



# Embedding a Sustainability-Focused Mindset at AIA

## Executive Summary

AIA recognises that the planet's health is inextricably linked to the wellbeing of the communities it serves. This case study demonstrates how the company incorporates climate action and net-zero commitments into all levels of its organisation and how the CFA Institute Sustainable Investing Certificate played a part in its climate transition plan.

## A desire to engage and contribute

For over 100 years, AIA's principal objective has been to enable its customers to live healthier, longer, and better lives. The company has a presence in 18 jurisdictions, so there is a desire to contribute to the development of those markets, including the promotion of climate resilience and the move to net-zero carbon emissions. AIA does this primarily through its actions as an asset owner, which means working closely with companies it either invests in or are being considered for inclusion in its portfolios.

Whether through owning bonds or equities, AIA can bring its influence to bear by engaging with businesses and encouraging them to take climate action. Simultaneously, the insurer's analysts and investment managers score these companies through a sustainability lens using AIA's proprietary ESG rating scorecard.

## Embracing science-based targets and the CFA Institute Sustainable Investing Certificate

Duncan Lee, Director of Investment Environmental, Social & Governance for AIA's Group Investment function, explains that climate action is synonymous with AIA's own targets. In November 2023, it was the first pan-Asia health and life insurer to have its near-term science-based targets validated by the Science Based Targets Initiative (SBTi). AIA has also signed up for the SBTi science-based target methodology. In November 2023, these targets were published in the company's Climate Transition Plan.

*AIA's commitment to sustainability and transparency remains steadfast. Ensuring that our investment professionals achieve the CFA Institute Sustainable Investing Certificate is a testament to our dedication to enriching their expertise and reinforcing our commitment to net-zero.*

Dr. Mark Konyn  
Group CIO  
AIA Group



**Duncan Lee**  
Director of Investment  
Environmental,  
Social & Governance, Group  
Investment, AIA Group

He remarks:

*Furthermore, AIA has shown a determination to upskill its team members by making it a requirement for research analysts and portfolio managers to gain the CFA Institute Sustainable Investing Certificate. So far, over 140 people have sat and passed the exam, whose registration costs are reimbursed by AIA, which is a tremendous achievement. What's more, we were the first company in the world to mandate attaining the certificate.*

### Building a robust and sustainable team

Over the past few years, AIA has strengthened its ESG-focused resources, with Corrine Png, Regional Head of Equities Research, given additional responsibilities as Head of Stewardship. She manages a separate team of stewardship analysts, who work together with the coverage analysts and, where appropriate, portfolio managers to gauge the level of engagement with investee companies.

She explains:

*We established an internal advisory body called the Investment ESG Management Working Group, which is chaired by the Group CIO and contains senior leaders, such as the heads of the various asset classes. The working group was instrumental in recommending the CFA Institute Sustainable Investing Certificate as a valuable qualification for team members.*

### The benefit of global recognition

In reaching its decision to introduce the certificate, Duncan Lee says that the working group looked at several options. CFA Institute was selected because it is recognised globally, particularly in Asia, for promoting ethics, education, and professional excellence. AIA also has a long and beneficial working relationship with CFA Institute.

### Voluntary knowledge sharing

In tandem with the certificate-related educational package provided by CFA Institute, AIA's teams have voluntarily created an intelligence-sharing community. Duncan Lee highlights a team member who on his own initiative has curated a series of tutorial videos on YouTube to help his colleagues navigate the course syllabus.

He continues:

*This is a healthy development as it bolsters team spirit. Equally encouraging is that some colleagues have also voluntarily sat and passed this exam. Very often, they can see the vital role ESG plays on the investment side and want to understand more.*

### A qualification for life

Having ESG concepts explained to its teams via a recognised external programme helps validate the company's drive towards net zero internally and among investee companies. The credibility of CFA Institute is also a key factor that carries a lot of weight.

Chi Zhang, Head of Sustainable Investment, points out that once a team member achieves this qualification, it's held for life regardless of their career path. Indeed, the company is receiving applications for permanent positions from people with the qualification already on their resumes.

He concludes:

*AIA's ESG messaging will increasingly strike a chord as more people gain the CFA Institute Sustainable Investing Certificate. Our research analysts are already quantitatively assessing the ESG risks of the companies we invest in and the passing of the certificate not only enhances our ability but also helps our portfolio managers in risk management.*

Earning the CFA Institute Sustainable Investing Certificate positions financial professionals to meet the growing desire for ESG investment. Immersing ESG considerations into the decision-making process helps support client demand and is vital when prioritising sustainability and social responsibility.



**Margaret Franklin**, CEO of CFA Institute, and **Dr. Mark Konyn**, Group CIO, AIA Group



**CFA Institute**