income

Because We Are Made For Purpose

Sustainability Report 2021

Our Purpose Statement

Empower better financial well-being for all.

Our Sustainability Vision

We empower better financial well-being by embedding environmental, social and governance (ESG) considerations in the way we act and operate through our products, services and people. By identifying risks and tapping into opportunities, we want to achieve operational resilience to address climate change and its impact on the environment and society, as well as influence others to contribute positively to a more inclusive, resilient and sustainable future together.

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Foreword by CEO

Throughout 2021, we continued to improve the way we work in the interest of all our stakeholders. To ensure that we walk the talk leveraging our business in insurance to make the world around us better, we hold ourselves accountable by appraising our corporate performance against not just how well we did financially, but also the extent of positive impact we brought to the community we serve.

Andrew Yeo
Chief Executive
NTUC Income

Made for Purpose

To be purpose-driven is fundamental to Income. We were established in 1970 to advance the cause of the Labour Movement and to plug a pressing social need in Singapore by providing a financial safety net via insurance for the working class at an affordable cost.

Today, we remain focused on keeping insurance accessible to people from all walks of life. By doing so, we help Singaporeans achieve better financial well-being by making insurance affordable and accessible, as well as supporting their savings and wealth accumulation goals so that they are empowered to get the most out of life.

This continues to be our unwavering purpose as we transition from an insurance co-operative to a company this year.

Throughout 2021, we continued to improve the way we work in the interest of all our stakeholders. To ensure that we walk the talk leveraging our business in insurance to make the world around us better, we hold ourselves accountable by appraising our corporate performance against not just how well we did financially, but also the extent of positive impact we brought to the community we serve.

We adopted a new Sustainability Strategy anchored on three core pillars – 'Action for Environment', 'Operate a Responsible Business' and 'Build Stronger Communities' – to frame our way of thinking and working more strategically and holistically in this regard.

This is a significant milestone for Income's sustainability agenda as it sharpens our consideration for environment, social and governance (ESG) factors as we align our material focus, business priorities and tangible actions to our purpose and to create long-term value for our stakeholders. Increasingly, this becomes more significant as we extend our footprint beyond Singapore.

To do this well, we are identifying risks and tapping into opportunities so that we take material actions to address our key sustainability topics and be operationally resilient. This is important as we must first be a thriving business before we can contribute effectively to the success of our people and society sustainably.

We must also be on this journey for the long haul to succeed and, thus, we have set long-term sustainability goals.

Most significantly, we made a commitment to achieve net-zero greenhouse gas (GHG) emissions by 2050.

Foreword by CEO

In support of this goal, we have pledged to cease underwriting of Property & Casualty business in coal sectors by 2040.

We have also committed to totally divest our exposure to coal-related sectors in our investment portfolio by 2030. Additionally, we are also managing our investment portfolio with ESG considerations to align better with our sustainability vision and to fulfil long-term obligations to our customers and stakeholders.

As an insurer, asset owner and investor, Income has a role to play in the transition to a low-carbon economy. Hence, we are careful about collecting robust data on our carbon footprint and influencing their reduction so that we can assert our influence meaningfully as we decarbonise our operation and transition to a low-carbon business.

We have also been deliberate in assessing suitable target-setting methodologies and are keen on practical GHG reduction strategies that are win-win for the company and society. On this front, we are prioritising a calibrated approach as we are mindful of future guidance and methodologies that will continue to emerge, evolve, mature and influence the insurance sector's approach to GHG reduction and sustainability.

However, where we already have a track record, we are set to build on our strengths and deepen our positive impact. More specifically, we pushed boundaries in three areas in 2021.

Firstly, we acted as an enabler in the national agenda to help Singaporeans prolong their good years, prepare for, protect and pursue quality and fulfilling lives in their later years via a public awareness campaign where we helped Singaporeans frame practical and sustainable actions in their pursuit to age well.

This emphasis came on the back of us overhauling our thinking as an insurer in relation to seniors. Insurers are typically skewed towards a younger demographic as traditional underwriting is designed to target the younger set as its primary customers. However, we recognise that such a mindset will prove increasingly less relevant given our ageing population and the fact that critical and chronic illnesses such as heart diseases, diabetes and cancer are growing in prevalence and threatening to widen existing protection and savings gaps. As such, we see great benefit in empowering seniors to be physically, mentally and financially ready for the years ahead.

Secondly, we took inspiration from today's digital-first lifestyle when developing products to address unmet needs. This is because we recognise that a spectrum of customers will unlikely be served by conventional insurance simply because the latter does not resonate with them.

With the rise of e-commerce platforms, more are expecting better control and customisation over what they purchase, as well as enhanced flexibility in terms of how and when they buy insurance. The pandemic situation and a more volatile economy have also made people more mindful about cash flow and future planning.

> **To further fuel insurance innovations at Income, we are purposefully investing in our human capital by building our capabilities in digitalisation, data, artificial intelligence and other technologies.**

By taking on such considerations in the product design of TRIBE last year, we lowered the barrier of entry to insurance for customers substantially. With TRIBE, customers purchase insurance plans in subscription packs that allow them to decide on the pack size that suits their budget and protection needs. Customers also have the flexibility to upsize and downsize their insurance packs on a self-serve platform and choose to pause or kickstart their subscriptions any time, with no penalty charges.

We are proud that such industry-first propositions have won not only industry recognition but also gained traction amongst customers and partners, including those overseas who find them meaningful in extending insurance access and closing more protection gaps in their markets.

To further fuel insurance innovations at Income, we are purposefully investing in our human capital by building our capabilities in digitalisation, data, artificial intelligence and other technologies.

To do this well, we are also fostering a learning, engaged and risk-aware culture and are set on effective governance and embedding digital responsibility in our way of working organisation-wide to augment our purpose.

Finally, we renewed our commitment to be more responsive to social needs by pledging S$100 million over 10 years to social causes that focus on education for children and youth-in-need, seniors and the environment. By doing so, we are building stronger communities and investing in our collective future.

Also, we believe that we can do more together. This is why, through our Sustainability Strategy, we are supporting seven United Nations Sustainable Development Goals that we believe we can contribute most meaningfully. They offer added purpose to what we already do at Income especially when we look to influence others to contribute positively to a more inclusive and sustainable future together.

We have encapsulated how we are delivering on our Sustainability Strategy and fulfilling our purpose in this inaugural report. I am proud of how our 2021 performance demonstrated a clear sense of purpose by showing how we had come together as one Income to be a more responsible and sustainable business. We look forward to delivering more positive impact as we embark on this journey to advance our sustainability agenda for the greater good of the societies we operate in.

About NTUC Income and this Report

NTUC Income Insurance Co-operative Ltd (Income) is one of Singapore's leading composite insurers serving about 1.7 million customers. Our ambition is to protect every life and every home by making insurance simple, accessible and personal for individuals from all walks of life.

Our innovative, data-driven and omni-channel approach puts us at the forefront of customer-centric solutions to meet rapidly evolving needs and to empower people with better financial well-being. Our financial strength is reflected in our strong credit ratings of AA- by Standard & Poor's in 2021. Held consistently since 2009, the rating underscores our strong competitive position and diversified business mix which underpins our commitment to our customers.

Despite the protracted pandemic and a challenging year, we emerged stronger to close 2021 with a set of credible results. For the year ended 31 December 2021, gross premiums grew 8% to S$4.6 billion and our total assets reached S$47.3 billion. More information about our financial performance can be found in our *2021 Annual Report (AR)* on our website.

Similar to how we have been accountable to our stakeholders for our financial performance via the AR, we are also maintaining a similar approach on transparent disclosure for our progress and performance on sustainability.

This report marks the inaugural Sustainability Report published by Income. It provides a summary of Income's sustainability measures and performance in 2021. It also details our Sustainability Strategy which outlines our focus areas, material actions and business priorities to deliver positive impact in Singapore pegged to our 2021 sustainability targets.

We also included in this report our climate-related disclosures that have been published in alignment with the recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD). The TCFD was established by the Financial Stability Board with the aim of providing decision-useful climate-related information for financial market participants, including those on financial implications of climate risks and opportunities. Our TCFD-related disclosures that highlight our climate-related governance, risk management, strategy, as well as metrics and targets, can be found in these report chapters – 'Our Sustainability Approach', 'Action for Environment' and 'Regulatory and Mandatory Disclosures'.

This report was prepared in accordance with the Global Reporting Standards (Core option) and with reference to the G4 Financial Services sector disclosures by the GRI Global Sustainability Standards Board.

This report reflects information and data for the calendar year 2021, unless otherwise stated. It should also be read in conjunction with our 2021 AR and other sustainability-related disclosures on our website.

Feedback

We invite all stakeholders to provide us with feedback on this report and our sustainability performance. Your feedback is crucial to help us improve our sustainability performance and disclosure practices. You may address your questions, comments or feedback to our Sustainability Team at *sustainability@income.com.sg*.

2021 Highlights

Action for Environment

Net-Zero Commitment
Pledged to achieve net-zero greenhouse gas emissions by 2050

Cease Property and Casualty Underwriting in Coal Sectors
Committed to cease underwriting of property and casualty business in coal sectors by 2040

Zero Coal Exposure in Investment
Committed to totally divest our investment portfolio from coal sectors by 2030

Sustainably Managed Assets
To have all our assets managed by external fund managers that are signatories to the UN Principles for Responsible Investment or with ESG considerations by 2030

Greening Our Offices
Over 70% of Income-owned buildings are Green Mark certified as of 2021 and where possible, we use materials that are Green Mark certified for retrofitting

Paperless Policyholder Communications by 2025
Saved 3.94 million sheets of paper by avoiding and reducing printed sheets

Operate a Responsible Business

Promote Financial Literacy
Heightened awareness on the importance of financial planning and retirement readiness via public education campaigns. 'So Steady' and 'Me First', targeting seniors and Singaporeans at large respectively

Increased Access to Insurance
Launched TRIBE, a new subscription-based insurance with on-demand adaptability

Top Quartile Employee Engagement
Reflected strong employee engagement levels as Income maintained top-quartile performance in McKinsey & Company's annual Organizational Health Index survey, which was benchmarked against the insurance industry

Build a Future Ready Workforce
Almost all staff completed two days of data-related training to help them succeed in a data-driven and digitally enabled environment

Foster a Risk-aware Culture
Hosted a Conduct & Culture Week to instill knowledge and raise awareness about personal data protection

Build Stronger Communities

S$4.23 million in Financial Support via COVID-19 Support Schemes
Supported over 50,000 individuals, families and businesses through difficult times, including the low-income and those most impacted by the pandemic

Pledged S$100 Million Over 10 Years in Support of Social Causes
Enhanced support for causes that champion the low-income, the elderly and the environment

Contributed 1% of Operating Profit to Champion Education for Youth-In-Need
Funds offered financial support to students who are eligible for the OrangeAid Future Development Programme and the Income Family Micro-Insurance Scheme so that they continue with their education despite their difficult financial circumstances

Extended Support to Low-income Workers
Donated S$1.2 million to NTUC U Care Fund and related causes

Because We Care

In 2021, we sharpened our sustainability strategy. This strategy guides our material actions, business priorities and goals to deliver long-term sustainable value to our employees, customers, shareholders and the wider community.

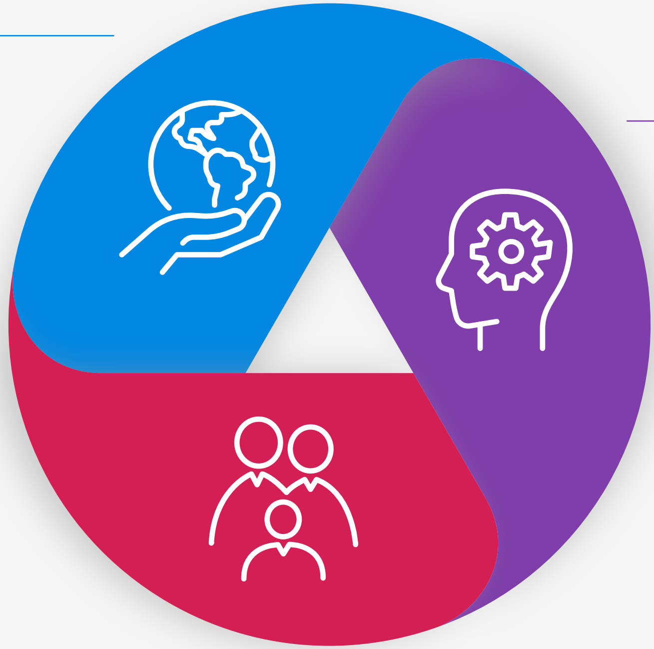
Our Sustainability Approach

Our Strategic Pillars and Material Actions

Our sustainability strategy is formulated around three strategic pillars, namely 'Action for Environment', 'Operate a Responsible Business' and 'Build Stronger Communities'. Each pillar comprises material actions that guide our business priorities and together, they outline how we plan to create sustainable value and operate in the best interest of the company and our stakeholders. Through implementing our sustainability strategy, we also support selected United Nations Sustainable Development Goals (SDGs).

Action for Environment

As an insurer, asset owner and investor, we have a role in influencing and acting against the impact that climate change has on the environment and society. We pledged to achieve net-zero greenhouse gas (GHG) emissions by 2050 so that our business in insurance and the way we operate, including channelling investments, are tied to sustainable outcomes.



Operate a Responsible Business

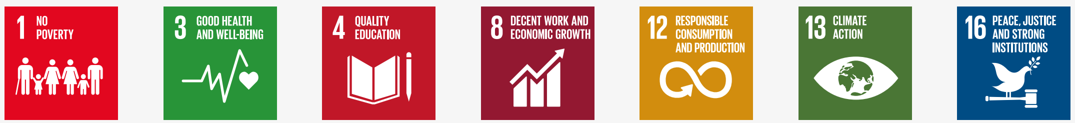
We consider the impact of our business operations on the environment and society so that we do the right thing for our employees and the people we serve. We do this by maintaining effective governance and a culture of ethical decision-making. We also continue to improve access to insurance by means of offering more inclusive products and financial literacy education to different segments of our society, including those who are underserved. Appreciating our employees as a key and valued asset of the company, we remain focused on developing, engaging and helping our employees grow professionally and personally through purposeful work and a supportive work environment.

Build Stronger Communities

As a corporate citizen and an employer, we seek to empower underserved communities and promote environmental causes. We drive positive impact in the areas of education for children and youth-in-need, seniors in Singapore and the environment by committing S$100 million over 10 years. We do this through Income OrangeAid (our community development programme) and Income Gives Back (our employee volunteering programme).

ESG considerations are folded into the business and they manifest in three strategic pillars that guide our material focus in creating sustainable value where we operate in support of selected Sustainability Development Goals (SDGs).

THE GLOBAL GOALS
For Sustainable Development



Strategic Sustainability Pillars

Strategic Pillars	Material Actions	Future Targets	
Action for Environment	**Transition to Low-carbon Business**	• Achieve net-zero GHG emissions by 2050 • Cease underwriting of coal-related Property & Casualty business in coal sectors by 2040	• Commit to paperless policyholder communication by 2025 • Act on emission reduction opportunities based on our GHG inventory assessment
	Decarbonise Investment Portfolio	• Zero exposure to coal-related sectors in investment portfolio by 2030	• Investment portfolios are managed with ESG considerations
	Innovate Sustainable Products	• Act on product development opportunities based on identified environment-related risks and opportunities	
Operate a Responsible Business	**Offer Inclusive Products**	• Ensure access to insurance for all, including seniors and the underserved	
	Promote Financial Literacy	• Educate and empower financial well-being for all	
	Foster a Learning and Engaged Culture	• Support employee development and empower a career 'Made Yours'	
	Effective Corporate Governance	• Foster a risk-aware culture and embed responsible business practices	
Build Stronger Communities	**Champion Social Mobility**	• Drive positive impact in the area of education for children and youth-in-need	
	Address Social Needs	• Commit S$100 million over 10 years from 2021 to champion education for children and youth-in-need, seniors in Singapore and environmental causes	• Encourage employee volunteerism
	Promote and Empower Sustainable Development	• Crowdsource innovations that promote sustainable insurance or related social innovations	

Engaging Our Stakeholders

Our sustainability strategy is grounded by insights from our stakeholder engagement and materiality assessment conducted in collaboration with a third-party consultant.

Engaging with different stakeholders allowed us to determine actions and priorities that are material in responding to sustainability topics that have been identified and to create value for our stakeholders.

To identify relevant sustainability topics, we considered existing and upcoming regulations, industry trends and focus areas by peer companies. These topics were then prioritised based on their importance to our stakeholders (i.e., employees, customers, business partners) and their significance to the business.

Most recent materiality assessment was carried out in 2019 and revised in 2021. The sustainability topics identified during the assessment were translated into material actions, which in turn set business priorities that informed our sustainability strategy. In light of the COVID-19 pandemic and other developments, we sharpened our sustainability strategy to include long-term environmental and social commitments in 2021. This decision was validated by the Executive Committee and approved by the Board.

The table outlines our key stakeholder groups and engagement channels that we use regularly to keep pace with stakeholders' concerns and feedback so that we continue to stay relevant.

To achieve our sustainability ambitions and contribute to wider positive change, it is important that we work in partnerships with others.

We are a non-corporate institutional member of the GCNS, a local chapter of the United Nations Global Compact.

Key Stakeholder Groups	Engagement Channels
Customers Our customers are at the heart of what we do. Feedback from them helps us understand their needs to improve our products and services.	• Customer service channels that receive customer feedback on an ongoing basis • Website and social media platforms that disseminate news and information • OrangeAid RoundUp as a channel for existing customers to donate to Income's community initiative
Employees Our people enable us to achieve our strategic objectives and generate value for the business. We seek to continuously engage our people for their perspectives and experience to drive improvements at the workplace and in our offerings.	• Annual staff survey – Organizational Health Index • Employee training and well-being initiatives • Skip-level meetings to receive employee feedback • Townhalls – CEO 'Live' • Employee volunteerism programme
Society We believe collaboration is key to create positive change. We work together with the government, non-profits and other organisations to help address social needs in our communities.	• Annual public survey – Social Impact Tracker • Various community programmes
Business Partners We continue to work with our external fund managers, business partners and suppliers to make responsible decisions and to advance our sustainability commitments.	• Formal discussions with external fund managers on their Principles for Responsible Investment (PRI) status and portfolio management
Government/Regulators We keep ourselves informed about regulatory trends, changes and issues. This helps us maintain our compliance with applicable regulations and improve corporate governance procedures.	• Formal discussions on Environmental Risk Management (EnRM) with representatives from the Monetary Authority of Singapore (MAS) • Compliance reporting on cybersecurity and data protection

We are also members of the Life Insurance Association and the General Insurance Association, both of which encourage collaboration across the industry and relevant regulatory bodies to promote consumer literacy in insurance products.

Contributing to the SDGs

The United Nations SDGs are a universal call to action to end poverty, protect the planet and ensure all people enjoy peace and prosperity by 2030. The global challenges underpinning each SDG require solutions that businesses can contribute to and thus the SDGs provide a means for Income to illustrate how our activities support global goals and targets.

We focus on SDGs where we can have the biggest impact through our business priorities and activities. The SDG targets we support are as follows.

No Poverty	Good Health and Well-being	Quality Education	Decent Work and Economic Growth	Responsible Consumption and Production	Climate Action	Peace, Justice and Strong Institutions
1.5 Build resilience of the poor and vulnerable and reduce vulnerability to economic, social and environmental shocks and disasters, including climate-related extreme events	**3.8** Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and safe, effective, quality and affordable essential medicines and vaccines	**4.4** Increase relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship **4.7** Ensure that all learners acquire the knowledge and skills needed to promote sustainable development	**8.2** Achieve higher levels of economic productivity through diversification, technological upgrading & innovation **8.10** Encourage and expand access to banking, insurance & financial services for all	**12.5** Reduce waste generation through prevention, reduction, recycling and reuse **12.6** Adopt and report on sustainable practices	**13.1** Strengthen resilience and adaptive capacity to climate-related hazards/natural disasters **13.3** Improve education, awareness, human and institutional capacity on climate change mitigation, adaption and impact reduction and early warning	**16.6** Effective, accountable and transparent institutions at all levels

Managing Our Sustainability Commitments and Actions

At Income, our Board of Directors integrates ESG considerations in the development of Income's business strategy and has ultimate oversight of its sustainability. The oversight of our sustainability commitments and actions are integrated into the responsibilities of existing Board-level committees and our Executive Committee.

Board of Directors

The Board of Directors endorses Income's sustainability vision and strategy, provides guidance on material sustainability matters, offers advice on their management and monitoring and ensures risks and opportunities are appropriately balanced.

In 2021, the Board of Directors completed one climate-related training and the Risk Management Committee completed an additional two climate-related training sessions to ensure that the directors understand global developments and regulatory expectations in environmental risk management.

The Board of Directors is supported by the Nominating and Human Resource & Remuneration Committee, Risk Management Committee and the Investment Committee on sustainability-related matters.

Nominating and Human Resource & Remuneration Committee (NHRRC)

The NHRRC oversees Income's sustainability vision and strategy, its sustainability topics, material actions that set the company's business priorities and annual performance targets on sustainability. It has oversight of Income's sustainability initiatives and implementation roadmap.

Risk Management Committee (RMC)

The RMC oversees the management of risks and opportunities, including environment-related ones and their impact on Income's strategy. In 2021, the RMC approved Income's Environmental Risk Management (EnRM) Framework, which comprises the EnRM policy, risk appetite and strategy statement. The EnRM Framework applies to the investment, underwriting and business operation units.

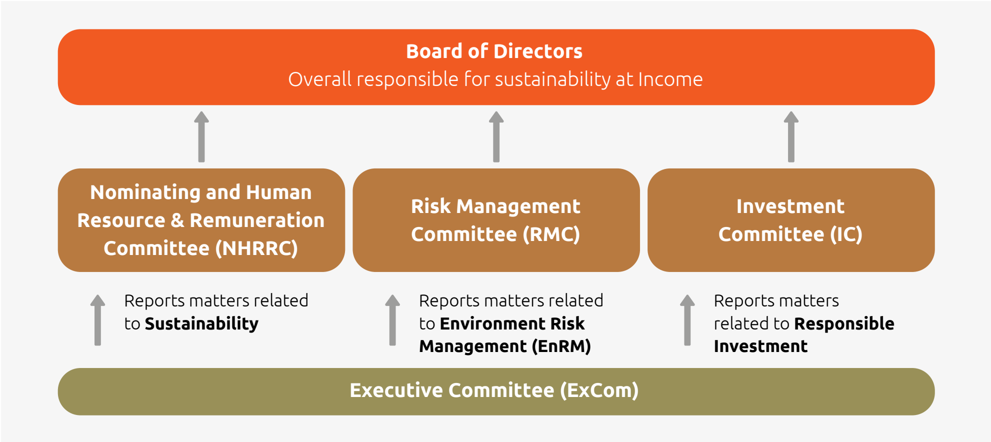
Investment Committee (IC)

The IC oversees Income's Responsible Investment Policy which is aligned with the company's overall sustainability vision and strategy. The IC has oversight on the incorporation of responsible investment practices in the company's investment portfolio.

Executive Committee (ExCom)

At management level, the ExCom is responsible for reviewing and endorsing Income's EnRM Framework including the EnRM Policy, risk appetite and strategy statement. It also monitors progress on climate-related initiatives. The Chief Risk Officer is responsible for the annual review of the EnRM Framework, analysing related issues in support of risk appetite setting and establishing the control framework so that environmental risks are managed within Income's risk appetite. In addition, the ExCom oversees various workstreams to ensure the effective implementation of the sustainability strategy and ensures that sustainability is embedded as a key component of business planning.

The ExCom met quarterly on environmental risk management and discussed progress on implementing Income's EnRM Framework in 2021. The ExCom reports to the RMC and provided four updates to the RMC on topics related to Income's environmental risk management. During the year, the ExCom also provided quarterly progress updates to the Board on Income's sustainability strategy. The ExCom received three training sessions in 2021 on topics such as TCFD recommendations, the impacts of climate change and climate-related risks and opportunities.



Progress Against Our Sustainability Strategy

Annually, we set sustainability targets that are aligned to our material actions and business priorities. Progress against these targets was tracked across different sustainability workstreams and reported to the ExCom and the Board of Directors quarterly. The full-year sustainability performance formed part of our annual corporate performance scorecard and this ensures that we do well and do good.

Action for Environment

Sustainability Topics	SDG Targets	Material Actions	Business Priorities	2021 Progress
• Climate change • Waste management • Responsible investment	12 Responsible Consumption and Production *12.5* *12.6* 13 Climate Action *13.1* *13.3*	Transition to low-carbon business	Implement Environmental Risk Management (EnRM) Guidelines	Introduced the EnRM Framework and processes for environmental risk assessment and management
			Drive environmental awareness organisation wide	Launched staff awareness campaign "Operation: Save Don't Waste Challenge" to promote a zero-waste lifestyle
			Embed paperless policyholder communication operationally	Saved 3.94 million sheets of paper by avoiding and reducing printed sheets
		Decarbonise investment portfolio	Investment portfolio managed with ESG considerations	98.4% of investment portfolio were managed with ESG considerations

Progress Against Our Sustainability Strategy

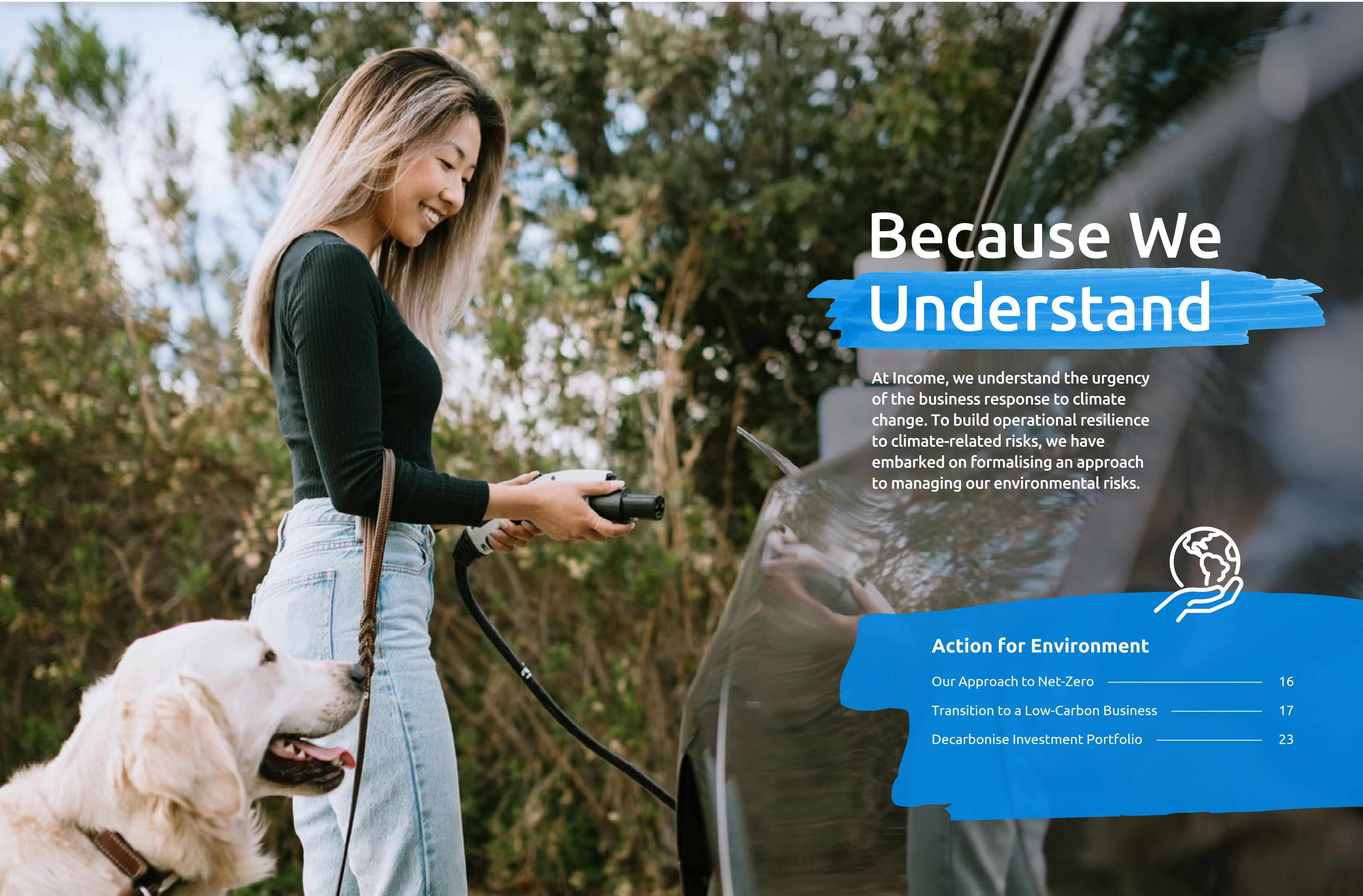
Operate a Responsible Business

Sustainability Topics	SDG Targets	Material Actions	Business Priorities	2021 Progress
• Ageing populations and lifestyle related diseases • Financial inclusion • Employee well-being	*3.8* *8.10*	Offer inclusive products	Extend seniors' access to life insurance products with full underwriting	Achieved 90% offer rate to seniors who applied for Life insurance plans
			Offer a Silver suite of insurance products	Achieved 6.7% growth in number of in-force policies (Silver suite of insurance products benchmarked to 2020)
			Highest association vs competitors for catering products to seniors and people with special needs based on annual Social Impact Tracker	Achieved highest association vs competitors
			Launch new insurance model to promote insurance access	Launched subscription insurance, TRIBE, on 28 July
	8.10	Promote financial literacy	Educate and empower financial well-being for all	Launched public education campaigns: • retirement planning campaign and webinar, 'So Steady' and • protection campaign, 'Me First'
	4.4 *8.2*	Foster a learning and engaged culture	Support employee development and empower a career 'Made Yours'	99.5% of staff completed at least 16 hours (2 days) of Data Curriculum training under the Future Ready Workforce programme
				Organizational Health Index (OHI) score maintained at 1st quartile
• Cybersecurity and data protection • Fair dealing • Ethical and effective governance	*16.6*	Effective corporate governance	Foster a risk-aware culture and embed responsible business practices	Completed annual review of corporate policies to ensure that we are compliant with relevant regulations
				Zero fines, penalties or breaches by regulators due to non-compliance relating to cybersecurity, data protection and fair dealing
				Hosted Conduct & Culture Week to foster a risk-aware culture at Income

Progress Against Our Sustainability Strategy

Build Stronger Communities

Sustainability Topics	SDG Targets	Material Actions	Business Priorities	2021 Progress
• Community development	4.4	Champion social mobility	Drive positive impact in the area of education for children and youth-in-need	Supported 399 eligible Institute of Technical Education and polytechnic students from low-income families via the OrangeAid Future Development Programme
				52,238 students at MOE Primary, Secondary, Specialised Schools, Pre-U and NTUC First Campus' My First Skool remained eligible for the Income Family Micro-Insurance Scheme (IFMIS), with COVID-19 benefits extended until 31 December 2021
	1.5	Address social needs	Commit S$100million over 10 years from 2021 to champion education for children and youth-in-need, the seniors in Singapore and environmental causes	Donated 1% of insurance operating profit to Income OrangeAid
				Donated S$1.2 million to Labour Movement (LM) in support of low-income workers
			Encourage employee volunteerism	Employees raised S$32,000 for Thye Hua Kwan Home for the Disabled



Because We Understand

At Income, we understand the urgency of the business response to climate change. To build operational resilience to climate-related risks, we have embarked on formalising an approach to managing our environmental risks.

Action for Environment

Our Approach to Net-Zero

We committed to achieving net-zero greenhouse gas (GHG) emissions by 2050. To drive the operationalisation of this target and contribute to SDG 13 Climate Action, we will continue to take the following actions.

1

Assess our exposure to climate-related risks and opportunities to inform our climate strategy and risk management decisions.

We assess the impacts of physical and transition risks on our business using a mix of tools and techniques such as scenario analysis and stress testing.

2

Transition to a low-carbon business by strengthening our management of environmental risks[1] and opportunities and working towards decarbonising our operational footprint.

In 2021, we established the EnRM Framework that applies to our investment, underwriting and business operation units. We measured our operational carbon footprint from 2019 to 2021 and will continue to develop strategies to reduce emissions from our operations.

3

Leverage our role as an asset owner and investor to decarbonise our investment portfolio and influence positive change in the companies we invest in.

In 2021, we formalised the Responsible Investment (RI) Policy that guides the way we consider environmental issues in our investment practices and continued to actively engage our external fund managers as part of our endeavour to reduce the carbon footprint of our invested assets.

[1] Environmental issues can result from climate change, loss of biodiversity, pollution and changes in land use. For Income, we recognise that these issues are interlinked but our efforts are currently focused on climate change as it is a more pressing topic. Thus, any reference to environmental risk considers climate change risk.

Transition to a Low-Carbon Business

In November 2021, Singapore joined the Powering Past Coal Alliance and announced its efforts to progressively phase out the use of unabated coal in its electricity mix by 2050. Coal is the most carbon-intensive fossil fuel and phasing it out is a key step to achieve emissions reductions needed to limit global warming to 1.5°C, according to the Paris Agreement.

Against this backdrop, we are committed to transition our investments and insurance business out of thermal coal mining and coal-fired power plants by 2035[2]. More specifically, we target to have zero exposure to coal sectors in our investment portfolio by 2030. We are also committed to fully phasing out our underwriting of property and casualty insurance for companies in coal sectors by 2040[3].

Our actions are informed by the climate risks and opportunities we have identified. The next section details our approach in conducting climate risk assessments and identifying opportunities.

Identifying and Assessing Climate Risks and Opportunities

Climate-related risks can translate into financial and non-financial risks which include physical and transition risks. The risks will be more apparent when shifts are abrupt and physical events are extreme. The identification, assessment and management of climate-related risks are outlined in our EnRM Policy. These risks are assessed qualitatively and quantitatively through analyses such as climate scenario analysis and stress testing. The identification and assessment of climate-related risks allows us to understand the potential impact of climate change on our insurance and investment operations.

As one of Singapore's leading insurers offering property, motor, life and health insurance, climate-related risks and opportunities will have a material impact on our business activities and strategy.

We may be exposed to higher claims and underwriting losses from more frequent and severe weather events. For example, acute and chronic physical risks, such as flash floods and sea level rise, may cause damage to insured properties in low-lying regions of Singapore. The increasing occurrence of flash floods exacerbated by increased precipitation in the short term may also lead to exposure to higher claims and underwriting losses. Global warming may also increase the transmission of vector-borne diseases and other health-related illnesses (e.g., heatstroke and respiratory illnesses) affecting both mortality and morbidity.

Transition risks such as the gradual phasing out of Internal Combustion Engine (ICE) vehicles and consumer demand for more sustainable vehicles present new opportunities for our motor business.

Income's latest usage-based motor insurance model for EV owners

In June 2021, Income extended usage-based motor insurance (UBI) to electric vehicle (EV) owners.

Through a partnership with automotive marketplace Carro, Income has been able to seamlessly integrate its AI-enabled dynamic pricing system with Carro's in-vehicle telematics technology. The UBI offering aligns to the lifestyles of EV drivers, such as weekend car drivers, those working from home and stay-at-home parents, who have lower mileage on the roads. As such, the UBI approach allows them to enjoy greater savings as they pay for motor insurance premiums according to their car mileage.

The proposition not only makes motor insurance more flexible, affordable and accessible for EV owners but also supports Income's ambition to insure all EVs in Singapore as part of its support of the Singapore Green Plan 2030 and to accelerate EV adoption in Singapore.

Peter Tay, Income's Chief Digital Officer (L) and Tan Kuan Yu, Carro's Head of Singapore (R) marked our collective push to accelerate EV adoption in Singapore with the launch of "Covered", Income's latest usage-based motor insurance.

[2] Regarding thermal coal mines and coal-fired power plants, Income is committed to transition out of these investments and insurance business by 2035 if the investee or insured has not demonstrated sufficient commitment to achieve carbon emission in line with the Paris Agreement by 2040. Income will also progressively review its position on other aspects of the coal industry.

[3] Income will not underwrite building and operation of coal-fired plants or coal mines, companies whose turnover are solely dependent on sales of coal and shipments of 100% coal.

Transition to a Low-Carbon Business

As an asset owner, we have a total asset of S$47.3 billion[4]. Income's investments are exposed to physical and transition risks. For example, the physical impacts from climate change climate change, which includes natural and man-made catastrophes, affect infrastructure and properties that we have a significant stake in. There are also transition risks associated with carbon price and government policies to manage climate change. Other impacts of climate change include reputational damage due to the inability to keep up with rising peer and corporate commitments.

To manage environmental risks in our day-to-day operations, we established a risk escalation process that applies to our underwriting and investment businesses.

Risk Escalation Process

The risk management process for Income's underwriting and investment businesses involves the identification of material environmental risks from climate-sensitive sectors. This is applicable to our material underwriting business activities namely property, motor, life and health[5] and investment.

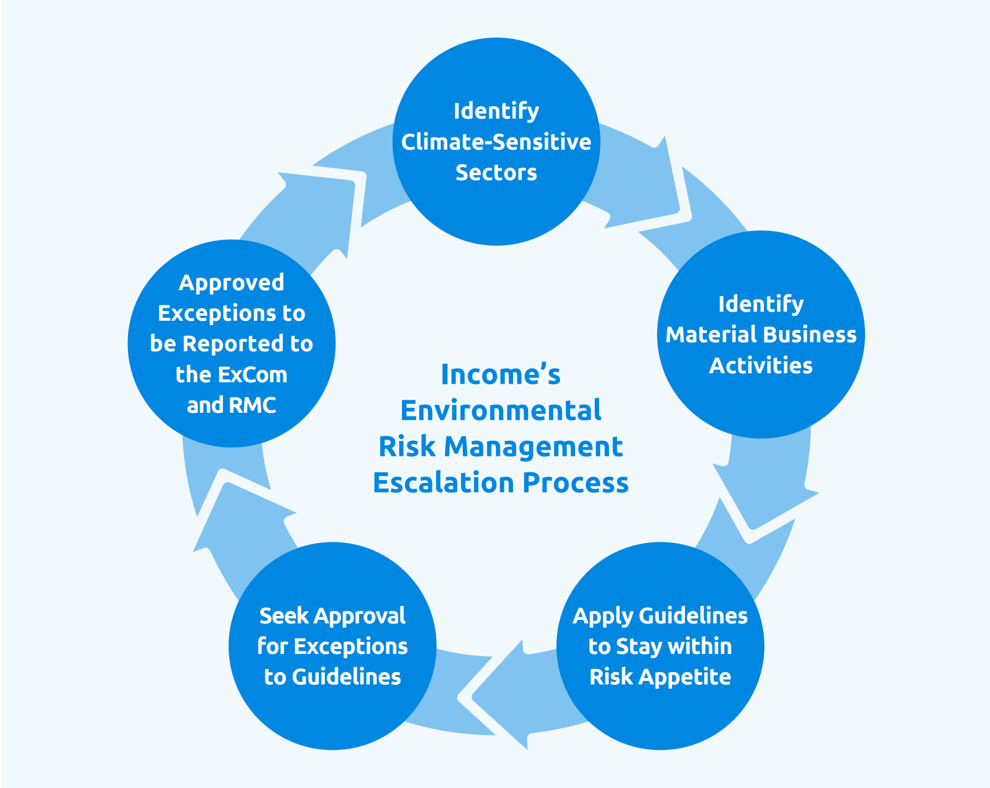
To identify sectors with high environmental risks[6], we developed an environmental risk heatmap, taking guidance from the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Sustainable Insurance. Sectors are classified based on the definitions provided by the Global Industry Classification Standard (GICS) Methodology and the Singapore Standard Industrial Classification. These classifications help Income understand our risk exposures.

The environmental risk heatmap is reviewed annually and includes the review of climate-sensitive sectors against Income's risk appetite and environmental risk management guidelines are applied to stay within the risk appetite.

Income's escalation process is consistent with Income's Environmental Risk Management Framework, as approved by the RMC. Approval must be sought for exceptions to the established environmental risk management guidelines, which will need to be subsequently reported to the ExCom and RMC. For insurance business activities, approval will be sought from the General Managers of Corporate Business and Consumer Business. For investment activities, approval will be sought from the Chief Investment Officer.

More information on environmental risk management escalation related to investment activities can be found in the section, 'Decarbonise Investment Portfolio'.

To understand the strategic impacts on our business from both physical and transition risks, we carried out scenario analysis by referring to well-established scenario frameworks developed by the Network for Greening the Financial System (NGFS)[7] for a qualitative analysis. This is supplemented by conducting stress tests with reference to the Bank of England (BoE)'s 2021 Climate Biennial Exploratory Scenario exercise, Representative Concentration Pathways (RCP)[8] by the Intergovernmental Panel on Climate Change (IPCC) by participating in MAS' industry-wide stress testing exercise to understand the impacts from physical and transition risks.



[4] *https://www.income.com.sg/annual-report/2021/index.html*
[5] The environmental risk arising from life and health portfolio is primarily managed through investments.
[6] Environmental physical and transition risks for material lines of business are rated by economic sector as follows: Red (High or Direct Risk), Amber (Elevated Risk), Yellow (Potential Risk) and White (Not Applicable). Environmental physical risks are also identified and assessed by location and supported by data available from national authorities such as the Singapore's National Water Agency (PUB).
[7] Network for Greening the Financial System (NGFS) climate scenarios provide a common starting point for understanding climate-related risks (both transition and physical) using several climate scenarios with different transition pathways and climate policy outcomes.
[8] RCP 4.5 describes an intermediate pathway which reflects late action to combat climate change, where emissions peak around 2040 before declining and RCP 8.5 is considered the worst-case pathway where emissions continue rising throughout the 21st century.

Transition to a Low-Carbon Business

Scenario Analysis

The key objective of scenario analysis is to form a baseline understanding of climate-related risks and opportunities. We acknowledge that the impact of climate change on our business may vary under different climate outcomes. We referred to three NGFS scenarios (detailed in the table below) to perform a qualitative analysis to identify and manage climate-related risks and opportunities under different climate scenarios, defined by varying temperature trajectories (whether it is a rise of 1.5°C, 2°C or above 3°C), time horizons[9] (short-term, medium-term and long-term) and transitioning pathways (orderly, disorderly, or business-as-usual).

More specifically, the scenarios were chosen to understand the resilience of our strategy and business in a situation where the global community successfully transitions to net-zero GHG emissions by 2050, or a situation of delayed transition and a hot house world with global warming of 3°C or more by 2100.

To supplement traditional risk management, scenario analysis tends to be long term because it seeks to answer 'what-if' questions and provides results based on several assumptions associated with a certain pathway. Scenario analysis also allows us to identify a range of plausible future states and understand how climate-related risks and opportunities will impact our business strategy and financial planning.

Focusing on long-term scenario planning helps us build resilience against future developments and surmise how different risks might unfold under varying climate conditions and economic and regulatory landscapes.

	NGFS Scenario Type		Scenario Referenced	
1	**Orderly**	Assumes climate policies will be introduced early and become progressively more stringent. Both physical and transition risks are relatively subdued.	**Net-Zero 2050**	Limits global warming to 1.5°C through stringent climate policies and innovation, reaching global net-zero GHG emissions around 2050. Physical risks are relatively low but transition risks are high. Some jurisdictions such as the US, EU and Japan reach net-zero for all GHGs.
2	**Disorderly**	Explores higher transition risk due to policies being delayed or divergent across countries and sectors. For example, carbon prices would have to increase abruptly after a period of delay.	**Delayed Transition**	It assumes annual emissions do not decrease until 2030. Strong policies are needed to limit warming to below 2°C. Emissions removal is limited.
3	**Hot House World**	Assumes that some climate policies are implemented in some jurisdictions, but global efforts are insufficient to halt significant global warming. The scenarios result in severe physical risks including irreversible impacts like sea level rise.	**Current Policies**	It assumes that only currently implemented policies are preserved, leading to high physical risks. Emissions grow until 2080 leading to about 3 °C of warming and severe physical risks. If no further measures are introduced, 3°C or more of warming could occur by 2100.

Table: NGFS scenario descriptions[10]

[9] Our time horizons for viewing and managing climate change risks are defined as short-term (up to three years), medium-term (three to ten years) and long-term (ten years and beyond).

[10] *Source: Network for Greening the Financial System*

Transition to a Low-Carbon Business

Accordingly, the table below highlights the identified key risks and opportunities to our material business lines under different climate scenarios and time horizons.

	Material Business	Risk Type	Time Horizon	Risks/Impact	Opportunities
1	Motor (Orderly)	Transition	Short term to 2040	Changes in government policies: • Cease new diesel cars and taxis by 2025 • Cleaner energy cars and taxis from 2030 • Cleaner energy for all vehicles by 2040	• Insurance for cleaner vehicles including electric vehicles • Insurance and partnerships with ancillary businesses
2	Investments (Disorderly)	Transition and physical	Medium to Long term	• Fall in assets value, risk of stranded assets and reputational damage as major financial institutions and businesses make commitments on coal and fossil and have started to transition	• Reduce carbon footprint • Green bonds/infrastructure
3	Property (Hot House)	Physical	Short; Medium and Long term	• Flash floods • Sea level rise	• Working with our customers and business partners to mitigate risk
4	Life and Health (Hot House)	Physical	Long term	• IPCC: global temperature could rise by 1.5°C by 2030 • Increased mortality and morbidity	• Mainly addressed via Investments to reduce emission • Insurances for heat and related diseases

Table: Key climate risks and opportunities

Stress Testing

In 2021, Income conducted our Own Risk and Solvency Assessment (ORSA) stress test exercise which considered both transition and physical risks from scenarios calibrated with reference to BoE's 2021 Climate Biennial Exploratory Scenario exercise and the IPCC. The ORSA stress test scenarios looked ahead to 2023 for impact from transition risks and 2030 for impact from physical risks.

Transition risk scenario

The transition risk scenario considered a delayed action in climate change-related policies such as dramatic policy shifts (e.g., steep increases in global carbon prices). In response, asset prices saw a sharp repricing which led to a macroeconomic shock in 2023. Furthermore, it considered incentives from governments to encourage fast adoption of electric vehicles. Although the climate target was still met and global average temperature increases were limited to below 2°C, the rapid transition resulted in a significant disruption to the economy. The transition risks in this scenario primarily impact our investment and motor insurance business.

We also participated in the 2021 MAS stress testing exercise which considered transition risk between 2021 and 2023 from a climate stress scenario that envisaged a disorderly transition where all jurisdictions shortly imposed a carbon tax. This translated to short-term decline in economic growth across all economies with certain jurisdictions and climate-relevant sectors subject to harder hit. For Income, the key risk highlighted in this stress test was transition risk impacting our investment portfolio.

Physical risk scenario

The physical risk scenario looked ahead to 2030 to assess the impact of chronic physical risk arising from sea level rise of 45mm by 2030 on our underwriting exposures. The parameter was calibrated with reference to the average of sea level rise estimated in RCP 4.5[11] and RCP 8.5[12] by the IPCC. As a form of simplification, the impact of sea level rise was applied on our 2020 financial position. The impact assessed in this scenario, however, has not factored in the potential impact of future government efforts to counter rising sea levels.

Physical risk will have the most impact on certain property and engineering businesses as exposures in low-lying regions of Singapore will be at risk of damage from coastal flooding.

We will continue to monitor our exposures in low-lying areas that are vulnerable to physical risk and make suitable adjustments to underwriting considerations where appropriate. On this front, we note that data quality and model availability remain a challenge and will continue to perform more accurate analysis on the impacts of climate change whenever possible.

[11] An intermediate pathway which reflects late action to combat climate change, where emissions peak around 2040 before declining. Sea level is expected to rise 40mm by 2030.
[12] Considered the worst-case pathway where emissions continue rising throughout the 21st century. Sea level is expected to rise 50mm by 2030.

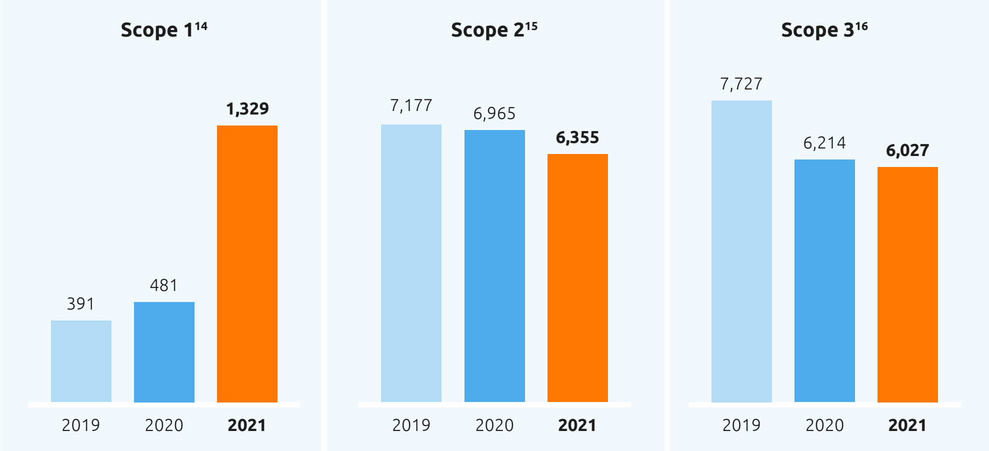
Transition to a Low-Carbon Business

Decarbonise Operational Footprint

To transition to a low-carbon business, Income must decarbonise our operational footprint. We use a variety of metrics to assess climate-related risks and opportunities and track our progress towards net-zero emissions by 2050. This includes monitoring the carbon footprint of our business operations and investment portfolio. With this report, we have disclosed our carbon footprint for the first time and we acknowledge that this is a key step in demonstrating our commitment to combat climate change.

The table below shows Income's Scope 1, Scope 2 and selected Scope 3 Greenhouse Gas (GHG) emissions[13] from our business operations and it is prepared using the internationally recognised GHG accounting standard – the Greenhouse Gas Protocol. Measuring our operational carbon footprint is an important first step in helping us identify business activities that are more carbon intensive and develop strategies to reduce our operational carbon footprint.

Greenhouse Gas (GHG) Emissions (tonnes CO_2e)



Scope 2 emissions from purchased electricity is the largest contributor to Income's carbon footprint in our business operations in 2021. Scope 2 emissions recorded yearly decline between 2019 and 2021 due to a combination of factors including ongoing energy-saving measures and the effects of COVID-19 such as hybrid work models.

The sharp increase in Scope 1 emissions between 2020 and 2021 was primarily due to additional refrigerant top-ups that took place in 2021, which contributed to fugitive emissions.

A significant global and industry-wide challenge relates to accounting for indirect Scope 3 emissions particularly in the financial sector. We will continue to review the operational boundary of our Scope 3 emissions from business operations in subsequent reports when feasible and where material.

In this inaugural report, we have chosen to focus our Scope 3 disclosure efforts on estimating emissions arising from paper use, waste generated in our operations, energy consumption from data centre and Income's downstream leased assets because these are emissions sources which we have the most significant ability to collect robust data and influence reduction.

We acknowledge that this is a first step as the area is still developing for Income as well as for the wider market. Our Scope 3 reporting may materially change in future periods as further guidance and methodologies continue to emerge and mature.

To track our progress towards net-zero emissions by 2050, we are currently developing interim GHG reduction targets by considering suitable target-setting methodologies and practical GHG reduction strategies. These considerations are rigorous and time is required to understand their impact on our business and sustainability agenda as we are careful about setting meaningful targets. We strive to disclose our Scope 1 and 2 targets in our 2023 report that will be published in 2024.

[13] GHG emissions were calculated based on GHG Protocol. Emission factors were taken from Singapore's Energy Market Authority and Defra (UK Government GHG Conversion Factors for Company Reporting). Income used the operational control approach to set the organisational boundary. It is limited to NTUC Income Insurance Co-operative Limited.

[14] Scope 1 comprised emissions from fuel combustion (stationary and mobile) including Income's vehicle fleet, fuel for generators and fugitive emissions from refrigerants. The number of air conditioner refrigerant refills contributed to the differences in year-on-year results: 2019 (three refills at three locations), 2020 (three refills at three locations) and 2021 (eight refills at six locations).

[15] Scope 2 was reported using the location-based method and comprises emissions from purchased electricity (Income's office building, offices, branches, motor service centre and common areas of commercial buildings). Income is reviewing the approach to report under the market-based method in future periods.

[16] Scope 3 comprised emissions from paper use, waste generated in operations (only Income Centre at Bras Basah), energy consumption from data centre and downstream leased assets from Income's investment properties in Singapore. It assumed that waste levels in 2019 was similar to 2020.

Transition to a Low-Carbon Business

In the meantime, we prioritise exploring and implementing initiatives which are operationally feasible to lower our carbon footprint in our business operations. We have introduced energy-saving and waste reduction or avoidance measures in our buildings and will maintain such efforts, as well as explore new ones such as switching to more sustainable refrigerants for our cooling equipment and attaining Green Mark certification for suitable buildings. Currently, five out of seven buildings that we own are Green Mark certified[17] and we are working towards achieving our sixth Green Mark certification by the end of 2022.

Monitoring Carbon Exposure from Underwriting

As an insurer, it is important for us to manage carbon risk in our underwriting portfolio and understand the climate impact of our underwriting decisions. However, we acknowledge that this is an industry-wide challenge as available data and standardised methodology are lacking. In this regard, we will continue to closely monitor developments in measuring emissions of underwriting portfolio from TCFD, Partnership for Carbon Accounting Financials (PCAF) and the Net-Zero Insurance Alliance (NZIA).

Push for a Zero-Waste Lifestyle

CEO Andrew Yeo called on employees to join 'Operation: Save, Don't Waste' alongside campaign mascot, Captain Gaia (L). Employees participated in the eco-gift exchange activity (R).

A zero-waste lifestyle conserves resources and minimises pollution. As individuals, we can all do our part. Thus, we mooted and rolled out **'Operation: Save, Don't Waste'**, an organisation-wide campaign to galvanise our employees to adopt greener practices and a zero-waste lifestyle.

The campaign was launched in late September 2021 and engaged employees throughout the last quarter of the year via a myriad of campaign activities. These included an eco-challenge that tasked employees to complete different green actions such as using reusable shopping bags, recycling old electronic items or having a meatless meal to earn "star points". Income pledged to plant a tree with every 10 "star points" achieved in support of NParks' OneMillionTrees movement. A total of 135 trees will be planted in 2022.

Additionally, a range of curated content such as instructional videos and Lunch & Learn eco-workshops were organised to support employees on their eco quests. For example, employees learnt to make environmentally friendly surface cleaners and laundry detergents as well as cooked with ugly produce in DIY sessions.

The finale of the campaign was an eco-gifting activity that encouraged employees to show appreciation to their fellow colleagues with eco-friendly gifts as part of the year-end festivities.

[17] The Green Mark certified buildings are Income Centre, Income @ Raffles, Tampines Junction, Eastpoint Mall and Income @ Prinsep. Ubi 55 and Tampines Point did not achieve Green Mark certification in 2021.

Decarbonise Investment Portfolio

Income believes that long-term returns are dependent on sustainable growth, well-functioning market and good corporate governance. In view of a long-term planning horizon, climate-related factors have the potential to significantly impact profitability and shareholder value and consequently affect our policyholders.

Managing Climate Risks and Opportunities in Investments

Guided by the framework in our Responsible Investment (RI) Policy, we consider environmental considerations to be increasingly important elements of sound investment practices and we strive to reduce the total carbon footprint of our invested assets over the years. As such, we have developed internal processes to identify and assess environmental risk exposures in our investment portfolio. At the same time, we look to build a resilient investment portfolio by mitigating the impact of environmental risks on our long-term returns.

However, environmental risks differ across asset classes, are often complicated and require a holistic thought process to ensure robust risk management. Hence, we will take a tailored and progressive approach to manage and mitigate the risks in our investment portfolio over a long-term horizon. In doing so, we will carefully consider, measure and monitor environmental risks using appropriate methods and processes that are aligned throughout the entire organisation.

Environmental risk management is implemented through our external fund managers (EFMs), a majority of whom are signatories to the UN Principles for Responsible Investment (PRI) and supporters of TCFD. Many of our EFMs are also members of large global investor-led climate initiatives such as Climate Action 100+ and the Net-Zero Asset Managers initiative.

We seek to influence the assets in which we invest through active engagement with our EFMs to communicate our responsible investment beliefs and expectations. At the same time, we have developed in-house tools to monitor and assess our investment portfolio's exposure to carbon-intensive sectors as part of our due diligence process.

This is done through a heatmap of our portfolio's Weighted Average Carbon Intensity (WACI) where we identify industry sectors and investee companies with the highest carbon intensities for materiality assessments. More importantly, this allows us to evaluate the implications on the risk-adjusted investment performance of such holdings in the respective EFM mandates and portfolios.

Given the prevailing limitations on the availability and disclosure of carbon emissions data, our approach focuses on our public equities and corporate bonds holdings. As we build up our climate-related capacity and capabilities, we will continue to consider improvements in assessing our overall carbon footprint beyond public equities and corporate bonds, subject to improvements in disclosure and access to meaningful data.

Decarbonise Investment Portfolio

Managing Climate Risks and Opportunities through External Fund Managers

Our approach to invest responsibly is guided by our Responsible Investment policy and incorporated in our EFM due diligence, selection, appointment and monitoring processes. As the majority of our EFMs are PRI signatories and TCFD supporters, most of our assets are already managed with ESG considerations that are embedded in the EFMs' investment processes. Where PRI may not be as relevant for a particular asset class (e.g., private assets such as physical real estate, private credit), we require EFMs to incorporate ESG considerations in the investment management and decision-making processes for our portfolios, where applicable. In addition, EFMs are also expected to exercise active stewardship over investee companies in portfolios under their management and actively support companies in their transition towards long-term sustainability as opposed to simply divesting or excluding them from their investment universe.

As part of our regular EFM engagement and monitoring, which are conducted through due diligence meetings, as well as knowledge sharing and learning sessions, we require our EFMs to report regularly on the ESG and environmental risk characteristics of our portfolios (including the portfolio's WACI). This enables us to develop a good understanding of ESG-related issues, analyse pertinent risk issues and delve deeper into the way ESG risks are managed in our portfolios.

Active engagement with our EFMs also allows us to gain insights into the way in which they engage with investee companies. Our preference is to stay invested in companies that are committed to improve their ESG and environmental practices and influence positive changes in behaviours of those that lag behind. We believe this will help to promote sustainable practices throughout the entire supply chain which will in turn lead to a more meaningful contribution to the broader agenda for climate change. This approach is aligned with our EFMs and embedded in their investment processes.

We are firm in our commitment towards responsible investment and will endeavour to have all our assets managed by PRI EFMs with ESG considerations by 2030[18]. At the same time, through EFM engagement and influence, we will endeavour to reduce the carbon footprint (Scope 1 + 2 emissions) of our invested assets over the years to help maintain a resilient investment portfolio.

Monitoring Portfolio Carbon Exposure

Taking recommendations from the TCFD, we use the WACI to measure the exposure of our portfolio to carbon-intensive sectors and investee companies. The WACI does not depend on market capitalisation and hence, can be applied across different asset classes and sectors. This enables us to identify priority areas for in-depth materiality assessments,

determine areas of action to reduce portfolio emissions and informs our strategic planning.

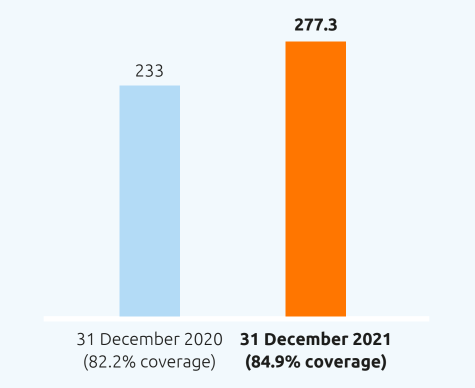
Using data from MSCI ESG Research which has 84.9% (reported + estimated) coverage of our public-listed equities and corporate bonds holdings as at 31 December 2021, our investment portfolio WACI (Scope 1 + 2) stood at 277.3 tCO2e/US$ million sales. Comparatively, the investment portfolio WACI was 233.0 tCO2e/US$ million sales as at 31 December 2020 (82.2% reported + estimated coverage).

A key reason for the higher overall investment portfolio WACI in 2021 as compared to 2020 was the slight increase in the portfolio allocation to the utilities sector. This was in part due to some of our EFMs raising the portfolios' exposure to this traditionally more defensive and anti-cyclical sector, amid the higher market volatility in 2021, in a bid to stabilise investment performance. While the increase was marginal and less than 1% of our total portfolio exposures, the high carbon intensity of this sector and, in turn, its contribution to the overall portfolio WACI was significant.

[18] For alternative asset classes where PRI may not be as relevant (e.g. real estate, private credit), Income requires our EFMs to have ESG as one of the considerations in their investment processes and, where applicable, ascribe to PRI equivalent standards for the asset class.

Decarbonise Investment Portfolio

Weighted Average Carbon Intensity of Investment Portfolio (tonnes CO_2e/US$ million sales)



Source: MSCI ESG Research, Income

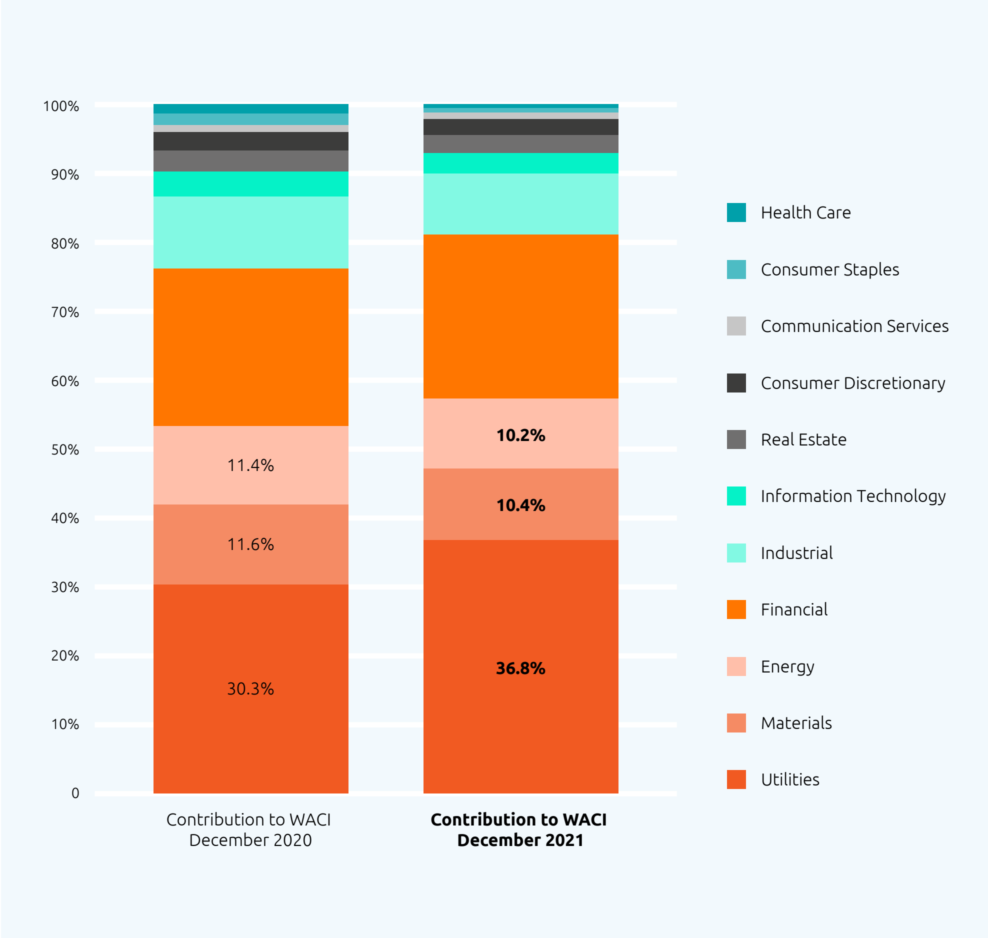
For both years, the sectors (based on GICS) with the highest carbon intensities and contribution to the overall portfolio WACI were utilities, materials and energy, despite them accounting for less than 10% of our overall portfolio. This is not unexpected due to the carbon-intensive nature of these sectors.

For investments in carbon-intensive sectors and companies, we expect our EFMs to engage and assess the investee companies' willingness and ability to manage climate-related risks and opportunities in support of our collective transition to a low-carbon future as part of their investment process in managing Income's portfolio. We believe that a focused engagement strategy is more meaningful in reducing climate-related risks in the portfolio as positive changes made by the investee companies are more likely to be accompanied by emissions reductions.

We engaged our EFMs to evaluate the material risks of the holdings in the utilities sector, along with other carbon-intensive holdings in the portfolio, to understand how they managed and mitigated risks. Based on our assessment, our EFMs adequately considered and addressed the carbon and environmental risks of these holdings in accordance with our stated investment objectives, guidelines and restrictions. Where an EFM's management and mitigation efforts of environmental considerations and risks in relation to the portfolio's stated investment objective are assessed to be lacking, it will be escalated to the Chief Investment Officer with investment recommendations for further action. We will continue to monitor actively and engage constructively with our EFMs to align our responsible investment beliefs and expectations with them.

We understand that carbon intensity data is not the only way of measuring a portfolio's GHG emissions or its environmental risk exposure. We will enhance our qualitative and quantitative approaches to effectively measure and manage environmental risks in our investment portfolio with improvements in ESG data and carbon emission disclosures.

GICS Sector Contribution to Portfolio Weighted Average Carbon Intensity



Source: MSCI ESG Research, Income

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Because We Listen

At Income, we consider the impact of our business on the environment and society so that we do the right thing for our employees and the people we serve. We do this by maintaining effective governance, improving insurance access for different segments of society, and helping our employees grow professionally and personally at work.

Operate a Responsible Business

Effective Corporate Governance

When we speak of operating a responsible business, we mean embarking on sound and good business practices so that we do the right thing by our stakeholders. At Income, this also means offering inclusive products and promoting financial literacy so that we empower people with better financial well-being. Ultimately, we want to be a valued partner to our customers – one who supports their financial needs at different life stages.

To succeed, establishing a strong foundation of trust with our stakeholders is key and we must always operate with integrity via strong and effective governance. As such, it is important for us to foster a risk-aware culture, including digital responsibility, to embed responsible business practices effectively as we embark on insurance innovation and digitalisation to serve our customers better. This is essential to complement our omni-channel approach as we cater to the financial needs of diverse customers seamlessly.

Good governance ensures that we always act in the best interest of the business and our stakeholders. Our governance framework is held to high standards and sets the foundation for all our actions, which include the way we manage our business, comply with regulations, protect information entrusted to us and interact with customers and business partners. This is important as a strong governance framework is essential to building and maintaining the trust of our stakeholders.

Board Governance

Integrity and accountability at all levels of our organisation is led by the Board, which comprises non-executive directors from diverse backgrounds and competencies. Income's framework of corporate governance policies and practices is in line with the Guidelines on Corporate Governance issued by the Monetary Authority of Singapore (MAS), the Insurance (Corporate Governance) Regulations (ICGR), the Co-operative Societies Act and the By-laws of Income.

We recognise the importance of having a set of well-defined corporate governance processes to enhance performance and accountability, sustain business integrity and safeguard the interest of our stakeholders. The promotion of corporate transparency, integrity and accountability at all levels of the organisation is led by the Board and assisted by the management team. Our Board-approved corporate policies guide the way we maintain business integrity.

The current composition of the Board satisfies the regulatory requirement of having a majority of independent directors. All Board members are non-executive directors. For more information about our Board Governance, please refer to our *Annual Report 2021*.

Effective Risk Management

Income's Risk Management Strategy, advised and endorsed by the Risk Management Committee (RMC) and approved by the Board, serves to ensure that the risk management framework is in place to identify, measure, manage, monitor and report material risks consistently across all business activities.

The Enterprise Risk Management (ERM) Framework involves the overall assessment of risks which Income can be exposed to over the present, as well as reasonably foreseeable future and its integration with capital management. Our enterprise-wide Risk Appetite Statement articulates quantitatively and qualitatively the level of risk that we are ready to accept and tolerate. It also provides the basis for oversight and governance at Income.

The foremost principle underlying Income's ERM Framework is that all risk management activities are aimed at facilitating the achievement of its stated corporate objectives in a manner that is consistent with our stated aim of financial stability.

Effective Corporate Governance

Within the ERM Framework, Income operates a "Three Lines of Defence" model for the management of risks facing the business. The first line of defence comprises the various business units that are the ultimate owners of the risks. They hold the responsibility to identify, measure, manage and monitor the risks in their respective areas. The second line of defence comprises the Risk Management and Compliance functions. They review and challenge the processes and controls in the first line of our business activities and propose, as appropriate, risk limits and policies for approval by the RMC or Board. The third line of defence comprises the Internal Audit function which provides independent assurance that the risks are being managed effectively.

Our Risk Management Policy outlines how all relevant and material categories of risk are managed at Income, including defining the roles and assigning responsibilities. For more information about Effective Risk Management, please refer to our *Annual Report 2021*.

Responsible Business Practices

We recognise the importance of keeping abreast of regulatory changes and ensuring that our policies are consistent with regulations. Hence, we require all business units to perform compliance risk assessments upon the issuance of any new or amended regulations. Corporate policies are also reviewed annually by policy owners to ensure that our system of governance remains relevant and sound.

Strengthening Our Risk-Aware Culture

A strong risk-aware culture is important for us to effectively manage risks at all levels of our organisation. It involves embedding the capability to identify and mitigate risks in the daily routines of our employees and financial consultants. To do this, we focus on actively communicating appropriate behaviours and formalising relevant procedures via Conduct & Culture initiatives annually.

In 2021, our focus was on instilling knowledge and raising awareness about personal data protection, including roles and responsibilities, organisation-wide. To reinforce best-practices and to make information resonate, we communicated a series of messages on the topic to all employees and financial consultants, including adopting a comic-style approach to present key narratives. We also conducted two company-wide webinars "Ask Me Anything on the Personal Data Protection Act (PDPA)" to share best practices on handling and protecting customer information, as well as provided forums for employees and financial consultants to ask relevant questions. The virtual forums, helmed by the Chief Risk Office, Chief Compliance Officer and Data Protection Office Team, facilitated open interactions amongst our internal stakeholders and offered practical takeaways to encourage responsible actions and avoidance of data breaches.

Comic-style materials were used to engage employees on C.O.D.E. and the importance of data protection.

Check who you are sending the email to
Obtain the right attachments, especially if sensitive or personal data is involved
Delete unnecessary sensitive or personal data within the email thread
Encrypt any documents containing sensitive or personal data with a unique password

Effective Corporate Governance

Code of Business Conduct

Income's Code of Business Conduct outlines the main principles and ethical values that safeguards our corporate reputation and governs the way we engage with our colleagues, customers, business partners, shareholders, regulators and other stakeholders. It is also aligned to Income's vision and purpose.

The Code of Business Conduct details the expected conduct and responsibilities of our employees and it covers 14 principles and ethical values. They include guidance on conflict of interest and discrimination as well as behaviours that employees adopt for a fraud-free environment and to promote responsible marketing and communication on all platforms.

To reinforce the culture of ethics and professionalism, we organised two ethics workshops in 2021 to provide employees with additional guidance on navigating potential ethical issues at work. Almost all employees attended the workshops.

Fraud Management

The Fraud Management Policy sets out the fraud management framework and strategy for Income. It safeguards the company's reputation and financial viability through improved management of fraud risk as well as establishes and provides guidelines on a suitable response to a reported or suspected fraud. It also defines the standards, roles and responsibilities in relation to the management of fraud. The Policy is owned by the Chief Compliance Officer as the appointed Fraud Management Officer and is maintained by the Compliance Department. The Policy is reviewed annually and approved by the Audit Committee, as delegated by the Board of Directors.

Whistle-blowing

Our Whistle-blowing Policy and programme support employees to report concerns about actual or suspected misconduct in matters of financial reporting, corporate governance issues or breaches of Income's policies. It introduces a list of reportable incidents and how information should be provided to report these incidents. All reported concerns are assessed and investigated against established protocols. To protect users of our whistle-blowing programme, all reported concerns are treated with confidentiality and any reprisals when concerns are raised in good faith are not tolerated.

Safeguarding Customers and Securing Customer Information

Fair Dealing

At Income, we are committed to interacting with customers in a fair and professional manner. Our senior management cascades an established and consistent approach towards fair dealing with our customers. Fair Dealing is led by our Chief Executive Officer, who manages

this topic with various committees including the Conduct Committee and the Consumer Business Executive Committee. We have a well-calibrated approach in maintaining fair dealing outcomes in the following ways.

- Training is provided to new staff and representatives to promote a fair dealing corporate culture
- Products and services recommended to customers are suitable for their needs
- Competencies of our financial advisors are improved to ensure quality financial advice
- Customers are provided with clear, timely and relevant information to make informed financial decisions
- Customers' feedback and complaints are managed in an independent, effective and prompt manner

Income's financial advisors and representatives are also equipped with a Business Conduct Handbook to guide them in maintaining the desired fair dealing outcomes. To assess the effectiveness of our Fair Dealing approach, we track our performance and perform trend analyses on complaints received on a quarterly basis. Our performance against the Fair Dealing KPIs is shared with the Conduct Committee on a quarterly basis and the Board annually.

Should external parties wish to raise concerns, they can write directly to *csquery@income.com.sg* or dial the Income hotline at 6788 1122.

In 2021, we had zero incident resulting in a fine or penalty by regulators due to non-compliance related to fair dealing.

Effective Corporate Governance

Cybersecurity and Data Protection

We are committed to protecting the information entrusted to us by our customers, business partners, employees and other stakeholders. We do so through strict adherence with data protection laws, mainly the Personal Data Protection Act (PDPA) in Singapore and various guidelines published by the MAS.

At Income, our Personal Data Protection Policy establishes an internal framework on the collection, use and disclosure of personal data by all employees. It sets out standards based on requirements stipulated in the PDPA and guidelines issued by the Personal Data Protection Commission. Additionally, our *Privacy Policy* helps our stakeholders understand how we collect, use, disclose and process their personal data responsibly.

As Income embraces digitalisation and leverages technology organisation-wide our Technology Risk Policy becomes more pertinent as an effective oversight on managing technology risks via a risk-based approach. It defines the principles, roles and responsibilities surrounding the identification, measurement, management, monitoring and reporting of technology risks that could have material impact on Income.

The Information Technology Risk & Security team and Data Protection Office ensure that our practices are legally compliant and up to date. Regular tests on our information systems and network infrastructure are also conducted to ensure that our controls are well maintained.

In 2021, we had zero penalty imposed by regulators due to cybersecurity and data protection concerns.

Offer Inclusive Products

As an insurer, we believe that we are well positioned to advance financial inclusion in our society. Hence, when developing our products, we consider how we can improve the accessibility of our offerings to people at different life stages and of diverse financial circumstances. From the get-go, we have been mindful of those who are underserved amongst us and are innovating to cater tailored products for them.

Closing the Protection Gaps of Our Silver Generation

As Singapore's population ages and life expectancy increases[1], we recognise that health and aged care issues will become more pressing. This calls for more quality and affordable care models and solutions in Singapore. At Income, we recognise that this requires a change in mindset and approach to insurance targeted at older persons as traditionally, it gets more difficult to obtain insurance as one grows older due to stricter underwriting requirements. However, this approach will prove increasingly obsolete with our growing silver population. To cater insurance products to our seniors, we made two shifts in our approach.

Firstly, we recalibrated traditional underwriting requirements and set practical benchmarks to suit seniors when insuring them. Secondly, we keep it simple and are focused on meeting targeted needs when insuring older persons. This way, our products are affordable and their eligibility criteria and underwriting requirements are more relevant and realistically managed.

Our senior-focused health underwriting questionnaire differs from the standard health underwriting questionnaire in two main areas.

The first is to request only for health declarations that are most relevant to seniors. This means that those above 50 years old are not required to declare any pre-existing conditions that are deemed less prevalent for the age group based on underwriting guidelines and experience. Some examples of such conditions include gastritis, piles, gallstones, urinary tract infection and pregnancy complications. As such, seniors are not subjected to unnecessary medical reviews related to these conditions. This makes the insurance application process more user-friendly.

Secondly, the senior-focused questionnaire streamlines declaration of key medical conditions to minimise excessive request for information. Seniors are required to make a health declaration only if they are actively managing a medical condition for the past five years and meet any of the defined severity criteria, regardless of when they are diagnosed.

With the recalibrated underwriting process for seniors, we are offering older persons a better medical underwriting experience so that they are less deterred by lengthy and complex underwriting requirements and the experience of failing to qualify for the insurance application despite the onerous process. In 2021, we maintained a 90% offer rate to seniors who applied for our life insurance products.

Today, we offer seniors protection against early and advanced stage cancer via Silver Protect despite pre-existing medical conditions that are non-cancer related. We insure even when the older person has declared pre-existing conditions such as a higher body mass index, cholesterol level and blood pressure. These conditions are common amongst seniors and it will be unrealistic to not consider their prevalence when designing and pricing products for these customers. Income also offers the oldest entry age in the market at 74 years old.

To protect seniors against death and permanent disability due to an accident, we offer Silver Care which covers medical, home care, rehabilitation and caregiver training expenses.

Extending Insurance Access to Underserved Segments

Migrant workers play a significant role in our nation-building and form a big part of the Singapore construct. While they are protected against workplace injuries, we recognise a gap in covering migrant workers against non-work-related death, total and permanent disability (TPD) and critical illnesses. According to the Migrant Workers' Centre (MWC), unexpected heart attacks, cancer, stroke and diabetes are some leading causes of death among migrant workers in Singapore.

We launched Care4Migrant Workers (C4M), a low-cost insurance scheme to enable employers to close this gap so that migrant workers can have better peace of mind knowing that their families back home will be protected should they unfortunately be rendered unable to work, due to serious injuries, illnesses or, worse, death. Eligible migrant workers with critical illnesses will receive a payout of S$10,000 each. The 37 critical illnesses that are included in the insurance scheme includes major cancers, stroke and heart attack. The payout is S$10,000 when the worker dies from non-work-related accidents or suffers TPD.

[1] *https://www.income.com.sg/about-us/corporate-information/press-releases/almost-1-in-2-singaporeans-aged-40-to-65-see-thems*

Offer Inclusive Products

(L-R) MWC Chairman Yeo Guat Kwang, LEAP201 Chief Operating Officer Yip Hon Mun, NTUC Secretary-General Ng Chee Meng, Income CEO Andrew Yeo, LEAP201 Chairman Michael Lien, MWC Executive Director Bernard Menon, LEAP 201 Executive Director Nozomi Mizuno Witherspoon at the launch of C4M. (Photo credit: NTUC)

For self-employed individuals such as freelancers and independent contractors, being unable to work for a prolonged period due to illness or injury can mean undue stress due to the loss of income. We offer Prolonged Medical Insurance so that self-employed individuals can focus better on their full recovery as they will receive benefits when they are hospitalised or on prolonged medical leave. Understanding that the individual may require additional recuperation time post hospitalisation, the insurance plan offers a daily cash benefit from the eighth day of consecutive non-hospitalisation medical leave in addition to daily income for each day of hospitalisation.

To protect children and youths with specific special needs, we offer SpecialCare (Autism) and SpecialCare (Down syndrome) to cover outpatient and hospitalisation expenses, including physiotherapy and psychiatric therapy expenses, as well as TPD and death in the event of accidents, contraction of infectious diseases, or accidental damages. These insurance products remain industry firsts till today.

At Income, we understand caregivers of persons with special needs carry a challenging and huge responsibility as their dependants rely on them physically, emotionally and financially. As such, our SpecialCare products cover also the parent or legal guardian of the person with special need or the insured in the event of TPD or death due to an accident, giving additional peace of mind to families.

Standing by Our Customers During COVID-19

In 2021, the pandemic continued to pose a challenge for our customers – more so for some than others. Based on customers' feedback, we gathered that there was a strong desire to sustain insurance commitments and cover during the pandemic. As such, we launched the Income Support Schemes to offer our customers choice and flexibility so that they could be supported in a way that best suited their financial circumstances should they need help.

With seven assistance schemes to choose from, Income extended the widest array of support to customers amongst insurers in Singapore. Two of our schemes were Income-funded and they targeted low-income customers. For eligible customers who were the hardest hit by the pandemic and whose regular premium plans lapsed due to loss of income as a result of retrenchment, placement on no-pay leave or closure of their businesses, we offered a low-cost Temporary Protection Plan to stand in for the lapsed policy with the option of guaranteed reinstatement, within a year and without underwriting, should their financial situation improve.

Eligible customers holding life and health insurance plans could also apply for premium payment deferment and instalment schemes until 31 December 2021 should they require help with their premiums. Customers who had previously successfully applied for premium deferments on their life and health insurance policies could also apply for a second six-month deferment period on the same policy, subject to eligibility criteria.

For policyholders who had registered their motorcycle for delivery business, we offered a 20% discount on their premiums. We also helped eligible corporate customers ease their cash flow with a premium instalment scheme so that

they could direct their funds to more urgent operational needs to sustain their businesses and to retain jobs.

As of 31 December 2021, we provided a total of S$4.23 million in financial support through these schemes to close to 50,000 eligible applicants.

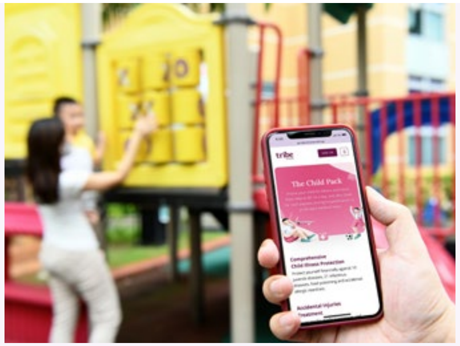
In addition to the Income Support Schemes, COVID-19 benefits were also extended to selected insurance plans to allow our customers to focus on recovering from the illness. Customers were encouraged to speak with their financial advisors to determine how their insurance policies covered them for COVID-19 and additional information was provided on our website.

Through these measures, we remained responsive to our customers' needs and stood by them to ride out the pandemic, allowing them to emerge stronger from it.

Offer Inclusive Products

Reimagining Insurance to Resonate with Evolving Lifestyle Needs

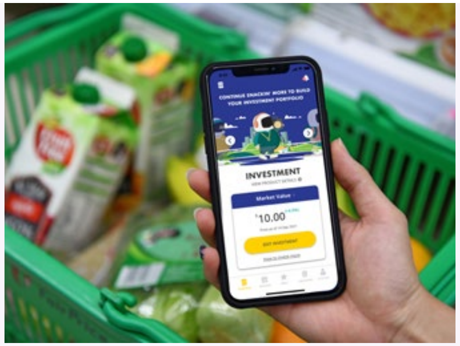
At Income, we recognise that there is a segment of customers who do not resonate with conventional insurance and who require a differentiated approach to help them close their protection gaps. Understanding that increasingly more customers want control in how they engage with and purchase insurance, we are reimagining the way in which customers experience insurance by developing new insurance models. To do so, we are leveraging innovations to advance financial inclusion in our society. The following are three ground-breaking offerings that we introduced in 2021.



TRIBE by Income is Singapore's first subscription-based insurance that offers on-demand adaptability with no lock-in periods. It offers customers control of the insurance protection they need, based on their lifestyle and preferred premium starting from S$5 per month.

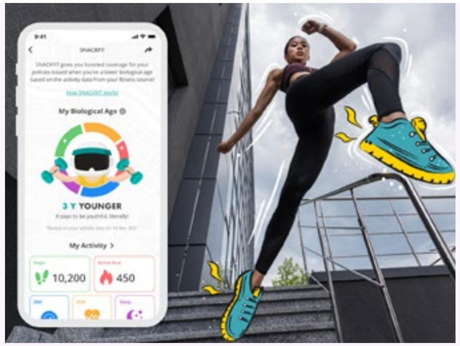
Customers can upsize and downsize their insurance coverage flexibly, as well as mix and match insurance plans to find a combination that meets their needs. This offers customers a new way to manage their insurance commitments that is tailored to their lifestyle and financial circumstances.

TRIBE innovation came on the back of the pandemic where cash flow constraints against the backdrop of a volatile economy had heightened customers' desire for greater control over what, when and how they purchase insurance, including the ability to customise and consolidate their purchases at a desired price point.



SNACK Investment is an industry-first micro investment-linked plan (ILP) on the SNACK by Income mobile app. It adopts a stackable approach that empowers customers to build their investment portfolios with bite-sized premiums while providing insurance coverage as they go about their daily activities such as taking public transport, grocery shopping and even when having a cuppa or dining out.

SNACK Investment is designed for those who are keen and eligible to invest but have not done so due to high barriers of entry. With a minimum investment amount of just S$1, coupled with withdrawal flexibility, it is a novel approach to purchase an ILP on a self-served platform as it allows customers to decide flexibly on the premiums that they wish to invest and to withdraw their investments any time without additional fees.



SNACKFIT is a first-of-its-kind fitness and lifestyle product that offers bonus insurance coverage based on one's biological age. It is powered by ReMark's Biological Age Model BAMTM, a proprietary dynamic underwriting algorithm that analyses five key metrics – Steps, Active Calories, Resting Heart Rate, Sleep Hours and BMI – to calculate a person's biological age.

SNACKFIT calculates one's biological age based on the fitness and activity data retrieved from fitness trackers, such as Garmin and Fitbit, linked to the SNACK app. It offers bonus insurance coverage based on the policyholder's activity data from the previous day.

The policyholder will receive bonus insurance coverage on their micro-policy the next day based on how much younger their biological age is compared to their actual age. This encourages customers to adopt a more active and healthier lifestyle to accumulate bonus insurance coverage.

Offer Inclusive Products

SNACK – bite-size Contributions to Insurance and Investment

SNACK by Income is a lifestyle-based stackable microinsurance and investment platform (accessible via a mobile app) that lets users pay bite-size premiums to purchase insurance and investment as they go about their daily activities such as dining, grocery shopping, exercising and taking public transport.

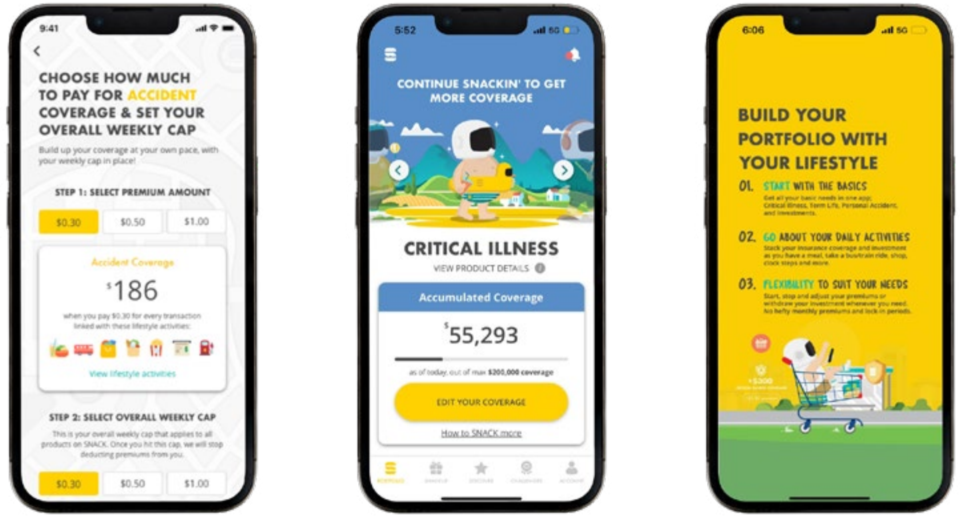
Users can choose a premium amount as low as 30 cents, 50 cents or 70 cents to purchase microinsurance each time they complete a lifestyle activity. Since its launch in June 2020, SNACK has expanded its proposition to include SNACK+, SNACKUP, SNACKFIT and SNACK Investment to extend its reach and serve more customer segments.

SNACK is also working with corporates to extend insurance coverage to their employees via SNACK+, such as food delivery workers who would otherwise find it challenging to get insurance coverage due to their variable income.

Through SNACKUP, we are extending insurance access to customers of lifestyle partners and building an ecosystem where insurance is being offered to retain loyal customers.

We are encouraged that SNACK has garnered a myriad of accolades, including the Insurance Asia Awards 2021, US CIO 100 Awards, SBR Technology Excellence Awards, Singapore Digital Techblazer Awards, 2021 Indigo Design Awards, DigFin Innovation Awards 2021, Efma-Accenture Innovation in Insurance Awards 2021 and Mob-Ex Awards 2020.

As of 31 December 2021, more than 50,000 users benefited from SNACK by Income, with 680,000 policies issued.



> I like how SNACK is very affordable as I don't have to worry about paying a lump-sum premium to get insurance. Instead, I can pay for insurance coverage in small amounts and it suits my lifestyle. There is a foodpanda delivery trigger on the SNACK app that charges me 70 cents whenever I complete a food delivery and this gives me ease of mind knowing I am protected while on the road.

Ahmad Akmal Bin Juhari, foodpanda rider

Promote Financial Literacy

Financial literacy helps people understand the value of insurance and empowers them to make informed financial decisions. When individuals improve their financial literacy, it not only lowers their barriers to access our products, but also enables them to improve their financial wellbeing and that of their families. In 2021, we launched two public awareness campaigns – 'So Steady' and 'Me First'.

'So Steady' Campaign

Singapore is one of the most rapidly ageing societies in the world today, with one of the world's highest average life expectancies at 83.9 years[2]. Not only are Singaporeans living longer lives, their attitudes towards ageing are also shifting.

Through a study we conducted with NielsenIQ[2], we learnt that Singaporeans aged 40 to 65 are optimistic about ageing, with four in five respondents wanting to embrace their later years with energy and zest. Hence, we are eager to engage Singaporeans to make the most of their golden years through the 'So Steady' campaign, which encouraged seniors (aged 50 and above) to age well by embracing four aspects of active ageing.

Prolong the quality of life through physical and mental wellness

Pursue interests and passions for a fulfilling and purposeful life

Prepare for retirement and to be financially independent for life

Protect against unforeseen circumstances and unexpected expenses

The campaign featured a programme that rewards participants with 'Steady points' for tracking their daily activities. Steady points were exchanged for rewards with participating merchants upon completion of tasks that encouraged an active lifestyle, such as tracking the number of steps taken, logging their workouts, monitoring hours of sleep, choosing healthier meals, etc. The campaign also included a range of public outreach content that was complemented by practical resources such as a publicly accessible online retirement calculator, webinar and a suite of relevant insurance products.

'So Steady' was our innovative response to help our seniors age well and we are proud to be contributing to the national agenda that is helping Singaporeans prolong Singaporeans prolong their good years by preparing for, protecting and pursuing quality and fulfilling lives in their later years.

[2] *https://www.income.com.sg/about-us/corporate-information/press-releases/almost-1-in-2-singaporeans-aged-40-to-65-see-thems*

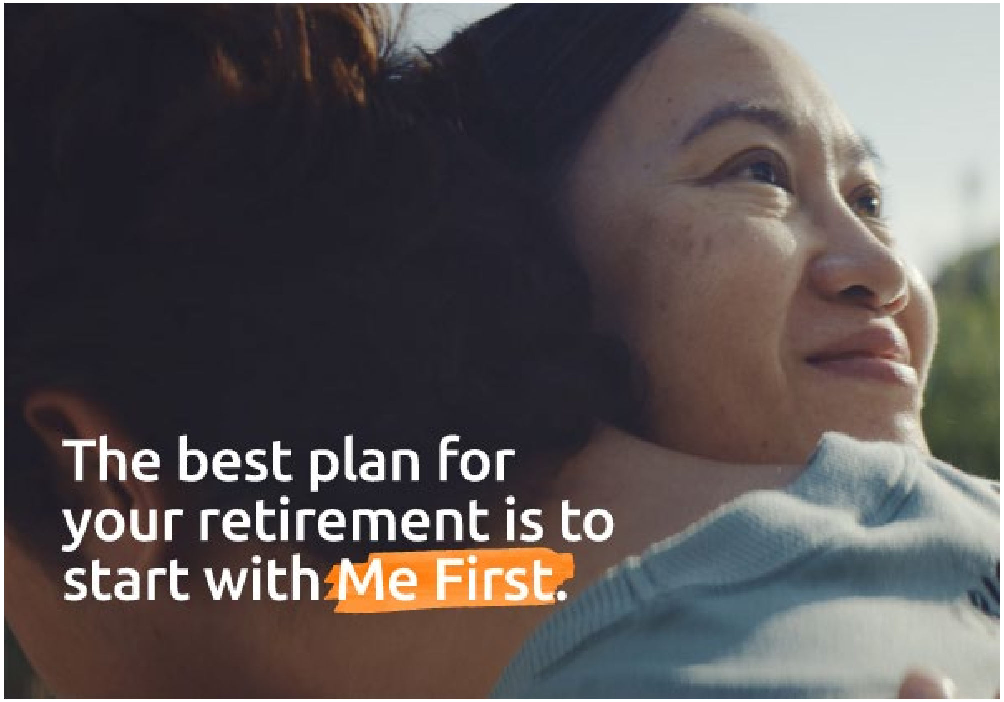
Promote Financial Literacy

'Me First' Campaign

When it comes to retirement planning, we believe that adopting a 'Me First' approach is important to securing a comfortable retirement in the future. The 'Me First' philosophy encourages us to carefully evaluate the reasons and motivation behind our current expenditure and to assess if it can be better spent on ensuring that we retire comfortably.

A survey commissioned by Income that was completed by 500 Singaporeans aged between 21 and 68 years old revealed that most Singaporeans are aligned with this philosophy, with 93% of Singaporeans believing that putting their financial needs first enables them to start planning earlier and better for retirement.

Our 'Me First' campaign aimed to further encourage the public to adopt this philosophy to prioritise their financial needs. To do so, we launched a short film that explored the benefits of putting one's own future needs above the wishes of others[3] and conducted a public webinar to discuss this perspective as well as offer useful retirement planning tips.



Click here to view the "Me First" campaign video

[3] *https://www.income.com.sg/me-first*

Foster a Learning and Engaged Culture

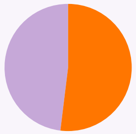
It is important that we take care of our people because they create value for our customers and drive impact for the organisation. Our focus is on developing our people to help them grow professionally, engaging them to understand their perspectives and taking care of their well-being.

Our Workforce at a Glance

1,908 Employees[4]

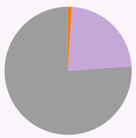
39%	61%	16
Male[4]	Female[4]	Nationalities[5]

Senior Leadership, Including Board Representation (%)



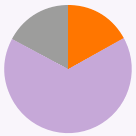
- 52% Male
- 48% Female

Workforce by Seniority (%)



- **1%** Senior management
- **23%** Middle management
- **76%** Staff

Employees by Age Group (%)



- **17%** <30 years old
- **66%** 30-50 years old
- **17%** >50 years old

Career Development and Progression

At Income, we are focused on empowering a career 'Made Yours'. This means we are passionate about supporting our people to forge careers that are fulfilling and impactful to them so that they are able to develop professionally and personally to attain their individual career goals while fulfilling the company's mission.

To facilitate our employees' career progression, we utilise periodic performance appraisals and programmes that enable advancements in their roles and responsibilities. We believe that regular performance and career development reviews can not only enhance employee satisfaction but also help identify the career path that our employees wish to take. We then support their growth and career development through individualised development plans.

All permanent employees are required to complete their annual performance and career development review.

Our employees are also strongly encouraged to take ownership of their career and development by identifying skills gaps for their desired career path. We then support them to close these gaps.

To motivate employee development and retention, we encourage internal talent mobility where our people explore internal job opportunities and embrace new job scopes and responsibilities. One way in which we support our employees on this front is through the Professional Conversion Programme which offers employee structured and on-the-job training to reskill or upskill them for new roles.

Empower Career Paths in Insurance and Financial Advisory

To offer a career in financial advisory, we launched the Sales Management Associate (SMA) programme in October 2020. This is a structured 18-month programme and the first in the industry to offer fresh graduates and mid-career job seekers integrated exposure to career tracks in financial advisory within our distribution channels.

The earn-as-you-learn programme offers a starting monthly base remuneration of S$2,900, even as participants sit for exams to obtain relevant licences. It is also uniquely structured to hone a strong foundation in financial advisory by allowing participants to first complete their financial advisory licensing, undergo sales training and on-the-job career discovery, before moving on to full-time careers within the Income network. The SMA programme is designed to deepen participants' understanding of the insurance industry before embarking on full-time financial advisory careers. On this front, participants have the flexibility to hone their skills either as either as a client advisor with Income's Retail Financial Services, tied agents with our agency force, or a financial advisory representative at Income's financial advisory subsidiary, Infinitum Financial Advisory.

To find out more about the SMA programme by Income, visit *www.income.com.sg/careers/sales-management-associate*.

[4] This includes all employees of Income (Permanent and Temporary/Fixed-term), from function employees to senior management, as at 31 December 2021.
[5] Nationalities of all employees of Income as of 31 December 2021 included employees from Singapore, Bangladesh, China, France, India, Indonesia, Korea, Malaysia, Myanmar, the Netherlands, Philippines, Sri Lanka, Taiwan, Thailand, United Kingdom and Vietnam.

Foster a Learning and Engaged Culture

Developing a Future Ready Workforce

To purposefully build a workforce that is equipped with skills that enable them to adapt and thrive in the future of work, we developed a developed 'Future Ready Workforce 2025', the programme to upskill our employees. The programme was informed by the top ten skills of 2025, as highlighted in 'The Future of Jobs Report 2020' by the World Economic Forum. In 2021, our focus was on honing digital skills, fostering innovation and developing leadership competencies.

Creating a Data-Driven Learning Culture

As the work we do becomes increasingly data-driven and digitally enabled, we want our employees to be equipped to succeed in such an environment. Hence, under our 'Future Ready Workforce' programme, we placed all employees through at least 16 hours of data-related training. In 2021, 99.5% of our eligible staff have completed at least 16 hours of data-related training. The data curriculum will continue to be curated and finetuned to support our employees in their data learning journey.

Building Leadership Competencies

Leadership competencies are skills and behaviours that contribute to superior performance. At Income, we leverage a competency-based approach to leadership so that we can better identify and cultivate our next generation of leaders.

Under the 'Future-Ready Workforce' programme, our managers undergo three modules of competency development and they include leading change, developing people and driving excellence. We also hone our managers' coaching skills to empower them to be more effective leaders when providing guidance on careers and taking development conversations with their teams.

Fostering Innovation

At Income, innovation is a key thrust to creating value and impact for our stakeholders and we have been taking steps to integrate design thinking methodologies into the way we work. We believe teamwork is key to fostering innovation. Thus, it is important to exercise our collaboration 'muscle' to strengthen the way we work together and develop innovative solutions.

We continue to embed these new ways of working in the organisation through continuous runs of Customer Experience 2.0 (CE2.0) workshops which are two-day design thinking workshops to ensure that the whole organisation, across all levels, are familiar with design thinking processes. This aims to help our employees approach problems through the lens of the customer so that we continuously test and iterate solutions that resonate with and delight customers, while considering customers' feedback at all steps. Such an approach ensures that we stay focused on the outcome that we want to achieve, optimise our resources and work incrementally to solve the right problems with the right solutions.

Customer Experience 3.0 (CE3.0) is the next step following CE2.0 workshops, where selected employees from various functions form multi-functional teams to solve business-related problem statements.

CE3.0 provides an avenue for employees to apply their skills to solve business issues.

In 2021, 11 CE3.0 projects were initiated, out of which eight completed design sprints and three progressed to develop their Minimum Viable Products (MVP).

Foster a Learning and Engaged Culture

Idea Smash 2021

In October last year, we held an organisation-wide hackathon to embed design thinking methodologies within the company to empower innovation at Income.

Participating employees formed cross-functional teams to foster collaboration across different departments to ideate solutions to business problems. Mentors were also assigned to each team and they supported the team's journey by imparting their knowledge and experience in problem solving, offering valuable advice that helped teams prioritise issues and providing feedback that contributed to the development of solutions.

The winning team of Idea Smash 2021 developed a prototype that aimed to help new employees new employees ease into their roles more effectively and to feel more socially integrated, especially in our new hybrid work environment.

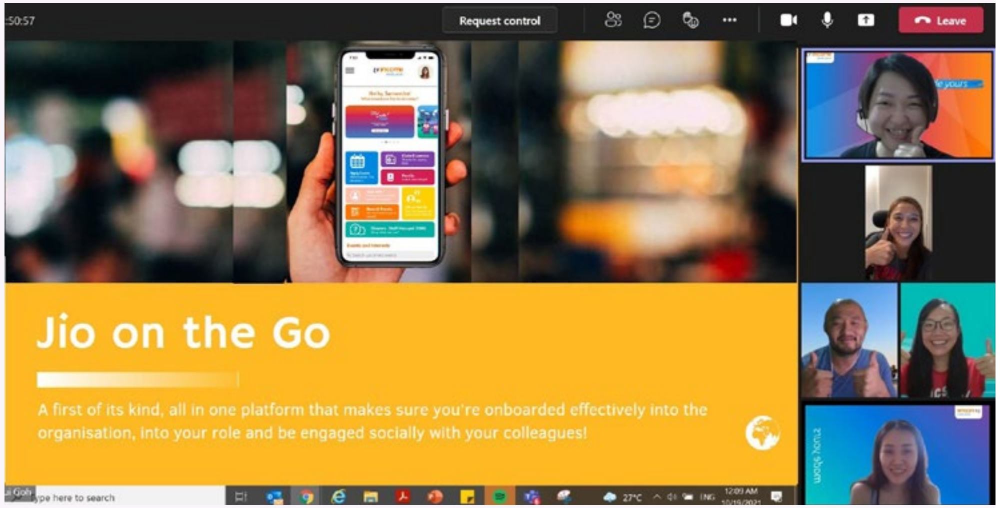
The prototype, Jio on-the-Go, is designed to complement Income's existing HR on-the-Go mobile app. 'Jio' in colloquial terms means "to ask or invite to join".

The idea was inspired by the difficulties new joiners faced in assimilating into the organisation socially during the pandemic when face-to-face interaction was limited.

With Jio on-the-Go, new employees can get to know the organisation and their teammates better and can be better orientated with their tasks and milestones related to their scope of work. They can also easily familiarise themselves with a glossary of insurance terms that will support effective communication with colleagues. New employees can also be better supported by relevant stakeholders such as their supervisors and buddies via Jio on-the-Go.

On a wider enterprise level, Jio on-the-Go can also be a platform to foster stronger social cohesion oragnisation-wide as employees are encouraged to form sports or special interest groups with like-minded colleagues.

> **The problem statement the team came up with was close to our hearts as we joined Income in the midst of WFH arrangement early last year. The hackathon taught us to consider different perspectives, stay agile and to keep an open mind. It was an invaluable experience and we had such good fun at the same time!**
>
> *Celina Lim, Group Leader for winning team of Idea Smash 2021*



Presentation of Jio on-the-Go MVP by the winning team of Idea Smash 2021

Foster a Learning and Engaged Culture

Engaging Our People

To meet the needs of our employees, it is crucial that we hear from them. Hence, we gather employee sentiments by running an employee survey every year. Our annual Organizational Health Index (OHI) survey, conducted by McKinsey & Co., is a robust and well-tested approach to measure organisational health based on nine outcomes[6]. Results of the survey are also benchmarked against the insurance industry to determine our performance relative to peer companies. This helps us obtain feedback that inform the way we engage our employees to build stronger levels of engagement and satisfaction.

In 2021, Income maintained its overall health score at 81 and was placed in the top quartile when benchmarked against the insurance industry[7]. Insights from the OHI survey informed follow-up actions and they include conducting further dialogue sessions with our employees to gain deeper understanding about their sentiments. An example of an initiative implemented in 2021 as a result of the 2020 OHI survey was the initiative, "No Meetings Wednesday" that offers employees some uninterrupted time and head space to think 'blue skies', ideate and solve problems. Such empowerment and self-directedness are fundamental to our collective success.

In addition to the OHI survey, we also engaged our employees through Skip-level Meetings. These are meetings where a senior-level manager reaches out to employees whom they would not have otherwise connected with regularly, without the presence of the employees' direct supervisors. Skip-level Meetings helped our managers and leaders gain insights to employee sentiments, their goals and challenges at work. At the same time, they provided a channel for managers to share their feedback. Other touchpoints such as Townhalls and Leadership Forums were also organised to update our employees on Income's performance and progress.

Rewarding Our People

To reward and retain our people, our remuneration programmes are aligned with market benchmarks and are based on individual performance. Periodic reviews are conducted to ensure that we continue to offer fair, equitable and competitive remuneration to our employees. One hundred and forty-five or 80% of eligible employees are covered by collective bargaining agreements.

To recognise long-service staff, we extended an employee share purchase plan to staff who have been in our employment for over five years or more.

Through our e-Spot Award, our managers are encouraged to show recognition to colleagues within and outside of their teams spontaneously by sending them an e-appreciation card and an e-voucher for their good work.

Supporting Employee Well-being

The health and well-being of our employees are of utmost importance to us. We care for them through a comprehensive welfare scheme that includes insurance and medical benefits and various welfare measures. Our Initial Response Team (IRT) also provides regular COVID-19 related updates and advisories to ensure the safety of all our employees, while balancing business needs.

We supported employees to work remotely during the pandemic and provided remote working guidelines to help employees and managers create a safe working environment for everyone. The hot-desk booking system was also rolled out to support a new way of working during the pandemic.

To ensure that our employees have adequate access to medical care and to reduce their exposure to infections while commuting to a healthcare facility, we partnered with DoctorAnywhere to launch a tele-consultation service for all employees. Through this service, employees have access to remote healthcare assistance and have their medicines delivered to their homes.

In November last year, we also organised a Health & Wellness Month that comprised Lunch & Learn classes as well as virtual fitness classes for all employees to partake. Lunch & Learn classes included workshops about mental resilience, healthy cooking and workplace posture and ergonomics. To encourage our employees to be more active, fitness classes such as yoga, Pilates, Zumba and boxing were conducted virtually during work hours. One of the programmes to promote mental well-being was a talk on "Embracing Challenges with Resilience" by a speaker from the Singapore Association for Mental Health.

Employees shared messages of encouragement and appreciation to one another, especially those working on-site, during an internal engagement campaign #IINThisTogether.

[6] The nine outcomes are Direction, Leadership, Work Environment, Accountability, Coordination and Control, Capability, Motivation, Innovation and Learning and External Orientation

[7] An effective response rate is indicated as survey responses that were straight line answers or were completed unreasonably quickly were omitted according to best practices to ensure data quality

Because We Empathise

At NTUC Income, we celebrate friendship, community and volunteerism by supporting relevant social causes, philanthropic funding and strategic collaborations with like-minded partners.

Build Stronger Communities

Champion Social Mobility

We recognise that the responsibility to foster a more equitable society is a collective one and our role as an active member of the community is important. Through Income OrangeAid and other philanthropic efforts, Income supports diverse community causes. As part of our renewed sustainability strategy, we pledged to commit S$100 million over 10 years to support causes that champion the low-income including education for children and youth-in-need, the elderly and the environment. Our contribution to the community is strengthened by support from our employees. Hence, it is also important for us to continue inspiring our people to be active stewards in their community. We believe that through our community initiatives, philanthropic funding and employee volunteerism programmes, we can be more responsive to social needs and to build stronger communities.

income orangeaid

We established Income OrangeAid in 2010 to champion community development with a focus on education for youth-in-need.

Annually, Income donates 1% of its insurance operating profits to support OrangeAid programmes. In 2021, this amounted to S$1.09 million. Our employees also support the cause through donations via their payroll.

Through OrangeAid RoundUp, we encourage our customers to round up their policy premiums to the next dollar or more and donate the difference to OrangeAid. As of 31 December 2021, funds raised through OrangeAid RoundUp was S$326,026.

In 2021, we disbursed a total of S$1.4 million to OrangeAid initiatives.

To advance equality in our community, it is important to us that we boost the social mobility of those from disadvantaged backgrounds. At Income, we firmly believe that education levels the playing field for all in society and is key to social mobility. We are aware that students from underprivileged backgrounds may drop out of school to provide for their families. Hence, we seek to help children and youths from low-income families by providing them with financial assistance and skills development.

Champion Social Mobility

Future Development Programme (FDP)

The FDP is one of OrangeAid's flagship initiatives where youths from low-income families receive bursaries to help defray their school fees and living expenses. To select eligible youths for the programme, we work closely with the Institutes of Technical Education and all five polytechnics in Singapore annually. In 2021, we disbursed over S$1 million to 399 eligible students from these Institutes of Higher Learning.

As part of the FDP, we also conduct financial literacy and career-readiness workshops for our awardees annually. The financial literacy workshops focus on teaching life skills to students and include topics such as money management, savings and investing. The career development workshops guide students on how to build their personal brand to stand out from the crowd and make an impact on their future careers. To ensure the safety of our FDP beneficiaries and trainers, the workshops, the workshops were conducted online by leveraging an interactive education digital application.

We also trained past awardees as facilitators through our Alumni Facilitator Training Programme. The programme was inspired by FDP awardees who expressed a desire to give back to the FDP by supporting their peers' learning journeys at the workshops.

By offering facilitator training, we aim to also groom FDP awardees who are interested to explore a career as a trainer and equip them with the necessary skill set, while they earn a small stipend as facilitators at the FDP workshops. Since its launch in 2018, 67 alumni beneficiaries have joined the training programme. For 2021, there were 17 alumni facilitators.

Positive Impact on FDP Beneficiaries

87% had more time to focus on their schoolwork

94% had more clarity on money management

92% had funds for school fees

98% were able to apply what they learned at the workshops daily

Our FDP Beneficiaries Pay it Forward

Syahirah binte Sola'amat, 2018 to 2020 FDP Awardee

"I really like the interaction and engagement with my peers and coaches on the topic of personal finance. It was more than just 'adulting' as we share our personal experiences too."

Bill Chan Win Sun, 2016 and 2017 FDP awardee

When her mother – the sole breadwinner of the family – passed away, Syahirah binte Sola'amat's first reaction was to drop out of school so that she could work full-time to support her family.

Working part-time while juggling school was challenging. Thus, Syahirah was very relieved when she became a beneficiary of the Income OrangeAid FDP.

Beyond financial aid, Syahirah's experience at the FDP workshops also helped her better appreciate the importance of financial literacy. This inspired Syahirah to return to the FDP as an alumni facilitator to support other participants in 2021. Armed with new skills she learnt at the Facilitator Training Programme, Syahirah is now more confident as she aspires towards a career in education.

Similarly, Bill Chan Win Sun joined the FDP as an alumni facilitator last year and assisted the coaches in engaging students in discussions about money management during the workshops.

Bill who was motivated to pursue his studies as a FDP awardee found his role as a facilitator rewarding as he felt that he was able to make a positive difference by helping other FDP awardees strengthen their financial literacy.

Champion Social Mobility

Income Family Micro-Insurance Scheme (IFMIS)

IFMIS is a premium-free insurance scheme developed to offer financial support to eligible children and youths from low-income families in times of crisis. Income understands that families, especially those from low-income backgrounds, are often the hardest hit when a parent or guardian of children and youths suffers permanent disability or passes away. This is especially so when the parent or guardian is the sole breadwinner of the family. In times of crisis, these school-going children and youths may have to drop out of school due to the financial challenges that they face. Thus, by stepping up to offer tangible support to vulnerable families in their time of need through IFMIS, Income continues to champion education for youth-in-need.

In the unfortunate event of death or total and permanent disability (TPD) of the eligible child's parent or guardian, IFMIS pays out S$5,000 upon approval of the claim. The scheme covers eligible students who are studying in a local primary, secondary or specialised school or pre-university institution and who are receiving support under the Ministry of Education Financial Assistance Scheme (MOE FAS). The IFMIS also covers eligible children who are enrolled in NTUC First Campus' My First Skool. In 2021, we disbursed S$150,000 in IFMIS claims to 30 families and over 52,000 students remained eligible for the Scheme.

We are pleased that Income has extended premium-free IFMIS coverage beyond FAS recipients in primary schools to include support for students in our secondary schools, specialised schools and pre-university institutions. MOE is glad to continue this partnership with Income to widen support for needy students and their families.

Mr Clarence Tang, Divisional Director of Finance and Procurement Division, Ministry of Education

Address Social Needs

We are dedicated to supporting those in need to strengthen the resilience of our community. While our community development initiatives focus on social mobility, we recognise that there are many social issues that can benefit from our support. To ensure that we effectively manage our support of charitable causes, all funding activities are guided by our CSR Sponsorship and Funding Guidelines.

In 2021, our donations to charitable causes amounted to close to S$1.3 million. They include sponsorships to voluntary welfare organisations, non-profit organisations, unions, low-wage workers and professional associations.

Encourage Employee Volunteerism

We encourage our people to be active contributors to their community by providing them volunteering opportunities and paid volunteer leave.

However, in 2021, our annual organisation-wide volunteering event, 'Income Gives Back', was put on hold due to the COVID-19 pandemic. Despite that, our employees upheld the spirit of giving by launching an internal fundraising campaign that raised a total of S$32,340, to purchase daily necessities for the Thye Hua Kwan (THK) Home for the Disabled. The money raised was used to purchase daily essentials required by the home such as detergents, insect repellents, bathroom products and milk powder.

Income employees posed alongside staff from the Thye Hua Kwan Home for the Disabled while delivering a donation of daily essential items to the Home.

> Income has been our very strong supporter for almost 30 years and we are glad to see this friendship between THK and Income continue even through challenging times.
>
> *Ms Agatha Tan, Divisional Director of THK Homes for Disabled Services*

TCFD Index

TCFD Pillar/Recommendation	Key Points	Report Reference
Governance: Disclose the organisation's governance around climate-related risks and opportunities		
a) Describe the board's oversight of climate-related risks and opportunities	• The Board of Directors has delegated the oversight of climate-related risks, opportunities and management to the following Board-level committees: the Risk Management Committee (RMC), the Nominating and Human Resource & Remuneration Committee (NHRRC) and the Investment Committee (IC). • The Board of Directors and the RMC have completed climate-related training on environmental risks and TCFD recommendations. • The RMC oversees the management of climate risks and opportunities and their impacts on Income's strategic planning and financial performance across Income's underwriting and investment portfolios. The RMC is supported by the Executive Committee (ExCom). The ExCom is chaired by the CEO and consists of various Division Chiefs.	**Managing Our Sustainability Commitments and Actions** (from page 11)
b) Describe management's role in assessing and managing climate-related risks and opportunities	• The ExCom is responsible for reporting to the RMC on environmental risk matters on a quarterly basis and monitoring progress on climate-related initiatives. In addition, ExCom oversees various workstreams to ensure the effective implementation of the sustainability strategy and to ensure that sustainability is embedded as a key component of business planning. • The Chief Risk Officer is responsible for the annual review of the Environmental Risk Management Framework and establishing controls so that environmental risks are managed within Income's risk appetite.	
Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy and financial planning where such information is material		
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	• Income has identified risks and opportunities related to its underwriting and investment activities, covering both physical and transition risks across different time horizons for material business lines. • Transition risks include risk events such as steep increases in global carbon prices, changes in government policies, etc. Physical risks include risk events such as sea level rise, floods, increase in vector-borne disease transmission, etc. • Opportunities identified include products and services for electric vehicle owners, product innovation to support the management of heat-related illnesses in the community, access to green bonds, etc.	**Identifying and Assessing Climate Risks and Opportunities** (from page 17)
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	• We recognise that climate risks will have a material impact on our business activities and strategies. For example, physical risks may cause damage to insured properties and increase our exposure to higher claims and underwriting losses. However, consumer demand for more sustainable vehicles such as electric vehicles present opportunities for our motor business line. • Our investments are exposed to both physical and transition risks. The impacts of climate change due to transition and physical risk events include lower investment returns and higher volatility, risk of stranded assets and potential reputational damage. • Key actions taken this year that have shaped our business include the establishment of our Environmental Risk Management Framework and Responsible Investment Policy and our commitment to numerous forward-looking targets, including net-zero by 2050, that reflects our ambition to support the low-carbon transition.	**Identifying and Assessing Climate Risks and Opportunities** (from page 17) **Our Approach to Net-Zero** (from page 16)

TCFD Index

TCFD Pillar/Recommendation	Key Points	Report Reference
Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy and financial planning where such information is material		
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	• A qualitative analysis was conducted using scenarios developed by the NFGS. Scenarios depicting global warming of 1.5°C, below 2°C and above 3°C were used. • An ORSA stress test exercise was conducted using scenarios calibrated with reference to Bank of England's 2021 Climate Biennial Exploratory Scenario and Representative Concentration Pathways by the IPCC. • Income participated in the 2021 MAS stress testing exercise which considered transition risks from 2021 to 2023.	**Identifying and Assessing Climate Risks and Opportunities** (from page 18)
Risk Management: Disclose how the organisation identifies, assesses and manages climate-related risks		
a) Describe the organisation's processes for identifying and assessing climate-related risks	• Climate-related risks and impacts are assessed through an environmental risk heatmap developed in-house, scenario analysis and stress-testing. • We assessed risks to each of our material business lines under different climate scenarios, taking into consideration both physical and transition risks. • As an asset owner, we require our external fund managers (EFM) to integrate ESG considerations in the management of our investment portfolios. We actively engage our EFMs for updates on the environmental risk characteristics of our portfolios. • We developed in-house tools (Weighted Average Carbon Intensity heatmap of our portfolio) to monitor and assess our investment portfolio's exposure to carbon-intensive sectors as part of our due diligence process.	**Identifying and Assessing Climate Risks and Opportunities** (from page 18) **Managing Climate Risks and Opportunities in Investments** (from page 23)
b) Describe the organisation's processes for managing climate-related risks	• Our underwriting and investment activities undergo a risk escalation process and environmental risk management guidelines are applied such that transactions stay within Income's risk appetite. • Our approach to invest responsibly is guided by our Responsible Investment (RI) policy and is embedded in our EFM due diligence, selection, appointment and monitoring. • The majority of our EFMs are PRI signatories and TCFD supporters, as such, most of our assets are already managed with ESG considerations. Where they are not managed with ESG considerations, we require these EFMs to do so within their investment management and decision-making processes for our portfolios, where applicable. • We seek to influence the assets in which we invest through active engagement with our EFMs to communicate our responsible investment beliefs and expectations. • We are monitoring our operational emissions (across Scope 1 to 3) and will be identifying emissions reduction opportunities to implement.	**Risk Escalation Process** (from page 18) **Decarbonise Investment Portfolio** (from page 23)
c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	• Processes for identifying, assessing and managing climate-related risks are executed by business units based on the frameworks approved by various Board-level committees supported by the ExCom. • The Environmental Risk Management Framework sets out Income's Environmental Risk Management policy, risk appetite and strategy statement applicable to the investment, underwriting and business operation units. The policy is owned by the Chief Risk Officer and maintained by the Risk Management department. • The Responsible Investment Policy sets out the methodology, process and considerations by which the Investment team conducts the monitoring and material assessments of sectors and portfolio holdings with high carbon intensities. The policy is owned by the Chief Investment Officer and maintained by the Investment department.	**Managing Our Sustainability Commitments and Actions** (from page 11)

TCFD Index

TCFD Pillar/Recommendation	Key Points	Report Reference
Metrics and Targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities, where such information is material		
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	• To identify sectors with high environmental risks, we developed an environmental risk heatmap taking guidance from the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Sustainable Insurance. The environmental risk heatmap is reviewed annually and includes the review of climate-sensitive sectors against Income's risk appetite and environmental risk management guidelines are applied to stay within the risk appetite. • We measure the climate risk exposure in our investment portfolio using the WACI metric, as well as the weight of different sectors in our portfolio. • We engaged our EFMs to evaluate the material risks of our carbon-intensive holdings and to understand how these risks are being managed and mitigated. Engagements with the EFMs indicated that climate-related risk concerns were adequately considered and addressed in accordance with our mandates.	**Monitoring Portfolio Carbon Intensity** (from page 24) **Managing Climate Risks and Opportunities through External Fund Managers** (from page 24)
b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	• Income's Scope 1 to 3 GHG emissions for 2019 to 2021 were calculated based on the GHG Protocol and are disclosed in the 2021 Sustainability Report.	**Decarbonise Operational Footprint** (from page 21)
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	• Income has developed and published its commitment to various forward-looking targets to manage climate-related risks and opportunities: · Net-zero greenhouse gas emissions by 2050 · Transition out of thermal coal mining and coal-fired power plants in our investments and insurance business by 2035[1] · Zero exposure to coal sectors in our investment portfolio by 2030 · Fully cease underwriting of Property and Casualty business in coal sectors by 2040[2] · Have all our assets managed by PRI EFMs or with ESG considerations by 2030	**Transition to a Low-Carbon Business** (from page 17) **Managing Climate Risks and Opportunities through External Fund Managers** (from page 24)

[1] Regarding thermal coal mine and coal-fired power plants, Income is committed to transition out of these investments and insurance business by 2035 if the investee or insured has not demonstrated sufficient commitment to achieve carbon emission in line with the Paris Agreement by 2040. Income will also progressively review its position on other aspects of the coal industry.
[2] Income will not underwrite building and operation of coal-fired plants or coal mines, companies whose turnover are solely dependent on sales of coal and shipments of 100% coal.

GRI Index

GRI Standard Disclosure	Indicator	Report section(s) reference and additional information	Reasons for omissions, where applicable
GRI 102: General Disclosures 2016			
Organisational profile			
102-1	Name of the organisation	About NTUC Income and This Report (page 4)	–
102-2	Activities, brands, products and services		–
102-3	Location of headquarters		–
102-4	Location of operations		–
102-5	Ownership and legal form		–
102-6	Markets served		–
102-7	Scale of the organisation		–
102-8	Information on employees and other workers	Operate a Responsible Business – Foster a Learning and Engaged Culture (page 37)	–
102-9	Supply chain	About NTUC Income and This Report (page 4)	–
102-10	Significant changes to the organisation and its supply chain	*There were no significant changes to NTUC Income and its supply chain in 2021*	–
102-11	Precautionary Principle or approach	Our Sustainability Approach – Managing our Sustainability Commitments and Actions (page 11) Action for Environment – Transition to a Low-Carbon Business (page 18) Operate a Responsible Business – Effective Corporate Governance (page 27-30)	–
102-12	External initiatives	About NTUC Income and This Report (page 4)	–
102-13	Membership associations	Our Sustainability Approach – Engaging Our Stakeholders (page 9)	–
Strategy			
102-14	Statement from senior decision maker	Foreword by CEO (page 2-3)	–
Ethics and integrity			
102-16	Values, principles, standards and norms of behaviour	Foreword by CEO (page 2-3) Our Sustainability Approach – Our Strategic Pillars and Material Actions (page 7)	–

GRI Index

GRI Standard Disclosure	Indicator	Report section(s) reference and additional information	Reasons for omissions, where applicable
GRI 102: General Disclosures 2016			
Governance			
102-18	Governance structure	Our Sustainability Approach – Managing our Sustainability Commitments and Actions (page 11)	–
102-22	Composition of the highest governance body and its committees		–
102-30	Effectiveness of risk management processes		–
102-31	Review of economic, environmental and social topics		–
102-32	Highest governance body's role in sustainability reporting		–
Stakeholder engagement			
102-40	List of stakeholder groups	Our Sustainability Approach – Engaging Our Stakeholders (page 9)	–
102-41	Collective bargaining agreements	Operate a Responsible Business – Foster a Learning and Engaged Culture (page 40)	–
102-42	Identifying and selecting stakeholders	Our Sustainability Approach – Engaging Our Stakeholders (page 9)	–
102-43	Approach to stakeholder engagement		–
102-44	Key topics and concerns raised		–

GRI Index

GRI Standard Disclosure	Indicator	Report section(s) reference and additional information	Reasons for omissions, where applicable
GRI 102: General Disclosures 2016			
Reporting practice			
102-45	Entities included in the consolidated financial statements	About NTUC Income and This Report (page 4)	–
102-46	Defining report content and topic boundaries	Our Sustainability Approach – Engaging Our Stakeholders (page 9)	–
102-47	List of material topics	Our Sustainability Approach – Progress Against Our Sustainability Strategy (from page 12)	–
102-48	Restatements of information	*There is no restatement of information and this is Income's inaugural Sustainability Report*	–
102-49	Changes in reporting	*There are no changes in reporting and this is Income's inaugural Sustainability Report*	–
102-50	Reporting period	About NTUC Income and This Report (page 4)	–
102-51	Date of most recent report	*This is Income's inaugural Sustainability Report*	–
102-52	Reporting cycle	*We will publish a Sustainability Report annually*	–
102-53	Contact point for questions regarding the report	About NTUC Income and This Report (page 4)	–
102-54	Claims of reporting in accordance with the GRI standards		–
102-55	GRI content index	Regulatory and Mandatory Disclosures (from page 49)	–
102-56	External assurance	*Information in this report has not been externally assured*	–
GRI 201: Economic Performance 2016			
103-1, 103-2, 103-3	Discussion of the material topic and management approach	Operate a Responsible Business – Effective Corporate Governance (from page 27) *Please refer to the Income Annual Report 2021 for details on Income's approach to managing economic performance.*	–

GRI Index

GRI Standard Disclosure	Indicator	Report section(s) reference and additional information	Reasons for omissions, where applicable
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	*Please refer to the Income Annual Report 2021 for Income's economic performance* Community Investment: See Building Stronger Communities (page 42, 45)	–
201-2	Financial implications and other risks and opportunities due to climate change	Action for Environment (page 15-25)	The costs of actions taken to manage the risks or opportunities were not disclosed
GRI 203: Indirect Economic Impacts			
103-1, 103-2, 103-3	Explanation of the material topic and its boundary	Operate a Responsible Business – Offer Inclusive Products (page 31) Operate a Responsible Business – Promote Financial Literacy (page 35) Building Stronger Communities – Champion Social Mobility (page 42)	–
203-2	Significant indirect economic impacts	Operate a Responsible Business – Offer Inclusive Products (page 31-34) Operate a Responsible Business – Promote Financial Literacy (page 35-36) Building Stronger Communities – Champion Social Mobility (page 42-44)	–
GRI 305: Emissions 2016			
103-1, 103-2, 103-3	Discussion of the material topic and management approach	Action for Environment – Our Approach to Net-Zero (page 16)	–
305-1	Direct (Scope 1) GHG emissions	Action for Environment – Transition to a Low-Carbon Business (page 21-22)	–
305-2	Energy indirect (Scope 2) GHG emissions		–
305-3	Other indirect (Scope 3) GHG emissions	Action for Environment – Transition to a Low-Carbon Business (page 21-22) Action for Environment – Decarbonise Investment Portfolio (page 23-25)	–
305-4	GHG emissions intensity	Action for Environment – Decarbonise Investment Portfolio (page 24-25)	–

GRI Index

GRI Standard Disclosure	Indicator	Report section(s) reference and additional information	Reasons for omissions, where applicable
GRI 306: Waste 2020			
103-1, 103-2, 103-3	Explanation of the material topic and its boundary	Paper consumption constitutes a material use of natural resource at Income as our business requires formal and documented correspondences with our customers. As such, we committed to reduce our use of paper through the progressive digitalisation of paper communications to policyholders.	–
306-1	Waste generation and significant waste-related impacts	Progress Against Our Sustainability Strategy (page 12)	–
306-2	Management of significant waste-related impacts	Action for Environment – Transition to a Low-Carbon Business (page 22)	–
306-4	Waste diverted from disposal		–
GRI 404: Training and Education 2016			
103-1, 103-2, 103-3	Explanation of the material topic and its boundary	Operate a Responsible Business – Fostering a Learning and Engaged Culture (from page 37)	–
GRI 404-2	Programmes for updating employee skills and transition assistance programmes	Operate a Responsible Business – Fostering a Learning and Engaged Culture (page 37-39)	–
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	Percentage of employees who received annual performance review in 2021: By gender – Female: 99% of eligible permanent headcount – Male: 99% of eligible permanent headcount By employee category – Senior management: 100% of eligible permanent headcount – Middle management: 97% of eligible permanent headcount – Staff: 99% of eligible permanent headcount	–

GRI Index

GRI Standard Disclosure	Indicator	Report section(s) reference and additional information	Reasons for omissions, where applicable
GRI 417: Marketing and Labelling 2016			
103-1, 103-2, 103-3	Explanation of the material topic and its boundary	Operate a Responsible Business – Effective Corporate Governance (page 29, 'Fair Dealing')	–
417-2	Incidents of non-compliance concerning product and service information and labelling		–
417-3	Incidents of non-compliance concerning marketing communications		–
GRI 418: Customer Privacy 2016			
103-1, 103-2, 103-3	Explanation of the material topic and its boundary	Operate a Responsible Business – Effective Corporate Governance (page 30)	–
418-1	Substantiated complaints concerning breaches of customer privacy and leakages of customer data		–
GRI G4 Financial Services Sector Disclosures			
GRI F10	Percentage and number of companies held in the institution's portfolio with which Income has interacted on environmental or social issues	Our Sustainability Approach – Progress Made in Our Sustainability Strategy (page 12)	–
GRI F11	Percentage of assets subject to positive and negative environmental or social screening		–
GRI FS14	Initiatives to improve access to financial services for disadvantaged people	Operate a Responsible Business – Offer Inclusive Products (page 31-34) Operate a Responsible Business – Promote Financial Literacy (page 35-36) Build Stronger Communities – Champion Social Mobility (page 44)	–

income
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