

## **Great Eastern's progress report to the UN Principles for Sustainable Insurance - 2018**

### Introduction

Great Eastern is a market leader and a well-established trusted brand in Singapore and Malaysia. Our mission is to make life great by providing financial security and promoting good health and meaningful relationships. Our vision is to be the leading financial service provider in Asia, recognised for our excellence. At Great Eastern, we see our role in the community as being more than just providing insurance solution. As a responsible insurer, Great Eastern is committed to building a sustainable future, guided by our core values as well as our philosophy of doing things right and doing things better.

In 2018, Great Eastern became a signatory to the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Sustainable Insurance (PSI). By being a signatory, we will be incorporating ESG principles into initiatives and business practices to promote sustainable insurance and responsible investment as we strive to strengthen our business resilience and better serve the community.

### **Principle 1 - We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.**

Actions:

#### Company strategy

- Establish a company strategy at the Board and executive management levels to identify, assess, manage and monitor ESG issues in business operations.

Our Board of directors strongly believes in incorporating ESG principles into the company's strategic formulation and decision making. Together with management, the Board ensures that Great Eastern delivers on our ESG commitment. A management committee chaired by the Group CEO is established to oversee Great Eastern's sustainability efforts.

In 2017, we published our inaugural Sustainability Report (embedded within the Annual Report) which covers our ESG performance. We assess our material ESG factors annually and this forms the basis of our sustainability approach.

At Great Eastern, we adopt a progressive approach towards ESG and over time, our disclosures on performance and targets will increase.

- Dialogue with company owners on the relevance of ESG issues to company strategy.

Stakeholder engagement is a key step in determining material issues as it gives us insight into our stakeholders' perspectives. We gain an understanding of their views and concerns through our regular interactions. They comprise our shareholders, customers, employees, regulators and financial representatives.

The engagement with our shareholders is an ongoing process. Annually, our shareholders vote on our Annual Report at our Annual General Meeting.

- Integrate ESG issues into recruitment, training and employee engagement programmes.

As a LIFE company, we inspire people to LIVE GREAT. We are constantly building an engaging environment that fosters effective synergies, creating a place for people to discover and develop their potential to the fullest.

Our Human Capital strategies continue to be focused on Career and Development, Employee Engagement and Health and Well-Being.

[GEH Annual Report 2018 – Sustainability Report – Right People \(page 67 to 69\)](#)

### Risk management and underwriting

- Establish processes to identify and assess ESG issues inherent in the portfolio and be aware of potential ESG-related consequences of the company's transactions.

Our Enterprise Risk Management (“ERM”) Framework sets forth the means by which the company evaluates and manages risks inherent in the business. Risks are managed holistically by evaluating their interactions across the Group (i.e. risks are not evaluated in isolation). The ERM Framework is designed to identify risks that do not currently exist or are not currently recognised, but might emerge due to changes to the environment. It follows a comprehensive, iterative, and forward-looking assessment approach, which allows us to make informed decisions in response to the risks and challenges we face while achieving our business objectives.

### Product and service development

- Develop products and services which reduce risk, have a positive impact on ESG issues and encourage better risk management.

We believe in making insurance inclusive and making insurance accessible to the larger community. Great Eastern supports government schemes and initiatives to provide basic insurance products at affordable premiums across the countries that we operate in. In Singapore, we are one of two insurers to support all government schemes to offer products to provide life, disability, health and long term care coverage.

- Develop or support literacy programmes on risk, insurance and ESG issues.

We strive to bring about positive changes for the communities in which we operate in, as such, one of our Corporate Social Responsibility focus is empowerment through education. In Indonesia, we support the government's push for financial literacy and regularly conduct corporate social responsibility campaigns in the form of workshops and seminars for target groups of the community covering topics such as financial health checks and financial planning.

[GEH Annual Report 2018 – Corporate Social Responsibility \(page 46\)](#)

### Claims management

- Respond to clients quickly, fairly, sensitively and transparently at all times and make sure claims processes are clearly explained and understood.
- Integrate ESG issues into repairs, replacements and other claims services.

Fair dealing is central to our corporate culture. By upholding best practices in fair dealing, we aim to deliver our products to customers in a transparent and responsible manner, helping us to develop long-term partnerships with our customers.

In line with our commitment to provide meaningful solutions and deliver a superior differentiated customer experience, our 2018 report highlights the initiatives we have

[GEH Annual Report 2018 – Sustainability Report – Customer Centricity \(page 61 to 64\)](#)

### Sales and marketing

- Educate sales and marketing staff on ESG issues relevant to products and services and integrate key messages responsibly into strategies and campaigns.
- Make sure product and service coverage, benefits and costs are relevant and clearly explained and understood.

Fair dealing is central to our corporate culture. By upholding best practices in fair dealing, we aim to deliver our products to customers in a transparent and responsible manner, helping us to develop long-term partnerships with our customers.

Our financial representatives are required to undergo training with the company upon on-boarding, which includes training on the company's products and expected conduct for representatives.

[GEH Annual Report 2018 – Sustainability Report – Customer Centricity \(page 61 to 64\)](#)

### Investment management

- Integrate ESG issues into investment decision-making and ownership practices.

We are committed to conducting our investment in a responsible manner and take into account financial and ESG factors in our investment decision making while at the same time managing risks and generating sustainable, long-term returns. We will apply a more integrated approach to ESG and work with our subsidiary who is also our key fund manager to incorporate ESG considerations into our investment process.

**Principle 2 - We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.**

Actions:

Clients and suppliers

- Dialogue with clients and suppliers on the benefits of managing ESG issues and the company's expectations and requirements on ESG issues.
- Provide clients and suppliers with information and tools that may help them manage ESG issues.

In Indonesia, to promote financial literacy, Great Eastern Life Indonesia regularly conducts workshops and seminars for targeted groups. In the next 1-2 years, we will continue to work together with our clients and business partners to raise awareness of ESG issues.

Insurers, reinsurers and intermediaries

- Promote the adoption of the Principles
- Support the inclusion of ESG issues in profession education and ethical standards in the insurance industry.

Great Eastern work with peers in the insurance sector to address industry issues and promote consumer literacy through our membership and participation in trade associations like the Life Insurance Association Singapore ("LIA") and General Insurance Association Singapore ("GIA")

**Principle 3 - We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.**

Actions:

Governments, regulators and other policymakers

- Support prudential policy, regulatory and legal frameworks that enable risk reduction, innovation and better management of ESG issues.
- Dialogue with governments and regulators to develop integrated risk management approaches and risk transfer solutions

Great Eastern regularly provide feedback on consultation papers proposed by regulators.

[GEH Annual Report 2018 – Letter to Shareholders – Changes to Regulatory Landscape \(page 13 to 14\)](#)

### Other key stakeholders

- Dialogue with intergovernmental and non-governmental organisations to support sustainable development by providing risk management and risk transfer expertise.
- Dialogue with business and industry associations to better understand and manage ESG issues across industries and geographies.

Great Eastern work with peers in the insurance sector through our membership and participation in trade associations like the Life Insurance Association Singapore (“LIA”) and General Insurance Association Singapore (“GIA”).

We are HCPartner, part of our support for Singapore’s Tripartite Alliance for Fair & Progressive Employment Practices’ (TAFEP) Human Capital Partnership (HCP) programme.

### **Principle 4 - We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.**

Actions:

- Assess, measure and monitor the company’s progress in managing ESG issues and proactively and regularly disclose this information publicly.
- Participate in relevant disclosure or reporting frameworks

Great Eastern has started monitoring and publicly reporting on our progress on our management of ESG issues annually since 2017. Our report is reported in accordance with recognised reporting framework and regulatory disclosure requirements.

[GEH Annual Report 2018 – Sustainability Report – About the Report \(page 53\)](#)