 2019 all AIA NZ employees completed a Personal Development Dialogue, aligned with key organisational goals and values. This process gives our people the opportunity to discuss their personal development with their manager and monitor process regularly throughout the year to ensure goals are met.

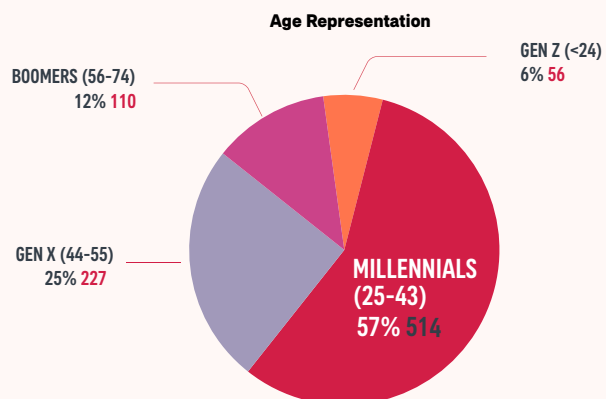
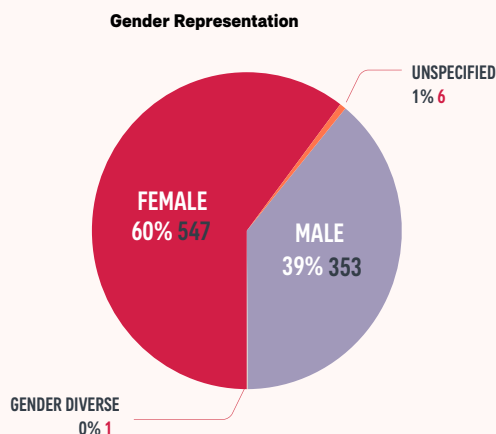
SUCCESSION AND ORGANISATION PLANNING

Committed to having a strong talent pipeline, our comprehensive annual organisation people review process continues to identify different talent segments to enable leaders to plan for the succession of key roles. The success of our approach to talent development and AIA's Group-wide succession planning can be found in the many examples of internal promotions into key leadership roles throughout the Group in 2019, including at the most senior levels of the organisation.

Diversity & Inclusion

AIA NZ has long been recognised as a leader in the areas of diversity and inclusion. We are proud of the efforts we put in to ensuring that our places of work are inclusive and collaborative.

33
Ethnicities Represented*



As at 15/04/2020

*A new HR system implementation has resulted in limited ethnicity data being available at time of reporting. AIA are working toward reporting more comprehensively on ethnicity in the 2020 ESG Report.

DIVERSITY

Key to AIA NZ's people strategy is our focus on diversity and inclusion, and we work hard to continue to build a workplace where "you can be you". Diverse perspectives and an inclusive environment promote innovation, better decision making, adaptability and problem solving, all of which enhance our role in driving economic and social development across New Zealand and make AIA NZ a great place to work.

We are proud to be able to attract employees from a diverse range of backgrounds and experiences and we appreciate how this benefits our organisation, customers and community. We're proud to be an employer of choice

DIVERSITY CELEBRATIONS AND EMPLOYEE NETWORKS

Each year we acknowledge and celebrate a number of cultural and other events. In 2019 this included Chinese New Year, Ramadan and Eid al-Fitr, Pride Festivals, Youth Week, Matariki, Te Wiki o Te Reo Maori, International Women's Day, Mental Health Awareness Week and

for women, with 60 per cent of our workforce being women. This number is mirrored at leadership level with 60 per cent of Executive and 43 per cent of Board (75 per cent non-Executives Board members) roles being held by women, including our Chairperson.

We are multi-generational; 63 per cent of our employees are Millennials and Gen-Z. Our workforce is made up of 33 different ethnicities and represents a wide range of cultural and religious perspectives. We recognise the importance of understanding the different needs when shaping our policies and practices, and we strive to ensure that we create an inclusive workplace for all.

November. These events are organised and supported by various employee diversity networks, including the Maori and Pacific Network, Christian Network, and Unity, AIA NZ's LGBTI+ network. All employees are encouraged to join and participate in these groups and their activities.



CEO Nicholas Stanhope, International Women's Day 2019

RECRUITMENT AND SELECTION

Our recruitment policy ensures that the principles underpinning recruitment and selection at AIA NZ are those of fairness, credibility, equal opportunity and merit-based selection. Reducing bias throughout the recruitment and talent management cycle is always front-of-mind. Our goal is to ensure that all employees have equal access to promotion, rewards and benefits, and training and

development. We deliver two training courses; Management Essentials-Decision Making, and Unconscious Bias which seek to address this for managers. These courses are designed to train managers to recognise and manage biases when identifying talent, succession planning, recruiting and making other talent decisions.

DIVERSITY & INCLUSION TRAINING

AIA's approach to a diverse and inclusive culture is built into all of our training programmes, ensuring that all of our people appreciate the value that our different backgrounds and perspectives bring to the organisation. We deliver two different Unconscious Bias workshops at regular intervals

throughout the year; one for people managers, and the other for individual contributors. These courses cover and expose the inherent biases that all humans have and provide solutions to mitigate these preferences.

Awards

In 2019 we were honoured to be awarded the prestigious Supreme Award at the White Camellia Awards, celebrating AIA NZ's commitment to the Women's Empowerment Principles (WEPs), a UN Women and UN Global Compact initiative which encourages gender equality in the workplace. We were acknowledged with awards for Principle 1: Leadership promotes gender equality, Principle 3: Health, safety and freedom from violence, and Principle 7: Transparency, measuring and reporting.

The initiatives that were praised included:

- Our focus on women in leadership
- Providing women role models in positions of power
- Career pathways and opportunities for women
- Diversity and inclusion training
- Our focus on creating an inclusive environment where "You Can Be You"

- Parental leave provisions over and above legislative requirements
- Our emphasis on Health, Safety and Wellbeing
- Code of Conduct and zero tolerance Harassment, Discrimination & Bullying policy
- Policies in place for the protection and support of victims of domestic violence
- Executive Champions of diversity

We also received the Innovation and Wellbeing Award at the Financial Services Council Awards, for diversity and inclusion initiatives, retained the Rainbow Tick, were awarded the Gender Tick and were acknowledged as finalists in both the YWCA Equal Pay Awards and the Women in Insurance Awards.



Chief Customer Officer Sharron Botica and Organisational Development Consultant Grace MacKinnon were proud to accept the White Camellia Awards on behalf of AIA

"AIA New Zealand is committed to a gender diverse and balanced workplace with an inclusive culture that supports and empowers women to succeed, so we are honoured to receive this award." – Brynlea Hunter-Morpeth, Chief People and Culture Officer

"We have a robust Diversity and Inclusion Strategy which sits in line with our proposition to reflect the community we serve and strive to help New Zealanders live healthier, longer, better lives. This includes making sure we have diversity in leadership, an inclusive culture and that we value our people as individuals with unique needs. We have a clear strategy and we've worked really hard to achieve it." – CEO Nick Stanhope

AIA was awarded the Innovation and Wellbeing Award at the Financial Services Council Conference which recognises diversity and inclusion initiatives a company has implemented in their business.



Recognising and Rewarding our People

HEALTHIER, LONGER, BETTER LIVES

Our benefits and wellbeing initiatives work together to help our employees and their families live Healthier, Longer, Better Lives.

In 2019 we launched AIA Vitality to our employees with free memberships, a wearable fitness device and a series of free health checks and programmes to encourage them on their health and wellbeing journey with AIA Vitality. Over the year we've also provided free nutrition

workshops and one on one consultations with a dietician, yoga classes, sleep advice, medical checks, mole mapping and skin checks, flu vaccinations, meditation workshops, and exercise classes and team challenges. We encourage employees to stay active, understand their health profile and take steps to safeguard and improve their overall wellbeing.

RECHARGE DAYS

We recognise that our corporate environment can be fast paced and at times demanding so every employee is provided with one "recharge day" per quarter, in addition to annual and sick leave. This leave cannot be accumulated with the intent being that it gives our team members a short break at a semi-regular cadence, to recharge and do something that is meaningful to them. We also enable a flexible work environment with options for formal and informal flexibility.

“Recharge days have been amazing for those random one-off days when you really need a day to relax, want to go away for a long weekend, or just catch up on life admin, without having to use your annual leave. I feel so lucky that AIA offer these to us.” – **Liam Botica, Marketing Manager Partnerships**

“The recharge days are so valuable to me and my wellbeing, a perfect opportunity to revitalize with a 'me' day or enjoy a relaxing long weekend away.” – **Brittany Dunn, Senior Events Specialist**



EMPLOYEE SHARE PURCHASE PLAN

We are proud to provide our employees with the opportunity to become AIA shareholders through our Employee Share Purchase Plan (ESPP). In 2019, the percentage of eligible employees, and number of participants that enrolled into the plan, grew to the highest levels since the plan was adopted. In comparison to the 2018 enrolment year, New Zealand's uptake increased 12%.

EMPLOYEE RECOGNITION

Long service recognition is one of our ways of thanking employees for their loyalty to AIA NZ. We offer gift

vouchers at varied stages of tenure, starting from 5 years of service, and special long service leave from 10 years of service. We also recognise and celebrate personal milestones and have reward and recognition programmes in place that acknowledge outstanding efforts of individuals and teams.

TALENT REFERRAL REWARDS

We offer a payable reward where a new employee is recruited through a referral from an existing employee. Rewards are paid after the new employee has successfully completed 6 months of employment.

CONTRIBUTING TO OUR COMMUNITIES

Non-communicable diseases including mental health issues pose the highest health risks; which can be attributed to four behaviour factors.



The Oxford Health Alliance's 4-4-90 model



We are leading with purpose, while working to champion New Zealand to be the healthiest and best protected nation in the world.

Our ability to sustain AIA's success requires an understanding of the social challenges that New Zealanders face, identifying the impacts these issues have on our communities and in turn on our business, and being able to proactively address these in a manner that creates lasting and meaningful shared value. This includes how we address the significant risk factors associated with the increase in levels of Non-Communicable Diseases (NCDs) and help meet the needs of diverse communities throughout the country.

AIA has continued to build on the relationships we have with our customers, moving toward being a long-term partner throughout their lives. We no longer only connect with our customers when they pay insurance premiums or receive a payment in times of need, but instead we look to engage with them at every phase of their life, including through AIA Vitality. We believe AIA is leading the transformation of the life insurance industry in this regard.

Our Products

AIA WELLNESS PROGRAMMES

AIA Vitality, launched in New Zealand in August 2019, is our award-winning health and wellness program that encourages participants to make measurable improvements to their health. This science-based program builds on

concepts of behavioural economics, incentivising members to understand and improve their well-being, while earning AIA Vitality points entitling them to benefits and rewards in the process.

as at 31 December 2019



AIA VITALITY LAUNCH PARTNERS



DISCOUNTED NUTRITION CONSULTATIONS

ONLINE AND OFFLINE HEALTH ASSESSMENTS

FREE HEALTH CHECK

DISCOUNTED SKIN ASSESSMENT

DISCOUNTED HEALTHYGEAR

FREE QUIT SMOKING PROGRAM

UP TO 25% DISCOUNT ON DEVICES

HEALTHIER, LONGER, BETTER LIVES

UPFRONT AND RENEWAL PREMIUM DISCOUNTS

STATUS BASED REWARD PARTNERS

NON-STATUS BASED REWARD

\$5.00 ACTIVE BENEFIT VOUCHER EVERY WEEK

OR

\$5.00 DONATION EVERY WEEK

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



KNOW YOUR HEALTH

Starting with an AIA Vitality health assessment, we encourage members to understand the current state of their health and identify areas for improvement. The assessment includes fitness, nutritional and wellness evaluations. Members are further encouraged to complete health checks, screenings and vaccinations with their healthcare providers. Each step they take to complete their assessment and health checks earns them AIA Vitality Points.



IMPROVE YOUR HEALTH

AIA Vitality encourages members to set health goals, then awards AIA Vitality Points for steps taken towards achieving their goals. These steps typically include increasing exercise and activity levels, making healthier meal choices, taking part in fitness programmes, attending smoking cessation courses and getting more than seven hours' sleep a night. To incentivise members to undertake these activities, through their Vitality membership, they receive discounts on fitness devices, nutrition consultations and quit smoking programs that can in turn assist them on their health journey.



BE REWARDED

When members take positive steps to improve their health, they earn AIA Vitality Points that enable them to progress across four AIA Vitality status levels, from Bronze to Platinum, earning better rewards for each tier. In addition to incentives for healthy living, the benefits also include discounts of up to 20 per cent on our insurance products and vouchers or discounts on shopping, entertainment and travel purchases.

OUR PRODUCTS FULFILLING OUR PROMISE

Through AIA Vitality we are empowering and incentivising people to take control of their health and focus on the risks associated with increasing rates of NCDs, such as diabetes, cardiovascular disease and cancer. When members and employees achieve a meaningful change, this positively impacts their broader communities, thus supporting our promise of helping people live Healthier, Longer, Better Lives.

MENTAL HEALTH FOUNDATION FUNDRAISING CAMPAIGN

During Mental Health Awareness week in September 2019, AIA Vitality ran a four-week campaign to double match member active benefit reward donations to the Mental Health Foundation of New Zealand, during which members and AIA NZ raised \$5000.

ONSITE MOLEMAP SCREENING FOR STAFF

AIA Vitality held an onsite screening programme for staff that proved extremely worthwhile; of the 36 people screened onsite, six skin cancers were found. A majority of those screened were under 40 yet had high rates of skin cancer and sun damage. Squamous Cell Carcinoma, as well as several possible Melanoma, were identified on employees screened. A Squamous Cell Carcinoma is a type of skin cancer that requires urgent treatment as if left too long can spread to other organs and tissue in the body. Skin Cancer can be life-threatening if left untreated, so it was extremely positive this was picked up and diagnosed. All staff that had been identified as having skin cancer were contacted by the nurse that performed the onsite checks to advise appropriate treatment and ensure the staff member understood the diagnosis.



OUR AIA VITALITY AMBASSADORS

In 2019 we announced our AIA Vitality Ambassadors Dame Valerie Adams, Jessica Quinn and Ian Jones who play a valuable role in promoting our promise of Healthier, Longer, Better Lives.

Our ambassadors are an inspiration to thousands of people across New Zealand as they share their thoughts and advice on how to live a healthier and better life through personal appearances and brand campaigns and content.



AIA Vitality Ambassadors Dame Valerie Adams, Jessica Quinn and Ian Jones

Innovating to Address Health Challenges

AIA NZ continues to develop new products that provide care to our customers throughout their lives. This is through prevention, treatment, and management of health outcomes.

MENTAL HEALTH WORKING GROUP

AIA NZ formed a Mental Health Working Group in 2019 to assess and improve the way mental health is approached across all areas of the business. This group meets bi-monthly, chaired by the Chief Customer Officer, with working groups across Claims, Underwriting, People, AIA Vitality and Communications.



PRODUCT ENHANCEMENTS

The core product focus for 2019 was launching our new suite of products, AIA Living, as well as launching AIA Vitality in New Zealand.

Our AIA Living product range launched to market along with a number of enhancements.

- ✓ **Critical Conditions** cover was enhanced to include two new market leading features:
 - **Severe Illness or Injury Benefit:** This benefit recognises that not every medical condition is able to be captured in a trauma product. Rare or obscure medical conditions can have a significant impact on customers due to the treatment they need to undergo. This benefit provides peace of mind to those customers that suffer a severe illness or injury.
 - **Medical Advancements Provision:** Changes in medical technology moves fast, and techniques used to diagnose medical conditions can change quickly. To overcome this, we added a new Medical Advancements Provision, which means if any diagnostic techniques or investigations used in our wordings have been superseded, we will consider these advancements when assessing a claim.

- ✓ **Life Cover** was enhanced to include a Counselling Benefit which recognises the importance of supporting mental health when losing a loved one. Covers the costs of psychiatrist or psychologist consultation or counselling.

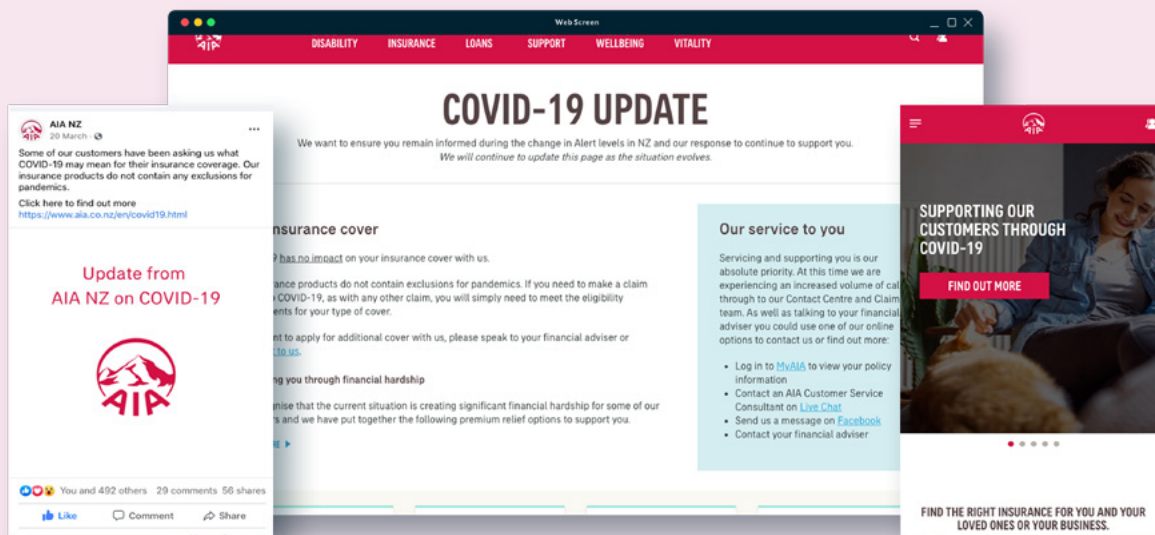
- ✓ **Disability Income Protection** introduced a:
 - **Rehabilitation and Support Benefit** where our Claims case managers will work with the customer to consider what rehabilitation or functional support could assist their return to work or improve their capacity to work.
 - **Child Care Benefit** for those customers who suffer total or partial disability and need support with additional childcare for younger dependent children while they recover and get back to full health.
 - **Private Health:** introduced a Mental Health Support Benefit that provides assistance for customers to help them deal with the emotional impacts following major surgery, or following cancer diagnosis/treatment, and enables them to work through personal challenges and changes that are impacting their lives with a fully trained Psychiatrist or Psychologist.



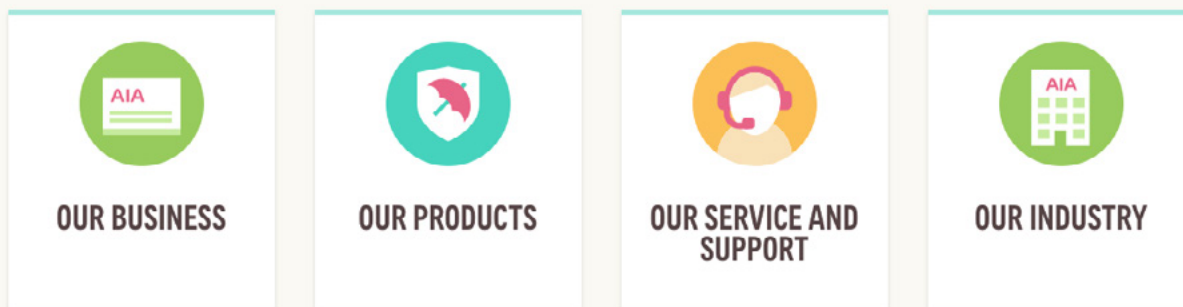
SUPPORTING OUR CUSTOMERS THROUGH COVID-19

In 2020, as the global pandemic emerged, many AIA NZ customers began to wonder what, if any, effect COVID-19 would have on their insurance cover. AIA NZ's insurance products do not contain any exclusions for pandemics and so communications were sent to all customers to assure them that this was the case, and that COVID-19 would have no impact on their insurance cover with us. A landing page was placed on AIA NZ's website allowing easy access to information and our social media channels featured information on help available for customers.

In response to the changing economic environment and to potential financial hardship cases, the team at AIA NZ developed a range of options for enhanced support for customers requiring extra assistance due to COVID-19. Temporary enhancements to insurance products allowing for premium suspensions and for greater access to support were put in place. Customers were notified of these enhancements and communications and guidance sent to advisers to help their customers with queries and with arranging access to support options.



Click the tiles below to see more information on how we supported through COVID-19



Sustainable Investment



AIA's commitment to sustainable investment supports the growth and development of capital markets and provides valuable capital for infrastructure, economic growth and thereby the development of the Asia-Pacific region. AIA is also taking steps to engage with companies in our investment portfolio on their sustainability awareness and performance, while encouraging action to build and enhance a more climate resilient future.

The consideration of Environmental, Social and Governance (ESG) matters are an integral part of AIA NZ's sustainable investment approach. We are aware of the impact that our investments have on people's lives and the importance of taking into consideration ESG factors in our investment decisions.

Research continues to show that companies with good ESG performance can deliver higher returns, demonstrate better risk management, and create sustainable value over the long-term. As an insurer, AIA NZ is committed to the needs of our customers over many years, and this requires investing in businesses that practice good governance in addition to understanding the impacts of social and environmental factors on their operations.

In line with the principles outlined above, in 2018, AIA Group took the significant initiative of excluding tobacco manufacturing from our investment portfolio, divesting US\$500 million in corporate equities and bonds. We also excluded cluster munitions from our investments. Cluster munitions are a controversial weapon that cause significant civilian casualties, with some of our markets signing treaties to ban their manufacture. AIA Group and AIA NZ does not invest in such businesses, and our investment exclusion list reflects this commitment. All our investment operations, including assets managed by our external managers, are required to abide by AIA's exclusion list.

As an asset owner, AIA NZ works with many investment managers who manage and invest money on our behalf. We consider the ESG practices of investment managers during selection, and continue to monitor the ESG practices of these external parties.

Corporate Social Responsibility and Community Wellness

SUPPORTING OUR COMMUNITIES DURING TIMES OF NEED

After the Christchurch Mosque shootings in March 2019, AIA NZ set up dedicated support services for customers affected to provide timely assistance in the processing of claims. Staff were on standby when customers, their family or loved ones affected by this tragedy reached out. The team expedited trauma claims for customers who were injured or traumatised by the shooting.

OUR CSR PROGRAMMES

AIA NZ was proud to launch partnerships with **The Heart Foundation** and the **Mental Health Foundation of New Zealand** in 2019. Our AIA Vitality members can choose to donate their weekly active benefits rewards to these partners, and we drive further engagement with our members and staff to raise awareness and additional funds.

AIA NZ celebrated AIA Group's Centennial in March 2019 by raising \$100,000 in peer to peer fundraising and donations for the Mental Health Foundation of New Zealand, which they were able to allocate to supporting victims and communities affected by the Christchurch Mosque shootings via the All Right? wellbeing campaign and resources.

AIA NZ values giving back to the communities we operate in, and the positive impact this has on our volunteers. Permanent employees receive one day of Community Leave each year, which can be used in two half days. In 2019, 226 employees volunteered their time across a range of causes including **Auckland City Mission, Look Good Feel Better Workshops** and **Special Olympics Athletics and Swimming** events.



CHIEF EXECUTIVE OF THE MENTAL HEALTH FOUNDATION, SHAUN ROBINSON SAYS:

“The Mental Health Foundation’s partnership with AIA was a natural fit due to our shared alignment in values. Both our organisations are in the business of wellbeing and creating the tools to live healthier lives. Thanks to the generous donation of \$100,000 by AIA, the MHF has helped All Right? with its wellbeing campaigns, and contributed toward new suicide prevention resources and our information service that enables and empowers New Zealanders to care for their mental health and support others going through tough times. We are grateful for our partnership, and people benefiting as a result will be grateful for this additional funding, too.”



TOTAL AMOUNT INVESTED IN
LOCAL COMMUNITIES:

\$173,000

TOTAL NUMBER OF HOURS VOLUNTEERED
IN CSR PROGRAMMES:



226 employees
VOLUNTEERED



766 hours



DOING BUSINESS IN THE RIGHT WAY

Strong corporate governance sets the foundation upon which we are able to grow our business, realise our Purpose, and make a positive difference in people's lives.

Our approach is based on the Group's Operating Philosophy of "Doing the Right Thing, in the Right Way, with the Right People... the Right Results will come." This approach applies across all our operations and is embedded within our governance practices and culture programmes.



AIA NZ adheres to AIA Group's Governance, Risk Management and Responsible Business Practices approach and policies which are detailed in the AIA Group ESG Report.

AIA NZ requires all staff to complete a number of mandatory learning modules to ensure compliance with law, regulation, health and safety and best practice.

Data Protection and Cybersecurity Preparedness

In providing our products and services, we ask our customers, employees and business partners to trust us with a range of sensitive information. To ensure we safeguard that information, AIA has in place a Group-wide Data Privacy Compliance Policy to ensure adequate safeguards for our customer and business data as well as compliance with data protection legislation. This Policy is communicated via classroom sessions and e-learning to all employees when they join AIA, and is regularly reinforced through refresher training and awareness activities focusing on topics such as proper data handling, breach reporting and phishing. All employees and agents

are required to safeguard customers' personal information and are prohibited from disclosing customer information to unauthorised parties. AIA is committed to protecting the interests of our customers, partners, employees and stakeholders, ensuring high standards of information security. AIA's Group Information Security Policy is aligned to industry leading standards to ensure that our systems, processes and information are secured.



OPERATING RESPONSIBLY



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

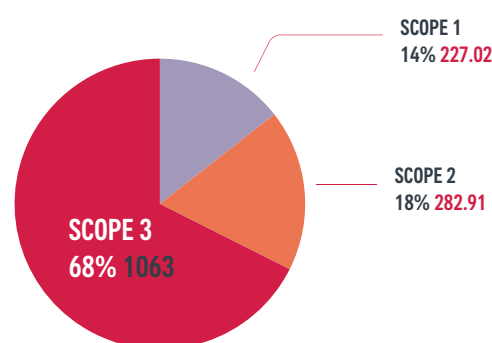
In 2019, AIA NZ joined the Sustainable Business Council of New Zealand to show our commitment to sustainability in New Zealand; addressing climate change, as well as New Zealand's top environmental and social issues.



Energy and Emissions

Total GHG Emissions per Scope (in tonnes of CO₂e) in 2019

	Scope 1 (fuel burnt by our corporate vehicle fleet and generators)	227.02
	Scope 2 (electricity use in our buildings)	282.91
	Scope 3 (commercial business travel by airplane)	1063



TOTAL GHG EMISSIONS

1,573



TOTAL GHG EMISSIONS
INTENSITY
PER
EMPLOYEE

1.67



AIA NZ had committed to a 25 per cent emission reduction target per person by 2030 with 2019 as a base year. COVID-19 restrictions on domestic and international travel, and staff working from home is likely to result in this target being achieved in 2020. AIA NZ will recalibrate targets and focus in 2021.

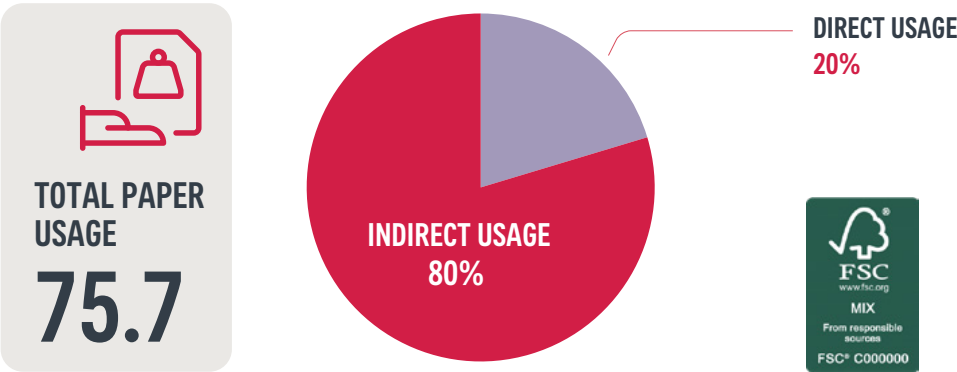
The largest contributor to our operational footprint is the electricity we use in our buildings, which contributes to our Scope 2 emission footprint of 283 tonnes. Other sources of emissions include those from our corporate vehicle fleet and business travel. Operating as an NZ business with a head office in Hong Kong, pre-COVID-19 business travel was deemed essential. AIA NZ utilises video conferencing technology, where feasible, to reduce the need for this travel.

Resource Usage

While insurance has traditionally been known for its forms and paperwork, AIA NZ is working hard to change this. We have prioritised addressing paper wastage and continue to explore ways to digitise more aspects of our operations and to reduce our reliance on paper.

Our main focus is on digitising more of our customer interactions, to create better service options and to reduce the amount of paper we consume.

PAPER USAGE (IN TONNES 2019)



Direct usage is paper consumed by printing in AIA offices, indirect usage is paper consumed via outsourced services. All copy paper (which is the bulk of volume) is FSC sourced.





CONTACT DETAILS

For any queries or follow up on the report,
please email nz.comms@aia.com

