

## One Aviva. 45 million customers. Customers

We aim to provide our customers with prosperity and peace of mind by offering them relevant, simple-to-understand products that they can trust.

### Peace of mind for our customers

In June and July 2007, more than 51,000 Norwich Union customers were affected by floods in the UK, and 4,300 had to evacuate their homes. Our repairers worked to get around 50% of them back in their homes by Christmas, surpassing the 40% target given to all insurers by the Association of British Insurers. Our Mobile Advice Centre – a large yellow bus – visited flood-affected areas to provide customers with claims advice and practical help from property repairers and restorers. We estimate to have paid out on claims worth more than £475 million, with some customers taking up the offer of a cash allowance towards the cost of decoration to speed up the process.

While we responded quickly to an unprecedented natural catastrophe, we continue to do everything we can to help those remaining customers who have yet to return home to do so, and to make their temporary living arrangements as bearable as possible.

*"I can't praise the assessors enough; they explained everything and we didn't have to wait for anything. Being back home was the best Christmas present, while other people I know are still in caravans, waiting for money from their insurance companies."*

Paula Mortimer, UK customer



Our CSR agenda lies at the very heart of the way we interact with our customers – in our vision and values, our strategies, our products and our services. In laying a strong foundation, our group customer policy directs uncompromising standards of commitment to customers from all our staff.

We want customers to trust us, so we are fair and open with them, and empower them to make informed financial decisions by training our people to determine their individual needs. We communicate as clearly as we can, make our products easy to understand and strive to offer helpful, professional service.

### Responsible selling

We believe responsible selling starts with clear, open and honest dialogue with customers, so we treat every interaction with a customer as an opportunity to deliver the best customer experience, and calls are monitored randomly to ensure that agents in our call centres provide a high-quality service every time. In the USA, agents proactively call customers a few days after a purchase to welcome them to Aviva, ensure they are happy with their new coverage and the service they received, and answer any questions. Feedback on this 'Welcome Call' programme shows a 95% 'good to excellent' rating to date.

Aviva continues to invest in staff training and coaching to ensure agents have the tools and skills to identify each customer's specific needs, and confidently advise on suitable products and services. In Sri Lanka, Eagle Insurance sales staff undergo extensive training at the first in-company centre outside the UK to be recognised by the Chartered Institute of Marketing, and top performers regularly receive further overseas training on sales, marketing and customer care techniques. To minimise the possibility of mis-selling unit-linked

products, recently introduced to the Sri Lankan market, only those agents who undertake company training are licensed to sell such products directly to customers.

Aviva Australia was ranked first in the 2007 Taylor Life Insurance Industry Survey, which questions more than 1,600 protection advisers in order to benchmark the leading life insurance providers. The company's five-star rating, and particularly strong results in the 'underwriting speed', 'timeliness of processing applications' and 'partnerships and relationships' categories, confirms Aviva's place as a market leader in service delivery.

### Socially responsible products

We consistently aim to offer our customers a range of sustainable products and services that meet real needs.

Socially responsible motoring initiatives include Norwich Union's UK 'Pay As You Drive'™ car insurance, which uses telematics technology to assess where, when and how far young and lower-mileage drivers drive. A third of customers aged 18–23 are saving at least 40% on their premiums and, more importantly, accidents have been reduced because the scheme encourages young drivers to stay off the roads at high-risk periods, such as at night. Claims by young drivers have fallen by over 30%.

In Canada, we doubled the number of policy holders in our Autograph programme, which also offers lower premiums to people driving shorter distances and at off-peak times. In the Netherlands, Delta Lloyd has launched a sustainable 'green' motor insurance. For every policy taken out, seven trees a year are planted in sustainable forests. The product, the first in a new sustainable 'product line', is supported by the national climate campaign HIER.



### Growing goodwill in emerging markets

Aviva-COFCO, our joint venture in China, was awarded the 2007 Foreign Life Insurance Company providing the Best Services in a financial management survey conducted by SOHU, one of China's largest websites. The company also received the accolade of 'Most Competitive Multinational Company in China' at the International CEO Roundtable of Chinese and Foreign Multinational Corporations.



### Life cover in India

Aviva India provides a range of financial products and services to help the underprivileged and combat poverty.

For example, one new micro-insurance plan, *Grameen Suraksha*, reduces the burden on rural policy holders, who pay premiums for just two years and then realise the term benefit for five or 10 years. The scheme currently covers more than 1.1 million lives, and hopes to bring the benefits of life insurance to a wider rural population.

India's first comprehensive child care plan, 'Aviva Little Master', is designed to take care of the current and future needs of children should they be orphaned.

*"Our core purpose – to provide prosperity and peace of mind for our customers – underpins everything we do. This is so important to us. We must never forget the potentially huge impact – financial and emotional – we can have on our customers' lives and we use this to guide all our activity."*

Sally Shire, group brand development director

To encourage life insurance customers to lead healthier lifestyles, as well as save money, Aviva USA launched the Wellness for Life programme in 2007. Customers are eligible for potential savings by having regular check-ups with their doctor, and can reduce their insurance costs further by meeting other criteria, such as maintaining an agreed body weight.

As for protecting the environment, Aviva France's new home insurance product includes an option for insuring against the failing or breakage of renewable energy devices such as solar and photovoltaic panels. It offers reduced premiums for having energy-efficient electrics and boilers, and using renewable fuels.

### Socially responsible investments

With more than £164.2 billion of assets under management through its fund management business Morley, Aviva has been a leader in socially responsible investment (SRI) since 2000. More recently, Morley became a signatory to the UN Principles for Responsible Investment and the Institutional Investors' Statement on Climate Change. It was rated the number one fund manager for its understanding of SRI and extra-financial issues for the third year running in the Thomson Extel survey.

We can promote more sustainable business practices by increasing the funds under management in our specialist SRI funds. We had £1.2 billion invested in companies that lead the way in environmental and social practices or that offer products and services that support sustainable development. The key CSR impacts of our fund management business originate, indirectly, from the impacts of the companies in which we invest, so we try to mitigate these impacts by engaging with those companies we invest in and encouraging them to exhibit more responsible business practices.

Our commitment to socially responsible investment is worldwide. Aviva Italy began investing in a socially responsible fund in 2006, and launched a new product with similar features in 2007. The index-linked Presente e Futuro fund invests in a basket of indexes including the Wilderhill new energy global index and S&P global water, a fund that invests in organisations operating in renewable energy and water sectors.

In India, customers can choose between four funds when investing in our unit-linked products, while Eagle Insurance has widened customer choice in Sri Lanka with the introduction of new unit-linked 'investment insurance' products, which offer a range of funds investing in sectors ranging from government securities to equities.

### Improving financial literacy

Norwich Union staff in York and Sheffield learned more about managing their personal finances at 'Make the Most of your Money' workshops. These Financial Services Authority events, being rolled out across the UK during 2008, will help at least 10 million people in the UK – including our staff – to improve their understanding of financial products.

We rolled out our 'Six-Steps' website ([www.six-steps.org](http://www.six-steps.org)) internationally in 2007. The site, which contains a simple retirement planner, gives free, impartial advice about preparing for retirement, and was named Best Corporate Social Responsibility Programme at the 2007 Institute of Financial Services Financial Innovation Awards. The judges commented that this "accessible, engaging and jargon-free website meets a massive, currently unfulfilled, need across the UK. Financial education of this nature will have significant long-term benefits and Aviva should be proud of its contribution".

To help consumers to understand how to turn their pension into a regular income upon retirement, Norwich Union produced an educational guide to annuities. The easy-to-read brochure, also available on [norwichunion.com](http://norwichunion.com) and the 'Make Sense Of It' website ([www.makesenseofit.com](http://www.makesenseofit.com)), is intended to guide customers through the maze of investment, protection, retirement and pension products. Similarly, in Lithuania, we launched a new investment product, 'Aviva funds', to promote long-term financial planning and saving, both relatively new concepts in the country.

### Satisfied customers

One of our key objectives in 2007 was to enhance the quality of our service to customers. Training initiatives included the pre-sales training given to 124 advisers in our Aviva Global Services operation in Pune, India, while the GEM programme, launched in May within our life business in Ireland, focused on 'Going the Extra Mile for Service'.

We also understand the need to keep our claims processes simple and easy, so in Canada, for example, customers have a single point of contact for the duration of their claim. Access to a customer complaint process and a 1-800 'claims SOS' number have helped to achieve a claimant satisfaction rate of 93%. Multilingual assistance is being piloted in 2008.

We treat feedback with the utmost respect, and continually seek customer views through surveys and questionnaires. Norwich Union was one of the first companies to join the Customer Impact Scheme, an independent survey launched by the Association of British Insurers to ask customers for their opinions about products, communication and customer service. We shared the results in our first *Improvements For You* report. Encouragingly, 80% of those surveyed agreed we were easy to do business with, and the same percentage thought we treated our customers fairly. In response to other scores, we've improved the clarity

and relevance of the letters and statements we send out, introduced freephone numbers for existing customers and set up a Customer Service Academy, accredited by the Chartered Insurance Institute, to improve the technical knowledge and customer service skills of our staff.

Our businesses have adopted local 'touch point' surveys after customers have experienced our service, and our US call centres will be introducing quality monitoring to improve their performance. For 2008, they have set themselves an objective of answering 80% of calls within 20 seconds with 95% accuracy. Aviva USA swept the honours in *Senior Market Advisor* magazine's annual Readers' Choice Awards, topping four of the 13 categories and finishing runner-up in another three.

We strive to ensure that complaints are resolved quickly and fully, using them to review and strengthen our policies and practices as needed. Our efforts have been reflected in improved Customer Experience database scores among household claims advisers for Norwich Union Direct in Noida, India, and the 'Net Promoter Score' used by our Australian business, which gauges the number of customers willing to recommend us to a friend or colleague.

### Looking ahead

Our efforts to promote responsible products across our business sectors, as well as generate awareness of our own CSR programmes, are gaining momentum. However, there is always more to be done. We need to step up our efforts to give our employees, particularly in marketing functions, the necessary information to promote both our new responsible product lines and our approach to doing business.

We are committed to standardising our customer performance measures across the group. At the end of 2007, a number of customer key performance indicators were launched in the UK and these will be extended to and reported on by our international businesses in 2008.

### SMS reminder service

Direct debits are still uncommon in Romania, so to support and encourage the timely payment of premiums, Aviva Romania launched a new SMS reminder service in March 2007. Two days before their premium payment is due, customers with mobile phones receive a reminder by text. This is the first initiative of a wider programme to improve customer loyalty through clearer communication, better processes and more flexible payment methods.



### RAC leading from the front

Quality audits and customer experience workshops are helping RAC contact centre agents to improve their rapport with customers, and listening forums have been run at the Bristol contact centre to share customer and colleague opinions. RAC's approach has seen the company top the JD Power and Associates' UK Roadside Assistance survey for the second consecutive year.

## One Aviva. One world.

### Environment

Amid mounting evidence that climate change is due to greenhouse gas emissions, managing our impact on the environment is a central part of our CSR programme.

#### Offsetting our carbon emissions

As the first insurer to make our global operations carbon neutral, we offset our outstanding carbon emissions by retrospectively investing in projects that generate carbon credits, either through carbon mitigation or renewable energy.


The schemes, administered in 2007 by carbon brokers Climate Care and CarbonAided, are a balance of commercial and social projects, and include:

- biogas projects in Sri Lanka, which use methane for cooking and lighting rather than wood, an increasingly expensive and scarce fuel source
- human-powered treadle pumps, vital for irrigation in rural areas like Bihar and Uttar Pradesh, India, where rented pumps require expensive and polluting diesel
- wind turbines in Hebei Province, China, and Tamil Nadu, India
- more efficient cooking stoves in Africa
- 'green cement' in the Netherlands and Ireland.

*"Aviva works in regions where it has a presence or where there is an urgent need for carbon finance. Through funding sustainable development projects, Aviva is giving back to communities as well as making real emissions reductions. As a result of our partnership, we are developing new, innovative projects on Aviva's behalf in India and Africa."*

David Wellington, *managing director, Climate Care*

For more information, please visit

 [www.aviva.com/csr08/environment](http://www.aviva.com/csr08/environment)



Source: International Development Enterprises (IDE)  
IDE India has been working in 15 major Indian states,  
providing more than 850,000 farmers with green technology

We care deeply about reducing our impact on the environment, and became the first insurer to be carbon neutral on a worldwide basis. We have reduced our energy consumption in our existing businesses and source zero emission power wherever we can.

This continues to be a considerable undertaking, but we are committed to using our power as an investor and purchaser to encourage other organisations to be more responsible, to enthuse our employees to reduce their own carbon emissions and to offer environmentally responsible products to our customers.

### The climate change challenge

Our energy strategy is to invest in new energy-saving technology and to reduce our dependency on fossil fuels. We are prepared to pay up to a 2% premium for purchasing electricity from renewable and zero emission sources.

Our focus on combating climate change intensified in 2007 on three fronts: carbon reduction, carbon offsetting and enhanced employee education and engagement.

Despite some of the initiatives outlined below, we cannot reduce our carbon emissions completely, so we offset our remaining emissions – mainly from buildings and business travel – by funding projects that generate carbon credits (see the case study opposite). Retrospectively offsetting our 2006 emissions cost us approximately £800,000 in 2007.

### Reducing our carbon footprint

Although we are growing organically and by acquisition, we will still strive to reduce our emissions per full-time equivalent

employee. Our aim is to reduce the impact of our activities on the environment by taking steps to be more energy-efficient, carbon conscious and climate-friendly. In 2007, our efforts delivered a 10.8% global reduction in CO<sub>2</sub> emissions across our existing businesses. We are reporting on five new businesses this year in the USA, Russia, Malaysia, Taiwan and our global services business in India.

Our carbon footprint is made up of emissions from our business travel and energy use in our buildings. We endeavour to collect all applicable data but acknowledge that some data may not always be available. To compensate, we add a 5% margin of error to our emissions total when purchasing offsets.

Early in 2007, the newly formed Energy Steering Group issued a UK energy policy and a '5, 4, 3' strategy to reduce like-for-like usage of electricity by 5%, gas and CO<sub>2</sub> by 4%, and water by 3%. More than 50 energy-saving initiatives have been employed, including removing backlights from drinks machines, trialling a device that stops boilers firing up unnecessarily and investigating automated power-saving modes on PCs. The reductions achieved have generally exceeded expectations: water use was reduced by 4.8% and gas by 12.3%. Electricity use also fell, by 3.9%, and although we use zero emission electricity, the equivalent saving is still more than 314 tonnes of CO<sub>2</sub>.

To save energy, Aviva Australia phased out the use of screensavers during the year, and all computers now switch to 'sleep' mode after 10 minutes of idle activity.

In 2008, we have set ourselves a global reduction target on carbon emissions of 5%.



### Zero emission electricity

In 2007, 61% of our worldwide electricity was purchased from suppliers providing renewable and zero emission electricity generated by wind, solar, biomass, hydro, and combined heat and power (CHP) sources, an increase of 6% from last year. We expect this percentage to increase in 2008 as our businesses either increase their use of zero emission electricity or switch from electricity generated from fossil fuels to renewable sources.

In Australia, we signed a contract in late 2007 to begin using 25% 'green energy' for our Melbourne premises while Hibernian in Ireland plans to purchase 100% renewable energy for its branches in 2008.

### Earthwatch award

As part of our commitment to the climate change agenda, Aviva plc presented an Aviva/Earthwatch international award for climate change research to Dr Chris Stevenson. This £6,000 award will allow Dr Stevenson to continue his work on Easter Island, where he is investigating whether prolonged climate change was the cause of societal demise over 300 years ago. This crucial work could provide a model for Earth's resistance to climate change.

*"One in three motorists considers CO<sub>2</sub> emissions when buying a car. Ultimately, our aim is to encourage more motorists to think about purchasing a used vehicle with lower CO<sub>2</sub> emissions."*

Daniel Burgess, automotive director, HPI

### Keeping vehicle emissions in check

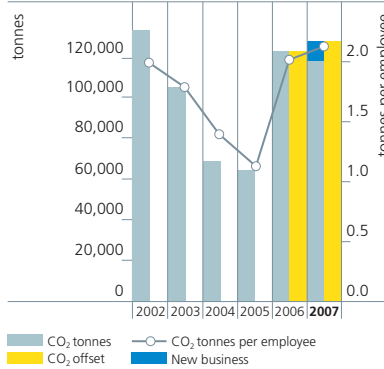
In recognition of RAC's investment in projects to reduce its carbon footprint and create both environmental and social benefits, the company retained the Breakdown/Recovery Company of the Year title in the 2007 Greenfleet Awards. Judges were impressed with innovations such as the eco-sheets that its vehicle check subsidiary company, HPI, provide free of charge to used car dealers. These allow buyers to make more informed decisions based on emissions and fuel economy data.



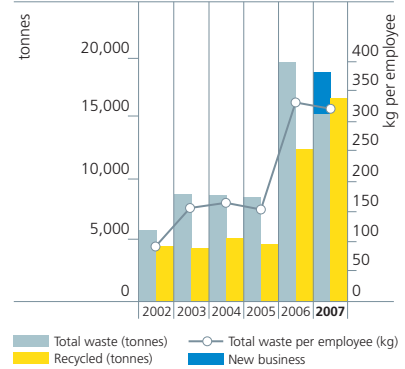
### Aviva goes solar

To help raise awareness of the need to reduce our transport emissions, the Aviva Southern Aurora solar car took part in the Panasonic World Solar Challenge in Australia in October 2007. More than 40 teams participated, driving the 3,000 kilometres from Darwin to Adelaide with only sunlight for fuel. The Aviva-sponsored car finished third in its class, and sixth overall. Capable of reaching 75 kph, the car runs on less electricity than a toaster and emits no carbon dioxide. For more information, visit [www.avivasolarcar.com](http://www.avivasolarcar.com) and [www.wsc.org.au](http://www.wsc.org.au)

### Aviva's CO<sub>2</sub> emissions



### Aviva's waste



### Resource-efficient buildings

Around the world, we have made environmental savings in our buildings during construction and refurbishment projects. These include 'green building' schemes, which have encompassed the greater use of natural light, such as the Atrium in Hibernian's new head office in Dublin, and collecting rainwater (greywater) for flushing toilets. For example, two projects to harvest rainwater at our Delhi operations, established in March and July, have collected approximately 2.6 million litres of rainwater to date for use in WCs and gardens.

Aviva Australia is phasing in new printers and other equipment to reduce power consumption and emissions, and Morley's Property team is working to reduce the environmental impact of our investment properties by improving recycling and making more efficient use of resources, especially in relation to energy consumption. And in the USA, our new office in Des Moines will be built to the Leadership in Energy and Environmental Design (LEED) standard providing a highly energy-efficient building.

### Cutting travel emissions

We try to avoid business travel where we can and encourage our employees to find responsible ways of commuting to work, such as using public transport, cycling, walking and car-sharing. For instance, Aviva France tied in with national events such as European Mobility Week, during which more than 160 employees signed up to a new online car-sharing database, while other campaigns promoted cycling and walking for short journeys.

To reduce long-distance travel, we have launched our first high-definition telepresence conferencing suites at group

centre in London and Wellington Row, York. Suites in Norwich, Pune (India) and the regional offices for North America and Asia Pacific go live from April 2008.

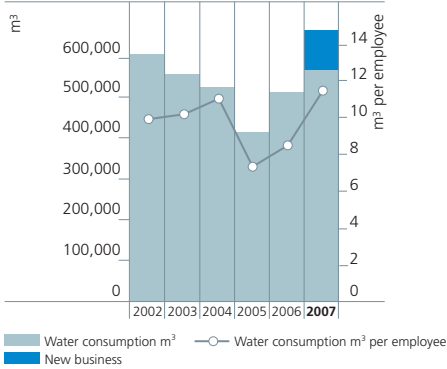
Aviva Canada's decision to reduce its car fleet from eight models to just one, smaller-engined car will save about 504 kg of CO<sub>2</sub> per vehicle each year. Elsewhere, Aviva Group Centre has transferred its taxi contract to Addison Lee, which is carbon neutral, and we are also working with our vehicles service fleet (RAC) to investigate alternative lower carbon-intensive fuels. Our executive fleet has been dramatically reduced and the remaining cars have been specifically chosen for their environmental performance.

### Waste management and recycling

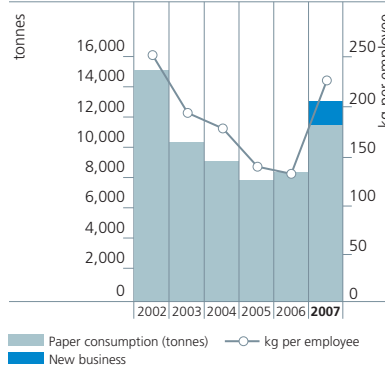
In 2007, the total waste we generated decreased to 18,877 tonnes (2006: 19,719 tonnes) and the amount we recycled increased to 16,672 tonnes (2006: 12,622 tonnes). This is a significant achievement and one we are committed to continuing, as we work to eliminate waste from the business. Our efforts in Sri Lanka led to 26,478 kg of waste paper being recycled in 2007 and RAC subsidiary company Auto Windscreens recycled more than 7,300 tonnes of glass. The proportion of waste recycled increased from 64% to 88% in the UK, where we have recycling schemes for 14 different types of waste.

Our successful 'binless office' concept is being rolled out to other businesses, including Aviva Australia and Morley, which also introduced initiatives ranging from reusing disposable coffee trays to recycling mobile phones. Such efforts were recognised by others, including the City of London Corporation's Clean City Awards Scheme (see page 10).

Aviva's water consumption



Aviva's paper consumption



### Reducing our paper use

We are constantly looking for ways to use less paper in our business, and to use more paper with recycled content. However, this is a challenge for us and in 2007, our paper consumption rose to 12,875 tonnes, up from 8,132 tonnes in 2006.

Aviva makes good use of electronic communications to reduce the amount of paper we use. For example, employees can view many corporate policies and procedures on the intranet and other web-based applications, while UK brokers have online access to policy information through the broker portal initiative.

Many of our businesses find that the easiest way to cut down on paper is to have printers set to default to double-sided printing, such as Aviva's headquarters in London and Hibernian in Ireland. And at Delta Lloyd in the Netherlands, Germany and Belgium, we use paper from sustainable sources for printing and copying.

In Poland, the promotion of payments by direct debit has helped to reduce the consumption of paper through giro's and printed correspondence, and Aviva Canada developed an e-card for the 2007 holiday season, which helped to reduce waste, save trees and reduce the CO<sub>2</sub> associated with the production and distribution of standard cards. The money saved in postage was donated to ThinkFirst, Aviva Canada's signature charity.

### Getting everyone involved

Employee awareness was enhanced by engaging staff in the environmental agenda and explaining the many aspects of environmental management, which resulted in a six-point improvement in our global survey responses to questions covering environmental responsibility (see pages 8–9).

Our efforts included an environment day as part of the CSR Awareness Week in France, and an Energy Savings Week in the UK, which engaged employees with a host of initiatives and activities, including an opportunity to calculate and offset carbon emissions via a payroll giving option. Similarly, Aviva Group Centre achieved an 8.6% reduction in electricity consumption through simple initiatives such as 'The Big Switch Off', in which all non-essential lighting and equipment are turned off at night, and its participation in the 2007 Lights Out London campaign.

Externally, our chief executive officer Andrew Moss participates in the CBI Climate Change Taskforce, which called on government, business and consumers to factor climate change into day-to-day life, and we were co-authors and a founder signatory to the ClimateWise principles, created specifically for insurers. We continue to engage with our employees on this important issue.

### Looking ahead

In 2007 we have achieved good progress on our environmental impact, however we should not become complacent. Therefore our plans for 2008 focus on reducing our environmental impacts further, particularly in areas such as carbon, water consumption and paper usage. We are committed to maintaining our position in being carbon neutral. We will continue to raise awareness within Aviva of how our business units can contribute to improving Aviva's environmental performance and influence the individual actions of employees.

*"We made good progress in 2007 to move our environmental agenda forward. While there are still many steps we can take to improve, the commitment and progress made by our employees and teams across the world is very encouraging."*

**Zelda Bentham, group environment manager**

### Paper Tree Foundation

As part of a new partnership with Copacul de Hartie ('The Paper Tree'), a non-governmental organisation, Aviva Romania introduced paper-only bins that were collected by Paper Tree volunteers for recycling. The money raised is used to plant trees across Bucharest. In the eight months since the project was launched, more than 330 companies and 60 individuals have provided 140,000 kg of paper and 17,000 kg of cardboard for recycling, and 1,120 young trees have been planted in Bucharest. For more information, see [www.copaculdehartie.ro](http://www.copaculdehartie.ro)



### Power Smart Contest 2007

Aviva Hong Kong sponsored the 'Power Smart Contest 2007' organised by Friends of the Earth, Hong Kong. This project is an appeal to the public to reduce their electricity consumption and the emissions of power plants in Hong Kong in order to mitigate the dangers of air pollution. Aviva HK is the first company from the commercial sector to sponsor this campaign. The contest required each participating household to save at least 3% on electricity consumption in any two consecutive months from June to August in 2007 as compared to the same period in 2006.

## One Aviva. **57,000 people.** People

We want our people to help to create a great place to work and a company they can be proud of. We also value and celebrate diversity, which helps us to compete effectively as a global business.

### Embedding diversity


To integrate our diversity vision, we created an online 'Respect Diversity' toolkit that enables us to share best practice and benchmarking information across the group through training materials, interactive games, presentations and DVDs. Much of this information has since been included in Norwich Union's 'Respect' intranet site for employees.

Our 'Respect Diversity' initiative and toolkit were recognised as best practice by the UK's Equal Opportunities Commission and cited by the judges at the World Diversity Leadership Summit, hosted by the United Nations Global Compact, which honoured Aviva with a Global Innovation Award.

As part of the European Year of Equal Opportunities for All, Hibernian amended its Equality policy to include additional wording covering diversity and during Diversity Week, Aviva France demonstrated its commitment by signing a new Diversity Charter initiated by IMS – Entreprendre pour la Cité, an association of 180 businesses committed to social responsibility and partnership.

*"Relying on teams that combine staff from different backgrounds, with diverse experiences and perspectives, represents a real competitive advantage."*

Myriam Saunier, HR development manager, Aviva France

For more information, please visit  
 [www.aviva.com/csr08/people](http://www.aviva.com/csr08/people)



To be a company that people are proud to work for, and where they feel respected and inspired to give their best, we need to invest in our relationships with our employees. To achieve our aims, human resources teams around the business ensure we comply with our own policies, such as the Group People strategy, as well as the relevant employment law.

Much of our efforts to date have focused on improving our talent management process; recruiting and developing the future leaders of our business; and building and communicating a strong employment brand. This was supported by a 70% participation rate in our Global Employee Climate Survey, in which 70% of participants agreed that Aviva is a great place to work.

### **Diversity, equality and human rights**

Being a global organisation spread across 27 countries, multiple time zones and many cultures brings its challenges. We address these through our diversity programme, which embodies the key principles of respect, valuing differences and inclusion, and measures that ensure respect, fairness and equality among our employees. These range from policies that embody the UN's Universal Declaration of Human Rights and the International Labour Organization's core labour standards to specific initiatives promoting equal opportunities. Business units will be required to report against diversity targets in future.

Our diversity agenda has been strengthened by employee networks such as the Global Senior Women's Network, established to help make senior women accountable for nurturing female talent around the group. An event in Madrid was attended by 50 women in senior management from across the group, and the network's success has led to the creation of further groups in London and Norwich.

Pride Aviva, our lesbian, gay, bisexual and transgender network, has increased its membership to 150 in the UK, and played a role in securing company sponsorship of Stonewall's first-ever gay youth event in the UK. The event offered practical advice on being gay in 21st-century Britain through a mix of inspirational speakers and workshops.

Aviva was ranked 78th in the 2008 Workplace Equality Index, Stonewall's Top 100 employers for gay people in Britain. While this shows improvement on our previous ranking of 120th, Aviva remains committed to improving its score.

We continue to integrate the key principles of diversity into our business practices, and in 2008, we will raise awareness of multiculturalism, and the benefits this brings to us as a global organisation.

### **Talking talent**

We want to create an environment where all our people are encouraged and supported to develop their skills, give of their best and achieve their full potential, as well as to maximise productivity and fulfil our business objectives. Therefore, managing our employee talent is fundamental to our success.

In 2007, we put in place *Talking Talent*, a group-wide management framework to assess how individual performance aligns with future potential as well as wider business initiatives. *Talking Talent* covers all aspects of attraction, recruitment, development and retention across our entire organisation. It underpins our belief that all our people have talent that can be harnessed to the benefit of our customers if those talents are deployed effectively. The programme was piloted in 2007 and has already featured in external events such as the Leadership Architect's conference in Chicago, USA. It will be rolled out globally in 2008 and 2009.

### **Learning and development**

Aviva is committed to fostering a culture of lifelong learning and provides many training opportunities, with the main focus on leadership, professional development and qualifications, and core skills training. Aviva-COFCO, our joint venture in China, was given the 'Best Channel Strategy' award by *China Insurance Marketing* magazine for its training centre for brokers, while in the coming year, Aviva USA will invest \$2 million in learning and development, including the development of 'Aviva USA University'.



### **Best e-learning programme**

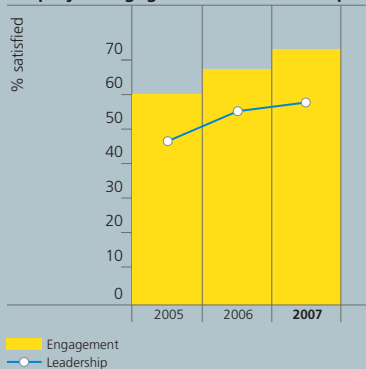
Norwich Union Learning and Development topped the Best E-Learning Programme category in the prestigious Training Journal Awards, with judges describing the 'Putting Customers at the Heart of Everything We Do' programme as "an innovative e-learning programme that has produced tangible results". The programme helped Norwich Union to deliver more than 196,000 hours of online training in 2007.

*"At Aviva, the Global Employee Climate Survey is a business management tool that provides live and direct feedback from our teams across the world. During 2007, we showed progress on our engagement and leadership scores which were up 6 and 2 points over 2006 respectively. This reflects the work undertaken in 2007 to focus and embed the people strategy."*

Reena Dayal, global project manager for Global Employee Climate Survey 2007

### 2007 Global Employee Climate Survey responses

#### Employee engagement and leadership



*"The Global Employee Climate Survey is a great opportunity to get multiple perspectives and a good barometer of how we are viewed as an employer. It provides insight on areas that we can focus on to make Aviva a more challenging, exciting and rewarding place to work."*

Brian Clark, executive vice president and chief product officer, Aviva USA

Delta Lloyd Group invests heavily in personal and career development, with all managers attending a workshop to assist with the personal development of their staff, and employees perform a self-assessment Personal Development Scan to identify their characteristics and competencies.

Towards the end of 2007, a number of Aviva's senior leaders took part in the Global Talent Management survey, the latest research on the worldwide 'war on talent' from McKinsey.

### Leading people

We want to be known as an organisation that develops exceptional leaders, so in 2007, we developed a leadership feedback tool which we will extend across the group in 2008 and 2009. The tool, which was successfully piloted in 2007 in Australia and India, is intended to increase line managers' ability to:

- manage their impact on other people
- maximise the performance of every employee
- increase their own skills
- bring to life six outcomes that will create a great place to work, including respect, praise and clarity.

During the course of 2007, we also redesigned the programmes offered through the Aviva Leadership Academy, which provides an opportunity for Aviva managers to gain deeper self-insight and awareness of the impact of their leadership. It strongly supports the 'One Aviva' concept by encouraging an international network of colleagues to learn from each other.

Twenty-two employees in Hibernian are currently participating in 'Horizon', a personal development programme to identify and support high-potential employees, while Romania and France piloted the Leadership Target Plus programme, and Aviva Lithuania established the Academy of Managers, which offered sessions on situational management and coaching techniques during the year.

The 'Development for Tomorrow' programme in Sri Lanka identified 24 future sales leaders to undertake secondments with senior regional mentors for more 'hands-on'

development, and our *Leading into the Future* and *Building the Future* programmes in Canada, attended by more than 370 people managers, were awarded the Silver Award of Excellence from the Canadian Society for Training and Development.

### Global Employee Climate Survey

An important way for Aviva employees to share their views – voluntarily and anonymously – is through participation in Aviva's Global Employee Climate Survey. This annual exercise allows us to benchmark progress and drive continuous business improvement.

In 2007, 42,443 employees responded to our third survey, which equates to a 70% participation rate, up from 66% in 2006; notably high participation rates were found in Sri Lanka, China and Taiwan (100%) and Lithuania (98%). The results showed improvement in all categories and improved performance against our external benchmark of performance in global financial services companies.

### Experiencing Aviva

In 2007, we conducted extensive research through focus groups into our employees' experiences of working for Aviva to help us understand what Aviva meant to them as an employer. These findings and our Global Employee Climate Survey are being worked into an employment brand strategy, enabling us to attract and retain talent in highly competitive markets.

Being open with our people and making them feel involved is an important part of our culture, and helps us to build on strengths and make improvements. We believe that people should have an input into decisions that affect them so we have taken steps to create a culture of openness and inclusivity. These include a range of ways for employees to pass on their views and suggestions, including Morley's staff conference, our European Consultative Forum and 'Your Forum' in the UK.

Employee engagement meetings in Poland, called *Flesz*, encourage employees to act as speakers, presenters and hosts for discussions on a range of topics. Small groups of employees in India regularly meet the CEO to discuss issues of concern, and more than 800 Aviva USA employees

completed a short online survey about the design for the new head office, helping to create an efficient, pleasant and productive work environment.

We also participate in external surveys and benchmark studies to compare ourselves with best practice and to learn from what others do. In 2007, Aviva in the UK was included in *The Times* 'Top 50 Places Where Women Want to Work' list for the second consecutive year, while our businesses in Ireland, Australia and India were once again listed in national 'Great Places to Work' surveys.

Employer surveys will feature as a key part of our programmes in the coming year, both as a tool to aid our own development and to enhance our reputation as an employer people want to work for.

### Managing change

We employ some 57,000 people worldwide in a new structure comprising four regions: the UK, Europe, Asia Pacific and North America. Together with Morley and our Group Centre function, we are experiencing growth and sharing best practices between regions. To help set up this new structure, there were a number of moves among our senior people in 2007, creating a better balance of talent across the group.

As with all major structural change, we sought to minimise the number of compulsory redundancies through voluntary turnover and redeployment, and where unavoidable redundancies occurred, we provided support to affected employees, such as the 1,000 employees who joined Swiss Re in October 2007 as part of the restructuring of Norwich Union's life and pensions operations.

In the second half of 2007, we also announced plans to save £300 million across our UK business. Although such savings will be achieved in a variety of ways, including a reduction in marketing spend, a commitment of this magnitude has meant 140 job losses within marketing, and a further 385 roles going from our IT operation.

We take care to manage all unavoidable redundancies as sensitively as we can. For example, Aviva USA's new headquarters in Des Moines, Iowa, required the relocation of approximately 400 positions from Quincy, Massachusetts. Outgoing staff were notified in person and given appropriate support, guidance and financial protection, while all communication was conducted in an open, honest and timely way.

### Health and safety at work

Providing a safe and healthy environment for employees, contractors, customers and visitors remains a priority across the group. Our health and safety committees help to raise awareness of safety issues, identify, assess and reduce risk through regular inspections, and provide ways for potential violations to be reported.

We are equally supportive of people's individual wellbeing, and promote 'lifestyle awareness' topics such as fitness, posture, relaxation, stress management and healthy eating. In many of our business units, company-sponsored Employee Assistance Programmes provide staff and their families with support, ranging from guidance on parenting, education and finance through to professional counselling services for emotional and addiction issues.

In several locations, including Australia, employees receive company-funded vaccinations against influenza, and we offer seminars at our global headquarters in London to help employees who want to stop smoking. Employees with back pain at Aviva Czech Republic can relax on a hydro jet bed during lunch breaks and out of work hours, while Hibernian held 'Sleep Factor' and 'Beat the Energy Slump' workshops.

### Looking ahead

We have listed our key initiatives for 2008 in this section. Furthermore, we will continue to support our new and growing business units in the effective implementation of our people strategy.



### Social activities

At Hibernian, events designed to promote a healthy work-life balance included workshops on sleep, relaxation and energy levels, massages and a 'Bring Your Kids to Work at Halloween' day, while Aviva Group Centre's well-established social activities programme included self-defence, language and art classes, city walks and a Christmas pantomime. Aviva Lithuania also fosters an active lifestyle among employees and sales representatives, who compete in regular Olympics-style competitions. This year's summer event, held in Poland, saw Lithuanian competitors and teams win 11 gold medals.

## One Aviva. **Diverse suppliers.** Suppliers

We are clear and consistent with our suppliers about what we expect of them and what they can expect of us.

### Working closely with suppliers


In 2007, Aviva Group Centre had a cleaning team who worked unsociable hours, and were unknown to our staff. With supplier ICS, we switched to daytime cleaning, and introduced housekeepers to staff, both in person, and through a poster campaign. The move to daytime cleaning has been a success for all involved; housekeepers enjoy better working conditions and staff turnover has dropped. Working relationships have improved, as has the service, resulting in a reduction in costs.

Aviva UK's operational services has also worked closely with its catering services supplier Avenance to implement a number of initiatives to minimise waste. These include:

- compostable paper napkins made from non-bleached recycled material
- recycling cardboard, tins, milk bottle tops and coffee grounds for garden compost
- using refillable sugar shakers instead of paper sachets
- biodegradable plastic cutlery, sandwich boxes and labels
- switching as much packaging as possible to biodegradable corn starch.

*"Avenance is proactively responding to changes in the market, particularly regarding increasing environmental concerns. We are keen to work as partners to share ideas, trial new products and ultimately lighten our environmental footprint."*

Viv Shinner, *operations manager, Avenance*

For more information, please visit  
 [www.aviva.com/csr08/suppliers](http://www.aviva.com/csr08/suppliers)



We understand that our suppliers play an important role in ensuring that we continue to meet the needs of our customers. The embedding of CSR in our group purchasing and supply management policy means that we have identified benchmarks and expectations on each procurement activity and can influence our large supplier base to continue to meet our standards.

### CSR in supply management

Our group policy on purchasing and supply management, revised in December 2007, now requires all Aviva suppliers to sign the Aviva Supplier Code of Conduct, either upon appointment or contract renewal. The Code has been used to cover in excess of £1.1 billion of procurement activity during 2007. Our top 200 suppliers are being assessed against a series of questions designed to measure their commitment to CSR, and each Aviva business must establish a CSR performance improvement plan for its top five suppliers. All sourcing decisions must now give CSR aspects a minimum 10% weighting, while human rights questions also form part of our supplier review and tender process.

To raise the profile of CSR in our sector and help to develop industry standards and common approaches, Aviva plays a leading role in the Chartered Institute of Purchasing and Supply's Financial Services Purchasing Forum (FSPF), with David Allcock of Aviva UK Procurement as the current vice chair. The FSPF hosts a CSR sub-group, also chaired by David, which has grown from four to 30 major financial services organisations in 18 months. The aim of the group is to drive a standard approach to the management of CSR issues in the financial services sector.

### Responsible purchasing

Aviva remains committed to building sustainable relationships with suppliers and promoting environmental and ethical best practice. Where possible, we select suppliers that comply with ethical and

environmental best practice, taking into account both cost and quality, with priority given to those with ISO 9001 or similar certification standards.

Examples include:

- Morley's vending machine supplier, which buys coffee directly from the growers in Colombia, and Delta Lloyd, which now sources Good Origin coffee produced in a sustainable manner
- Hibernian's storage provider, which started a scanning service to reduce the amount of paper documentation kept on-site
- Aviva France's contractor for recycling used ink cartridges, which helped head office to recycle 92% of its waste last year
- Knight Frank, the property manager at our Melbourne office, which made alterations to heating and cooling systems to improve energy efficiency.

### Supporting our suppliers

Sustainable supplier relationships are two-way partnerships, so we aim to give support, guidance and training for third parties where appropriate. For example, in India, all the cab drivers used by Aviva Global Services (AGS) attend regular training forums designed to raise awareness about road safety, and help to improve interaction with AGS employees.

We also understand our responsibilities to our suppliers, such as prompt payment. Morley's 'Business Invoice Viewer', for example, provides real-time updates on all supplier invoices, promoting prompt authorisation and helping to meet the challenging target of paying 85–90% of suppliers within 28 days of receiving an invoice.

### Looking ahead

Our focus in 2008 will be towards implementing our new purchasing and supply management policy, as well as establishing and reporting on key metrics across the group.

### Fairtrade Fortnight

Aviva kicked off the Fairtrade Fortnight in February with a breakfast at Aviva global headquarters for City professionals, suppliers and representatives from the City of London Corporation, the Fairtrade Foundation and the Fairtrade steering group, established to promote fair trade within the Square Mile and across London. Guests heard from Erica Kyere, a farmer from a cooperative in Ghana, who highlighted the impact that the price guarantees from Fairtrade partnerships can make. During the same two weeks, Caron Services, a family-run vending machine business, supported Aviva France by running a promotion at its head office, as well as providing a coffee machine, Fairtrade coffee and snacks for a Telethon event.



### Stationary stationery

First 2 Office, Aviva's stationery supplier, challenged eight Master's students at London's Royal College of Art to create sculptures from unwanted stationery donated by customers including Aviva. In just two days, 84 pallets of unwanted supplies were collected, of which 62 were recycled, 11 were donated to charity and 11 were turned into sculptures for The Office Stationery Amnesty Arts Award. As part of the London Sustainability Festival, Aviva exhibited the winning pieces in the Aviva global headquarters main reception.

## One Aviva. **Communities in 27 countries.**

### Communities

We are a responsible corporate citizen and take account of the impacts our activities have on the communities where we operate.

#### Going further for local communities

At Aviva, we look back with pride at our record of community involvement, recognising the huge part our employees have played in helping us to translate commitment into action. Just one of many examples saw Aviva Canada volunteers run a Careful Teddy Tent at an event in aid of a children's hospital in Winnipeg, Manitoba, to convey the importance of wearing correctly fitted helmets when cycling. Attended by more than 55,000 people, our volunteers helped to fit and distribute free helmets and handed out stickers and leaflets.

Employees in North America have long given their time and effort to fundraising and community projects.

While many of our businesses have formal policies to support employees who want to volunteer, we're looking to take this further by consolidating all our approaches under a comprehensive community investment strategy.



We are committed to good corporate citizenship, and invest in a programme of charity and community initiatives that support a range of stakeholders. Our employees around the world demonstrate immense commitment and enthusiasm for the support of their communities.

### Investing in our communities

In 2007, we donated £6.75 million to charitable and community activities worldwide, an 8% increase over 2006. Until now, decisions about how and where to help have been made at a local level by individual businesses.

To make it easier for employees to give to causes they care about, some of our businesses offer company-matched giving schemes, which double the money they raise. We also enable UK employees to donate money, in a tax-efficient way, directly from their monthly salary. To raise awareness of our payroll giving schemes, the Hands on Helping charity visited some of our UK sites. On average, take-up increased by 6%, but among Aviva UK staff, scheme participation rose by 32%, with 1,700 employees now supporting 500 charities.

Last year, the Aviva Charitable Foundation was born out of the AmerUs Group Charitable Foundation, following Aviva's US acquisition. One organisation to benefit is United Way, an independent body that encourages individual and corporate giving and volunteerism to help others. Aviva Romania also started a partnership with United Way in 2007, and within a month, almost one in three employees (32%) had committed to regular monthly deductions from their salary.

### Employee volunteering

We continue to promote employee volunteering as a way our people can become engaged with their local

communities and help good causes. Our commitment has resulted in formal policies in many of our businesses, and from 2008, employees will be able to take up to three paid days for volunteer work. In Ireland, for instance, Hibernian has committed to providing 10,000 hours of staff volunteering annually.

### National education projects

Norwich Union delivered more than 32,000 hours of volunteering last year across an array of community projects, including two national education schemes on climate change and financial literacy.

- **Climate Change Champions** Fifty-one employee volunteers have now helped more than 250 students, aged 5 to 16, from 29 schools in York, Norwich and Perth to learn more about climate change. Through the programme, schools aim to reduce their carbon footprint by 20% and engage the whole community by requesting individual pledges to support the campaign.
- **'Paying For It'** The site also contains 'Lifescan', a unique tool that provides a graphic representation of an individual's position on the areas covered in the 'Paying For It' curriculum. This 'widget' will be downloadable to Facebook and MySpace pages, giving people a chance to identify and compare themselves. The changes registered over the life of the project will also give individuals a chance to see how their views have changed and give us an overview of the impact the programme has had.

The 'Communcate' programme has also seen 280 employees deliver 2,661 hours of voluntary e-mentoring for students on the BTEC Communications in Business course.

*"Investing in the communities in which we operate is a key part of our CSR programme. In addition to the company's support, we also encourage our employees to get involved, for example, through volunteering or fundraising activities, which the company fund-matches."*

Michelle Wolfe, *group senior CSR manager*

### Baltic coast clean-up

A year after Aviva Lithuania volunteers first assisted with the clean-up of a section of the Baltic coastline after a fire destroyed 200 hectares of forest, staff and sales consultants again helped local government and forestry managers by rebuilding the dunes, and planting a hectare of pine saplings. A new scheme also enables them to donate 2% of their income tax to the National Park's relief fund.



### bluecycle's recycle schemes

bluecycle, a subsidiary of Norwich Union, has donated a range of items to help community projects, including IT equipment to Oxfam and Age Concern, a car to Felixstowe Port in Suffolk so that officers preventing the export of stolen cars can cover the whole site efficiently, and scrap vehicles to The Motor Insurance Repair Research Centre for use in Automotive Technician Accreditation tests.



### Big smiles, warm clothing

Aviva USA volunteers donated coats, boots, gloves and hats to underprivileged students at McKinley Elementary School in Des Moines as part of the annual 'Coats and Boots' programme, funded by the Aviva Charitable Foundation. Many of the students are from low-income households and come from warmer climates such as South America and South Africa.

*"The gift of winter coats and boots to our children helped to complete their needs and extended the spirit of giving to families who otherwise would have felt less cheerful."*

Dr Lorenzo Jasso, principal,  
McKinley Elementary School



### First class

Aviva Global Services (AGS) supports several charities in India and Sri Lanka, including a long-term partnership with Akanksha Foundation, an NGO that helps less-privileged children to improve their lives through education. In August, the first of four 'Aviva Akanksha' schools opened in Pune, India. AGS also sponsored a sports day for 750 children from nine Akanksha centres, with 20 volunteers helping on the day.

### Giving young people a better start

Investing in education and development projects around the world is another visible way we give back to our communities. In India, we work closely with an NGO, the Arpana Trust, to help families camped in the resettlement area of Molarbund, New Delhi. Parents could not afford to send their children to school, so facilities were set up to give children aged under five an education and a free midday meal.

Elsewhere, Morley raised more than £13,000 for Hope and Homes for Children, a charity working with orphaned, abandoned and vulnerable children in Eastern Europe and Africa, while the OPEN Road project in Norwich, supported by RAC and British School of Motoring, educates young people about road safety, motoring and mechanics. In Ireland, Hibernian has donated €10,000 towards an on-site day care centre for the elderly.

### Health and social welfare

Last year, we maintained our support for a range of health and wellbeing initiatives around the world. Just a few are outlined below.

- In Sri Lanka, Eagle Insurance launched its inaugural Samana workshop for teachers and carers of disabled children.
- In February, Aviva Canada began a two-year partnership with ThinkFirst Canada, a national, non-profit organisation working to prevent brain and spinal cord injuries in young people. Awareness-raising events included helmet-fitting clinics in sports departments at a leading retail chain.
- Aviva Canada employees also participated in a two-day, 60-kilometre walk for the 2007 Weekend to End Breast Cancer. With company support, 38 employees raised more than C\$80,000 towards the national total of C\$48 million, which will help to fund cancer treatment, education and prevention.
- Throughout 2007, 42 Norwich Union employees volunteered at regional WheelPower events and at the National Junior Wheelchair Games.

- Aviva Italy supports Dynamo Camp, which offers free summer camps to children with serious or chronic illnesses who are currently in therapy or convalescing.
- As a member of the Oxfam 365 Alliance, our funding continues to help to ensure that Oxfam is ready to respond immediately to emergencies such as the hurricanes in Central America and the Caribbean, severe flooding in Asia, and the ongoing crises in Darfur and Chad.

### External recognition

Business in the Community highly commended Aviva with its 2007 Community Impact Award for our participation in the London 'Better Together Day' in June, in which children from local schools experienced a city establishment for themselves. Management in our London office took part in a Q&A session, while other staff helped to overcome clichéd perceptions of a career in financial services.

In Hong Kong, we retained the Caring Company designation from the Hong Kong Council of Social Services, which we have held since 2004 in recognition of our charity and community programmes, and Norwich Union came second in the 'Best Employee Team Event' category of the Community Service Volunteer Awards for 'Make a Difference Day', when volunteers from around the UK hosted a sports day for children with severe learning difficulties and behavioural disorders.

### Looking ahead

In 2008, our challenge is to align all our efforts to our new global community investment strategy, helping us to channel financial and organisational support to areas where we have real expertise to offer. We will focus on financial education and literacy, and coping with life trauma (i.e. people going through a distressing life event) which are in line with our 'prosperity and peace of mind' vision.