



## Independent Limited Assurance Report to the Directors of Aviva plc

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

### ***Our conclusion***

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

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

### ***Selected Information***

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

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

### ***Professional standards applied and level of assurance***

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

### ***Our independence and quality control***

We applied the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics,

which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. We apply International Standard on Quality Control (UK&I) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. Our work was carried out by an independent team with experience in sustainability reporting and assurance.

### ***Understanding reporting and measurement methodologies***

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

### ***Work done***

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

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

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

### ***Aviva's responsibilities***

The Directors of Aviva are responsible for:

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

### ***Our responsibilities***

We are responsible for:

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

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

**PricewaterhouseCoopers LLP,  
Chartered Accountants, London  
5 March 2014**

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

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## **Overview of our ISAE 3000/3410 assurance process**

This document is supplementary to the PwC Assurance Report and provides some key findings and recommendations together with further detail over our assurance.

### **Data gathering in the markets and at group level**

During our assurance engagement, where appropriate, we tested management's processes and controls in order to determine whether we could place reliance on those controls. We also considered what actions had been taken by local and group management to address areas for improvement we identified and reported to management as part of our 2012 assurance engagement. For example:

- We recommended improving documentation and replicability of calculations used in the data gathering process at country level. We noted during this year's assurance engagement that the Group had tailored existing IT systems to assist local management to provide greater evidence around local data gathering processes. They had also introduced additional local management review of bi-annual environmental performance data reported to Head Office in the UK.
- We suggested that Aviva hold internal training of stakeholders around data management and reporting, and noted that the Group team conducted training sessions for global data reporters this year.
- We recommended improving the quality review process by performing variance analysis at least bi-annually. This analysis was introduced but

management acknowledge that this can be further improved.

PwC also reported to management this year a number of areas that could be improved at country level by:

- Further strengthening local quality reviews and documentation before submission to Group;
- Working with third party suppliers to obtain more accurate data for waste and water at country level; and
- Clarifying and confirming data reporters' understanding of Aviva Group's Reporting Criteria, especially around data collection and reporting, to ensure that interpretations of the reporting criteria are consistent globally.

### **Corporate Responsibility Governance**

Through our interviews with relevant personnel as part of our assurance engagement we have gained an understanding of the governance of CR at Aviva. As part of a review of the effectiveness of its CR governance programme (described in further detail the Governance section of Aviva's Annual Report and Accounts 2013) Aviva has established a Governance Committee with an expanded scope and includes the CR agenda within its remit.

In future reporting periods PwC has suggested that Aviva could further strengthen its CR governance by:

- Reporting publically the key recommendations made by the Governance Committee with respect to CR issues to increase transparency;
- Gaining a better understanding of data gathering at the market level and assumptions made across all KPIs; and

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- Facilitating a formalised approach to the sharing of good CR practices across the Group.

### ***Corporate Responsibility Reporting***

Aviva provides information on the following areas within the CR section of the website/report:

- The link of the KPIs to the CR strategy;
- Identification of stakeholder groups and stakeholder engagement activities including the issues identified and Aviva's response to these issues; and
- Aviva's approach to CR governance.

In order to improve trust and transparency through reporting of non-financial information we have recommended that Aviva consider improving public reporting in the following areas:

- Consideration of the appropriateness of existing KPIs as a means to measure Aviva's key CR
- impacts and to measure how CR is being integrated into Aviva's ways of doing business.

### ***Our assurance planning approach***

Our approach followed a 3 tiered testing model as outlined below:

1. Site visits with detailed testing on a sample basis over selected corporate responsibility ("CR") Key Performance Indicators ("KPIs") at the UK and Poland businesses.
2. Calls with local management for KPIs at material sites including India for energy and China for waste.
3. Analytics performed over all Aviva sites and KPIs subject to assurance.

When selecting the sites, we considered:

- Size of site data to the group total;

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- Risk of misstatement identified through data analysis;
  - Risk of misstatement identified through prior year site visits or sample testing; and
  - History of assurance – we selected countries that had not been subject to our assurance processes in previous years to provide an element of unpredictability in site selection. It was also done to observe what steps Aviva was taking to strengthen the overall control environment, especially around data management and reporting culture across the business, in order to determine whether greater reliance might be placed in future on controls operating in Aviva entities.

### ***Materiality***

The threshold or 'materiality' level we selected at planning and in performing the engagement was 5% of the total for each indicator, which was determined based on our professional judgement. Where we identified errors during our testing and analytics we used that threshold to determine whether the errors were material to the reported KPIs and needed to be adjusted for. Differences lower than the materiality threshold were also identified in data for recycled waste, waste, water and energy consumption and were adjusted for by management unless clearly trifling.