

# Corporate responsibility summary 2015

Creating a **bright and sustainable** future



WINNERS

Pathways  
**Care Farm**

An Aviva community  
fund winner in  
the UK

## Our business strategy



### True customer composite

Meeting all customer needs across life, general, accident & health insurance and asset management



### Digital first

Emphasising customer experience driven by digital – online and mobile



### Not everywhere

Focusing only in markets and segments where we can win

# 587,000+

Number of people who have benefited from our corporate responsibility programmes in 2015

# £30.7bn

Paid out in benefits and claims to our customers in 2015

## Our businesses

We have businesses across 16 markets in:  
**UK, Europe, Asia and Canada**

### We offer:

#### Life insurance

Retirement income, Savings & Pensions, Life cover, Protection

#### General insurance

Home, Motor, Travel, Pet and Commercial

#### Accident & health insurance

Private Medical Insurance, Accident & Health

#### Asset management

Investing for Aviva and external clients

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### Our 2015 reporting

This is the summary of our sustainable business and corporate responsibility strategy. You can read more about it on our website and in our annual report:

### More information is available in:

-  2015 Annual Report and Accounts
-  ESG data sheet
-  <http://www.aviva.com/corporate-responsibility/>





## Year in brief

“  
Our aim is clear: to get relentlessly better at what we do and create a legacy of which we can be proud  
”

**Sam White**  
Group Sustainability Director, Aviva



Replicated the Aviva Community Fund around the world in six markets, contributing to increased community investment of 71% to £10.8 million and benefiting 587,203 people.

See more on page 7

Reduction in CO<sub>2</sub>e since 2010

# 39%

See more on page 8



### Supporting the UN's Global Goals for Sustainable Development

Mark Wilson, Aviva's Group Chief Executive, addressed the UN General Assembly.

See more on page 6

### Business Ethics

We aim to uphold the highest ethical standards in the way that we do business. In 2015, 98% of Aviva employees confirmed they had read, understood and accepted our business ethics code.

See more on page 11

“  
We actively encourage the businesses we invest in to be good ancestors – taking a longer-term view and acting now on big issues  
”

**Steve Waygood**  
Chief Responsible Investment Officer, Aviva Investors

See more on page 10

## Diversity and inclusion

2015 was a milestone year for our Women's Network, with new networks set up in six markets, while UK networks continued to deepen collaboration.

See more on page 9

## Reducing our environmental impact

In 2015 Aviva became the first insurer to achieve the Carbon Trust Supply Chain Standard, in recognition of work to measure, manage and reduce carbon emissions outside own direct operational control.

See more on page 8

### Plans for 2016

- ▶ Target 2.5m beneficiaries and 250,000 hours of volunteering by 2020 through, for example, replicating the Aviva Community Fund in more markets.
- ▶ Collaborate with the UN and others to build global capability around sustainable finance
- ▶ Continue progress towards our £2.5 billion target in low carbon infrastructure investment by 2020
- ▶ Continue progress towards our long-term CO<sub>2</sub>e reduction target of 50% by 2030
- ▶ Design simple products and services that meet our customers' needs, help people take control of their finances and also benefit society and the environment
- ▶ Challenge our industry, leading the fight to cut fraud and cut costs to our customers

# Using Good Thinking to improve people's lives



FTSE4Good

A top ten insurance company in the FTSE4Good Index



A principal partner of the Living Wage Foundation and a Living Wage employer throughout the UK



A member of Stonewall's Top 100 Employers list



In 2015 our CDP climate change disclosure score went up from 94 to 97.

## Aviva has been around for over 300 years and we have a very clear purpose – to free people from the fear of uncertainty.

We do that by living and delivering on our values. That means caring more for our customers and communities, and thinking and acting for the long-term to create legacy.

We live in a time of complex global challenges: changing customer needs, ageing populations, climate change and new technologies will increasingly affect our customers' lives and our business. That is why we are using Good Thinking to simplify and tackle the most important issues of our time and to inform our corporate responsibility strategy. For example we are working in a 'digital first' way to engage our customers through initiatives such as the online Aviva Community Fund, which we will be linking to our digital portal 'myaviva'. By using our Good Thinking for everyone we can help our customers lead the lives they want and extend our impact into our wider communities and on the big global issues that affect us all.

Our corporate responsibility strategy is integral to our business strategy. We know that doing the right thing is vital if we are going to develop life-long relationships with customers, and for those customers to trust us with the people and things they love. And because sustainability and responsibility are part and parcel of the way we run our business, they show up in many ways including through:

- Our simple products and services protecting people and helping them take control of their finances, as well as benefiting society and the environment
- The way we help our local communities, giving thousands of organisations the support they need to make a difference in their local area through the Aviva Community Fund
- Reducing our environmental impact and finding new ways to help people act now on climate change
- Championing responsible investment by using our influence to encourage businesses everywhere to be good ancestors

We know that the relationship between customers and insurers has sometimes lacked trust and therefore it is more important than ever that we as a company do the right thing. As one of the biggest in our sector, we are committed to making sure our industry works better for everyone.

At Aviva we are all involved in making sure what we do every day is full of Good Thinking for everyone. Together we can create a legacy that we can all be proud of.

**Kirstine Cooper**  
Group General Counsel  
and Company Secretary

“  
Acting sustainably and responsibly supports the delivery of our strategy and aligns with our values  
”





<sup>1</sup> <http://www.reuters.com/article/us-disaster-insurance-idUSKBN0UJ0XI20160104>

<sup>2</sup> <http://www.oecd.org/env/indicators-modelling-outlooks/oecdenvironmentaloutlookto2050-theconsequencesofinaction-keyfactsandfigures.htm>

<sup>3</sup> <http://www.conecomm.com/2015-cone-communications-ebiquity-global-csr-study>

<sup>4</sup> <http://www.edelman.com/insights/intellectual-property/2016-edelman-trust-barometer/>

# Introducing our sustainable business strategy

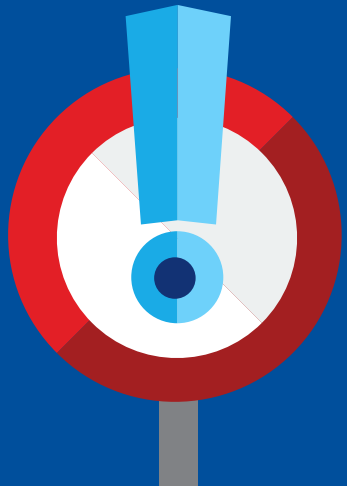


We've come a long way as a responsible business since we began offering fire insurance in 1696. With so many global challenges ahead, our ambition needs to be bigger than at any time in our long history. With that backdrop, let us take you on the journey of how we created our sustainable business strategy – 'Good Thinking for everyone'.

## Stakeholder engagement

We started by speaking to customers, employees and external experts, and worked with them to understand the big challenges for our world and our customers and create our approach to corporate responsibility.

## The big challenges



**For our world** – complex global issues that will increasingly affect our customers' lives and in turn our business in the future:

- Climate change  
94%<sup>[1]</sup> of worldwide insurance payouts for natural disasters stem from extreme weather events.
- An ageing population  
25%<sup>[2]</sup> of the world's population will be over 65 by 2050, versus 15% today.

**From our customers** – challenges from customers about the way companies do business and how to do things better:

- Powerful communities with higher expectations  
Nine-in-ten consumers<sup>[3]</sup> expect companies to do more than make a profit – they believe they should act responsibly and address social and environmental issues.
- Low trust  
Only 53%<sup>[4]</sup> of the public trust businesses, with the financial services sector being the least trusted.

## Why can Aviva help?

As a global business that's been around for 300 years, we're committed to running our business responsibly every day. This includes respecting human rights, managing supply chains responsibly and practicing good governance. We have many different products to support people through life's challenges and we're well placed to help tackle the big, complicated global challenges too. And by using digital technology, we can reach more people, faster.

## Our purpose and values inspire and guide us



### Care more

We care more about our customers, our communities and each other



### Kill complexity

We make things simple for our customers



### Never rest

We're driven to think bigger and do better



### Create legacy

We strive to create a positive legacy by being good ancestors

## That's how we created ... Good Thinking for everyone

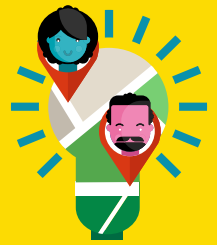
To free you from fear of uncertainty, we use bright ideas to tackle the important issues of our time for you, your communities and our world.

## Good Thinking for you today

Protecting the people and things you love

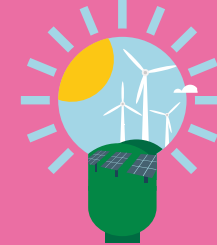


Strengthening your local community



## Good Thinking for your future

Acting now for tomorrow



Helping you live well for longer



## Good Thinking so our industry works for you

Championing responsible investment



Challenging how our industry works







**In my company, Aviva, one of our core values is to 'create legacy' or as I call it, being a good ancestor**



**Mark Wilson**  
Group Chief Executive Officer

# Supporting the UN Global Goals for Sustainable Development

**With the UN's Millennium Development Goals concluding in 2015, world leaders called for a new ambitious agenda to improve people's lives and protect the planet.**

## Aviva at the UN summit on sustainable development

The new UN Global Goals resonated with us in their aim to bring an end to extreme poverty and tackle injustice, inequality and climate change. We've been at the forefront of the debate – and our Group Chief Executive, Mark Wilson, addressed the UN General Assembly in New York at the launch of the Goals, talking about the central role of business and the financial markets if we are to succeed. He called on the best minds in the UN and financial world to agree a resolution on sustainable finance by 2017, setting a roadmap for sustainable capital markets that paves the way for the Global Goals' success.

## Making the Global Goals famous

Aviva used its voice to help communicate these ambitious goals by becoming the founding partner of Project Everyone. This initiative, backed by the UN and the Gates Foundation, aims to make everyone aware of the Global Goals so they have the best chance of being met. Three billion people are estimated to have been reached through the launch alone.



# Strengthening communities

As well as being there for our customers when they need us, we are committed to extending our impact into the wider community and working together with local and global experts to tackle the challenges communities face every day.



## Prevention is protection

We sponsor the free British Red Cross emergency app. It helps you keep an eye on the risks of severe weather or other emergencies affecting you, your friends and family through alerts and practical advice, and includes handy tools such as a strobe light to attract attention if you are in difficulty.

## Doing more for the causes you care about

We use our expertise to give thousands of organisations the support they need to make a difference in their local area through the Aviva Community Fund (ACF). We've expanded ACF across four additional markets following its success in Canada and Poland. In 2015, our community investment increased by 71% to £10.8 million (2014: £6.3 million). Our community programmes helped 587,203 people around the world. Inspired by our values to 'never rest', we aim to help 5,000 local community projects by 2020.

## Our people making a difference

To help strengthen the communities that we work in we're harnessing the passion and talent of our employees. We encourage all our markets to offer employees paid volunteering days each year and in many markets we match the money they give and raise. In 2015 alone, employees contributed 40,828 hours of volunteering and gave or fundraised over £1.5 million. Our aim is to deliver 250,000 hours of volunteering and help 2.5 million people between 2015 and 2020. Not only is this great news for our communities, but it also helps us attract, engage and develop talented people. Its impact is shown in our 'Voice of Aviva' results, where 80% of employees believe that Aviva is a good corporate citizen.

“This is a huge amount for us and it really will benefit a lot of people”

UK Aviva Community Fund winner

## Protecting those you love

We aim to help make the benefits of insurance more accessible to more people in places such as India, where we are one of the largest providers of micro-life insurance, covering more than 633,000 lives between 2014-15. And while we help people to be resilient, if disaster strikes we'll always go the extra mile to help customers get back on their feet. In 2015 we partnered with the British Red Cross to sponsor an emergency app to help keep people safe when severe weather and other risks strike. During 2015 Aviva also matched employee donations to global disasters such as the Nepal Earthquake and the European refugee crisis, together contributing over £135,000.

## 2015 Highlights

People helped through our community development activity

587,203

Community investment over three years

2013	£6.2m
2014	£6.3m
2015	£10.8m



## Backing the causes you care about

Our online Aviva Community Fund invites the public to nominate and vote for inspirational projects in their local communities. It's been a great success for Aviva Canada so we've replicated the Fund in Poland, the UK, France, Italy and Hong Kong.

# Climate risk and environmental impacts

**Protecting the environment today is the only way to make sure we can all enjoy a bright and sustainable future. We're taking action to reduce the environmental impact of our business and finding new ways to help people act now on climate change.**

## 39%

**reduction of CO<sub>2</sub>e since 2010 (against 2010 baseline)**

In 2014, we achieved our long-term carbon reduction target ahead of schedule, and having acquired Friends Life, have restated our 2010 baseline and agreed new and even more ambitious emission reduction targets of 40% by 2020 and 50% by 2030.



**Score of 79% and ranked 2nd highest insurer.**

## Acting now for a sustainable future

As a company we strive to create a positive legacy by being good ancestors. Climate change is one of the biggest issues of our time and new ideas are badly needed to help people take action to reduce the risks it poses to our customers, and in turn our business. We know we're not going to get there overnight, but we're confident that if we work together and develop bright ideas, we'll go further than ever before.

## Taking action on big issues

We're doing this by working with policy-makers and regulators in partnership to address these risks, which is even more pressing following the United Nations Framework Convention on Climate Change (UNFCCC) in Paris in 2015 which set ambitious goals for cutting harmful CO<sub>2</sub> emissions globally. We're also using research to understand the issue and its implications, such as the Economist Intelligence Unit report that Aviva commissioned recognising the value at risk from climate change. And we're reducing our environmental impacts by improving energy efficiency. Aviva has invested in a solar roof system for three of its offices in England and Scotland which will generate 445,520kWh of energy each year for the next 25 years. We're proud to have become the first carbon neutral international insurer in 2006. This legacy continues as we still offset any remaining carbon emissions from our operations to this day. Bright ideas such as our offsetting projects have benefited over 800,000 people since 2012, improving health and livelihoods through actions such as the provision of clean cook-stoves in Kenya.

## Helping our customers

We're designing simple products and services that meet our customers' needs and help protect them against the impacts of climate change. We're minimising the environmental impacts of our claims processes and providing energy efficient replacements to help our customers reduce their energy costs in the long term.

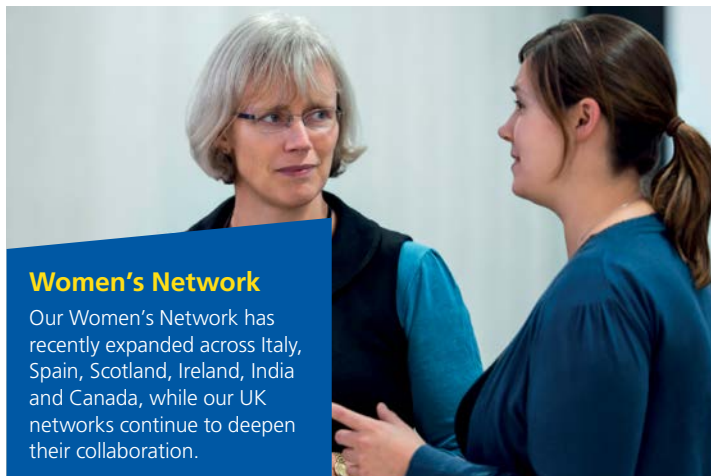
## COP21 Summit in Paris

The December 2015 UN Paris Climate Change negotiations were hugely important in securing a sustainable future for our customers, the communities we serve, and in turn our business. Unchecked climate change will mean risks too great to insure and will limit returns on investments for pension savers. We think the Paris conclusions to limit temperature rise to well below 2 degrees is a good outcome. Now it's time to deliver.





# Our people



**To provide the best possible products and services for our customers today and in the future, Aviva must disrupt, lead and transform the industry. And it is our people who will achieve this. We must therefore make Aviva the most attractive choice for talented, committed and entrepreneurial people.**

## Working at Aviva

Our culture is anchored in connecting our people with our purpose and using our values to guide every decision we take. It demands that our people think and act differently, and can lead and develop through change and uncertainty.

## Turnaround to transformation

As a company we have a key focus on learning – learning from our mistakes, learning how to serve our customers better and learning new skills to improve customers' experience. We also take a fresh approach to helping new colleagues understand the business and their role within it, through our 'Explore Our Strategy' course. We invest in our leaders, equipping them with the skills they need to lead their teams today and our company tomorrow through programmes like 'Leading@Aviva'. We also continued to focus on engaging with our people, with local and Group-wide activities to illustrate how their work supports our strategy and values.

## Broadening our perspective

Becoming a more diverse and inclusive business is integral to Aviva's future. Our ambition is that our workforce reflects our increasingly diverse customers around the world. For example, we are continuing to build a truly inclusive workplace for our LGBT employees. We are the only insurer in Stonewall's ranking of the UK's most LGBT friendly workplaces – although we recognise this bar is rising fast – and our LGBT employee network, 'Aviva Pride', with nearly 600 members, has been highly commended by Stonewall.



## Listening to our people

We use the Voice of Aviva survey as the main tool to understand our people's engagement, and listen to their insight and feedback. Our Week of Conversations is also a great way of ensuring our people have a real connection with our strategy and how they help to deliver it, as well as celebrating our successes. It is part of a whole programme of town halls, films, roadshows and market stalls, all designed to create an open two-way conversation.

## 2015 Highlights

# 29,600

Number of employees

# 82%

Our people who felt they could make a personal connection with our strategy

# 100%

UK employees and on-site contractors paid the Living Wage



# Responsible investment

**At Aviva we are champions of responsible investment. Not only are our investments supporting the transition to a low-carbon economy but we also use our influence to encourage businesses everywhere to be good ancestors – taking a longer-term view and acting now on the big issues that affect us all.**



## Investing in lower carbon infrastructure

In 2015, we made new investments totalling £347 million in wind, solar, biomass and energy efficiency across the UK, France, Italy and Ireland.

## Making sustainable choices

As the global asset management company of Aviva, with £289.9 billion under management in equities, fixed interest, property and multi asset, Aviva Investors plays a huge role in promoting sustainable business practices across the financial markets. We have a proud history of working together across the business to make sure the environmental, social and governance (ESG) dimensions are considered as part of our investment decision process. We have had a team looking at governance issues since the 1990s and in 2014 were one of the first large global fund managers to integrate environmental, social and governance issues into our investment decision-making across all asset classes.



**Our efforts and interventions aim to ensure our clients have a world that they actually wish to retire into and which they are proud to leave as a legacy**



Euan Munro  
CEO, Aviva Investors

## Active ownership

We also use our influence to encourage the companies we invest in to act responsibly, ensuring we get outcomes that not only benefit our clients, but also the environment and economy as a whole. We vote against companies' Report and Accounts that fail to report on key ESG matters or perform poorly. We are a founding signatory to the UN Principles for Responsible Investment through which we engage with other investors on big issues like water scarcity and human rights.

## Shaping markets for sustainability

We look to support national and international policies that help make financial markets sustainable in the long term. One of our main focuses of this is reducing the impact of climate change. Aviva Investors signed the Montreal Carbon Pledge in 2015, one of the largest asset managers at the time to do so, showing our commitment to publicly disclose the carbon footprint of our investment portfolios.

## Benchmarking Human Rights

Aviva Investors has collaborated with five NGO, investor and research organisations to launch the Corporate Human Rights Benchmark (CHRB), the world's first wide-scale project to rank companies on their human rights performance. It aims to use the competitive nature of the markets to encourage companies to improve their human rights performance, inspiring action to tackle this important issue of our time.



**Stewardship engagement in 2015 (companies engaged with on strategic, environmental, social and/or governance (ESG) issues) (up from 817 in 2014)<sup>1</sup>**

1,094

**Company meetings (AGMs & EGMs) voted in 2015 (% total company meetings) (up from 89.4% in 2014)**

90.1%

**Note 1** This includes a range of engagement activity undertaken by our GRI team, fund managers and collaboratively with other investors. Engagement intensity ranges from a single letter to multiple meetings. Please contact [gri@avivainvestors.com](mailto:gri@avivainvestors.com) for further engagement details.



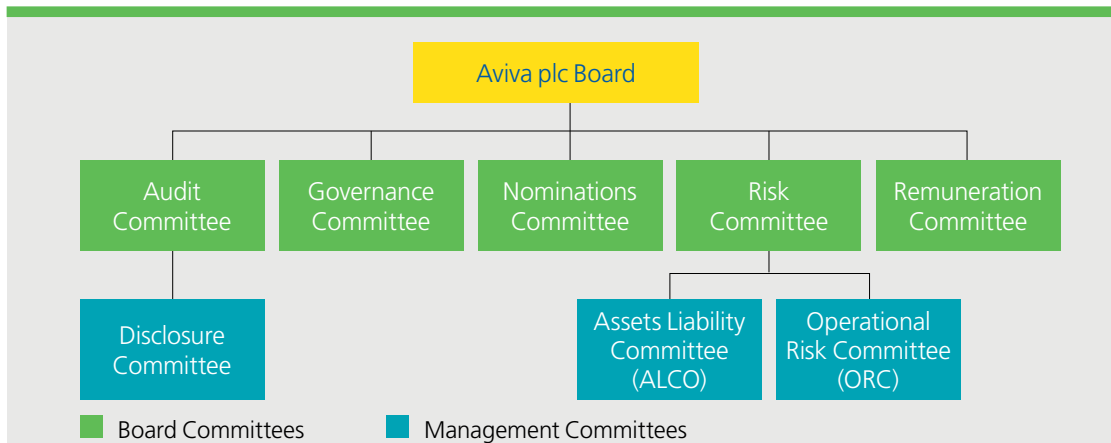
# Good governance

**We know the relationship between insurers and their customers has sometimes lacked trust, so it's more important than ever that we do the right thing for our customers.**

## How we operate

Our Board-level Governance Committee oversees our responsible and sustainable business strategy and the policies that underpin it. It receives regular updates on performance and scrutinises the business. As a company we are subject to the UK Corporate Governance Code (the Code), which we aim to comply with fully. Details of the Company's compliance with the Code can be found in the Annual Report and Accounts on Aviva.com and on the section of the website on Compliance with the UK Corporate Governance Code.

## Board and management oversight of risk management



## Fighting financial crime

Financial crime can severely impact businesses and increase costs for customers. To tackle this risk every Aviva employee – from the boardroom to our contact centres – receives training on financial crime prevention (e.g. market abuse, anti-money laundering and fraud). Our global malpractice helpline 'Right Call' ensures employees can report any malpractice issues in confidence and all reported cases are referred for independent investigation. In 2015, 25 cases were reported through Right Call (2014: 39). Twenty cases reached conclusion, and five remain under investigation. We have again been fighting fraud to cut costs for our customers, with dishonest whiplash claims in the UK recently ruled by the courts as 'fundamentally dishonest'. As one of the biggest insurers in our sector, we have the power to make a real difference in cases like these and

we act in the interest of our customers to help make sure our industry works better for everyone. Find out more about Aviva's Road to Reform campaign at <http://www.aviva.co.uk/car/motor-advice/road-reform/>

## Managing risk

We have chosen to accept the risks inherent in our four core business lines and our Risk Committee oversees all aspects of risk management in the Group. Full details of our approach to risk can be found on Aviva.com and details on how we minimise climate change impacts can be found on page 8 of this summary.

**We ask all employees to confirm they have read, understood and accepted our business ethics code, outlining our commitment to acting responsibly, every year. 98% of Aviva employees signed the code in 2015. (2014: 96%).**

## Doing the right thing

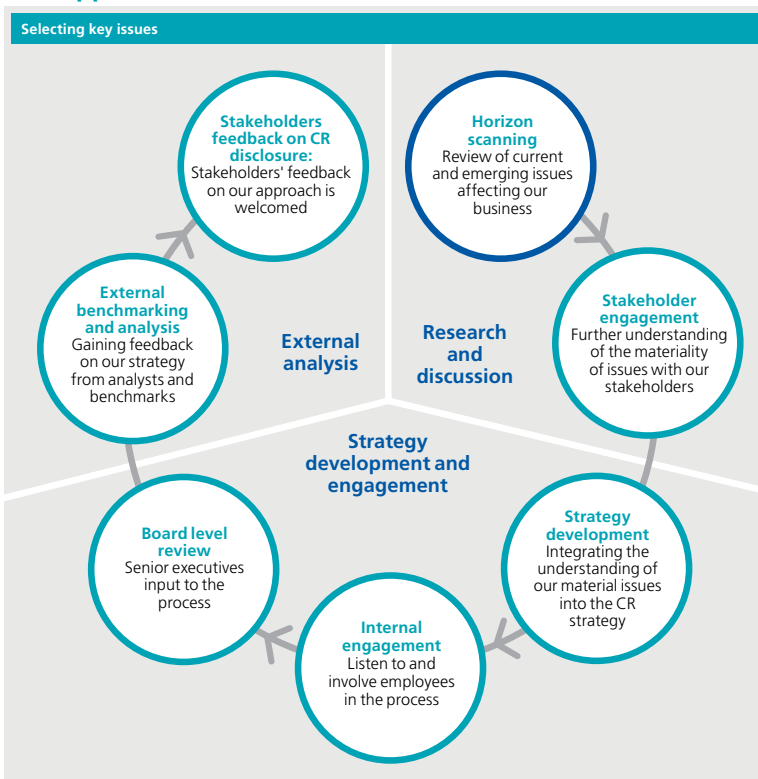
We communicate with our customers in a simple, clear and helpful way. Complaints and feedback are taken seriously and investigated thoroughly. We reflect this commitment in our customer business standard. We also see the benefit of digital technology to help customers make good choices. We were the first insurer in the UK to publish transparent customer reviews of our products and services\*. (\*December 2015: overall rating for home: 4.6 out of 5, overall rating for motor: 4.5 out of 5.)



# The big issues

As a business that's been around for over 300 years we have learnt to listen hard to our stakeholders and use big data to understand the most significant risks and opportunities.

## Our approach



We speak to customers, colleagues and external experts, and work together with people from across the Aviva business to understand the big issues and create our sustainable business policy. We value partnering with external organisations and building relationships to help us tackle the important issues of our time with bright ideas, for you, your communities and our world.

These carefully chosen relationships add perspective and the chance to collaborate. Examples include cooperation with sector peers, work with external experts and organisations like the UN, as well as global charity partnerships. We know that many of the big issues we face can only be properly understood and tackled together.

Stakeholders	Key issues	Engagement
<b>Customers and consumers</b>	Wanting products and services that meet our customers' needs, help them take control of their finances, and protect the people and things they love.	<ul style="list-style-type: none"> <li>• Net Promoter Score® (NPS) and brand surveys</li> <li>• Global surveys of consumer attitudes</li> <li>• In-depth consumer research into retirement plans, financial planning and pensions provision</li> </ul>
<b>Business partners</b>	To be the trusted partner of choice to bancassurance partners, suppliers and joint ventures.	<ul style="list-style-type: none"> <li>• Procurement processes including the Supplier Code of Behaviour</li> <li>• Supplier surveys on ethical and environmental criteria during tender processes</li> <li>• Responding thoroughly to bids and tender documentation</li> </ul>
<b>Employees</b>	Listening to and respecting our employees, recognising their contributions and helping them develop their talent and feel proud to work here. Fostering an environment where diversity is celebrated.	<ul style="list-style-type: none"> <li>• Voice of Aviva survey and regular polls</li> <li>• Employee forums and networks</li> <li>• Performance reviews</li> <li>• Grievance procedures</li> <li>• Trade union representation</li> </ul>
<b>Governments and regulators</b>	Complying with regulatory demands and being active in providing views and information to support policy development in our customers' interest. Positively addressing issues that matter.	<ul style="list-style-type: none"> <li>• Our public policy team and business specialists engage with representatives and officials to support the development of good policy and respond to policy consultations and reviews</li> </ul>
<b>Communities and NGOs</b>	Wanting evidence that we are a responsible corporate citizen, support to make a difference in their local area or focus of work, and to see us deliver on our promises.	<ul style="list-style-type: none"> <li>• We share best practice, help develop actions or solutions to social and environmental challenges and form global partnerships with organisations like the British Red Cross</li> </ul>
<b>Investment clients</b>	Being a profitable and responsible investor.	<ul style="list-style-type: none"> <li>• We exercise voting rights attached to our own shareholdings</li> <li>• At Aviva Investors, we apply ESG considerations to our investment decisions and engage with companies to improve their ESG performance</li> </ul>
<b>Shareholders and investors</b>	Practicing good governance and regularly engaging with investors to ensure we are a trusted investment of choice.	<ul style="list-style-type: none"> <li>• Annual General Meetings</li> <li>• Liaison with ratings agencies, banks and index providers</li> <li>• Responding to a range of investor questionnaires such as the Dow Jones Sustainability and FTSE4Good Index</li> </ul>





### Contact us

If you have any suggestions, feedback or queries about Aviva's CR programme, we'd love to hear from you at [crteam@aviva.com](mailto:crteam@aviva.com)

This is the summary of our sustainable business and corporate responsibility strategy. You can read more about it on our website and in our Annual Report:



[www.aviva.com/cr](http://www.aviva.com/cr)



[www.aviva.com/investor-relations/reports/](http://www.aviva.com/investor-relations/reports/)

Aviva's CR KPIs for 2015 can be found on page 312 of the Annual Report.

PwC's assurance report can be found on page 314 of the Annual Report.

The Corporate Responsibility Reporting Criteria can be found at [www.aviva.com/crreportingcriteria2015](http://www.aviva.com/crreportingcriteria2015)

Unless otherwise stated, 2015 data includes Friends Life from the date of acquisition. Environment KPIs include Friends Life data for the whole of 2015.