



**BUSINESS  
CONTINUITY**

**EMPLOYER  
OF CHOICE**

**COMMUNITIES**

**ENGAGEMENT**

**ENVIRONMENT**

**GOVERNANCE**

# **SUSTAINABILITY REPORT**

# ABOUT THIS REPORT

This is Great Eastern Holdings' (the Group) inaugural Sustainability Report. This report covers the Environmental, Social and Governance (ESG) performance of the Group from 1 January to 31 December 2017. We have not sought external assurance for this year's inaugural report. It has been prepared in accordance with the Global Reporting Initiatives (GRI) Standards: Core Option and is also aligned with the requirements of Singapore Exchange's Sustainability Reporting guidelines.

We have adopted a phased approach and over time, disclosures on performance and targets will increase. The focus for this report is on our Singapore insurance business. The scope for future reports will be progressively expanded to include all operations in the Group.

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# OUR APPROACH

As a responsible insurer, we are committed to building a sustainable future, guided by our core values of integrity, initiative, and involvement as well as our philosophy of doing things right and doing things better.

## GOVERNANCE & RISK MANAGEMENT

### Sustainability Governance

Our Enterprise Risk Management Framework (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. This process involves various stakeholders, including the Board of Directors and Management.

To ensure the proper management of sustainability issues and to update our Board of Directors in a timely manner we have implemented the following governance structure:

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#### Board of Directors

Has overall responsibility over our sustainability efforts and oversees the management and monitoring of material ESG factors

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#### Sustainability Steering Committee

To develop sustainability objectives and strategy, manage and monitor overall sustainability performance. Members include:

- 1) Group Chief Executive Officer (Chair)
- 2) Group Chief Risk Officer
- 3) Group Chief Financial Officer
- 4) Group Chief Investment Officer
- 5) Group Secretariat and General Counsel
- 6) Managing Director, Group Marketing
- 7) Managing Director, Strategy and Transformation
- 8) Managing Director, Human Capital

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#### Sustainability Working Group

To drive sustainability programmes across the Group. Departments involved include:

- 1) Group Risk Management
- 2) Group Finance
- 3) Group Investment Management
- 4) Group Secretariat
- 5) Group Marketing
- 6) Group Human Capital
- 7) Group Operations

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The Sustainability Steering Committee (SSC) comprises senior management members and makes recommendations on sustainability strategy and reporting for the Board's review and approval. Chaired by the Group CEO, the SSC determines and reviews material ESG issues, formulating sustainability strategies taking into consideration these material issues, setting the long term ESG targets and overseeing the management of the Group's sustainability performance.

The SSC is supported by the Sustainability Working Group (SWG). The SWG comprises senior managers from key functions within the company. The SWG drives the sustainability programme and provides updates to the SSC.

# STAKEHOLDER ENGAGEMENT

We regularly engage our key stakeholder groups or individuals who have an impact on or are affected by the company's activities. The table below provides a detailed summary of our approach towards stakeholder engagement.

Stakeholder	Issues and Concerns	Our Response	Engagement Method	Frequency
<b>Customers</b> 	<ul style="list-style-type: none"> <li>• Healthy lifestyle with sufficient insurance coverage</li> <li>• Wealth accumulation</li> <li>• Legacy planning</li> <li>• Comprehensive range of quality products to suit their needs</li> <li>• Fair dealing</li> <li>• Professional advice</li> <li>• Customer privacy</li> <li>• Seamless service</li> </ul>	<ul style="list-style-type: none"> <li>• Provide clear details for all products, their defining features, benefits and risks and include the respective terms and conditions in all our marketing collaterals</li> <li>• Provide comprehensive products and services to meet customers' financial and insurance needs at different life stages</li> <li>• Conduct regular product and skills training for our advisory force to equip them to provide sound advice</li> <li>• Introduced Robotic Process Automation (RPA) in 2017 which reduced turn-around time for hospital claims</li> <li>• Simplify processes leveraging our digital capabilities</li> </ul>	<ul style="list-style-type: none"> <li>• LIVE GREAT series of health and wellness events</li> <li>• Marketing campaigns</li> <li>• Conduct focus groups</li> <li>• Face-to-face portfolio reviews with respective advisors</li> </ul>	<ul style="list-style-type: none"> <li>• Regular LIVE GREAT talks and seminars</li> <li>• Annual LIVE GREAT events, including Great Eastern Women's Run (GEWR)</li> </ul>
<b>Regulators and Other Government Agencies</b> 	<ul style="list-style-type: none"> <li>• Risk Culture</li> <li>• Market Conduct Risk</li> <li>• Combating financial crime</li> <li>• Data governance and data loss</li> <li>• Cyber security</li> <li>• Financial stability</li> <li>• Fintech</li> </ul>	<ul style="list-style-type: none"> <li>• Robust risk management and compliance culture</li> <li>• Established a dedicated Regional Data Protection Governance Office</li> <li>• Established a Cyber Security Roadmap</li> <li>• Mandatory completion of extensive e-learning programmes by all employees</li> <li>• Independent, effective and prompt handling of customer complaints through compliance with the Group Complaint Handling Policy</li> <li>• Policies and procedures to ensure compliance with applicable laws, rules and regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Regular meetings and ad hoc consultations with regulators</li> <li>• Participate in market industry forums and seminars</li> <li>• Regulatory and Audit reports</li> <li>• Actively engage Ministry of Home Affairs (MHA) in the detection of terrorism-related persons</li> </ul>	<ul style="list-style-type: none"> <li>• Ad hoc or on a regular basis, depending on the nature of the engagement</li> </ul>

Stakeholder	Issues and Concerns	Our Response	Engagement Method	Frequency
<b>Community</b> 	<ul style="list-style-type: none"> <li>• Products which meet varying needs and budgets</li> <li>• A healthier community</li> <li>• A more inclusive society</li> <li>• Environmental sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Provide comprehensive products and services to meet customers' financial and insurance needs at different stages of life</li> <li>• Organise LIVE GREAT series of health and wellness events</li> <li>• ChildrenCare and GoldenCare CSR activities</li> <li>• Encourage volunteerism among employees and advisory force</li> </ul>	<ul style="list-style-type: none"> <li>• Collaborate with government agencies such as Central Provident Fund (CPF) and Ministry of Health (MOH) to bridge the protection gap through government schemes</li> <li>• Through series of LIVE GREAT health and wellness events</li> <li>• Organise CSR activities</li> </ul>	<ul style="list-style-type: none"> <li>• Regular or on an ad hoc basis, depending on the nature of the engagement</li> </ul>
<b>Employees</b> 	<ul style="list-style-type: none"> <li>• Career development</li> <li>• Fair employment practises</li> <li>• Work-life balance</li> <li>• Continuous learning</li> </ul>	<ul style="list-style-type: none"> <li>• Skills building and future proofing</li> <li>• Create a fair and inclusive workplace</li> <li>• Aim to be an Employer of Choice</li> <li>• Establish our LIFE Programme, which champions health and wellness</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly LIFE Programme activities</li> <li>• Group CEO town halls</li> <li>• Divisional town halls</li> <li>• “Making Life Great” workshops</li> <li>• Staffnet (internal portal)</li> <li>• EDM updates to employees</li> <li>• Employee Engagement Survey</li> </ul>	<ul style="list-style-type: none"> <li>• Twice yearly employee townhall meetings</li> <li>• Bi-Annual Group-wide Employee Engagement Survey</li> <li>• Annual “Making Life Great” workshops</li> <li>• Ongoing engagement at the division and department levels</li> </ul>

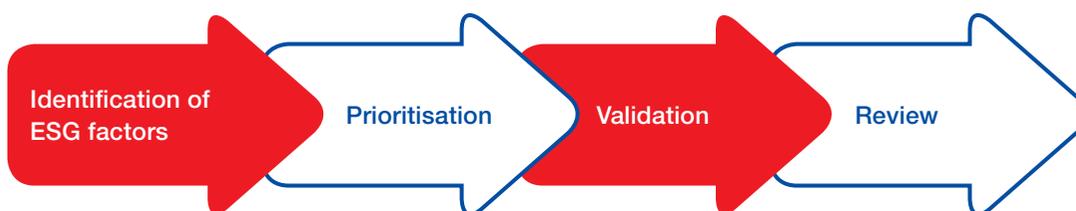
## STAKEHOLDER ENGAGEMENT

Stakeholder	Issues and Concerns	Our Response	Engagement Method	Frequency
<b>Agency Force, Bancassurance Partners, and Financial Advisers</b> 	<ul style="list-style-type: none"> <li>Updated product knowledge and skill to provide sound advice</li> <li>Faster turnaround time for claims</li> <li>Data governance and data privacy</li> <li>Management of market conduct risk and controls</li> </ul>	<ul style="list-style-type: none"> <li>Conduct regular product and skills training for our advisory force to equip them to provide sound advice</li> <li>Introduced Robotic Process Automation (RPA) in 2017 which reduced turn-around time for hospital claims</li> <li>Work closely with Distribution Division to improve market conduct risks through appropriate mitigating controls</li> <li>Established a dedicated Regional Data Protection Governance Office</li> <li>Regular review of improvement on touch points</li> <li>Timely updates on new products, company initiatives and changes to agency guidelines</li> <li>Annual e-learning exercises</li> </ul>	<ul style="list-style-type: none"> <li>Training sessions at our Centre for Excellence (CFE)</li> <li>Face-to-face meetings</li> <li>Leaders luncheons with Group CEO/ leaders town halls / leader cluster meetings</li> </ul>	<ul style="list-style-type: none"> <li>Regular training sessions</li> <li>Quarterly Leaders' Luncheons with Group CEO and Leaders' Townhalls facilitated by Group CEO and Group Management Committee (GMC)</li> <li>Quarterly leader cluster meetings</li> </ul>
<b>Shareholders</b> 	<ul style="list-style-type: none"> <li>Sustainable earnings growth</li> <li>Volatility in earnings</li> <li>Financial strength</li> <li>Strong corporate governance</li> <li>Disclosure of information</li> </ul>	<ul style="list-style-type: none"> <li>Disciplined growth strategy</li> <li>Consistent dividend policy</li> <li>Strict compliance with the Code of Corporate Governance</li> <li>Ensure sound capital management strategy and robust risk management practices</li> <li>Strong board oversight</li> <li>Transparent and timely disclosures</li> </ul>	<ul style="list-style-type: none"> <li>Financial results reports</li> <li>Annual Report</li> <li>Great Eastern website</li> <li>Announcements via SGXNet</li> <li>Meetings with shareholders</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly financial reports</li> <li>Annual report and Annual General Meeting</li> <li>Regular meetings with shareholders</li> </ul>

# MATERIALITY ASSESSMENT

In determining our material issues and throughout the process outlined below, we followed GRI's main principles for defining material issues, focusing on the sustainability context in the identification of issues, prioritising their materiality, subsequently ensuring their completeness in having them validated by the Board of Directors. Stakeholder inclusiveness was considered at all stages.

Through discussion in the SSC, we identified our material issues for reporting based on the significance of our ESG and economic impacts and the degree of influence these issues have on stakeholders' assessments and decisions. In identifying our material issues, we also benchmarked against global insurance companies' published ESG factors.



These material issues were discussed, deliberated and prioritised by the SSC and have been validated by the Board in July 2017. The validated material ESG factors were subsequently mapped to the GRI Standards.

Going forward, our material ESG issues will be reviewed annually to ensure completeness and continued relevance to our business strategies and stakeholders.

Material ESG Issue	Category	Impact	Involvement*
<b>Fair Dealing</b>	Social / Governance	Customers, Regulators and Employees	Direct
<b>Customer Experience</b>	Social	Customers	Direct and Indirect
<b>Financial Inclusion</b>	Social	Customers, Communities	Direct and Indirect
<b>Corporate Social Responsibility</b>	Social	Communities	Direct and Indirect
<b>Employment</b>	Social	Employees	Direct
<b>Strong Governance</b>	Governance	All Stakeholders	Direct
<b>Combating Financial Crimes, Cyber Security &amp; Customer Privacy</b>	Governance	Customers, Regulators	Direct and Indirect
<b>Economic Contributions</b>	Social / Governance	Customers, Communities, Shareholders and Employees	Direct and Indirect
<b>Responsible Investment</b>	Environment / Social / Governance	Customers, Communities and Shareholders	Direct and Indirect

\* Our indirect involvement indicates that the impacts occur outside of the company and we may therefore only have limited control.

# CUSTOMER-CENTRICITY

Integrity in all our dealings with our customers and the wider community is one of our core values and the cornerstone of our business.

## FAIR DEALING

By upholding best practices in Fair Dealing, we aim to deliver our products to customers in a transparent and responsible manner. Fair Dealing impacts our customers and the way the industry is perceived by the community. We aim to adhere to the highest standards in Fair Dealing.

We are committed to adhering to the MAS Guidelines on Fair Dealing. The company has adopted the 5 Fair Dealing Outcomes promulgated in the MAS Fair Dealing Guidelines which seek to ensure that:

- The company gives customers confidence that Fair Dealing is central to our corporate culture.
- The company offers products and services that are suitable for our target customer segments.
- The company has competent representatives who provide customers with quality advice and appropriate recommendations.
- The company provides clear, relevant and timely information to customers to make informed financial decisions.
- The company handles customer complaints in an independent, effective and prompt manner.

Our Group Market Conduct Risk Management Policy, augmented by operating manuals and procedures, sets out the expectations of good market conduct practices in delivering Fair Dealing outcomes to our customers.

Fair Dealing and Market Conduct Key Performance Indicators (KPIs) are assigned to members of the Group Management Committee (GMC) by the Group CEO. These members are managing divisions that have active roles in contributing to the achievement of Fair Dealing outcomes and managing Market Conduct risks. Fulfilment of these assigned KPIs is tied directly to the remuneration of the respective GMC members. The Fair Dealing monitoring programme includes:

- 1) Monitoring the achievement of Fair Dealing outcomes
- 2) Regulatory reporting of misconduct cases
- 3) Internal and external audit findings related to market conduct and fair dealing principles

Results from the monitoring of metrics and thresholds set for each Fair Dealing Outcome are reported to the Board of Directors and senior management on a quarterly basis.

In Singapore, remuneration for our representatives are subject to compliance with the Balanced Scorecard Framework, which also includes non-sales key performance indicators to

encourage representatives to uphold good sales practices, which serve to safeguard customers' interests.

All employees are required to complete our Fair Dealing e-learning module and 100% of our employees completed training in 2017. There were no significant cases of non-compliance pertaining to Fair Dealing in 2017.

We target zero non-compliance pertaining to Fair Dealing requirements.

## CUSTOMER EXPERIENCE

We are committed to provide meaningful solutions and deliver a superior differentiated customer experience.

With e-Connect, our customers have an integrated view of their insurance portfolio combining Group, General and Life insurance. In addition to enquiring on service and the status of their claims, customers can also perform selected services and transactions online 24/7 on demand and 'on the go'.

We are building up our digital capabilities to enhance customer experience. For details, please refer to the Annual Report.

Our customer service officers are trained to ensure that they maintain relevant skill sets to provide consistent service to our policyholders. In addition, we leverage our strong partnership with our agency force to better serve our policyholders.

We have a dedicated Customer Advocate Unit to ensure that issues and feedback from policyholders are addressed professionally, timely and in accordance with the principles of Fair Dealing. About 80% of complaints were resolved within the prescribed internal turnaround time. For the remaining 20%, which were more complex in nature, extra efforts were taken to engage affected policyholders to resolve the issues.

With our enhanced auto-underwriting system, underwriting turnaround time has improved which has enhanced customer experience and boosted overall productivity.

Another key focus is product innovation. We closely monitor industry trends locally and globally to gather market and product intelligence. Through internal brainstorming sessions and customer research such as focus groups, we obtain deeper insights to better understand customer needs and improve our product offerings.

In the Customer Satisfaction Index of Singapore Survey conducted by the Institute of Service Excellence (Singapore Management University), Great Eastern topped the life insurance category for 2015 and 2016.

# COMMUNITIES

The prosperity and well-being of the communities we operate in are closely connected with the company's sustainability as a business.

## FINANCIAL INCLUSION

At Great Eastern, we believe in making insurance inclusive and making insurance accessible to the larger community. In line with this commitment, we support government schemes to provide basic insurance products to the wider community at affordable premiums. We are one of only two insurers to support all government schemes:

### Dependants' Protection Scheme

An affordable term-life insurance scheme that provides basic coverage of up to \$46,000 in the event of death, Terminal Illness or Total Permanent Disability. We are one of two appointed insurers that administer this basic insurance scheme for the Central Provident Fund Board (CPF Board).

### Integrated Shield Plans – the additional private insurance component integrated with MediShield Life

MediShield Life provides lifetime coverage regardless of age or pre-existing health conditions. We are one of six appointed insurers that offer Integrated Shield Plans, providing comprehensive medical insurance coverage which is integrated with MediShield Life.

### ElderShield

This scheme provides basic financial protection coverage for those who need long-term care, especially in old age, by supplementing one's savings in the event of severe disability. CPF members with a Medisave Account (MA) will automatically be enrolled in ElderShield at the age of 40, unless they opt out of the scheme. We also offer additional coverage for those who wish to extend it with higher monthly income benefits and over a longer benefit pay-out period.

We support compareFIRST, a joint effort by the Consumers Association of Singapore (CASE), MAS, LIA, and MoneySENSE. This web aggregator allows customers to compare and find life insurance products most suited to their financial objectives. By making it easier for customers to compare product benefits and features all within the same website, customers are better positioned to make informed choices.

Recognising that some customers prefer a 'no-frills' approach and prefer to purchase insurance directly from us, we set up a dedicated Customer Service Counter at Great Eastern Centre for our Direct Purchase Insurance products.

We regularly review and evaluate the relevance and effectiveness of our product offerings. Through continuous monitoring, we are able to refine and enhance existing offerings as well as introduce new innovative products across all our business lines – Life, General and Group insurance.

We will continue to promote financial inclusion and continue to make insurance accessible to the wider community.

## CORPORATE SOCIAL RESPONSIBILITY

At Great Eastern, we strive to bring about positive changes for the communities in which we operate. Our Corporate Social Responsibility (CSR) focus is anchored on four pillars – Promoting Healthy Living and Wellness through Sports, Helping the Young and Elderly Needy, Empowerment through Education and Supporting the Environment.

Please refer to this Annual Report for details of our CSR initiatives for 2017.

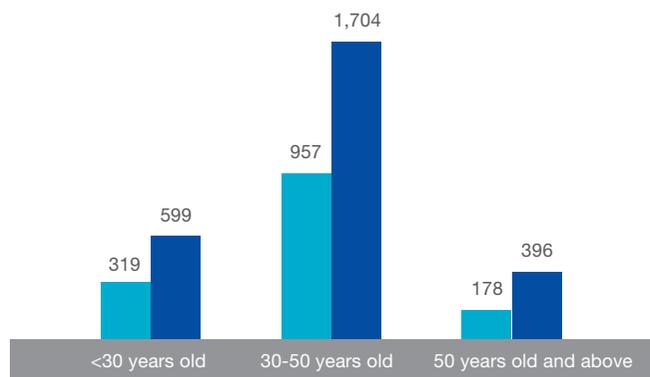
In conjunction with the company's 110th anniversary in 2018, we will be launching Great Eastern Cares to strengthen our focus on CSR across the Group.

Policies in force as at 31 December 2017	('000)
Dependants' Protection Scheme (DPS)	896
Integrated Shield Plans (SG and PR only)	442
ElderShield	504

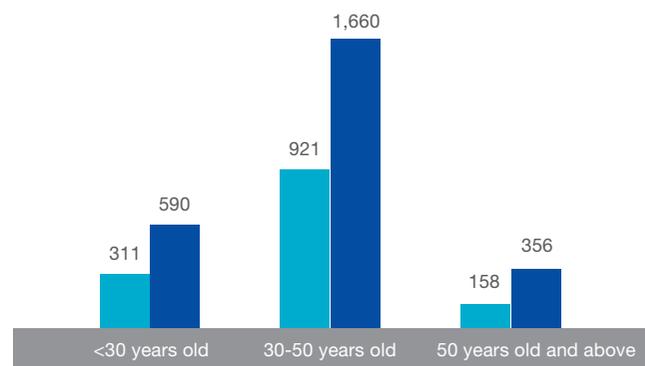
# EMPLOYER OF CHOICE

Great Eastern is committed to being an Employer of Choice and to nurturing an engaging and dynamic environment to bring forth the best in our people as we strive towards a high-performance culture.

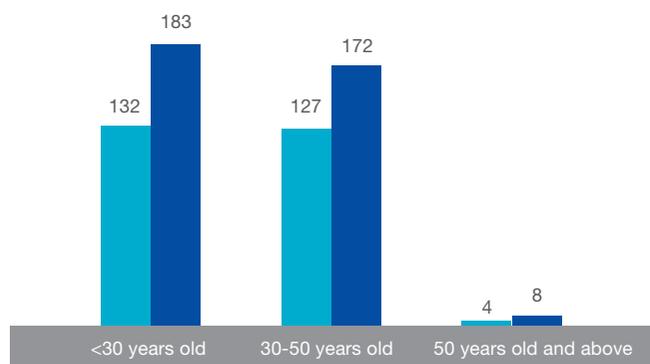
**Total Headcount (2017)**



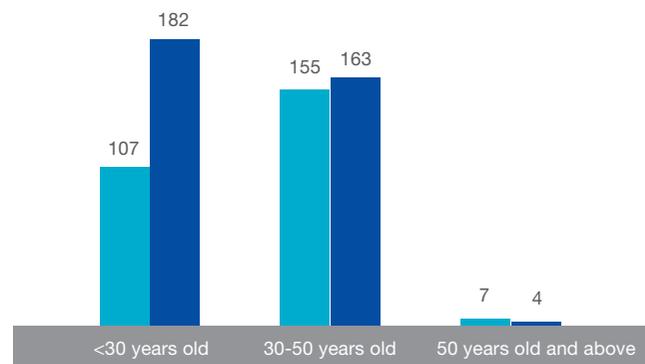
**Total Headcount (2016)**



**New Hires (2017)**



**New Hires (2016)**



■ Male ■ Female

We launched the Great Eastern Career Framework in 2016 across the Group. The framework provides greater transparency and visibility to all employees vis-à-vis their career paths and opportunities, while at the same time facilitating management of cross-functional and divisional employee rotation.

The framework offers more structured and targeted learning and customised development for every individual employee, empowering them to take ownership of their career development as they pursue their aspirations with the company, regardless of the starting point in their career with us - whether new to the workforce, mid-career, or in their silver years.

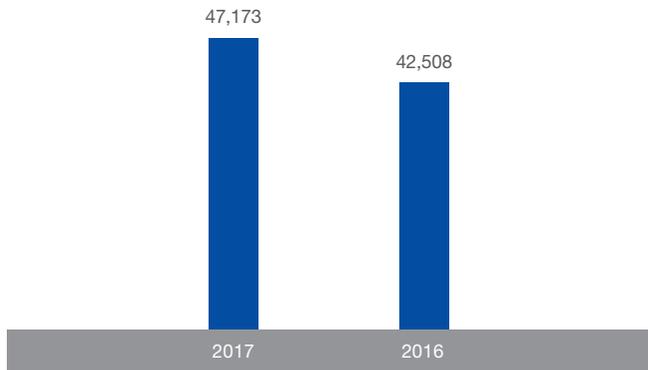
To supplement the framework, a Career Book will be launched in 2018 outlining in greater detail the roles, responsibilities and competency levels required for the different levels of their career in their respective divisions. This will help employees better manage their own career progression and professional development within the company.

All our employees received a performance and career development review in 2017.

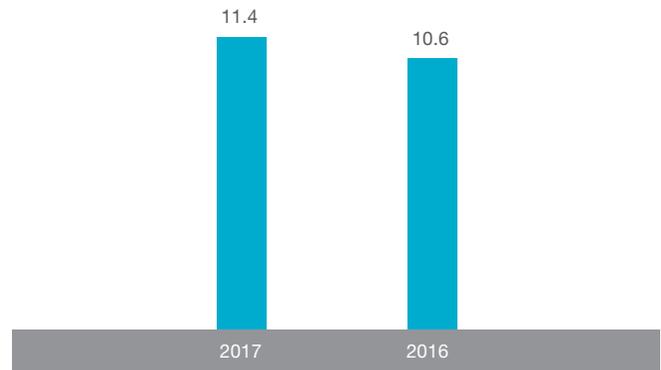
Employee engagement is a key focus for us. We conduct an employee engagement survey every two years. In 2016, the Group's engagement score increased to 74% compared with 69% in 2015<sup>1</sup>.

For divisions where engagement levels were below the company average, pulse surveys were conducted in 2017 to ensure that targeted interventions were implemented for these divisions throughout the year.

### Total Training Hours



### Average Training Hours



Employee satisfaction score for our training programmes improved to 72% in 2016 compared with 67% in 2015.

In 2018, we will be conducting our next employee engagement survey. We will be providing additional data on employee training in the next report.

Management is committed to review the survey findings, identifying and plug gaps and improving our Human Capital policies, programmes and initiatives as we strive to be an Employer of Choice.

<sup>1</sup> The survey schedule was changed from annual to once every two years in 2017.

# STRONG GOVERNANCE

Strong governance shapes our approach to sustainability and is an integral part of our business as well as our corporate culture.

## GOVERNANCE FRAMEWORK

Firmly guided by our core values of integrity, initiative and involvement, strong governance is critical to our long-term success. We are committed to the highest standards of corporate governance. We conduct our business with high ethical standards and comply with all applicable laws and regulations.

Our strong governance and risk management culture ensures achievement of our business objectives based on sound and responsible principles and, more importantly, sustainable growth in the long term.

Our governance and risk focused culture permeates all levels within the Group, from the Board of Directors, to management and frontliners. The Risk Management Committee provides oversight and approval of governance frameworks and policies on evaluation and management of risks. All business units and functional departments are required to perform regular self-assessments to identify and evaluate key risks inherent in their respective business operations as well as the adequacy of controls established to mitigate each of the respective identified risks. Through a bottom-up approach, key issues are regularly highlighted and discussed at Group Management and Risk Management Committee meetings.

All employees are required to complete e-learning programmes to ensure that they are kept aware of their roles and responsibilities in managing risks in their respective areas. These include Fraud Risk Management, Whistle-blowing, Insider Trading and Anti-Money Laundering / Countering the Financing of Terrorism (AML/CFT). All employees are to carry out their duties with the highest standard of ethical conduct as outlined in the Code of Conduct in the Group Human Capital Policy.

Group Risk Management submits regular updates and reports to the Board of Directors and management. This includes regulatory updates and regulatory breach reports. Group Audit maintains a log of all whistle-blowing cases received and reports the progress and status of whistle-blowing investigations to the Audit Committee. Fraud incidents are also reported to Risk Management Committee.

There were no significant regulatory breaches in 2017.

In 2018, we will continue to build on our strong risk and compliance culture within the Group. We will also continue to adopt a zero-tolerance stance to significant regulatory breaches.

## COMBATING FINANCIAL CRIMES

At Great Eastern, we are in the business of trust. We take proactive measures to guard against being used as a vehicle or as a source of any kind of unlawful transactions.

### AML/CFT, Fraud and Insider Trading

We actively manage risks pertaining to money laundering, terrorism financing, and sanctions (ML/TF/S). ML/TF/S risk may occur mainly in two stages in our relationships with customers, employees and representatives / business partners:

- 1. Onboarding**  
During the establishment of a business relationship when onboarding new customers, new employees and officers, or other representatives.
- 2. Ongoing relationships**  
Where customers carry out transactions with the company or when profile changes are made for existing customers, employees and officers, or other representatives.

The Group has established a Group AML/CFT Policy and Group Customer Due Diligence Standard to manage the ML/TF/S compliance risk for onboarding new customers. Diligent screening of customers, employees, and officers/representatives is carried out during onboarding and on a continuous basis thereafter. For ongoing monitoring, we have put in place all the required processes for reviewing and monitoring customers' transactions in a timely manner.

Underlining our AML/CFT efforts is a Group-wide AML/CFT screening and risk scoring system which provides timely automated screening for due diligence checks on our customers, representatives, and employees at the initial on-boarding and also on an ongoing basis. This system has been rolled out to all business units in Singapore and to all local compliance functions in the subsidiary companies to ensure the required implementation of compliance controls. The system enables name screening against watch-lists (such

as sanctions, terrorism-related person, financial crimes and adverse news) and categorises the respective person's risk profile based on a set of pre-determined risk factors for the filtering of high-risk persons for enhanced due diligence.

Our directors are kept abreast of the latest regulatory changes and developments on AML/CFT as well as emerging new risk types as part of New Director's Orientation and annual trainings.

Internal Audit adopts a 3-year audit review cycle on AML/CFT compliance to assess the effectiveness and adequacy of our controls. For any AML compliance breaches or incidents of non-compliance, business units are required to file a compliance event report with Group Risk Management.

We continue to invest in our AML/CFT system to further strengthen monitoring and surveillance efforts. We aim to ensure full regulatory compliance at all times.

All employees are made aware of our policies and standards and all relevant documents are posted in Staffnet, making them easily accessible to all employees of the company. Completing our framework for combating financial crimes is a large number of additional policies, covering:

- customer due diligence and ongoing monitoring
- money laundering, terrorist financing, and sanctions risk assessment
- fraud risk and market conduct risk management
- market conduct and compliance monitoring

We conduct our business in accordance with high ethical standards and in compliance with all relevant laws and regulations pertaining to financial transactions.

We adopt a zero tolerance stance towards fraud, including bribery and corruption. The Group Fraud Risk Management Policy lays the foundation and sets the company's tone from the top with minimum standards and principles in managing fraud risks within the Group.

We also have a Group Insider Trading Policy which sets the minimum standards with regard to the prevention of insider trading within the Group. These are promulgated

through compulsory e-learning courses for all employees on a regular basis to raise the level of awareness on the policies requirement.

The Board of Directors together with senior management provides strong governance, leadership and oversight to ensure that appropriate and relevant anti financial crime initiatives are carried out.

### Cyber Security

Cyber risk has increased over the years with developments of new forms of cyber-attacks through ransomware, malware and phishing emails. We have a well-defined cyber security roadmap to improve our capabilities in protecting the company's as well as our customers' data from unauthorised access.

To further enhance cyber security resiliency, we have established a Cyber Security Roadmap to define the strategic direction that will guide the identification of key initiatives required to continually improve the company's cyber security to defend against an evolving cyber threat landscape.

Our current cyber-defence capabilities include:

#### System Security Data Loss Prevention Proactive Monitoring

- Perimeter and Endpoint defences against malicious cyber attacks
- Internet service outage resiliency
- Secure identity and access management against unauthorised access and intrusion

#### Data Loss Prevention

- Secure encryption and disposal of data and information on IT assets
- Outbound content monitoring

#### Proactive Monitoring

- Real-time systems monitoring to prevent systems downtime
- Protection against website defacement
- Monitoring against cyber vandalism and reputational loss

## STRONG GOVERNANCE

Penetration tests are conducted to ascertain the company's cyber defences competencies by qualified industry cyber security experts. The test outcomes allow us to continually fortify our defences against evolving cyber threats. Cyber security incidents are tracked and reported to the Risk Management Committee regularly.

The Board of Directors is updated on developments pertaining to cyber security with professional trainings. All employees in the company are provided training to elevate awareness of their responsibilities with respect to information and IT protection and security through the Cyber Security Awareness programme. 100% of our employees completed our Cyber Security Awareness training in 2017. To further heighten awareness, advisories and information regarding current cyber threats are also disseminated regularly to all employees.

Our strong governance structure and established processes ensure that we always maintain compliance with changing requirements and revisions to technology risk regulations that affect our business, such as MAS' Technology Risk Management Guidelines (2013).

### Customer Privacy

Our customers entrust us to protect their personal information. We recognise our responsibility to protect our customers' privacy, in line with the strict regulations of the Personal Data Protection Act (PDPA).

We take this responsibility for confidentiality of our customers' data very seriously and it is one of our highest priorities to ensure that all details of our customers' policies are safe with us. The company is taking all necessary steps to protect our customers' data so that our customers will continue to have confidence in doing business with us.

Our Group Data Governance Policy clearly defines authority and control over the management of all data owned by or in control of the company and its subsidiaries and branches, in both electronic and non-electronic form.

Privacy & Security Policies are in place with a view to keeping the public informed on the purpose of our collection and acceptable use of their personal data. These Privacy & Securities Policies are made available online at <https://econnect-sg.greateasternlife.com/sg/en/pncpolicies.htm> and a reminder of this link is included on the envelopes of all mail sent out to Customers.

In addition to regular reminders on data governance/PDPA, we also send out circulars to inform our agency force of relevant regulatory updates concerning our industry. Annual e-learning exercises for our agency force cover different aspects of regulatory topics including Data Governance and PDPA.

Our initiatives to promote PDPA awareness include training to all employees and agents on data governance. In addition to training, regular circulars are issued to our agency force to remind them of their obligations when handling customers' data. Apart from our Group Data Governance Policy we also have a Data Entry Procedure which gives guidance on how to reflect customers' data in our systems so that there is consistency in data quality.

In 2017, we implemented the following:

- a Regional Data Protection and Governance Office (RDPGO) at Group level, with local office and appointed Data Protection Officers within each entity.
- a data masking project team which is reviewing the types of personal data included in customer communications and assessing the feasibility of masking data partially without impacting customer experience.

There were no significant cases concerning breaches of customer privacy.

We will continue to strengthen our internal controls and policies to prevent loss of data and to improve better customer experience by refining our processes and customer touch points.

# RESPONSIBILITY TO OUR STAKEHOLDERS

We generate direct and indirect economic value for our various stakeholders. Therefore we are committed towards creating a sustainable business model.

## ECONOMIC CONTRIBUTIONS

In the course of conducting our business sustainably, we generate direct and indirect economic value for our various stakeholders and society. These contributions come in the form of tangible financial and intangible non-financial values.

Our economic contributions arise from compensation to our employees, taxes to the authorities, dividends to our shareholders and payments to our suppliers. As part of commitment to supporting the long-term development of local businesses, we make every effort to procure from local suppliers.

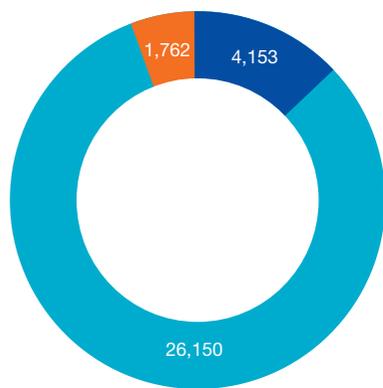
In 2017, our Group generated total income of S\$17,235.8 million, with profit attributable to shareholders of S\$1,156.5 million.

in Singapore Dollars (millions)		2017	2016
<b>Society</b>	Operating costs	6,958.3	6,304.0
	Tax contributions	402.1	264.1
<b>Employees</b>	Employee costs and related expenses	360.0	309.9
<b>Providers of Capital</b>	Interest expense paid on debt issued	18.3	18.3
	Dividends paid to shareholders	236.7	260.3

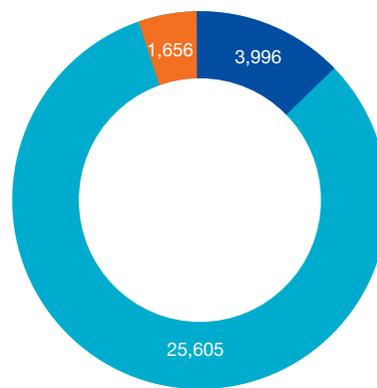
We are committed to creating sustainable economic value for our stakeholders and to continue the distribution of this value in a number of ways.

For further details, please refer to the sections Letter to Shareholders and Financial Statements in this Annual Report.

Total Jobs Offered in 2017



Total Jobs Offered in 2016



■ Employee ■ Agents ■ Financial Advisors

## RESPONSIBILITY TO OUR STAKEHOLDERS

### **Our Supply Chain**

We procure from local suppliers as part of our commitment towards supporting the long-term development of the local economy. We also support local businesses and help create jobs through the goods and services we buy.

Our supply chain includes asset managers, consultancy services, legal, real estate/facilities maintenance, external service providers in IT and other services. We will target to track the corresponding statistics in our 2018 report.

### **RESPONSIBLE INVESTMENT**

In 2017, the Group held S\$84.6 billion in assets on our own accounts and on behalf of our customers.

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 invest with external asset managers who support ESG principles in their investment process, including the incorporation of ESG issues into their ownership practices and policies, as well as their investment analysis and decision-making processes.

Many of the asset managers whom we invest with are United Nations Principles of Responsible Investment (UNPRI) signatories. As part of their commitment to ESG principles, they are required to report on their responsible investment activities annually and are scored in an Assessment Report. We evaluate our responsible investment activities by monitoring the Group's allocations to these asset managers and analyse the performance of these investments.

As at end 2017, the Group had more than S\$2.0 billion invested with these asset managers.

In 2018, we plan to allocate an additional of S\$1.5 billion to ESG mandates. These mandates will adopt a best-in-class approach to select companies with the highest ESG ratings within their sector and region peer group, and to consciously exclude companies with poor ESG ratings and those involved in ESG controversies. ESG rating considers a diverse range of issues including pollution and carbon footprints, labour practices, health and safety, product liability, corporate ethics etc. We will engage market leaders in indexing and ESG research for policy benchmarking and ESG ratings.

# ENVIRONMENT

As an insurance company and a good corporate citizen we have a moral obligation to safeguard the well-being of future generations.

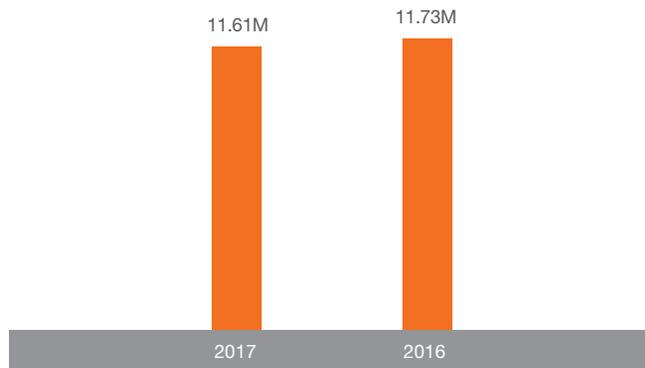
Insurance companies are at the forefront of climate change related issues, already dealing with very significant loss events as rising CO2 levels increasingly lead to extreme weather events, jeopardising the long-term viability of insurance policies for assets most likely to be affected. At this point, Singapore's proximity to the equator as well as the government's foresight in implementing mitigation measures are still shielding us from some of these impacts, which is the main reason that this issue is not yet deemed to be material by our stakeholders.

Other environmental issues such as water scarcity, waste, or harmful emissions are also likely to affect the communities we operate in over the longer term. We are actively monitoring these developments and are strengthening our stakeholder engagement as well as our internal risk management frameworks with regard to these topics to ensure that we are prepared when these issues become material for the company.

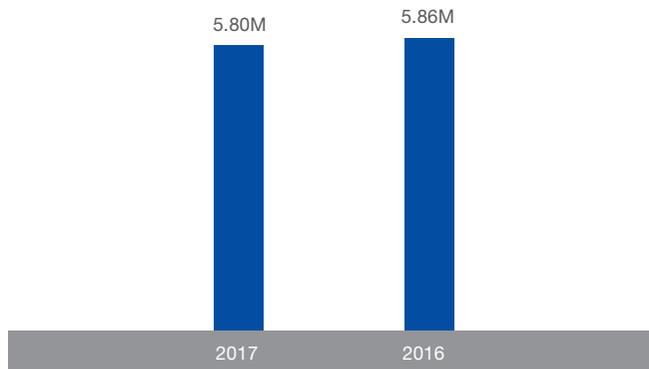
In line with this approach, we have started to implement the necessary mechanisms to monitor and control our environmental impact. Listed below are the first headline figures to emerge from this exercise. We are working to expand coverage of these measures to all parts of the group.

## ENERGY & EMISSIONS

### Electricity (kWh)

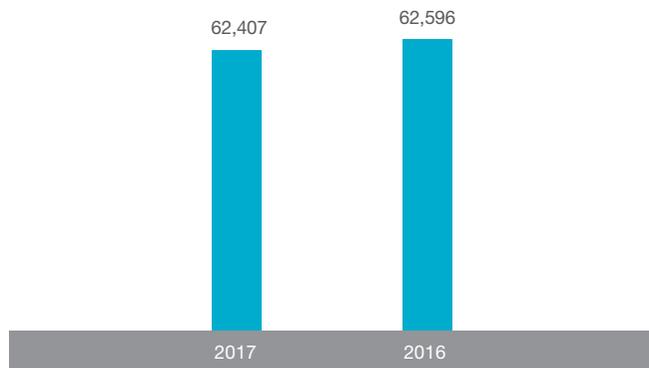


### Carbon Emissions (kgCO<sub>2</sub>)



## WATER

### Water Consumption (cu/m)



# PERFORMANCE INDICATORS

	2017	2016
<b>Employee</b>		
<b>Total Headcount</b>	<b>4,153</b>	<b>3,996</b>
Female (<30 years old)	599	590
Male (<30 years old)	319	311
Female (30-50 years old)	1,704	1,660
Male (30-50 years old)	957	921
Female (50 years old and above)	396	356
Male (50 years old and above)	178	158
<b>New hires</b>	<b>626</b>	<b>618</b>
Female (<30 years old)	183	182
Male (<30 years old)	132	107
Female (30-50 years old)	172	163
Male (30-50 years old)	127	155
Female (50 years old and above)	8	4
Male (50 years old and above)	4	7
Employee Attrition	12.8%	13.5%
Total training hours	47,173	42,508
Average training hours per employee	11.4	10.6
<b>Economic Value of Contributions (S\$ millions)</b>		
Total operating income	17,235.8	12,166.0
Profit attributable to shareholders	1,156.5	589.3
Dividend to shareholders	236.7	260.3
Employee cost and related expenses	360.0	309.9
Income tax to government	402.1	264.1
Operating expenses	6,958.3	6,304.0
<b>Indirect Economic Contributions</b>		
<b>Total jobs offered</b>	<b>32,065</b>	<b>31,257</b>
Employees	4,153	3,996
Agents	26,150	25,605
Financial Advisors	1,762	1,656
<b>Environment<sup>1</sup></b>		
Electricity used (kWh)	11,615,950	11,731,411
Carbon emissions (tCO <sub>2</sub> )	5,801,593	5,859,260
Water consumption	62,407	62,596
Waste		
Machines recycled	126	306
Paper recycled (kilograms)	62,567	74,144

1 Singapore operations only

# GRI STANDARDS CONTENT INDEX

Disclosure Number	Disclosure Title	Page Reference and Remarks
<b>Organisational Profile</b>		
102-1	Name of the organisation	Great Eastern Holdings Limited
102-2	Activities, brands, products, and services	Segmental Information section. Refer to pages 188 - 189
102-3	Location of headquarters	1 Pickering Street, Great Eastern Centre, Singapore 048659
102-4	Location of operations	Group Network section. Refer to pages 243 - 245
102-5	Ownership and legal form	Public limited company listed on the Singapore Exchange
102-6	Markets served	Segmental Information section. Refer to pages 188 - 189
102-7	Scale of the organisation	Segmental Information section. Refer to pages 188 - 189 Employer of Choice section. Refer to pages 56 - 57 Life Assurance Revenue Account section. Refer to page 115 General Insurance Revenue Account section. Refer to page 116 Balance Sheet section. Refer to page 108
102-8	Information on employees and other workers	Employer of Choice section. Refer to page 56  In Singapore, most of the Group's activities are undertaken by permanent, full-time employees. Part-time or temporary contractors could be periodically engaged, either directly with the Group or through 3rd party agencies, to assist in projects or an increase in departmental activities
102-9	Supply chain	Economic Contributions section. Refer to page 62
102-10	Significant changes to the organisation and its supply chain	Mr Thean Nam Yew was appointed to the Board on 5 January 2017. Mr Lee Fook Sun and Mrs Teoh Lian Ee were appointed to the Board on 1 August 2017. Mr Tan Yam Pin stepped down from the Board at the 2017 AGM held on 18 April 2017.
102-11	Precautionary Principle or approach	Great Eastern does not explicitly refer to the precautionary principle or approach in its risk management principles.  Sustainability Governance section. Refer to page 49 Strong Governance section. Refer to pages 58 - 60
102-12	External initiatives	Financial Inclusion section. Refer to page 55  We are an HCPartner, as part of our support for Singapore's Tripartite Alliance for Fair & Progressive Employment Practices' (TAFEP) Human Capital Partnership (HCP) Programme
102-13	Membership of associations	GEL: Life Insurance Association Singapore (LIA) GEG: General Insurance Association (GIA) GEFA: Association of Financial Advisers (Singapore) (AFAS)
<b>Strategy</b>		
102-14	Statement from senior decision-maker	Letter to Shareholders. Refer to pages 8 - 13
<b>Ethics and Integrity</b>		
102-16	Values, principles, standards, and norms of behavior	<a href="https://www.greateasternlife.com/sg/en/about-us/company-profile/our-vision-mission-and-values.html">https://www.greateasternlife.com/sg/en/about-us/company-profile/our-vision-mission-and-values.html</a>
<b>Governance</b>		
102-18	Governance structure	Sustainability Governance section. Refer to page 49

## GRI STANDARDS CONTENT INDEX

Disclosure Number	Disclosure Title	Page Reference and Remarks
<b>Stakeholder Engagement</b>		
102-40	List of stakeholder groups	Stakeholder Engagement section. Refer to pages 50 - 52
102-41	Collective bargaining agreements	In Singapore, the Singapore Insurance Employees' Union (SIEU) represents our applicable employees' cohort on collective bargaining.
102-42	Identifying and selecting stakeholders	Stakeholder Engagement section. Refer to pages 50 - 52
102-43	Approach to stakeholder engagement	Stakeholder Engagement section. Refer to pages 50 - 52
102-44	Key topics and concerns raised	Stakeholder Engagement section. Refer to pages 50 - 52
<b>Reporting Practice</b>		
102-45	Entities included in the consolidated financial statements	Group Network section. Refer to pages 243 - 245
102-46	Defining report content and topic Boundaries	Materiality Assessment Section. Refer to page 53
102-47	List of material topics	Materiality Assessment Section. Refer to page 53
102-48	Restatements of information	Not Applicable. This is our Inaugural Sustainability Report
102-49	Changes in reporting	Not Applicable. This is our Inaugural Sustainability Report
102-50	Reporting period	About This Report section. Refer to page 48
102-51	Date of most recent report	Not Applicable. This is our Inaugural Sustainability Report
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Corpcomms-sg@greateasternlife.com
102-54	Claims of reporting in accordance with the GRI Standards	About This Report section. Refer to page 48
102-55	GRI content index	GRI Standards Content Index, pages 65-68
102-56	External assurance	We have not sought external assurance for this reporting period
<b>Economic Contributions (GRI: Economic Performance)</b>		
103-1	Explanation of the material topic and its Boundary	Economic Contributions section. Refer to page 61
103-2	The management approach and its components	Economic Contributions section. Refer to page 61
103-3	Evaluation of the management approach	Economic Contributions section. Refer to page 61
201-1	Direct economic value generated and distributed	Economic Contributions section. Refer to page 61
203-2	Significant indirect economic impacts	Economic Contributions section. Refer to page 61
<b>Responsible Investment (GRI: Indirect Economic Impacts)</b>		
103-1	Explanation of the material topic and its Boundary	Responsible Investment section. Refer to page 62
103-2	The management approach and its components	Responsible Investment section. Refer to page 62
103-3	Evaluation of the management approach	Responsible Investment section. Refer to page 62
<b>Customer Experience</b>		
103-1	Explanation of the material topic and its Boundary	Customer Experience section. Refer to page 54
103-2	The management approach and its components	Customer Experience section. Refer to page 54
103-3	Evaluation of the management approach	Customer Experience section. Refer to page 54
NON GRI	Customer Satisfaction Index	Customer Experience section. Refer to page 54

Disclosure Number	Disclosure Title	Page Reference and Remarks
<b>Combating Financial Crime</b>		
103-1	Explanation of the material topic and its Boundary	Combating Financial Crimes section. Refer to pages 58 - 60
103-2	The management approach and its components	Combating Financial Crimes section. Refer to pages 58 - 60
103-3	Evaluation of the management approach	Combating Financial Crimes section. Refer to pages 58 - 60
205-2	Communication and training about anti-corruption policies and procedures	Combating Financial Crimes section. Refer to pages 58 - 60
NON GRI	Cyber Security	Combating Financial Crimes section. Refer to pages 58 - 60
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Combating Financial Crimes section. Refer to pages 58 - 60
<b>Employment</b>		
103-1	Explanation of the material topic and its Boundary	Employer of Choice section. Refer to pages 56 - 57
103-2	The management approach and its components	Employer of Choice section. Refer to pages 56 - 57
103-3	Evaluation of the management approach	Employer of Choice section. Refer to pages 56 - 57
401-1	New employee hires and employee turnover	Employer of Choice section. Refer to pages 56 - 57
404-3	Percentage of employees receiving regular performance and career development reviews	Employer of Choice section. Refer to pages 56 - 57
<b>Training and Education</b>		
103-1	Explanation of the material topic and its Boundary	Employer of Choice section. Refer to pages 56 - 57
103-2	The management approach and its components	Employer of Choice section. Refer to pages 56 - 57
103-3	Evaluation of the management approach	Employer of Choice section. Refer to pages 56 - 57
404-1	Average hours of training per year per employee	Employer of Choice section. Refer to pages 56 - 57
<b>Community Development (GRI: Local Communities)</b>		
103-1	Explanation of the material topic and its Boundary	Corporate Social Responsibility section. Refer to pages 40 - 43 and 55
103-2	The management approach and its components	Corporate Social Responsibility section. Refer to pages 40 - 43 and 55
103-3	Evaluation of the management approach	Corporate Social Responsibility section. Refer to pages 40 - 43 and 55
413-1	Operations with local community engagement, impact assessments, and development programmes	Corporate Social Responsibility section. Refer to pages 40 - 43 and 55

## GRI STANDARDS CONTENT INDEX

Disclosure Number	Disclosure Title	Page Reference and Remarks
<b>Financial Inclusion (GRI FSSD: Local Communities)</b>		
103-1	Explanation of the material topic and its Boundary	Financial Inclusion section. Refer to page 55
103-2	The management approach and its components	Financial Inclusion section. Refer to page 55
103-3	Evaluation of the management approach	Financial Inclusion section. Refer to page 55
FS14	Initiatives to improve access to financial services for disadvantaged people	Financial Inclusion section. Refer to page 55
<b>Fair Dealing (GRI: Marketing and Labeling)</b>		
103-1	Explanation of the material topic and its Boundary	Fair Dealing section. Refer to page 54
103-2	The management approach and its components	Fair Dealing section. Refer to page 54
103-3	Evaluation of the management approach	Fair Dealing section. Refer to page 54
NON GRI	Fair Dealing True Customer Centricity (Non-GRI material topic)	Fair Dealing section. Refer to page 54
<b>Strong Governance (GRI: Socioeconomic Compliance)</b>		
103-1	Explanation of the material topic and its Boundary	Strong Governance section. Refer to pages 58 - 60
103-2	The management approach and its components	Strong Governance section. Refer to pages 58 - 60
103-3	Evaluation of the management approach	Strong Governance section. Refer to pages 58 - 60
419-1	Non-compliance with laws and regulations in the social and economic area	Strong Governance section. Refer to pages 58 - 60
<b>Energy</b>		
302-1	Energy consumption within the organisation	Environment section. Refer to page 63
<b>Water</b>		
303-1	Water withdrawal by source	Environment section. Refer to page 63
<b>Emissions</b>		
305-1	Direct (Scope 1) GHG emissions	Environment section. Refer to page 63
305-2	Energy indirect (Scope 2) GHG emissions	Environment section. Refer to page 63