

Corporate Social Responsibility

1 Policy objective

- 1.1 The objective of this policy is to provide the minimum standards for managing risks and opportunities relating to the conduct of corporate social responsibility (CSR) by the Aviva group to support the achievement of our vision.
- 1.2 The organisation is committed to its corporate social responsibility vision 'to act responsibly for the long term in how we do business, to help meet our ambition of being the world's most trusted savings, investment and insurance provider'.
- 1.3 The CSR policy reflects senior management's attitude towards integrity and high ethical values and is the ethical framework for the group's activities.
- 1.4 For Aviva, CSR covers a broad spectrum of activities; the management of our relations with our employees, customers, suppliers and the community as well as the management of our performance in respect of the environment, human rights and diversity, all underpinned by adherence to good business ethics. This policy covers:
 - Business ethics
 - Human rights and diversity
 - Community

(Refer to CSR standards contained in appendix 1)
- 1.5 The remaining areas of Aviva's CSR programme including the management of our relationship with our people, our customers, our suppliers and the environment are covered by separate group policies.

2 Policy owner

- 2.1 The group policy owner for this policy is the group corporate social responsibility director.
- 2.2 The executive sponsor for this policy is the group human resources director.

3 Primary audience

- 3.1 This policy is applicable to all staff and provides them with the standards required to uphold the CSR policy. It also directs our CSR regional contacts and nominated managers on the effective embedding, monitoring and reporting of progress on the programme.
- 3.2 This policy makes clear to all our stakeholders - our customers, employees, shareholders and investors, suppliers and business partners, non-governmental organisations and pressure groups and the communities in which we operate - what our vision for CSR is and how we propose to work towards achieving it.

4 Scope

- 4.1 The scope of the policy is groupwide and applies to all Aviva operations including businesses and legal entities.
- 4.2 For joint ventures and outsourcing arrangements, senior management should satisfy itself, as far as reasonably practicable, that the systems and controls which are in place are appropriate to monitor and mitigate risk.
- 4.3 Further, Aviva expects equivalent standards from its suppliers and business partners. Guidelines for suppliers and business partners are outlined in the purchasing and supply management policy.

5 Alignment to risk appetite

5.1 Inherent risks

This policy supports management of the following inherent risks:

5.1.1 Business ethics

- Senior management do not demonstrate their commitment to high standards of business conduct, integrity and ethics, which may result in unethical behaviour by staff or commercial decisions being made with no regard to CSR implications and the group's reputation.

5.1.2 CSR awareness

- Staff are not sufficiently informed or aware of the group's CSR standards and vision.

5.1.3 External profile of CSR

- The group does not promote its CSR initiatives e.g. via the group annual CSR report, annual report and accounts, group website, case studies and external benchmarking. This may increase the likelihood of missed investment opportunities in the group e.g. by potential shareholders and investors with interests in a company that is responsible in its business behaviour.

5.1.4 Human rights / diversity

- The group fails to create a working culture that respects, celebrates and harnesses differences. This may affect the group's ability to recruit and retain the best people, which in turn may affect the group's ability to fulfil its business ambition.

5.1.5 Embedding CSR in the businesses

- The group fails to embed CSR in the businesses, e.g. by failing to maintain a high level of CSR understanding among the regional CSR contacts and local CSR nominated managers across its worldwide businesses. This may adversely affect the group's ability to implement its CSR strategy.

5.1.6 Community investment

- The group's reputation may be at risk if it is not seen to be supporting communities in which we operate.

Other CSR inherent risks covered by other policies:

- **Environment** - the group fails to uphold its commitment to reduce its carbon dioxide emissions. This may have financial implications for the group's global carbon neutral commitment and may adversely affect the group's climate change strategy.
- **Customer** - the group fails to embed CSR in the design and delivery in our products and services.
- **People** - the group fails to embed CSR in the people processes.
- **Suppliers** - the group fails to embed CSR in the purchasing and supply management processes.

5.2 Risk appetite

In addition to the risk appetite statements specified in the risk management and internal control policy, the specific risk appetite statements in relation to this policy are below.

The group has no appetite for:

- Business activity that does not fulfil the CSR standards.
- Employees not being informed of CSR vision, activity and standards.
- Unaccounted for increases in the group's carbon dioxide emissions that compromise the group's global carbon neutrality status.

The group has appetite for:

- Promoting diversity amongst the group's senior management.

6 Minimum standards

6.1 Risk management and control

The key risk processes and principles covering the inherent risk areas above are set out in this section.

6.1.1 Planning / change

Management information for CSR risk should be used to provide insight, inform the operational planning process and influence resource allocation including capital.

6.1.2 Risk appetite

Risk appetite statements and tolerances should be clearly defined and refreshed on a regular basis (at least annually) and as an integral part of the planning process. Risk appetite should be defined for a business as usual situation within an established business and also needs to be sufficiently flexible to deal with a variety of situations (e.g. rapid market expansion, managing significant change) and should support rather than constrain sensible risk taking to deliver business strategy.

6.1.3 Risk analysis

Regular reviews (at least on a quarterly basis) of CSR related systems and processes must be actively performed to ensure inherent CSR risks are effectively managed.

A risk assessment must be undertaken by the businesses to identify those areas susceptible to social responsibility risk and introduce preventative controls into new and existing systems and processes.

6.1.4 Controls

Appropriate controls must be in place to ensure the following requirements are met:

A. Governance

- i. CSR regional contacts must maintain a system of delegated authorities which provides a clear and appropriate allocation of CSR responsibilities, including CSR support at senior management level.
- ii. CSR regional contacts must ensure that there is adequate and capable CSR resource available to manage the regional and local business CSR programmes. This includes designing, documenting, operating, communicating to staff, reporting and monitoring an appropriate CSR

management system that is adequate to meet local, regional and group requirements.

- iii. CSR regional contacts must allocate local policy owners to ensure that the requirements within group policies are understood and implemented by the business and that adequate embedding, reporting and monitoring arrangements are in place locally.
- iv. CSR regional contacts must also ensure that CSR responsibilities are incorporated within CSR nominated managers' and other relevant individuals' job descriptions, objectives and performance assessments.
- v. CSR standards outlined in appendix 1 must be complied with.

B. Risk and control cycle

- i. CSR key performance indicators (KPIs) (see appendix 2) must be included in the regions' annual report submission to group CSR.
- ii. CSR regional contacts must ensure that businesses meet CSR policy compliance reporting requirements in line with group requirements. Regions must disclose all material areas of non-compliance.
- iii. Businesses must ensure that their external business partners understand and are committed to this policy.

C. Management information

- i. Aviva will report progress in its annual CSR report and annual report and accounts.
- ii. Regions must fulfil the reporting requirements of group CSR.

6.1.5 Actions

Where differences in risk appetite and the residual risk profile have been identified by the risk analysis process, remedial action plans must be put in place. In instances where controls are deemed to be deficient, these action plans should include improvements in both the control design and its operation. In all cases action plans should contain SMART (specific, measurable, achievable, realistic and time-bound) actions with progress reported on a regular basis to management.

6.1.6 Line management and reporting

Procedures must be established to enable the reporting of CSR related risk issues to local management and group senior management on a regular basis.

Clear lines of internal accountability, responsibility and reporting must be established. Primary responsibility for managing CSR related risks rests with the head of business. Appropriate internal controls must be in place, operating effectively and staff must be adequately trained.

Escalation of breaches

- i. Material breaches of this policy, including any identified issues that could lead to a breach, should be notified to the group policy owner and the regional chief risk officer immediately (within 24 hours). Where breaches are identified that are material at group level, the group chief risk officer should also be notified.
- ii. Materiality of a breach or issue can be determined by reference to the delegated authority limits for risk management that outline the relevant escalation protocols.
- iii. The group policy owner will advise the relevant oversight committee (i.e. ORC or ALCO) and executive sponsor of any material breaches.

- iv. As primary responsibility for risk management lies with line management it is expected material breaches will be also reported up through functional management. All material breaches should be documented through the quarterly risk reporting cycle.

6.2 Responsibilities

6.2.1 Business

Head of business:

- Ensures that the business manages CSR risk and operates in line with the minimum standards in this policy.
- Maintains an appropriate control structure and culture to manage CSR risk exposure within appetite.
- Meets management information reporting requirements to demonstrate that CSR risks within the business are being managed effectively.

Local policy owner:

- Acts as a local subject matter expert and provides guidance in relation to the policy.
- Ensures that the requirements within this policy are understood by the business to assist them in implementing local compliance monitoring arrangements.

CSR nominated managers:

- Must coordinate and oversee the business embedding, target setting, reporting and monitoring of the CSR programme.

Staff:

- It is the responsibility of all staff to familiarise themselves with Aviva's CSR policy, including the standards contained in appendix 1.

6.2.2 Region

- The responsibility of the region is to provide appropriate oversight and challenge, as part of the second line of defence, in order to satisfy itself that the businesses in the region operate in line with this policy.
- Regional executive management have a comparable responsibility for their regional operations. They must review the region's CSR programme progress at least annually.

6.2.3 Group

Group policy owner:

- Maintains the integrity of policy content and develops adequate guidance material to support implementation.
- Acts in an advisory capacity to set the risk appetite and provides guidance on establishing the control environment to ensure risks are managed within appetite.
- Provides advice, support and technical guidance in relation to the policy, including application for waivers and notification of breaches.
- Defines the management information required from the business for the oversight committees to discharge their governance oversight and also

provides technical advice and reports to these committees as appropriate.

Responsibility for the individual CSR activities reside with the:

- Group CSR director - business ethics, human rights and diversity, environment and community.
- Group brand development director - customers.
- Director of purchasing and supply management - suppliers.
- Group HR director, supported by relevant HR directors - our people.
- Group business protection director - health and safety.

6.2.4 Committee

Group board CSR committee:

- Is responsible for CSR strategy and policy, and for reviewing and monitoring progress of the group CSR programme. It will draw issues of concern to the attention of the executive management and the group board.

Group chief executive:

- Is the main board director with primary responsibility for the CSR policy.

Group CSR team:

- Has liaison responsibility with CSR regional contacts and is responsible for coordinating a coherent CSR programme across the regions.

7 Waivers and exceptions

- 7.1 In exceptional circumstances, and on a case by case basis, a waiver or exception may be granted to this policy.
- 7.2 All requests for a waiver or exception in respect of any requirements of this policy must be discussed with the regional chief risk officer. Applications should be forwarded to the group policy owner (cc group chief risk officer) with a supporting detailed business / operational justification signed by the business head requesting the waiver or exception.
- 7.3 The group policy owner, in liaison with the group chief risk officer, will decide upon the application and advise the region of the outcome. The group policy owner will provide details to the relevant oversight committee (i.e. ORC or ALCO) and executive sponsor of any waivers or exceptions granted.

8 Reference to supporting materials

8.1 Group committees

Terms of reference are available on the internet for the group board CSR committee.

An annual CSR conference also takes place that brings together CSR representatives from across the regions to review progress, set priorities for the coming year and share best practice.

8.2 Group policies

The following risk management policies should be read in conjunction with the group CSR policy to ensure compliance with management and reporting of CSR programme activities across the Aviva group:

- Customer
- Financial crime
- Purchasing and supply management

- Environment
- People
- Business protection

8.3 Risk and control matrix

This document demonstrates the linkage between the inherent risks, control objectives, and illustrative key controls and key indicators (qualitative and quantitative) that can be used to provide insight and evidence as to whether the inherent risks the policy is seeking to address are being mitigated adequately in practice.

A matrix should be maintained for each policy. Gathering evidence through indicators will provide the insight into the effectiveness of the internal control environment, and so limiting the need for detailed testing.

8.4 Glossary

A central glossary is maintained within the risk management and internal control policy. There are no specific terms unique to this policy so no technical glossary is provided.

Appendix 1

Standards for Aviva's corporate social responsibility policy

CSR management

Acting responsibly in how we do business will play a key part in winning the trust of our stakeholders and building a successful and sustainable business in the long term.

This CSR policy outlines our approach to CSR and how we manage and embed CSR in the business. The below standards provide a framework for businesses to help meet the Group's CSR vision.

These standards cover the elements of CSR which are the responsibility of the group corporate social responsibility director, including:

1. Business ethics
2. Human rights and diversity
3. Community

In addition, the management and reporting of CSR in the Aviva businesses includes compliance with the CSR-specific standards outlined in the following group risk management policies:

- Business protection
- Customer
- Environment
- Financial crime
- People
- Purchasing and supply management

1. Business Ethics

We are committed to being a responsible business. We aim to ensure that, in everything we do, we meet the highest standards of business conduct.

Aviva's principles for good business ethics:

- Commitment to fair business practices in our relationships with our customers, employees and suppliers
- Commitment to transparent business practices
- Commitment to honest business practices
- Respecting the confidentiality of information entrusted to the company
- Obeying the rule of law
- A commitment to accurate and honest reporting to our stakeholders

Detailed guidance supporting each of the above mentioned principles are outlined in the share dealing code and the following group risk management policies:

- Customer
- Financial crime
- Financial reporting
- People
- Purchasing and supply management

- Regulatory

2. Human rights and diversity

Aviva respects all fundamental human rights and will be guided in the conduct of its business by the provisions of the United Nations Universal Declaration of Human Rights (UNUDHR) and the International Labour Organisation (ILO) core labour standards. Aviva also supports the UN Global Compact Principles.

The UNUDHR articles of greater relevance include 2 (which deals with discrimination), 23 (which deals with terms of employment), 24 (which deals with work life balance) and 25 (which deals with adequacy of standard of living).

Aviva's people policy outlines our people management practices.

Value and respect diversity

The group is committed to creating a working culture that respects, celebrates and harnesses differences to the benefit of customers, employees, shareholders, business partners and the wider communities within which we operate.

The principle of equal opportunities for everyone in employment is an important part of this working culture. Businesses shall have in place policies that reflect local legal requirements and group wide good practice.

Businesses will ensure that access to employment, training and promotion is:

- Free from discrimination on the grounds of sex, sexual orientation, marital status, creed, colour, race, religion, age, ethnic origin, nationality, union status or disability.
- Based solely on the objective assessment of ability and other relevant job related criteria.
- In the case of training and career development, based on assessed need.

Any allegations of harassment or discrimination will be treated seriously and investigated fully and will be dealt with in accordance with local disciplinary and other appropriate policies.

Businesses must apply group standards and establish monitoring and other supporting processes to ensure the objectivity of employment related decisions. Including:

- Those involved in decision making processes shall be trained to ensure decisions are taken based on objective criteria and can be justified.
- The main areas where such processes shall be established are: - Recruitment and selection; Career planning, promotion and transfer; Training and personal development; Performance management; and Redundancy.

Diversity vision

Diversity is about everyone. We believe in a working culture that respects, celebrates and harnesses difference to the benefit of customers, employees, shareholders, business partners and the wider communities.

Our competitive advantage depends on business teams that include people with different backgrounds, experiences and perspectives, who feel valued for the positive contribution they can make to Aviva's success. ("Together We Are Stronger".)

3. Community

Aviva is committed to good corporate citizenship and to supporting charity and community initiatives which are relevant to its business, employees, customers and stakeholders. This document explains the parameters for this support and the way in which both the Aviva group and businesses can work within them.

Aviva's business activities bring it into contact with a range of stakeholders and communities. We recognise our responsibilities to these groups and fund a programme of investment in charity and community initiatives (e.g. programmes run by schools and other community groups that are not registered charities) to support them.

Criteria for community investment

Our community investment programme centres on two core themes which are closely aligned to our 'prosperity and peace of mind' vision and where we have real expertise: 'education and financial literacy' and 'life trauma' (i.e. caring for people going through a distressing life event).

In addition, we have established a range of criteria through which we identify initiatives that it might be appropriate to invest in. Any initiative must:

- Relate to the core themes identified above.
- Be clearly relevant to Aviva's aims and brand values.
- Have global resonance - so activity is equally relevant across country and business boundaries.
- Be significant - with the investment focused around substantial initiatives that will give Aviva real presence and profile with the groups/communities involved and external stakeholders.
- Demonstrate partnership, by helping relevant charities to deliver long-term goals (rather than single events or milestones).
- Offer opportunities for communication both globally and in key local markets.
- Offer opportunities for Aviva people to 'get involved' through volunteering activities.
- Be measurable, with clear KPIs that evaluate both output and impact.

Please note that neither Aviva group nor its businesses will invest in initiatives that meet any of the following criteria:

- Individuals outside the company looking for charity fund-raising donations or personal sponsorship for fund-raising activities
- Political or religious organisations
- Extreme, "high risk" or "free" sports
- Paid advertisements in charity brochures or event programmes that do not support the core themes identified above.

Guidance for businesses

Aviva businesses around the world will be expected to follow the above guidelines for the majority of their investment in charity/community initiatives.

However, the group acknowledges that businesses will also want to support initiatives that resonate with their local marketing strategies and the environment in which it operates. Where community investment activity sits outside the two core themes of 'education and financial literacy' and 'life trauma', businesses must ensure their activities are not in conflict with the group's criteria for non-investment outlined above.

Businesses should actively encourage staff participation in their charitable giving and community activities, providing employee volunteering opportunities during company time of up to three days per year.

Businesses are also encouraged to consider other opportunities for supporting employees' good will and support for the community - including:

- Offering an employee payroll giving scheme - whereby employees can donate directly to charity from their salary.
- Match-funding employee fundraising activities.
- Offering an employee award scheme whereby employees can apply for funds to support a charity/community group of their choice.

Each business should develop its own community investment plan in line with the group approach, observing the relevant social, cultural and religious beliefs and conventions which exist in their respective markets.

Each business must report to its regional CSR co-ordinator annually regarding its community investment plan, covering governance, aims, activities, spend involved and impact/evaluation. Annually, each region will submit a progress report to the Group CI committee.

Businesses should, in the first instance, contact their regional CSR co-ordinator for any clarification on the group CI strategy and guidance, Where further guidance is required, the regional CSR co-ordinator will approach the group CI committee.

Appendix 2

CSR Key Performance Indicators

CSR aspect	Key issue	Objective	Target	Key Performance Indicator (KPI)	Business response based on performance from 1 st January - 31 st December
1. Business ethics	Business ethics awareness	To raise awareness of CSR and business ethics in the businesses	100% of business employees who are required to sign off receipt, understanding and acceptance of the code of conduct	Percentage of business employees who have signed off receipt, understanding and acceptance of the code of conduct	(%)
2. Reputation	External CSR profile	To manage the business's external CSR profile	Improvement in score or accolades given by externals to the businesses for its CSR. No external negative press on CSR	External recognition given to the businesses for its CSR initiatives	(bullet points of recognition, including improvement in scores where applicable)
3. Human rights/diversity	Employee diversity	To increase the diversity of the business's employees	Increase the percentage of women in the business's senior management group (SMG 1-3) by X%	Percentage of women in business's senior management group (SMG 1-3)	(+ %)
4. Human rights/diversity	Employee diversity	To measure the embedding of diversity in the businesses	Increase by X% the percentage response rate given by the BU's employees to the Global Employee Climate Survey questions: 1) "All employees are treated with respect in <my BU>" 2) "Management supports diversity in the workplace [recognising and respecting the value of human differences]"	Percentage of staff who feel that employees in the businesses are treated with respect	(+ %)
5. Human rights/diversity	Employee diversity	To increase the diversity of the business's employees	In countries where employee metrics can be collected, they will be reported, reviewed and enhanced	Percentage of staff	(%)

CSR aspect	Key issue	Objective	Target	Key Performance Indicator (KPI)	Business response based on performance from 1 st January - 31 st December
6. Community	CSR profile	To measure the embedding of CSR in the businesses	Increase by X% the percentage response rate given by the business's employees to the Global Employee Climate Survey question: "I think <my business>: Acts responsibly in the society/community in which it operates"	Reputation in the community in which the business operates	(+ %)
7. Community	Community investment	To support the communities in which we operate	To obtain data on collection of both company cash donations and staff volunteering	Amount of community investment in the businesses	Total in local currency
8. Community (employee volunteering)	Employee volunteering	Promote employee volunteering and maintain an accurate record of the business's employee volunteering hours	Increase the percentage of employee participation in volunteering activities. Improve business's collection of data on employee volunteering	Percentage of total net working hours spent volunteering	(%)
9. CSR embedding, monitoring & reporting	Business CSR embedding	To increase the level of CSR understanding among all employees	To engage with employees monthly to ensure all CSR elements covered during course of year	Level of CSR understanding among business's CSR contacts	1. Bullet points of internal CSR meetings & communications held 2. Details of CSR included on agenda of board/senior management meetings.