



# Our Wider Impact Report 2013

This report takes a look at our commitment to our employees, the environment and the communities in which we operate.



# About this report

We report on our people and corporate responsibility performance openly and transparently. We've continued to improve this year by changing the way we communicate, to become more responsive to our stakeholders' needs.

Our new approach includes a smaller annual report in pdf called 'Our Wider Impact Report 2013' covering material people and corporate responsibility information and regular and timely updates on our corporate website at [www.aviva.com/corporate-responsibility](http://www.aviva.com/corporate-responsibility)


The most material CR and people information and data is also included in our Annual report and accounts within the Strategic Report, as required by the Companies Act.

## Reporting on what matters

This is structured around the most significant issues for our business:

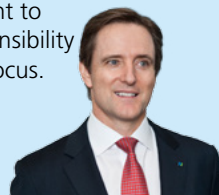
- Our people
- Trust and transparency
- Environment and climate change
- Community development
- Responsible investment

We cover groupwide progress towards our CR strategy and goals, including activities around the world, with further information available at [www.aviva.com/corporate-responsibility](http://www.aviva.com/corporate-responsibility). The Key Performance Indicators (KPIs) in our report have been prepared in accordance with our [reporting criteria](#).

The KPIs that have been independently assured by PwC are indicated by the  symbol.

## Group Chief Executive Officer's letter

Our commitment to corporate responsibility remains a key focus.



## Materiality and stakeholder engagement

The issues that impact our business, our stakeholders and society.



## Governance and risk

Corporate responsibility strategy is dealt with at the highest level.



## Assurance report

Opinion from PwC.



## Key Performance Indicators (KPIs)

Performance against targets, and future targets.



## Our wider impact

Our focus is on doing the right thing, maximising our contribution to society while improving financial performance and building resilience.



### People

#### Our people matter

Our people make the difference between success and failure – we recognise exceptional performance and potential, and invite collaboration.



### Corporate responsibility

#### Trust and transparency

We are committed to transparency, including regular progress reporting.



#### Environment and climate change

Developing our products and operations.



#### Community development

We are focusing on key issues for our customers, and where we have expertise.



#### Responsible investment

We aim to invest in a responsible and sustainable way.





# Group Chief Executive Officer's letter

People face uncertainty, challenges and choices every day. Life is complex and unpredictable. At Aviva, we make life more certain. Our purpose is to free people from fear of uncertainty which allows our customers to get on and lead richer, happier lives. This is what unites us as an organisation. Along with our four values – care more, kill complexity, never rest and create legacy – this guides us to navigate the future with confidence in a rapidly changing world as an ethically, environmentally and socially responsible insurer.

A key priority is to make sure we are financially strong, so that we can deliver on the promises we have made to our customers, business partners, employees, shareholders and communities. We took action to improve our financial position during the year, securing our legacy. Today our economic capital surplus is double the level of two years ago.

During the year, we paid out £27.5 billion in claims and benefits to our customers, to enable them to get on with their lives. I am proud of our front line staff, who go out of their way to respond to our customers' needs – whether that be the care and time our people take to talk to critical illness customers who have cancer, or a customer who has had their lives turned upside down during the UK or Canadian floods. During the UK floods, we

accepted 99.9 per cent of claims and our people were on the road seven days a week, knocking on our customers' doors to help them claim. This is where I think we deliver and our people have been exceptional.

Through our community programmes, we have made a positive difference to the lives of many around the world. Our Street to School programme has now helped over 800,000 street connected children and we have helped 4,300 street children in Indonesia obtain birth certificates. In Canada, our Aviva Community Fund encourages Canadians to share ideas and vote for causes that are meaningful to their communities. Winners have shared \$1 million for projects such as rebuilding flood ravaged camp grounds, youth enablement programmes, and building new playgrounds.

As a company we need to create legacy and as leaders we need to be good ancestors. We're a long-term company, we make long-term decisions, we have long-term liabilities – investing in things like infrastructure. In the UK, we've already allocated £500 million to invest immediately in UK infrastructure, as part of the Government's Growth Action Plan. We want to make business decisions we will be proud of in 20 years time. In doing so, we can leave a legacy for society as well.

We aim to adhere to the highest standards of corporate governance and as a Group we have been recognised for this. We are one of the top global companies listed with the FTSE4Good Index and are the only insurance company within the UN Global Compact 100 stock index. In 2013, we were runners up for a PwC Building Public Trust award for our approach to the transparency of our reporting.

Our achievements listed throughout this report are a testament to the commitment of our employees, but there is no room for complacency at Aviva. We are looking to improve every year, to unlock our full potential and create a legacy we are proud of.



“

We want to make business decisions we will be as proud of in 20 years' time as we are today. In doing so, we can leave a legacy for society. We can be a good ancestor.”

**Mark Wilson**

Group Chief Executive Officer

## In this report:

### → Group CEO's letter

KPIs

Our wider impact

Our people matter

Trust and transparency

Environment and climate change

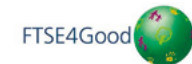
Community development

Responsible investment

Materiality and stakeholder engagement

Governance and risk

Assurance





# Key Performance Indicators (KPIs)

## In this report:

Group CEO's letter

→ KPIs

Our wider impact

Our people matter

Trust and transparency

Environment and climate change

Community development

Responsible investment

Materiality and stakeholder engagement

Governance and risk

Assurance

	2010	2011	2012	2013	Year-on-year target	Change over year	Notes
<b>Trust and transparency</b>							
% employees who read, understand and accept the Business Ethics Code annually; and all employees at Aviva in France who agree to comply with the Business Ethics Code as a term of their employment when they join the company	32%	89%	88%	<b>95%</b>	100% of employees	7%	All employees are required to complete annual training in the Code except in France, where the requirement is included in employment contracts. While our target remains at 100%, it is inevitable that not all employees will be able to sign the Code each year due to maternity leave, sick leave etc. Taking account of full year 2013 data excluding those on maternity leave and long term sickness 98% of employees have signed the Code.*
% of businesses that are in or above the upper quartile relative to the local market average (RNPS score)	50%	52%	39%	<b>31%</b>	Maintain or improve past performance	(8)%	Using RNPS methodology we calculate the performance of businesses relative to their local market. Following changes to our overall business structure, the number of markets now ranked within the upper quartile is 31%. There were four fewer businesses surveyed in 2013 compared to the previous year.
% of employees who believe our commitment to CR is genuine	74%	79%	75%	<b>75%</b>	Maintain or improve past performance	0%	
% of employees who rate us favourably on the customer index	69%	73%	75%	<b>74%</b>	Maintain or improve past performance	(1)%	
<b>Environment and climate change</b>							
% of remaining CO <sub>2</sub> e emissions offset annually	100%	100%	100%	<b>100%</b>	Offset remaining CO <sub>2</sub> e emissions at Group level	0%	Absolute CO <sub>2</sub> e data: CO <sub>2</sub> e data includes emissions from our buildings, business travel, outsourced data centres, water and waste to landfill.
CO <sub>2</sub> e emissions (tonnes) – absolute	127,685	165,115	126,502	<b>115,889</b>	Reduce relative CO <sub>2</sub> e emissions by 5%	(8)%	Relative CO <sub>2</sub> e data: the relative comparison uses the 2013 basis for reporting (as above), and the adjusted relative data for 2012 encompassing structural changes that occurred in 2013.
CO <sub>2</sub> e emissions (tonnes) – relative	n/a	n/a	125,327	<b>115,889</b>		(7.5)%	Our 2010 baseline, which we use to understand our progress on a long term basis, is 132,244 CO <sub>2</sub> e. Our long-term reduction target remains at 20% reduction by 2020, from this restated baseline.
Water consumption (m <sup>3</sup> ) – absolute	690,369	509,657	529,960	<b>459,634</b>	Reduce water use by 4%	(13)%	Water consumption: we have restated our water consumption for 2012 after an overstatement was found in the China data.
Waste generated (tonnes) – absolute	12,042	8,645	11,468	<b>11,481</b>	Reduce waste generated by 4%	0.1%	
Proportion of recycled waste	75%	73%	69%	<b>70%</b>	80% or above	1%	We have restated waste for 2012 due to an error in our China waste figure, and to include Solus for the first time.
% of employees who feel that Aviva is an environmentally responsible organisation	71%	76%	76%	<b>77%</b>	Meet/exceed GFS benchmark (2013: 69%)	1%	GFS stands for the Global Financial Services benchmark. This is a tough external benchmark that we use as a stretch target. In the equivalent regional benchmarks we are consistently performing above the benchmark.

Ⓐ All 2013 KPIs on this page have been assured by PwC except the information indicated by \*.



	2010	2011	2012	2013	Year-on-year target	Change over year	Notes
<b>Community development</b>							
Amount of community investment	£11.4m	£12.4m	£11m	<b>£6.2m</b>	Total community investment at/above previous year	(44)%	The decrease in total community investment is due to the completion of our UK Athletics sponsorship, which represented over 33% of our total KPI in 2012. Additionally, this year's reporting does not include the US business (sold in 2013) which contributed over 10% to this KPI in 2012.
% of investment in Aviva Street to School	52%	54%	58%	<b>52%</b>	50% of cash donations	(6)%	
% of employees who feel that Aviva does a good job of contributing to the communities in which we live and work	66%	76%	76%	<b>75%</b>	Increase from previous year	(1)%	
% of employees participating in volunteering*	17%	20%	18%	<b>27%</b>	Increase the % of employee participation in volunteering	9%	The increase in the % of employees volunteering is a consequence of our focus on driving employee participation. The reduction in total volunteering hours is due to our increased focus on individual skills-based volunteering, rather than team events, and also a significant reduction in overall headcount.
Number of employee hours spent volunteering*	57,250	60,390	56,357	<b>41,223</b>	Increase the number of employee volunteering hours	(27)%	

Ⓐ All 2013 KPIs on this page have been assured by PwC except the information indicated by \*.

#### In this report:

Group CEO's letter

#### → KPIs

Our wider impact

Our people matter

Trust and transparency

Environment and climate change

Community development

Responsible investment

Materiality and stakeholder engagement

Governance and risk

Assurance



# Our wider impact

We have always been a business that has operated responsibly and with integrity, working to understand the real needs of our customers and helping them to make informed decisions. As the transformation of Aviva continues, we remain focused on doing the right thing, maximising our contribution to society while improving financial performance and building resilience.

To continue to be a successful business, we need to be both ready – and willing – to change, adapting to new social and economic factors in order to take advantage of new opportunities and challenges.

As society changes, people's needs change too. Our customers are living longer, healthier lives, and we need to develop the products and services that meet their shifting needs.

Technology is moving forward too, with more data now available to create accurate scenarios that can inform the type of products we offer, while the ways in which we can communicate with our customers, and our employees, continue to multiply in the digital age.

We manage our wider impact by focusing on the way we treat our people and our commitment to corporate responsibility. Together, they help us to meet our commitment to address the issues that are material to our employees, the environment and the communities where we operate.

## People

### Achievement

Recognising exceptional performance and rewarding outcomes; providing clarity and enabling accountability through the way we structure the organisation and the way we operate.



### Potential

Inspiring our people to dream more, learn more, do more and become more; recognising that our performance is improved by embracing people who think and act differently.



### Collaboration

Inviting challenge and asking fierce questions with the right intent; winning together by readily adopting good ideas from others; enabling conversations that are transparent and engaging, regardless of hierarchy.



## Corporate responsibility

### Environment and climate change

Controlling our impacts and influencing the actions of others; creating quantifiable positive environmental change with financial and social benefits.



### Trust and transparency

Strengthening Aviva's ethical practice and reputation, clearly demonstrating our sustainability.



### Community development

Acting responsibly in our communities, extending our positive impact through insight, expertise and partnership.



#### In this report:

Group CEO's letter

KPIs

→ Our wider impact

Our people matter

Trust and transparency

Environment and climate change

Community development

Responsible investment

Materiality and stakeholder engagement

Governance and risk

Assurance

# Our people matter

People all across Aviva make a difference – the difference between success and failure. This is why we are focused on recognising exceptional performance in our people, unleashing potential and inviting collaboration – key components of our people thesis.

## New values

Aviva has recently been through a period of change, particularly the way in which it is structured and organised. We know that organisational change has had a significant impact on our people, so we are focused on demonstrating our care and concern for them and working to rebuild pride in Aviva.

Last year we asked our employees to help us develop new values and associated behaviours that enable us to deliver our new purpose and shape our culture. The new values are:

- Care more
- Kill complexity
- Never rest
- Create legacy

Our values will be reinforced throughout the organisation not only through demonstration by our leaders, but also by their integration into the way we work. We will also ensure that the new values and behaviours are communicated widely and encourage open conversations.

## Learning and development

Strong leadership is critical to any successful business, and in 2013 15% of our senior leaders were enrolled on our new Leadership Transitions programme, in partnership with the Saïd Business School at the University of Oxford.

A long-term view of talent is also vital to the future of our business, so we're making it easier for our people to build their capabilities. In 2013 we continued to expand the benefits of standard learning processes globally, with Ireland, Canada and Singapore now joining the UK in the use of a common Learning Management System. Some 20,000 employees can now access shared learning materials and create and track personal development plans online.

## Attracting talent

We aim to attract people who are the envy of our industry. Throughout 2013 we revamped and modernised our recruitment processes, harnessing the power of social media to attract younger people to the business, and further raise our profile.

One way we've done this is by refreshing our careers site, making it easier for people to get a feel for what it's like to work here and the career opportunities available.

We've also better aligned our graduate and apprentice recruitment campaigns with the university application calendar and local schools' outreach programmes.

Our emerging talent pipeline takes a long-term view of the people we need to meet our future priorities, including our apprenticeship programme. Now in its third year, and positioned as a credible alternative to higher education, it has proved a huge success at improving opportunities for young people from all backgrounds. In 2013 we took on 17 young people, as well as increasing the programme's scope with new apprenticeships in our actuarial and underwriting departments.

We also visit schools to show pupils the kind of opportunities that exist within our industry, and offer work-experience placements.



## What are we doing?

### The Aviva apprenticeship programme

"I am ambitious and I'm looking forward to all the opportunities I will get at Aviva. I would tell anyone who was thinking about what they want to do after A-levels to really consider the type of route I have taken. It's a really viable option to University as you still get higher qualifications. If you're not sure see what else is out there, I'm really glad I did as working here suits me." **Rosie Messiha-Harlock**

## In this report:

Group CEO's letter

KPIs

Our wider impact

→ **Our people matter**

Trust and transparency

Environment and climate change

Community development

Responsible investment

Materiality and stakeholder engagement

Governance and risk

Assurance

## More case studies can be found online:

[Helping LILT's fight against cancer](#)

[Parliamentary interns](#)



[www.aviva.com/corporate-responsibility/community-development/](http://www.aviva.com/corporate-responsibility/community-development/)





## Diversity and inclusion

Inclusivity and supporting people who think and act differently are both essential attributes for Aviva, as a business, to recognise its full potential.

It's important to us, therefore, to create a culture that respects difference and recognises individuality. We employ more women (51%) than men (49%), 21% of our senior management team and subsidiary board members are female, along with 21% of our Group Executive and 18% of the Board. We're committed to achieving 25% female Board membership by the end of 2015.

In April 2014 we will have increased the percentage of women in the Group Executive to 27% with the addition of one female GE member.

We have also created a positive workplace for lesbian, gay and bisexual employees, and we were again listed on the UK's Stonewall Workplace Equality Index for 2014.

### What are we doing?

#### Valore D

Aviva Italy has become a member of Valore D, the country's first association of large companies supporting women's professional development and leadership in the corporate world. The representation of women in Italian companies is concentrated in the middle and lower levels of management, with under 7% making it to board and executive levels.

## Employee engagement

Each year we conduct our annual employee engagement survey, which helps us to further understand our people and identify how we can do more to support them. This year, among the key findings were that the majority of our employees understand our vision and feel safe to speak up and challenge the way we do things.

However, we have also seen a decline in the pride people feel in working for Aviva. So, over the next 12 months, we intend to reverse this trend, with an emphasis on supporting employees who have told us they want to move their careers forward, develop their skills and grow.

We are also focusing on ongoing, face-to-face conversations with managers and responding to feedback with clear actions. And we will continue to listen to our employees through our employee forums, where they can discuss matters impacting the business.

Our People business standard ensures consistency in our people management across the Group.

## Safety and wellbeing

We provide our employees with a safe and healthy environment in which to work. We provide a number of initiatives to help them maintain a healthy working life, including flexible working hours, career breaks and employee assistance programmes.

We have also piloted a health risk assessment to help us gain a broader insight into our employees' wellbeing, and last year saw us ranked in the top quartile of Business in the Community's Workwell benchmark, which looks at employee wellbeing in FTSE 100 companies.

### What are we doing?

#### Helping LILT's fight against cancer

Aviva in Italy, together with LILT, an Italian association that fights against cancer, have joined forces to promote preventive medicine among Aviva employees. The company organised a week of prevention activities where employees could book appointments for skin tests and oral examinations with visiting oncologists and dermatologists.

## Living wage

We are proud to be a partner of the Living Wage Foundation, and have been a London Living Wage employer since 2005. Our minimum pay levels for direct employees across the rest of the UK exceed the national living wage, and we are working with our suppliers to pay the Living Wage for onsite contractors, too.



### In this report:

Group CEO's letter

KPIs

Our wider impact

→ Our people matter

Trust and transparency

Environment and climate change

Community development

Responsible investment

Materiality and stakeholder engagement

Governance and risk

Assurance

## How are we performing?

We revamped and modernised our recruitment processes, and provided improved opportunities for young people from all backgrounds including apprenticeships in actuarial and underwriting departments. In addition, we expanded the benefits of our learning programme globally with a common Learning Management System, and we enrolled 15% of our senior leaders on our new Leadership Transitions programme.



We are the only insurer in the 2014 index

18%

of Aviva's Board are women





# Trust and transparency

To earn the trust of our customers, we need to be open in what we do. We are committed to transparency, regular reporting on our performance and progress on our strategy, and have a strict code of business ethics that leaves no room for ambiguity.

We ask all employees to read the Business Ethics Code each year, and in 2013 98% of employees completed this. At Aviva in France employees are required to abide by the Code as part of their employment contract.

## Transparent public policy

We seek to play an open, constructive and positive role in shaping government policy, and to ensure that companies and financial institutions act in the long-term interest of their shareholders and customers.

We are on the EU Transparency Register; our number is 86270761494-62. Our political advisers are members of the Association of Professional Political Consultants (APPC) and comply with its Code of Practice; in Brussels, they are also a signatory to the European Public Affairs Consultancies' Association's Professional Code of Conduct, as well as being listed on the European Commission's Register of Interest Representatives.

## Fighting financial crime

Financial crime costs our industry billions of pounds every year, and leads to higher prices for our customers. To manage this risk we have adopted a zero tolerance approach to financial crime, bringing together experts on fraud management, anti-money laundering and malpractice reporting across our global business.

All our employees, right up to Board level, regularly receive training on how to spot and fight financial fraud, and we run a global reporting service that allows employees to report malpractice in complete confidence. All cases are referred for independent investigation. In 2013, 27 cases reached conclusion and four cases remain under investigation.

## Access to insurance

By promoting access to insurance for all areas of society we can dramatically increase our social and economic impact. For instance, we invest in social housing and have developed affordable home contents insurance to help low-income households access the cover they need.

## Caring more for our customers

We help protect customers from the financial impact of unforeseen events and help them save for a more secure future. Our purpose is to make a difference for our customers by removing fear of uncertainty, so that they are free to lead their lives.

Historically the relationship between customers and insurance companies has at times lacked trust, with the challenge being levelled that insurers don't understand or care about customers' lives or needs. Products and communications are viewed as overly complicated, with customers seeing little tangible difference between the products and services available from different companies.

Our role is to ensure that customers feel secure in their purchase decisions and confident that the product they have chosen meets their needs. This means making sure that our products, services and communications are simple and transparent, and enable customers to feel in control of their financial future. This means we must demonstrate we understand them as individuals, and deliver products and solutions that are personalised to them.

One of the most important ways through which we understand our customers and what they think of our products and services is our Relationship Net Promoter Score® (RNPS) survey. We carry out this survey twice a year and use the results to drive action planning for improvement.

This year's RNPS results show that 31% of our markets are outperforming the market average (ranked in the upper quartile). Our strategic plan of action is vital to achieving our ambition of meeting customer needs better than our competitors, so that Aviva becomes the insurer of choice.

### In this report:

Group CEO's letter
KPIs
Our wider impact
Our people matter
<b>→ Trust and transparency</b>
Environment and climate change
Community development
Responsible investment
Materiality and stakeholder engagement
Governance and risk
Assurance

## Our Business Ethics Code

- Fair business practices with ALL our customers, employees and suppliers.
- Transparent and honest business practices.
- Respecting confidential information we're given.
- Obeying the rule of law.
- Accurate and honest reporting to our stakeholders.
- Respecting the environment and communities in which we work.



## Human rights

We believe that respecting human rights should be a natural part of a company's decision-making process, not just a policy document. We are working to embed human rights into our business culture, our procedures and the way in which we operate.

We have aligned our policies and practices – including those covering climate change and the environment – with the principles of several key bodies, including the UN Universal Declaration of Human Rights and the International Labour Organization's (ILO) core labour standards.

We fully support the Convention on Cluster Munitions and we do not invest in companies that manufacture cluster munitions for policyholder and shareholder funds.

### Find out more on the corporate responsibility pages of our website at:



[www.aviva.com/corporate-responsibility/](http://www.aviva.com/corporate-responsibility/)

During 2013 we refreshed our human rights policy in line with the UN Guiding Principles for Business and Human Rights. It was a process that allowed us to pinpoint how we manage our most material human rights risks in relation to our five key stakeholder groups.

### Employees

We deliver on our commitment to respect and promote fair reward, diversity and inclusion, equal opportunities, labour relations and freedom of association.

### Supply chain

We use a due diligence process to evaluate and select suppliers, and request they disclose their human rights policies.

### Investment

We have implemented the Principles of Responsible Investment across the business and when human rights risks are identified, we work with the companies to address our concerns.

### Customers

We ensure that our customers receive clear communications from us, have easy access to our expert staff, and complete confidence that we will ensure the privacy of their data.

We also provide customers with ways to provide feedback about the way we operate and how we remedy any potential human rights impacts.

### Community

We operate responsibly in all the communities where we are active. As part of our work with street children, both Aviva and our non-governmental organisation (NGO) partners have signed up to a child safeguarding and protection code of conduct, created with Save the Children. This protects our partners and employees who are volunteering with children.

### In this report:

Group CEO's letter

KPIs

Our wider impact

Our people matter

→ **Trust and transparency**

Environment and climate change

Community development

Responsible investment

Materiality and stakeholder engagement

Governance and risk

Assurance

### Case studies can be found online:

[Sustainable savings \(Spain\)](#)

[Cycling campaign](#)

[Critical illness](#)



[www.aviva.com/corporate-responsibility/trust-and-transparency](http://www.aviva.com/corporate-responsibility/trust-and-transparency)

### How are we performing?

We met our target for employees who believe our commitment to CR is genuine. After focused action we improved the employee sign-up to our Business Ethics Code to 98% this year.

75%

Employees who believe our commitment to CR is genuine.  
2012: 75%

98%

Employees signed up to our Business Ethics Code



KPI overview page 3

Full performance online



[www.aviva.com/corporate-responsibility/how-are-we-performing/](http://www.aviva.com/corporate-responsibility/how-are-we-performing/)

# Environment and climate change

At Aviva, we judge the importance of environmental issues based on the increasing impact on our customers, on direct and indirect business impacts and stakeholder concerns.

We are working to develop new and innovative products and services for our customers, to encourage good behaviour and build resilience, as well as reduce our impact on the environment, by making changes to the way we operate.

## Extreme weather

Extreme weather events are becoming more common all around the world. Our customers look to us for expertise and protection, so we need to manage the effect these events have on our business, and make sure that the risks don't become uninsurable.

To help do this we are matching up our expert historical knowledge of weather events with the latest cutting-edge technology to create predictive models of future scenarios. These are helping us to reduce risk and ensure we can continue to offer our customers the policies they need.

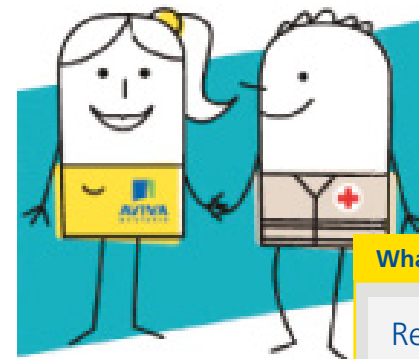
In 2013, for example, Canada suffered two 'one-in-100-year' flood events within just two months of each other. But thanks to our approach to risk management, we were ready to respond quickly, delivering the services and making the payments our customers so desperately needed.

## Green products

We are progressively building environmental considerations into our products, with a whole range of innovative new policies. Take fire damage – where possible, we now aim to clean and deodorise items *in situ* rather than removing items and potentially replacing them, which means fewer goods go to waste. We are also using new techniques for removing stains from carpets, saving our customers the hassle of the replacement process, and cutting the associated carbon footprint.

We've introduced 'parts harvesting' for laptop repairs too, saving usable parts from computers that are beyond economical repair, so they can be used as replacement parts in subsequent repairs.

In Canada, Aviva customers can take advantage of Green Assure, which gives them the option of replacing damaged goods with more energy-efficient, environmentally friendly ones.



## More case studies can be found online:

[Green Assure](#)

[Reducing water and waste](#)

[Understanding climate resilience](#)

[ClimateCare](#)

 [www.aviva.com/corporate-responsibility/tackling-climate-change/](http://www.aviva.com/corporate-responsibility/tackling-climate-change/)

## In this report:

Group CEO's letter

KPIs

Our wider impact

Our people matter

Trust and transparency

→ **Environment and climate change**

Community development

Responsible investment

Materiality and stakeholder engagement

Governance and risk

Assurance

## What are we doing?

### Red Cross in France

Aviva in France has teamed up with the Red Cross to help people get organised and rebuild their communities after a natural disaster. With our support, the Red Cross was able to fund train-the-trainer sessions and roll out its climate event-prevention training course across France.

  
croix-rouge française  
Humanisons la vie

## What are we doing?

### ClimateCare

Through our work with ClimateCare, we supported two projects in 2011 and 2012 which, in their different ways, helped improve people's health; reducing exposure to dangerous smoke from wood burning fires, and to water-borne diseases.

In Kenya we have helped over 200,000 people by supplying gravity water filters, which means they no longer have to light a fire to boil water before they can use it.

In India, where 82% of the population cooks using inefficient open fires, we were shocked to learn that indoor air pollution from the fires causes a staggering 480,000 deaths a year. We are now subsidising the cost of new clean energy stoves, which produce around 80% less emissions - making them affordable to more families all over India.

## Controlling our impacts

We are conscious of our own environmental impacts as a business, too, so we are working to improve energy efficiency across the whole Group, investing in the low-carbon economy and addressing the indirect impacts from our assets.

We publish our performance data for CO<sub>2</sub>e emissions, waste and water consumption each year, and also use Accounting for Sustainability's connected reporting framework to demonstrate the cost of our environmental sustainability.

When it comes to reducing our own carbon emissions, we have set ourselves an ambitious target. Our aim is to cut CO<sub>2</sub>e emissions by 20% between 2010 and 2020, with a minimum 5% reduction each year. And we are on track to achieve this, having cut our emissions by 8% last year. Our emissions levels are 12% lower than in 2010.

Of course, some carbon emissions are unavoidable, and we work with our business partner ClimateCare to offset these. We buy carbon credits, at the rate of one per tonne of carbon that we have emitted, from carbon finance projects supporting sustainable projects in communities in developing countries.

## Influence and leadership

As a major insurer, we can help to promote low-carbon technologies and invest in the infrastructure that's needed to fight climate change. We are also helping to research appropriate responses to the risks and impacts of climate change through industry collaboration. ClimateWise is an insurance industry leadership group that looks at the whole issue of climate change risk.

## In this report:

Group CEO's letter

KPIs

Our wider impact

Our people matter

Trust and transparency

→ **Environment and climate change**

Community development

Responsible investment

Materiality and stakeholder engagement

Governance and risk

Assurance



## How are we performing?

We met a number of our targets, including those for reducing absolute and relative CO<sub>2</sub>e emissions and absolute water consumption, which we reduced by 13%. We also exceeded our target for employees who feel that Aviva is an environmentally responsible organisation. However, we just missed our recycled waste and waste generated targets, by 1% and 0.1% respectively.

**13%**

Reduction in absolute water consumption.  
2012: 4%

**7.5%**

Reduction in relative CO<sub>2</sub>e emissions.  
2012: 5%

→ KPI overview page 3

Full performance online

[www.aviva.com/corporate-responsibility/how-are-we-performing/](http://www.aviva.com/corporate-responsibility/how-are-we-performing/)



# Community development

It's part of our legacy to be community-minded. Last year we invested £6.2 million supporting and developing local communities, as well as being there when our 30 million customers needed us.

We are now looking to extend the reach of our work, focusing on the issues that are most important to our customers, and the areas where our skills and expertise can have the greatest positive impact.

## Employee participation

Volunteering is one of the most important ways in which we work with our communities – and it's also a great way for our people to develop and refine some of their own business skills.

We encourage all our employees to take up to three days volunteering leave a year, and in 2013 27% of our employees took part. This means that together they contributed more than 41,000 hours of their time.

Our staff give generously, too. Last year 27% of employees donated over £536,000 through our payroll scheme. In the UK this helped us to achieve the UK Government's payroll-giving Gold Standard award. In fact, 41% of employees are directly involved in CR activities in the UK.

## Supporting street children

Street to School, our global community programme, is active across most of the countries in which we operate. The idea is simple: every child should have access to education, because we believe education is insurance for a better life. Since its launch in 2010 we have helped over 800,000 street-connected children.

During 2013, we worked with our partners to develop more sustainable, lasting outcomes, and find new ways of helping more people to work together on behalf of street children. We continued to focus on all important advocacy, too. We held a reception at 10 Downing Street, hosted by Samantha Cameron, to raise awareness of the fact that in the UK one child runs away from home every five minutes; we are also working with Plan UK in Indonesia and the Indonesian Government to help support a change in policy that increases access to birth registration.

In addition, we held a round-table event in South East Asia involving the UN, governments, NGOs, businesses and academics. The key focus of the conversation was how we can act together to protect and promote the rights of children living and/or working on the street. We wanted to create a global community in support of the cause, and as a result of our social media campaign, over a million people followed the event.

**Find out more on the Together for Street Kids' pages of our website at:**



[www.aviva.com/corporate-responsibility/](http://www.aviva.com/corporate-responsibility/)

We're supporting a project called Twinkling Stars too, which helps children in rural China who have been left behind when other family members have moved to the city in search of work.

Last year also saw the third International Day for Street Children. When we launched it in 2011, 30 countries took part. By 2013 this had grown to 128.

## In this report:

Group CEO's letter

KPIs

Our wider impact

Our people matter

Trust and transparency

Environment and climate change

→ **Community development**

Responsible investment

Materiality and stakeholder engagement

Governance and risk

Assurance

## What are we doing?

### Oxfam 365

We began supporting Oxfam 365, the agency's emergency fund, in 2006. Since then we have contributed over £1 million, helping Oxfam to mount disaster-relief operations and support over half a million people in the wake of natural disasters like the earthquake in Haiti and Typhoon Haiyan in the Philippines.

## More case studies can be found online:

[Railway children](#)

[Grief encounter](#)

[Movember](#)

[Our skills in the community](#)

[Supporting entrepreneurship](#)

 [www.aviva.com/corporate-responsibility/community-development](http://www.aviva.com/corporate-responsibility/community-development)



## Working with others

In 2013 we continued to work with a diverse range of partners, including NGOs, businesses, public sector bodies and international organisations. We use these connections to bring together different skills and points of view, so that we can start to develop new ways of tackling a range of issues all over the world.

In the UK, a lot of our efforts are geared towards helping parents and young people. Our work with the charity Railway Children revolves around raising awareness of the issue and young runaways. In 2013 we gave over £437k through donations and fundraising.

In 2013, we also supported the Mumsnet website, sponsoring a section of the site that provides information and advice to parents about runaway children, and the warning signs to look out for.

Our work with bereavement specialists Grief Encounter raises awareness of the importance of life assurance to parents. We know it is a difficult subject, but we want to show that in the event of a parent dying, this protection will help address many financial worries, allowing the surviving parent to concentrate on helping their children to cope with the loss.

We are partnering with the Norwich City Community Sports Foundation to help deliver Classroom Champions, a range of activities for local primary schoolchildren. And this year we also began supporting the Community Sports Fund Sporting Light Appeal, which encourages more people with disabilities to get involved in sport.

Men's health is also on our agenda, and we have teamed up with rugby union clubs in the Aviva Premiership to raise awareness of issues such as prostate and testicular cancer.

## In this report:

Group CEO's letter
KPIs
Our wider impact
Our people matter
Trust and transparency
Environment and climate change
<b>→ Community development</b>
Responsible investment
Materiality and stakeholder engagement
Governance and risk
Assurance

## What are we doing?

### Street children in Indonesia

In Indonesia we have joined forces with Plan – a global children's charity – to help some of the 4,300 street children in Jakarta to obtain their birth certificates. It's a small act, but one which will dramatically improve their access to school and healthcare.



## More case studies can be found online:

[Community fund impacts from Canada](#)

[Twinkling Stars](#)

[PASSPORT in Canada](#)

[www.aviva.com/corporate-responsibility/community-development](http://www.aviva.com/corporate-responsibility/community-development)

## How are we performing?

More than a quarter of our employees now take part in volunteering, although the hours they spent doing so were reduced due to our increased focus on individual skills-based volunteering, rather than team events, and also a significant reduction in headcount. There were also reductions in overall community donations and investments in 'Street to School' as a consequence of the sale of our US business and the completion of our UK Athletics sponsorship, even though we exceeded our target of 50% of cash donations. Overall, over three-quarters of employees believe Aviva does a good job contributing to local communities.

75%

Employees who believe Aviva does a good job contributing to the communities where we live and work.

2012: 76%

27%

Employees participating in volunteering.

2012: 18%

KPI overview page 3

Full performance online

[www.aviva.com/corporate-responsibility/how-are-we-performing/](http://www.aviva.com/corporate-responsibility/how-are-we-performing/)



# Responsible investment

We aim to invest in a responsible and sustainable way, encouraging transparency, more sustainable business practices and good governance in the companies we invest in. This benefits our customers, by identifying and reducing environmental, social and governance (ESG) risks in our holdings, and in many cases benefits society and the broader economy by promoting more sustainable companies.

## Our commitment

We are a founding signatory to the UN Principles for Responsible Investment (PRI) and among the first asset managers in the world to work towards integrating material ESG issues into all our investment decisions.

An important element of our approach to responsible investment is upholding our rights and responsibilities as shareholders. We were in the vanguard of signatories to the UK Stewardship Code, which sets out a number of areas of good practice for asset owners to protect and enhance the value of our shareholdings on behalf of our customers.

As part of our commitment to responsible investment, in 2001 we incorporated our assessment of a company's performance and disclosure on corporate responsibility issues into the way we vote – one of the first asset managers in the world to do so, and still among a limited number.

By focusing on the long-term issues, and encouraging companies to place sustainability and good governance at the centre of their strategy and operations, we create a legacy for our customers and the communities and environment in which we live and work.



## More case studies can be found online:

[Engagement](#)

[Advocates for sustainability](#)

[World stock exchanges embrace sustainability reporting](#)



[www.aviva.com/corporate-responsibility/responsible-investment/](http://www.aviva.com/corporate-responsibility/responsible-investment/)

## What are we doing?

### Milestone for UN Sustainable Stock Exchanges

Aviva is a long-standing champion of the idea that companies should be more transparent about their sustainability performance. It is one of the reasons why we played such a prominent role in establishing the Sustainable Stock Exchange (SSE) in 2009, which is now run in partnership with four United Nations-backed organisations.

The SSE promotes sustainable capital markets. It also explores how stock exchanges can work together with investors, regulators and companies on environmental, social and corporate governance issues, and encourages long-term approaches to investment.

Last year the SSE received a huge boost when the New York Stock Exchange's (NYSE) parent company Euronext signed up to the initiative. It joined existing partners NASDAQ, BOVESPA (of Brazil) and the exchanges in India and Thailand. UN Secretary-General Ban Ki-moon attended a ceremony to announce the deal in July, along with Dr Steve Waygood, our Chief Responsible Investment Officer.

## In this report:

Group CEO's letter

KPIs

Our wider impact

Our people matter

Trust and transparency

Environment and climate change

Community development

→ **Responsible investment**

Materiality and stakeholder engagement

Governance and risk

Assurance



## Supporting the transition to a low-carbon economy

Climate change is a key challenge for society and our economy, and a strategic issue for Aviva, offering opportunities as well as challenges. We support the growth of a low-carbon economy, and invest in the infrastructure that is needed to start making that transition.

During 2013 we made a major commitment to solar power, installing photovoltaic systems in over 7000 commercial and residential properties around the UK.



### What are we doing?

#### Focus on long-termism

Last year we were asked to take part in the UK Government's Kay Review, which looked at the state of equity markets and the failings that led to the last financial crisis.

We were proud to be praised by the Department for Business Innovation and Skills (BIS), which described us as an 'advocate for sustainable capital markets' following our response to the Kay Review. We put forward a number of ideas, including the development of a standard for Stewardship, to enable asset managers and intermediaries to easily communicate their performance on responsible investment, and the requirement for integrated narrative reporting for all listed companies.

We backed this up with a £36 million investment in a new energy centre at Addenbrooke's Hospital in Cambridge.

We have spearheaded a number of initiatives designed to address some of the issues that are undermining the transition to a low-carbon economy. These include helping to establish the Carbon Disclosure Project's Carbon Action Initiative, which encourages companies to commit to making annual reductions in their emissions, and co-founding the Sustainable Stock Exchange Initiative.

## Leading public debate

Throughout 2013 we continued to take a lead in tackling systemic environmental, social and governance issues relating to our sector. We strongly believe in partnerships and open debate with governments, regulators, companies, NGOs and investors. They enable us to play an important role, promoting responsible investment in markets around the world.

Last year we responded to a number of key policy consultations focusing on long-termism in equity markets (the Kay Review), EU Narrative Reporting requirements and the Post-2015 Sustainable Development Goals.

Our continued leadership of the Corporate Sustainability Reporting Coalition was recognised by two awards in 2013.

### In this report:

Group CEO's letter
KPIs
Our wider impact
Our people matter
Trust and transparency
Environment and climate change
Community development
<b>→ Responsible investment</b>
Materiality and stakeholder engagement
Governance and risk
Assurance

### How are we performing?

# 32 companies

We've seen improvements in Corporate Responsibility disclosure and performance in 32 companies we invest in, as measured by strengthened support at their AGMs (e.g. votes against becoming votes in favour or abstentions).


# 80%

## assets under management

have tailored responsible investment policies

 KPI overview page 3

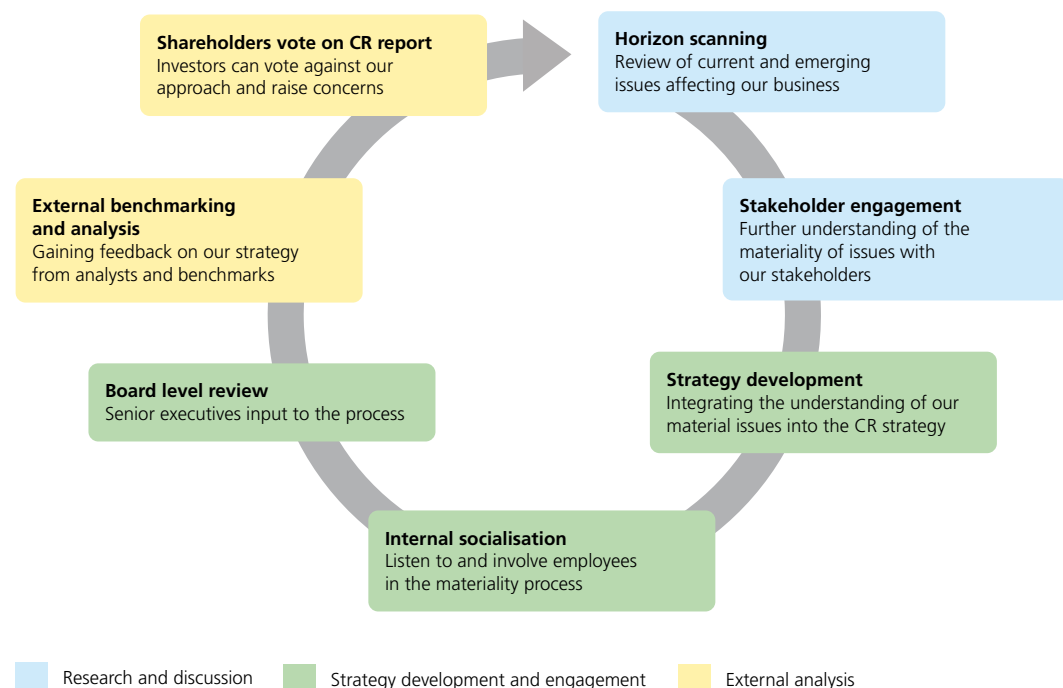
Full performance online

 [www.aviva.com/  
corporate-responsibility/  
how-are-we-performing/](http://www.aviva.com/corporate-responsibility/how-are-we-performing/)

# Materiality and stakeholder engagement

Material issues are those topics with the potential to have a major impact on our business, stakeholders and society. At Aviva they cover trust and transparency; environment and climate change; our people; community development and responsible investment.

They help to give a focus to our People thesis and corporate responsibility strategy, and a structure for engagement with our stakeholders. That's why each year, after discussions with our stakeholders, we review how we are reacting to these issues and, where necessary, adjust and refresh our related strategies and programmes.



## In this report:

Group CEO's letter
KPIs
Our wider impact
Our people matter
Trust and transparency
Environment and climate change
Community development
Responsible investment
<b>→ Materiality and stakeholder engagement</b>
Governance and risk
Assurance

## Stakeholder engagement

Our stakeholders include a wide range of businesses, organisations and individuals with an interest in what we do, and how we do it. We engage with each group in a different way and this helps us manage risk, as well as maximise potential opportunities.

Key issues	Engagement
<b>Customers and consumers</b>	Treating our customers fairly and providing the products and services they need. Customer surveys, RNPS survey, consumer research and financial education programmes.
<b>Employees</b>	Listening to and respecting our employees, and recognising their contributions as individuals. Global employee survey, employee forums and networks; grievance mechanisms and performance reviews.
<b>Communities and NGOs</b>	Demonstrating that we are responsible corporate citizens, capable of delivering real value to communities and responding to communities in need. Share best practice and help develop solutions to social and environmental challenges such as flooding.
<b>Shareholders and investors</b>	Operating transparently and regularly engaging with investors to ensure we are an investment of choice. Alongside regular investor events, we liaise with bodies such as asset managers, ratings agencies and benchmarking providers about our CR programme.
<b>Business partners</b>	Ensuring we are always a partner of choice. As well as operating a Supplier Code of Behaviour, we also assess potential partners on their ethical and environmental policies.
<b>Governments and regulators</b>	Offering constructive solutions in the many debates around insurance, pensions and societal issues such as saving and the ageing society. Our in-house public policy team aims to help shape the policy environment in which Aviva operates for the benefit of our customers, the company and society.
<b>Companies in which we invest</b>	Being a profitable and responsible investor. By working with the companies in which we invest, we aim to help improve their environmental, social and governance performance.



# Governance and risk

The Aviva Board is ultimately accountable for our corporate responsibility strategy. This enables us to give the issue our full attention at the very highest level.

Marie Sigsworth, Group corporate responsibility (CR), leadership and culture director, leads the day-to-day management of our inclusion and CR strategy and programme.

A proportion of the remuneration received by Aviva senior managers depends on our performance against our CR KPIs. Ten per cent of all senior managers' bonuses depend on leadership and engagement Employee Promise survey scores, while Relationship Net Promoter Scores form another 10%.

## Group Governance Committee

The Board-level Governance Committee reviews and directs CR strategy and policy, receives market and functional reports four times a year and approves the Group CR report. The committee comprises nonexecutive directors Scott Wheway (Chair), Michael Mire and Sir Adrian Montague, with Aviva Chairman John McFarlane and Group CEO also invited to attend.

In reports from market groups this year, the Committee noted the progress made in embedding environmental, social and governance issues into mainstream investment practices. This included our policy that prohibits investment in cluster munitions manufacturers. The Committee also received reports from the IT and procurement teams, and reviewed the Group's health, safety and wellbeing strategy.

## Group CR leadership team

Reporting to the Governance Committee, the CR leadership team works to adopt, refine and implement our CR strategy, assess progress, identify actions and embed our programmes in different parts of the business.

Working with the values, engagement and inclusion team, the CR leadership team contains one lead per material issue. Working with a business partner from the markets, each lead supports managers across the business to drive the local delivery of the CR agenda. The Aviva businesses, with support from the Group, are individually accountable for delivery in their area.

The People elements covered in this report are overseen by the Group HR Director and the HR Executive team.

## Risk

We insure people against risk so this issue goes to the core of our business model. Risk management is integral to freeing our customers from the fear of uncertainty and providing financial stability for our shareholders and other stakeholders.

Our goal is to create an internal culture where risks are managed at every stage. Our Group risk-appetite statements set out the level of risk we are prepared to take for our capital, liquidity and reputation.

We have developed a risk-management framework, which ensures significant existing or emerging risks are actively identified, measured, managed, monitored and reported continuously. We measure risks based on their significance to our business and stakeholders (internal and external) in the context of our strategy, objectives and risk appetite.

Our risk-management approach is aligned with the strategic planning process. We set our business plans guided by our overarching strategy, risk appetite and goal of improving financial returns.

In 2013 we continued to embed and strengthen our risk-management framework and promote a strong risk-management culture supported by a robust governance structure.

### In this report:

Group CEO's letter

KPIs

Our wider impact

Our people matter

Trust and transparency

Environment and climate change

Community development

Responsible investment

Materiality and stakeholder engagement

→ Governance and risk

Assurance

**For further details of attendance and issues discussed, see the Governance Committee Report in our Annual report and accounts.**



# Independent Limited Assurance Report to the Directors of Aviva plc

The Directors of Aviva plc ("Aviva") engaged us to provide limited assurance on the information described in Aviva's Wider Impact Report for the year ending 31 December 2013.

## Our conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the year ended 31 December 2013 has not been prepared, in all material respects, with the Reporting Criteria.

This conclusion is to be read in the context of what we say below.

## Selected Information

The scope of our work was limited to assurance over the information marked with the symbol (A) in Aviva's Wider Impact Report 2013 (the "Selected Information" as found on pages 3 and 4).

The Selected Information was assessed against the Reporting Criteria found at <http://www.aviva.com/corporate-responsibility/reports/><sup>1</sup>. Our assurance does not extend to information in respect of earlier periods or to any other information included in Aviva's Wider Impact Report 2013.

## Professional standards applied and level of assurance

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 – 'Assurance engagements other than Audits or Review of Historical Financial Information' (ISAE 3000) and, in respect of CO<sub>2</sub> emissions, the International Standard on Assurance Engagements 3410 – 'Assurance engagements on greenhouse gas statements' (ISAE 3410) issued by the International Auditing and Assurance Standards Board. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

## Our independence and quality control

We applied the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply International Standard on Quality Control (UK&I) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our work was carried out by an independent team with experience in sustainability reporting and assurance.

## Understanding reporting and measurement methodologies

The Selected Information needs to be read and understood together with the Reporting Criteria. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques. The nature, methods and precision used to determine non-financial information can result in materially different measurements, affecting comparability between entities and over time. The Reporting Criteria used for the reporting of the Selected Information are at 31 December 2013.

### In this report:

Group CEO's letter

KPIs

Our wider impact

Our people matter

Trust and transparency

Environment and climate change

Community development

Responsible investment

Materiality and stakeholder engagement

Governance and risk

→ Assurance

<sup>1</sup> The maintenance and integrity of Aviva's website is the responsibility of the Directors; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected Information or Reporting Criteria when presented on Aviva's website.





## Work done

Considering the risk of material misstatement of the Selected Information, we:

- made enquiries of Aviva's management, including the Corporate Responsibility (CR) team and those with responsibility for CR management and group CR reporting;
- evaluated the design of the key structures, systems, processes and controls for managing, recording and reporting the Selected Information. This included analysing and visiting head offices in two countries out of seventeen countries, selected on the basis of their inherent risk and materiality to the group, to understand the key processes for reporting site performance data to the group CR team;
- performed limited substantive testing on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated and reported; and
- assessed the disclosure and presentation of the Selected Information.

A further description of our approach and procedures is included online in our [observations document](#).

## Aviva's responsibilities

The Directors of Aviva are responsible for:

- designing, implementing and maintaining internal controls over information relevant to the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- establishing objective Reporting Criteria for preparing the Selected Information;
- measuring Aviva's performance based on the Reporting Criteria; and
- the content of the Our Wider Impact Report 2013.

## Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Directors of Aviva.

This report, including our conclusions, has been prepared solely for the Directors of Aviva as a body in accordance with the agreement between us, to assist the Directors in reporting Aviva's corporate responsibility performance and activities. We permit this report to be disclosed in the Our Wider Impact Report for the year ending 31 December 2013, to enable the Directors to show they have addressed their governance responsibilities by obtaining an independent assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Directors as a body and Aviva for our work or this report except where terms are expressly agreed between us in writing.

**PricewaterhouseCoopers LLP,  
Chartered Accountants, London**

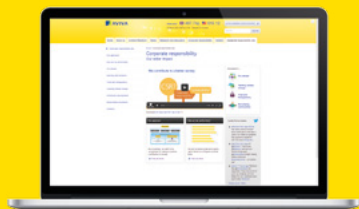
5th March 2014

### In this report:

Group CEO's letter
KPIs
Our wider impact
Our people matter
Trust and transparency
Environment and climate change
Community development
Responsible investment
Materiality and stakeholder engagement
Governance and risk

### → Assurance





This is our summary report, you can read more about corporate responsibility at Aviva on our website:



[www.aviva.com/corporate-responsibility/](http://www.aviva.com/corporate-responsibility/)

**Contact us:**

If you have any suggestions or queries about Aviva's CR programme please e-mail us at:

[cr.team@aviva.com](mailto:cr.team@aviva.com)

