

# We are Aviva



**Aviva plc**  
Building our future  
Corporate responsibility report 2014





# We are Aviva

This is Aviva's corporate responsibility report. We report on our people and corporate responsibility performance in this report, and in the Strategic Report within our Annual report & accounts. We also provide regular updates at [www.aviva.com](http://www.aviva.com).



Acting responsibly over the long term means we are here for our customers throughout their lives and ensures we make a contribution to our communities.

—  
Scott Wheway, Chairman,  
Governance Committee



## These stories give some examples of our work in practice



### Street to School

 See more on page 10



Delivering for our customers in this way is the best bit of my job.

—  
Helen Anderson, Aviva employee



### Sustainable capital markets

 See more on page 12



Street children now have visibility at a global level.

—  
Dr Sarah Thomas de Benitez,  
CEO, Consortium for Street Children



### A tale of teamwork

 See more on page 11



My vision is that we are in business to create legacy.

—  
Mark Wilson,  
Group Chief Executive Officer



## About this report

We have structured the report around the most significant sustainability issues for our business:

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

## Find out more



### Strategy

Our strategy covers projects and programmes to address the sustainability issues which are most relevant to Aviva. We update these each year and are currently developing a new strategy looking forward to 2020.

 See more on page 5



### Our approach

We determine our approach to corporate responsibility through research, horizon scanning, and stakeholder engagement.

 See more on page 7



### KPIs

Key Performance Indicators (KPIs) in our report have been prepared in accordance with our reporting criteria and independently assured by PwC.

 See more on page 8



# Aviva at a glance

Aviva offers a wide range of products in a simple and convenient way to meet customers' insurance, protection, savings and retirement needs. The diagram to the right shows how we do this:

## Our wider value contribution

**£6.3m**

Community investment

**32%**

Carbon emissions reduction

**£400m**

Low carbon investment

**500,000**

People supported through our corporate responsibility programmes

## Underwriting

Our underwriting and pricing expertise, coupled with our analytics capability, allow us to underwrite risk in a way that accurately reflects our customers' profiles and is thus more price competitive.

## Risk management

Our scale affords us the opportunity to optimally manage risk, pooling different risks, maintaining capital strength and working with the best reinsurance specialists in the world so that customers know we will be there when they need us.

## Asset and liability management

Customer premiums are invested by specialist teams to balance investment return with risk and to maintain sufficient funds to pay claims. Wherever possible we match liabilities to assets. For example, money received for annuities is invested in assets which will continue to pay a return for the long term, such as corporate bonds.

## Understanding Big Data and analytics

Big Data enables us to better support our customers through accurate risk assessment and to present opportunities to customers at every stage of their lives.

## Underpinned by:

Strong brand

300+ year heritage

Financial strength

Scale and diversity

Customer service

## Enabling sustainable value creation:

We create value for our investors and deliver economic and social benefits for our customers, employees and society

## Customers

Customers benefit from a range of solutions to meet their needs with easy access when and how they want it. Our strong brand and financial strength give customers confidence we will pay out in the event of a claim. Making sure our customers stay with us is important to our long-term success.

**29+ million**

Customers worldwide

## Shareholders

Aviva creates value for shareholders by returning profits to them in the form of dividends, and by re-investing in our businesses around the world.

**11.5%**

Total shareholder return in 2014

## Employees

Our aim is for employees to work within a diverse, collaborative and customer-focused organisation, with equal opportunities, fair reward and encouragement to achieve their potential.

**26,364**

Employees worldwide

## Society

Aviva plays a significant role in the community as a major employer, exporter, long-term investor, and enabler of economic growth by helping people and businesses to manage risk, as well as via specific investment in the communities in which we operate, such as our community funds.

**£6.3 million**

Total community investment



# Group CEO's letter



**Aviva has served its customers for 319 years, with our oldest predecessor company, Hand in Hand, formed in London in 1696. As its emblem, it chose the image of a handshake, the symbol of trust and partnership, describing it as “the mark of contributionship”.**

That image of a handshake could still describe Aviva today. It still resonates as a symbol of the partnership we have with each one of our 29 million customers. It captures the trust they put in us and our obligation to them, with our relationships often lasting a lifetime. They – and our other companies – created a great legacy for us.

We are in business to create a legacy of our own, doing the right thing for our customers today, building a strong and innovative company so we can look after their interests tomorrow, as well as making a positive contribution to society as a whole.

If the worst happens, we walk hand in hand with them every step of the way, whether that is getting them back on their feet or into their home, giving them or their loved ones financial security at times of illness or loss. That duty demands that our people must share and live by the same strong values and work in a culture that provides opportunities to excel and that respects and prizes diversity. It is simply about doing the right thing.

We are proud to be a UK Living Wage employer – and to be 15th

in the Stonewall ranking of the best UK gay-friendly employers.

It means acting responsibly and sustainably as we build our business and serve our customers – and striving to ensure society acts responsibly and sustainably as well. Corporate responsibility is not a nice-to-have for Aviva. It is deep in the values of everything we do. We are committed to upholding the ten principles of the UN Global Compact on human rights, labour, environment and anti-corruption. It is the right thing to do – and it makes us a better business as well. That's what this report shows – what we've done and where we're going.

That could be our activities as a sustainable business in creating long-term value, our campaigns to make businesses in which we invest and global financial markets sustainable.

It could be our work to tackle climate change. We were the first insurer to be carbon neutral and are on the CDP's A List, rated as the least carbon intensive insurer.

That could be our investments in education – especially our five year global Street to School Programme, which has accelerated past our original goal of investing in the future of 500,000 children, helping more than 1 million children around the world. That has created a great legacy – and so too has Street to School's work on getting street children centre stage at the UN, in developing models for education now used by public authorities, and helping to change the law in Indonesia so street children can be registered so they can access healthcare and education.

Or it could be our Community Fund in Canada, which has helped 91 community organisations and contributed \$4.5 million to local projects across Canada. It's a great model and one we're looking to replicate across our markets, with the UK Broker Fund investing £300,000 since 2010 and the Fund launched by Aviva Poland attracting over one million votes for projects supporting young families.

Aviva is a great company which has created value century after century: value for our investors, value in the service we give, and the relationships we build with our customers and value in the positive impact we have had on society. We have achieved great things – but can achieve a great deal more, building on the legacy of our ancestors – and building a legacy of our own.

**Mark Wilson**  
Group Chief Executive Officer

**1 million**  
Children helped through Street to School

**18.1p**  
Total dividend

**£24.6bn**  
Paid in benefits and claims in 2014

**£2,173m**  
Operating profit on an IFRS basis



A member of  
Stonewall's  
Top 100  
Employers list



FTSE4Good  
A top ten  
insurance  
company in the  
FTSE4Good  
Index





# Wider context

We have identified long-term 'horizons' that will impact our industry over the next few years. These will provide both opportunities and challenges for Aviva.



## Customers

### My life, my way

Customers will be much more in control, expecting to self-serve and self-solve. They will want to be able to access data and insight, and use it to guide their own decisions.

 [Read about customer communication on page 13](#)

### The power of communities

The economic power of governments will have declined further and the power of 'communities' of mutual interests, both virtual and local, will have increased.



## Digital

### The age of disruption

New agile competitors will act faster to disrupt our established businesses.

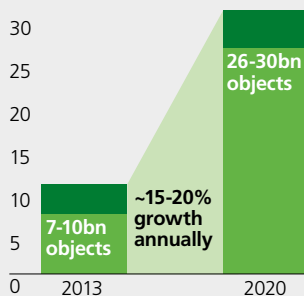
 [Read about trust and transparency on pages 13-14](#)

### Winning through data

Those who interpret data quickly and intuitively to inform the development of products and services that provide real value for customers will lead the way.

#### Growth in connected objects

Some 30 billion objects may be connected to the Internet of Things by 2020




Source: McKinsey Global Institute



## Markets

### Older and healthier

The emergence of a generation aged 50 plus who will live longer and who are healthier. Markets will be driven increasingly by this group's attitudes and needs.

 [Read about Dementia Friends on page 15](#)

### From 8% to 19%

% of population aged 65+ from 2015 to 2050  
(Aviva's market average)

### Shifting wealth

Developing markets will have a much larger share of the world's savings and assets pool. Faster growing, developing markets provide opportunities for Aviva to help new customers to accumulate assets and to protect themselves and their families against unforeseen events.




## Other market trends

### Climate

There is growing evidence that a gradual long-term change in the Earth's weather patterns and average temperatures is occurring due to man-made causes. An increase in extreme weather events and other impacts will have a significant effect on both society and the insurance sector.

For Aviva, as some risks change, more complex risk management will be required and greater losses could be incurred. For society, the need to prepare for the future will grow. Aviva will continue to help people respond to the challenges that climate change will bring.

 [Read about low-carbon economy investment on pages 17 and 22](#)

 [Read about resilient communities on page 17](#)

### 2014

Was the hottest year on record globally and saw significant flooding hit the UK and other parts of the world



### Regulation

The insurance sector is being held to increasingly high standards of conduct by regulators. For Aviva, these expectations are consistent with the customer relationships we wish to achieve through our customer thesis.

Aviva is also impacted by market-specific legislation. Recent examples include the upheaval in the annuity market in the UK and the transfer of much of the pensions market to the state in Poland over the last few years.

 [Read about capital market advocacy on pages 12 and 22](#)



# Our approach: Strategy



**Our corporate responsibility (CR) strategy is underpinned by Aviva's purpose and values. It sets out our approach to the environment and climate change, sustainable and transparent business practices, and community development.**

During 2014, we engaged with our stakeholders on the way we run our business. In 2015, we will launch our new strategy, in which we will respond to the evolving needs of our people, customers, shareholders and employees.



**Engaging with our stakeholders**



**Reviewing our strategy, programmes and insight, and selecting our material issues**



**Focusing on our most material issues and setting a road map for action**



## Corporate responsibility p13

### Trust and transparency

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

### Community development

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

### Environment and climate change

Managing our environmental risks and helping customers to adapt to climate change. We work with policy makers and other stakeholders to tackle climate change and encourage people to make sustainable choices.



## People p19

### Achievement

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

### Potential

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

### Collaboration

Inviting challenge and asking fierce questions with the right intent; winning together by readily adopting good ideas from others; enabling transparent and engaging conversations; ensuring our office space and IT encourage teamwork.



## Responsible investment p21

Investing responsibly for the long-term interests of our business and customers. We play an active role in working to improve responsible investment practices, which includes our sustainable capital markets campaign. We engage with companies in which we invest to improve their approach to environmental, social and governance issues.



I want my pension to help create the world I want to retire into.

Aviva customer



# Our approach: Stakeholder engagement



**We firmly believe that the best corporate responsibility strategies are developed in consultation with stakeholders.**

## Why dialogue with our stakeholders is important to us

Our stakeholders include a wide range of businesses, organisations and individuals with an interest in what we do, and how we do it. We engage with each group in a different way and this helps us manage risk, as well as maximise potential opportunities. This year we have consulted our stakeholders widely to feed into the development of our 2015-2020 strategy. We consulted our people on the issues they considered important to Aviva, and we contacted peers in other organisations and key NGO groups to understand their perspectives. We asked our customers from the UK and international markets to give their input too.

The results of these engagements have helped us to lay the foundation for our strategy to respond to the evolving needs of our stakeholders and our business.



Aviva have said that they are open to the idea of surveying customers' views on environmental, social and governance issues – the results of which could help inform their investment and engagement decisions.

Sophie McNab, ShareAction



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

# 85%

Response rate to employee voice of Aviva survey

# 800

Employees consulted on CR strategy



# Our approach: Selecting key issues

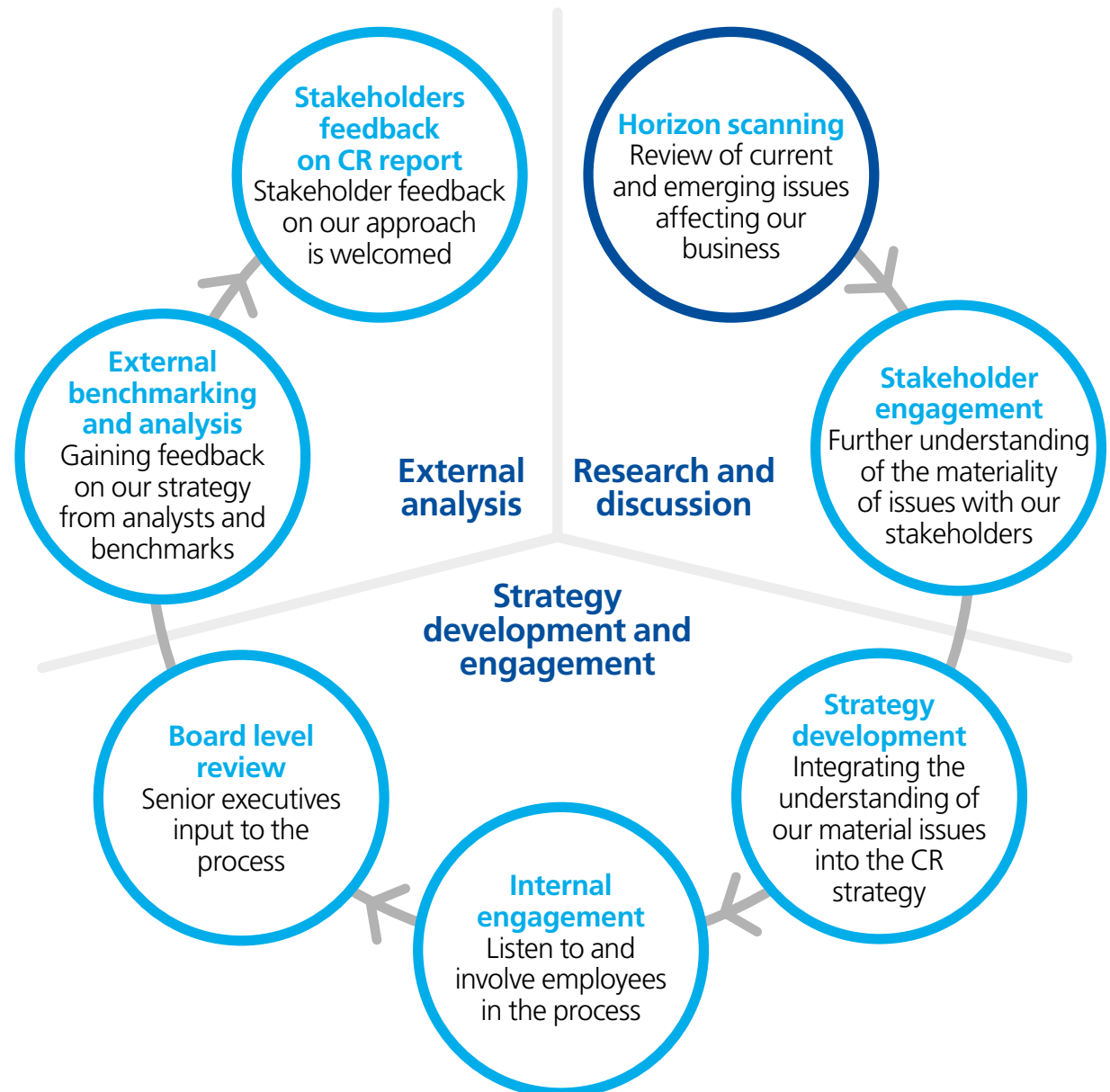


**We review our strategy each year to ensure that we are focusing on the issues most likely to affect Aviva's sustainability. This iterative process allows our research, engagement and feedback to contribute to the development of the strategy.**

## Reviewing our issues and programmes annually

Our key issues are those topics with the potential to have a major impact on our business, stakeholders and society. At Aviva, they cover trust and transparency; environment and climate change; our people; community development and responsible investment. They help to focus our People thesis and corporate responsibility strategy, and structure our engagement with stakeholders.

That's why each year, after discussions with our stakeholders, we review how we are reacting to these issues and, where necessary, adjust and refresh our related strategies and programmes.

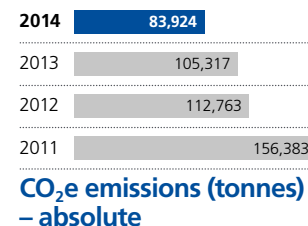






# Performance data

We use Key Performance Indicators (KPIs) to help us monitor and report our progress year on year against specific targets and baselines. They cover those issues that are most important to us and our stakeholders.



**32%**  
Reduction of CO<sub>2</sub>e emissions relative to our 2010 baseline

## Key indicators

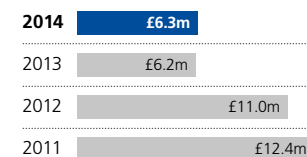
Indicator	2011	2012	2013	2014	2014 target	Change	Met target	2015 target	Notes
<b>Trust and transparency</b>									
Ⓐ % of employees who confirm that they have read, understood, and accepted the Business Ethics Code annually; and all employees in Aviva France who are obliged to comply with the Business Ethics Code as a term of their employment	89%	88%	95%	96%	100%	1%	N	100%	Business ethics: All employees are required to complete annual training of the Code except in France where the Code is included as part of their employment contracts. While our target remains at 100% it is inevitable that not all employees will be able to sign the Code each year due to maternity leave, sick leave, etc.
% of businesses that are in or above the upper quartile relative to the local market average (NPS score)	42%	25%	33%	50%	Improve past performance	17%	Y	Improve past performance	Customers: The percentage figures from previous years have been restated to provide a like for like comparison. Therefore, the restated figures are based on those markets within which Aviva has continued to operate from 2011, which are: UK, Ireland, Canada, France, Italy, Spain, Poland, Lithuania, Singapore, China and India.
<b>Environment and climate change</b>									
Ⓐ % of CO <sub>2</sub> e emissions offset annually	100%	100%	100%	100%	Offset 100% CO <sub>2</sub> e emissions at Group level	=	Y	Offset 100% CO <sub>2</sub> e emissions at Group level	The CO <sub>2</sub> e emissions baseline and annual absolute CO <sub>2</sub> e emissions have been restated. We removed the previously reported UK outsourced data centre emissions from our footprint due to data integrity issues.
Ⓐ % reduction of CO <sub>2</sub> e emissions relative to our 2010 baseline	New KPI	New KPI	New KPI	32%	20%	N/A	Y		Absolute CO <sub>2</sub> e data – CO <sub>2</sub> e data includes emissions from our buildings, business travel, water and waste to landfill.
Ⓐ CO <sub>2</sub> e emissions (tonnes) – absolute	156,383	112,763	105,317	83,924	Reduce relative CO <sub>2</sub> e emissions by 5%	(20)%	Y		Relative CO <sub>2</sub> e data – The relative comparison uses the 2014 basis for reporting (as above), and the adjusted relative data for 2013 encompassing structural changes that occurred in 2013.
Ⓐ CO <sub>2</sub> e emissions (tonnes) – relative	N/A	N/A	87,669	83,924		(4)%	N	Reduce relative CO <sub>2</sub> e by 5%	
Ⓐ Water consumption (m <sup>3</sup> ) – absolute	509,657	529,960	459,634	468,097	Reduce by 4%	2%	N	Reduce by 4%	
Ⓐ Waste generated (tonnes) – absolute	8,645	11,468	11,481	9,255	Reduce by 4%	(19)%	Y	Reduce by 4%	Our 2010 baseline, which we use to understand our progress on a long-term basis is 123,512 tCO <sub>2</sub> e. We have exceeded our long-term CO <sub>2</sub> e reduction target of 20% by 2020, from the restated baseline.

Ⓐ Denotes that this KPI has been assured by PricewaterhouseCoopers LLP.

[Read more on the next page](#)



# Performance data



Community investment

**1 million**  
Children helped through Street to School

## Key indicators

Indicator	2011	2012	2013	2014	2014 target	Change	Met target	2015 target	Notes
<b>People</b>									
Ⓐ % of women in senior management (including subsidiary boards)	20%	22%	21%	21%	N/A	N/A	N/A	N/A	People: The data reflected here are from our annual employee survey. The survey provider changed for 2014 to Karian and Box. The only 2015 target relates to our engagement index due to a review of our KPIs while the strategy evolves.
% of employees who feel Aviva is a place where people from diverse backgrounds can succeed	78%	76%	75%	76%	*Improve from previous year	1%	Y	N/A	
% of employees who rate us favourably on engagement index	68%	68%	56%	65%	*Improve from previous year	9%	Y	Improve from previous year	*Due to the change in supplier and the benchmark availability, we changed target to 'Improve from previous year'.
<b>Suppliers</b>									
Ⓐ % of managed supply that has agreed to the Supplier Code of Behaviour	31%	30%	28%	43%	Increase scope/% from previous year	15%	Y	Increase scope/% from previous year	Suppliers: The scope of "managed supply" included in the indicator has grown this year from UK only in 2012 to all Aviva businesses that are operating the shared service model. This is a population of 256 suppliers (some of which adopted the model in H2 2014).
Ⓐ % of managed supply that has been engaged on CR during the term of their contract with Aviva	New KPI	71%	63%	83%	Increase scope/% from previous year	20%	Y	Increase scope/% from previous year	
<b>Community development</b>									
Ⓐ Amount of community investment	£12.4m	£11m	£6.2m	£6.3m	Maintain or improve investment	1.6%	Y	Maintain or improve investment	Beneficiaries of CR programmes: This includes the number of children benefited by our Street to School programme as well as beneficiaries from carbon offset projects and various other community projects supported by Aviva.
% of employees participating in volunteering	20%	18%	27%	23%	Increase % of employees volunteering	(4)%	N	Increase % of employees volunteering	
Number of employee hours spent volunteering	60,390	56,357	41,223	40,220	Increase volunteering hours	(2.4)%	N	Increase volunteering hours	
Total beneficiaries of corporate responsibility programmes	New KPI	New KPI	New KPI	511,629	N/A	–	–	Increase number of beneficiaries	

Ⓐ Denotes that this KPI has been assured by PricewaterhouseCoopers LLP.

## A champion and catalyst for change for street children

### A brighter future for street children

Through our Street to School programme we have been championing the rights of street children. We believe that education is insurance for a brighter future which is why we started Street to School five years ago, with the goal of supporting 500,000 street-connected children globally into education.

### Making great progress

We are very proud of what Street to School has achieved – working with our partners to help more than one million children around the world. We have also moved from being a champion of street-connected children's rights to being a catalyst for change. We have for example seen the issue of street children's rights move to the centre stage of policy at UN level. In 2014, the UN Committee on the Rights of the Child agreed to publish a General Comment on street children. This means governments will be given the guidance necessary to develop policies supporting street children and will be required to demonstrate their progress.

66  
The UN Committee on the Rights of the Child decision catapults street children from a backwater issue to visibility at global level.

—  
Dr Sarah Thomas de Benitez,  
CEO, CSC.



In 2014, we won the European Digital Impact Silver Award for our digital campaign promoting the International Day for Street Children.

**DIGITAL IMPACT  
AWARDS 2014  
WINNER**

### Helping in many different ways

Our partners have provided a range of support through Street to School, from offering immediate assistance to runaways to providing education outreach programmes in schools. Aviva employees have given or fundraised over £1.6million themselves and carried out over 95,000 hours of volunteering during the five-year programme. With many of the partnerships coming to an end this year, we want to continue to create legacy. To this end, we will continue to work on the UN General Comment and with some partnerships in Asia.



See other stories online:  
[www.aviva.com/corporate-responsibility](http://www.aviva.com/corporate-responsibility)



Read more about Street to School:  
[www.aviva.com/streettoschool](http://www.aviva.com/streettoschool)



## A tale of top teamwork on Teapot Island

### Rescuing a labour of love

Teapot Island in Kent, England, is home to the second biggest collection of teapots in the world – almost 7,000. It's not only a successful family-run business but also a labour of love for the owners Keith and Sue Blazye. So, last winter when severe flooding struck, we were quick to step in.

### Working together for a quicker, better result

We worked very closely with Mr and Mrs Blazye every step of the way as they made their claim. We listened carefully to their needs – their priority was to get the business back up and running by Easter, in time for the new tourist season. The initial estimate was that the recovery would take a year, but by combining true customer commitment with an innovative approach to the repairs we were able to get it all done faster, allowing the Blazyes to open their doors at Easter. We bought in a drying specialist, who developed a different and innovative way for our consultant, Belfor, to complete the repairs – a forced drying technique which was not only quicker but also more sustainable. We didn't have to replace the tiles and plaster, reducing waste and using less energy.

We're now looking to offer this technique to other customers. We also helped the Blazyes be better prepared in future, for example with water-resistant tables and chairs for the café, which are slightly more expensive but which could save money in the long run.

Our approach made a great deal of commercial sense too, as the final cost of the claim was around half the initial estimate.

### Adapting to customers' needs

Mr and Mrs Blazye were due to go on holiday in January, but their travel insurance normally only covered cancellation up to seven days after flooding. So we worked with our travel insurance partner Cega to flex our cover to enable the Blazyes to claim for the cancellation. As a result, they were covered for their cancelled holiday – and the commercial property claim cost less than would otherwise have been the case. Being flexible worked well for everybody and we've since revised our travel policy accordingly.



See other stories online:  
[www.aviva.com/corporate-responsibility](http://www.aviva.com/corporate-responsibility)



For further information on this story, see our Annual report and accounts, page 30



This was one of the most unusual and complex claims I've worked on – but also one of the most gratifying. Delivering for our customers in this way is the best bit of my job.

Helen Anderson, Case Manager, Technical Claims Services.



# 3

Months to get Teapot Island back up and running

# 80%

of waste from our insurance claims process is recycled



My vision is that we will be regarded as good ancestors by future generations.

Mark Wilson, Aviva CEO

## Setting out the roadmap for sustainable capital markets

### Tackling imperfect capital markets

We operate in imperfect capital markets, which often tend towards short-term, less sustainable investment and decision making. To take a lead in this issue, in June 2014, we hosted the UN Principles of Sustainable Insurance event for insurers, investors, regulators and UN agencies. At the event we launched our Roadmap for Sustainable Capital Markets which sets out concrete recommendations to enhance the sustainability of our capital markets.

£56bn

In losses to the global economy from natural catastrophes and man-made disasters in first half of 2013

10%

More profitability is seen by companies who publish absolute emissions targets, than those with intensity targets or no targets at all

### Setting out the path to sustainability

We believe that the capital markets are of relevance to sustainable development policy makers for three distinct but related reasons:

1. As a way of raising capital to enhance government spending on sustainable development projects;
2. As a target for systemic change to integrate sustainability at each stage. Financial influence can enhance or undermine long-term sustainable development goals; and
3. As an ownership mechanism for influencing corporate practices that policy makers can seek to harness to improve the sustainability practices of existing listed companies.

Moreover, sustainable development goals have the potential to unleash a wave of growth-creating investments. Changing the policy framework can fundamentally change the playing field for all companies. Policy makers should integrate sustainable development issues into capital market policymaking. Some of this will require government intervention. Elsewhere, a more light-touch approach will be required to help shift culture towards the long term.



See other stories online:  
[www.aviva.com/corporate-responsibility](http://www.aviva.com/corporate-responsibility)



Download our roadmap for sustainable capital markets report: [www.aviva.com/research-and-discussion/roadmap-sustainable-capital-markets/](http://www.aviva.com/research-and-discussion/roadmap-sustainable-capital-markets/)

\*All facts from A Roadmap for Sustainable Capital Markets.



# Trust and transparency

**Trust and transparency are crucial to the sustainability of our business. We seek to earn trust in the way we act and communicate. Our Business Ethics Code is at the heart of how we operate as a business.**

## Why trust and transparency matters to us

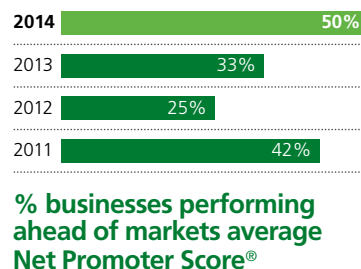
We are committed to building trust and transparency in our business and industry. We want all our stakeholders – our customers, employees, suppliers, investors, the communities in which we live and work – to understand and support what we do and the difference we make in the world. We recognise there is room to improve on current levels of trust in the insurance sector.

Following the financial crisis in 2008, our industry continues to score poorly across various trust surveys. To increase trust, we need to keep our promises and act responsibly and ethically every day. We need to report clearly on our business.

Our purpose is to free people from fear of uncertainty. We focus on helping people protect themselves and prepare for the future. Being clear about how we can help and what we offer is a critical part of this commitment. So is keeping things as straightforward and user friendly for our customers as possible.

# 83%

of Aviva's 'managed suppliers, actively engaged in CR



## What we are doing

### Building trust with our customers

Trust is fundamental to growing our business – our research shows that people who trust us are more likely to consider buying from us and to recommend us to friends and family.

To help our customers feel confident about what they are buying, we aim to make our products, services and communications clear. We also aim to understand our customers and deliver products and solutions that suit them.

In the last year, we have simplified our product literature and letters to customers. We have set up Customer Experience Boards in each of our businesses who will be accountable for customer-led improvements. We also regularly monitor and audit our conduct to make sure customers are getting what they expect and our products are delivering as we intended.

To understand our customers needs and what they think of our products and services we carry out a twice yearly Net Promoter Score® (NPS) survey. This year we saw our best NPS results to date, with half of our markets performing ahead of the market average. Consumers tell us, in almost half of our markets, that we are a company they can rely on.

### Acting ethically

We abide by a clear Business Ethics Code. We ask all employees and contractors to accept the Code each year. In 2014, 96% signed it across our markets. At Aviva in France, employees are required to abide by the Code as part of their employment contract.

### Our Business Ethics Code:

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

### Being clear in our reporting

We are committed to reporting clearly and informatively. We are a member of the International Integrated Reporting Council (IIRC) Working Group, which helps organisations tell a complete and holistic story of their business.



### Case study

## Increasing awareness of breast cancer

### The earlier the better

Raising awareness and giving people the right advice early on is an important way of helping to improve health and prevent illness, such as breast cancer.

### Practical help and advice

In Italy we've been working with LILT, an Italian cancer charity and our partner of five years, to give practical advice on breast cancer to our employees, our agents' customers and the general public. This year we arranged a week of preventative examinations with oncologists in our office and supported LILT's mobile unit in Milan. We released advice from doctors through videos and organised events. Our partnership with LILT supports the launch of 'Viva le Donne' a new offer aimed at women to extend health, home and car protection.

From July to November over 7,300 employees and customers had been reached through our partnership with LILT.

# 7,300

Employees and customers reached



See other stories online:  
[www.aviva.com/corporate-responsibility](http://www.aviva.com/corporate-responsibility)

Read more on next page





## Trust and transparency continued

We also actively advocate responsible practices across our industry. Through our work on sustainable capital markets we are seeking government support to raise the quality of information companies provide to their investors on sustainability issues.

### Contributing to public policy

We seek to contribute to public policy debates that support our customers, business and wider society. We have been registered on the European Commission's Transparency Register since 2009.

### Fighting financial crime

We take a zero tolerance approach to financial crime. To fight it we have brought together experts on fraud management, anti-money laundering and malpractice reporting across our global business.

Our people regularly receive training on how to spot and fight financial fraud, and we run a global reporting service that allows employees to report malpractice in complete confidence. All cases reported are referred for independent investigation. In 2014, 39 cases were received, 33 reached conclusion and 6 cases remain under investigation.

### Respecting human rights

We aim to make respecting human rights a core part of our Company's decision-making process. To this end, we have aligned our policies and practices with several key global principles, including the UN Universal Declaration of Human Rights and the International Labour Organization's (ILO) core labour standards.

In 2013 we refreshed our work around human rights in line with the UN Guiding Principles for Business and Human Rights. We have identified that our most material human rights relate to five key stakeholder groups: employees, customers, investors, communities and supply chain. In 2014 we also led the development of a benchmark to assess human rights performance across all companies. Read more in our responsible investment section.

### Embedding responsibility across our supply chain

We take a thorough approach to embedding corporate responsibility throughout our procurement and supply chain. We have corporate responsibility clauses within supply chain contracts and assess our major suppliers against their corporate responsibility activities. We also have a supplier code of behaviour, setting expectations on environmental and social practice for example.

### How we are performing

We are committed to monitoring and improving levels of trust and transparency across our business.

96%

Employees have read, understood and accepted the Business Ethics Code in 2014

50%

Markets ahead of average NPS Score®



See more on pages 8-9

1st

UK insurer to publish customer claim reviews

5

Star defacto rating for car, home and medical insurance

### Where next?

We are looking at how best to further embed business ethics across Aviva.

We are also continuing to work on making human rights a core part of our business culture, our procedures and the way we operate.

Our new strategy will align to our true customer composite aims. Building customer trust is core to us delivering this part of the strategic anchor. Customer insight told us that clarity on pricing and cover is of prime importance when they consider product purchase.

**"We understand that the claims process is an important part of many customers' experience with us and that's why we publish reviews, both good and bad, on our website so that people can make informed decisions."** Heather Smith, UK Marketing Director – direct insurance.

### Case study

## Being there for our customers

In 2014 several communities on the UK's Somerset Levels were devastated by severe flooding.

We worked with our claims handling specialists Asprea to help communities recover as quickly as possible. Customers in each area were given a technical consultant as a main point of contact for help and advice. In Moorland and Fordgate, one consultant, Gavin Scaife, worked hard to support 20 customers as well as the wider community.

One of the flooded buildings was the village hall itself, which was very important to the community. We worked closely with the Somerset County Council to get the village hall back up and running quickly, and were delighted to hand back the village hall to the community with a celebration.

**"You have been a rock for myself and my family during this traumatic time. I can't thank you enough for being there for us when it mattered most and guiding us through our claim."**

Julia Simms, Aviva customer



See other stories online:  
[www.aviva.com/corporate-responsibility](http://www.aviva.com/corporate-responsibility)



# Community development

**As a long-term business we look to the future and constantly think about the wider impact and legacy of our actions in society. We are committed to supporting the communities we belong to and rely on to run a successful business. We draw on our core strengths and capabilities and work in partnership to tackle the issues that matter to us all.**

## Why community development matters to us

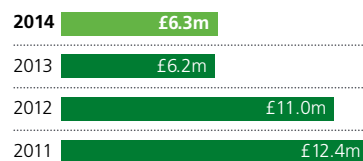
We have a long heritage of social action throughout our history. We are a business that has always been there for our customers at vital moments in their lives and also for those most in need, from victims of natural disasters to street children.

Our community development strategy builds on our purpose, to free people from fear of uncertainty, and our values that focus us all on four key positive actions: to care more, to kill complexity, to never rest and to create legacy.

We work to extend the positive social impacts of our core business to the wider community – helping communities to understand and tackle the decisions and risks they face, building capability and resilience, and using our expertise and insights to make a lasting difference.

# 500k

**Total beneficiaries of corporate responsibility programmes in 2014**



**Total community investment**

## What we are doing

### Working as a team

Our society faces complex problems that no one organisation can solve. We see the benefit of listening, learning and collaborating across our own and wider sectors, in our partnerships with charities, governments and other organisations.

### Partnership for maximum effect

Drawing on our particular strengths and know-how, we focus our partnerships and activities for maximum effect. We have partnered with Oxfam 365 to help provide round-the-clock global disaster response. Oxfam 365 specialise in the provision of water and access to sanitation and health (WASH) to help prevent further threats to affected communities. Our proactive investment, informed by our own experience of dealing with customer claims, has enabled Oxfam to be ready at a moment's notice – where taking care of the immediate human needs is vital. This partnership, providing over £1million since 2006, has been a natural complement to the rapid round-the-clock support we deliver to our customers as part of our core insurance business and service.

Going forward, we will focus on helping communities prepare for the impact of natural disasters. This investment pays dividends – every £1 invested in reducing the risk of disasters saves £4 in emergency response and reconstruction, according to the British Red Cross.

### Providing help where it's needed most

Through our life insurance business we have a great deal of experience in providing help to people in extremely difficult and stressful situations. We have looked to make more of this capability for communities by partnering with Grief Encounter, an organisation that specialises in bereavement counselling for children. We have teamed up with the bereavement specialists to fund family days and other counselling services for children and families affected by a bereavement. Grief Encounter also provides ongoing training to Aviva claims handlers who are speaking to people that have lost a loved one. We look forward to continuing this partnership next year.



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

**Read more on next page**



## Case study

## Caring more for our customers

### Reducing fear of uncertainty

Across the business we are always looking for ways to ensure that we reduce fear of uncertainty for our customers and to tackle their most pressing needs.

### Assisting dementia sufferers

In May 2014, we signed up to the Dementia Friendly Financial Services Charter. Since then we have been exploring ways to assist dementia sufferers and their families.

### Providing friendly understanding and support

We have been working with the Alzheimer's Society to get their online Dementia Friends course built into our learning management system so that our employees can become a Dementia Friend. This means learning a little bit about what it's like to live with dementia and turning that understanding into action.

# 700

**Employees completed Dementia Friends course**



See other stories online:  
[www.aviva.com/corporate-responsibility/](http://www.aviva.com/corporate-responsibility/)



## Community development continued

In India, we are providing much-needed micro life insurance for rural families on low incomes. Covering hundreds of thousands of lives, we ensure that, for example, if the worst does happen a child won't have to give up school to start working.

### Investing in local communities

Since its launch in 2009, to the end of 2014, the Aviva Community Fund (ACF) in Canada has helped 91 community organisations and contributed \$4,500,000 CDN to local community projects. Building on this success, we are now looking at how best to roll out the Fund to other countries. Poland launched in 2014 with over 1 million votes cast by customers for potential beneficiaries. We are delighted to launch the UK Fund in 2015 along with additional funds in Europe and Asia.

### Skills based volunteering

We encourage our employees to get involved by giving them three days' paid leave a year to volunteer in the community. Increasingly the emphasis is on skills-based volunteering, to maximise the long-term impact and benefit for the community, and give development opportunities to people within Aviva. That way, everyone gains.

**"I look after 18 young people aged 6-8 in Beaver Scouts. I have learnt so much in being a leader, my confidence has grown, especially when I need to talk in front of people."**  
Aviva volunteer

£1.5m

Total charity contribution from employees and customers

40,220

Number of hours spent volunteering

£6.3m

Total community investment in 2014

### How we are performing

We are committed to measuring and reporting on our performance and in particular on the impact of our work. We publish data in accordance with the London Benchmarking Group's guidelines on community investment reporting.

**"Being able to volunteer and give something back to the community is a really important part of why I'm proud to work for Aviva."**


Aviva employee

94%

Employees who volunteer report increased morale

1 million

Number of street children helped through Street to School

 See more on pages 8-9

### Where next?

Looking ahead, we are going to continue our advocacy work for street children and key Street to School projects in Asia. We aim to ensure that the momentum we have helped to build will be sustained. We will also support the development of the UN General Comment on street children, which will ensure governments receive specialised guidance to help children in street situations.

We continue to develop our support for people to build their financial understanding, such as the Aviva Tackling Numbers programme in the UK. This rugby themed programme for school children is delivered online and by the 12 Premiership Rugby clubs across England, integrating interactive classroom maths with practical, number-based rugby games.

We will be a founding partner of a new initiative which will aim to bring the UN's Sustainable Development Goals to every person around the world in 2015. These UN Goals aim to end extreme poverty and arrest the problems caused by climate change.

Above all we will look for the most effective ways to extend how we can help build resilience across communities. We want to be proactive and farsighted as we help people through key life events both individually and as a strong community.

### Case study

## Increasing access to insurance

### Helping low-income households

Low-income households can find it difficult to access the insurance and other financial services they need. Fewer than half of low-income households have contents insurance while a third take out loans to replace items. This compounds the risk of indebtedness.

### Making protection easily accessible and affordable

To help, we have worked with social landlords and broker partners for over 20 years to provide tenants with easily accessible and affordable home contents insurance. This unique product was created in response to an under-insured area of the community and Aviva is now one of the largest providers of accessible contents insurance for social tenants.

### Increasing awareness and advocacy

In 2014, we supported research to again highlight the lack of insurance protection taken up by social renters.

We also sponsored events with All Party Parliamentary Groups to increase awareness and advocacy.

**"A shining example for the wider private financial sector to emulate. I put their success down to four things: strong leadership, effective team work, integrity and vision."**

Anne Feeney, Former DWP Strategic Financial Inclusion Champion



See other stories online:  
[www.socialpublishingproject.com/2014-survey-report.html](http://www.socialpublishingproject.com/2014-survey-report.html)





# Environment and climate change

**We are committed to making a positive impact on the environment. We do this through the support and resilience we give our customers, through our work to minimise our own impacts, through our investment in the low-carbon economy, and through our leading role in advocating change beyond our business and out in the wider world.**

## What we are doing

### Making the most of our core strengths

Our focus on mitigating and building resilience to the effects of climate change extends to working with other like-minded businesses and policy makers to understand future implications and to develop society's response.

Our advocacy in this area is underpinned by our ability to translate the science of climate change into a risk landscape and to help our customers understand and protect themselves against these risks.

We also play a strong role in promoting low-carbon technologies and invest in the infrastructure that is needed to fight climate change.

### Responding to extreme weather

Our customers around the world face increasingly volatile and extreme weather, creating ever greater uncertainty and risks to their safety and property.

In the UK, we are working with the government and others in the industry on Flood Re, a joint initiative to provide affordable insurance for customers in high-risk flood areas.

### Developing green products

We continue to progress our development of green products and services, handling claims in ever more sustainable ways. For example, we respond to 1,100 fire claims each year in the UK. Where possible, we now aim to clean and deodorise items impacted by fire on site rather than removing them and potentially replacing them, which means fewer goods go to waste and transport costs are kept down. We are looking to roll out these UK-based carbon reducing claims handling initiatives to other countries.

### Engaging with customers around green investment

Through our relationship with ShareAction we were able to invite a number of our customers to talk to us about their concerns around climate change issues, such as the carbon intensity of investments in their pensions. As a mainstream investor with over 3,000 different funds available, our approach is to offer our customers the full range of options including ethical investment choices. The meeting gave us some interesting ideas to take forward to help address the concerns of our customers, including one we met who said she wanted her pension to help create the world she wants to retire into.

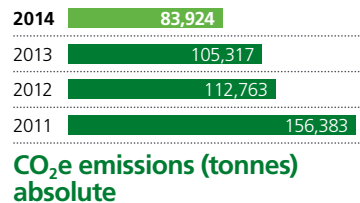
## Why environment and climate change matter to us

Helping our customers prepare for future events is at the core of our business. As a forward-thinking insurer we provide for the effects of climate change by adapting current products and services and creating new ones to meet the challenge. We also seek to help manage the risks of climate change, like extreme weather events, for our customers, business and the wider world.

We are committed to reducing our own carbon emissions and to using our purchasing power through our supply chain to influence our suppliers. We also influence the companies we invest in to reduce their environmental impact. In addition, we use our relationships with our customers to help everyone understand the risks and build resilience to the impacts of climate change.

# 80%

**Waste from our claims process in the UK is recycled**



### Case study

## Collaboration following the fallout from severe weather

In 2013, Canada suffered two 1:100 flood events. We helped 3,976 customers who were impacted. Following that, we re-housed 1,300 families who were made homeless in a polar vortex which impacted North America last winter.

With the Insurance Bureau of Canada at the helm the industry is making progress on this issue, including assessments of flood mapping, better exposure analysis and more dialogue with all levels of government.

The accelerated pace of change driven by technology is changing the way we help customers mitigate risk and better prepare them for emerging risks.



See other stories online:  
[www.aviva.com/corporate-responsibility](http://www.aviva.com/corporate-responsibility)

**Read more on next page**



## Environment and climate change continued

### Reducing our emissions

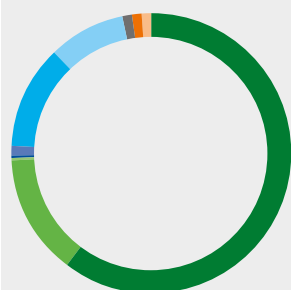
To improve the way we manage our own environmental impact, we work to increase energy efficiency across Aviva. Through many relatively small but vital steps such as starting to roll out low energy LED lighting across our UK business, we progressively make a bigger positive difference.

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

In 2010 we set ourselves an ambitious target to cut CO<sub>2</sub>e emissions by 20% by 2020, with a minimum 5% reduction each year. In 2014, we exceeded that target, achieving a 32% reduction well ahead of plan. We are now setting new ambitious targets.

We work with our business partner ClimateCare to offset unavoidable carbon emissions. We buy carbon credits, at the rate of one per tonne of carbon that we have emitted, from carbon finance projects supporting sustainable development projects in communities in developing countries. In 2014, the number of lives impacted as a result of these projects increased to almost 500,000.

#### Carbon emissions from our operations (%)



Electricity	61%	Car	9%
Gas	14%	Train	1%
Oil	0.1%	Taxi	0.0%
Heat	0.5%	Hire car	0.2%
Fugitive	1%	Waste	1%
Air	12%	Water	1%

### Offsetting our operational carbon emissions

Offsetting carbon by investing in community projects to improve lives and wellbeing in Kenya, India and China. See more details online: [www.aviva.com/corporate-responsibility/tackling-climate-change/case-study-climatecare/](http://www.aviva.com/corporate-responsibility/tackling-climate-change/case-study-climatecare/)

#### Lifestraw water filter

This innovation reduces the need for people to boil water on open fires before drinking. This protects them from water-borne diseases, reduces exposure to toxic fumes and protects local forests.



#### The impact made

**1.1m**  
tonnes CO<sub>2</sub>e  
emissions offset

**500,000**  
lives improved  
in just three years

#### Tackling goals

This initiative tackles several of the UN Sustainable Development goals.



Go online for more information on these goals:  
[www.un.org/millenniumgoals/beyond2015-news.shtml](http://www.un.org/millenniumgoals/beyond2015-news.shtml)

### How we are performing

This year we have reduced our operational carbon emissions, through energy efficiency. We have spent less time travelling and more time communicating. Due to improvements in our data collection methods we can report increased water consumption.

**4%**

Reduction in relative CO<sub>2</sub>e emissions

**56%**

Electricity from renewable sources (2013: 48%)

**32%**

Reduction in CO<sub>2</sub>e from our 2010 baseline (12% above target)

**72%**

Waste recycled (2013: 70%)



See more on pages 8-9

### Where next?

- Share market appropriate green products to meet customer demand and sustainable claims processes beyond the UK
- Set a new long-term target for carbon reduction
- Set up a Group-wide climate change forum to share knowledge and apply on a consistent basis across our customer composite model.

**100%**

Operational CO<sub>2</sub>e emissions offset

### Case study

## Employees improving their environmental impact

### Cutting head office emissions

Our head office in London emits over 8,000 tonnes of carbon a year through the use of mains electricity and gas. It has the largest carbon footprint in our estate as a result of age, construction, equipment and usage by employees.

### Making it everyone's job

Alongside technological initiatives, and a refurbishment that will cut energy from consumption by at least 10%, we want to encourage our employees to get involved in reducing our carbon footprint. We aim to engage every employee in the energy usage of the building through a live data stream displayed on a dashboard. In order to offer tips and advice on how they can help, we make use of the Carbon Trust's Empower virtual office tool which also enables employees to let us know what they will do to contribute to our collective effort.

### A dynamic dashboard

With the help of the dashboard, we hope to achieve a 5% reduction in energy use, saving over 400 tonnes of carbon.

**"I'm exploring the Empower website right now and I love it! The virtual office is brilliant. I'm learning things and able to make suggestions. So impressive! I hope that it has a real impact, I'll certainly encourage the rest of the team and my friends to take a look."**

Aviva employee



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# Our people

Throughout our 319 year history our people have always been at the heart of our success – working together to provide protection and investment products and services for our customers. We continue to recognise, reward and develop the exceptional people who make all the difference for Aviva.

## Why our people matter to us

We know how important it is to continue to recruit the very best talent, and to retain and develop that talent. We do this in part by continuously improving performance management and boosting employee engagement.

To capitalise on all this change and find our own strong path to success, in 2013 we did a great deal of work to clarify our strategy and direction. This included distilling our purpose: to free people from fear of uncertainty. We also defined four inspiring action-oriented values for us all to deliver with pride:

- Care more – for customers, each other and our communities
- Kill complexity – reduce bureaucracy, make things simpler
- Never rest – continuously deliver bigger and better for customers
- Create legacy – strive for a bright and sustainable future

# 65%

Aviva employees rate us favourably on the engagement index



% of employees who feel we have created an environment where people with diverse backgrounds can succeed

## What we are doing

### Embedding our values

In 2014 we focused on embedding our purpose, values and behaviours throughout Aviva. We started with a *Leading our Strategy* event for our 3,500 leaders around the world. We also focused on what it meant for everyone individually, through a *Moving to Great* programme. We wanted to equip and inspire all our leaders to live and share our purpose and values, and bring others along on the journey too.

We followed this activity with leader-led events for all Aviva employees to explore our strategy. We also extended the *Moving to Great* programme across the organisation – so far, it has been delivered to 10,000 of our 26,364 employees.

### Engaging our people

Our people's views on what's important to them are helping us shape the culture transformation of Aviva. In 2014 we changed the way we gather insights from our people. In addition to an annual all-colleague survey called *Voice of Aviva*, which 25,000 people responded to, we introduced two Snapshot surveys. These surveys are not only more regular but also have an emphasis on creating insights and identifying improvements which we build into goals. They are designed to increase engagement and bring our colleagues' voices to the fore on key issues. In addition, we work with employee forums and councils across Aviva.

### Leadership and development

In addition to more traditional technical skills training, such as courses and computer-based training, our employees like to work on 'live' projects which stretch and develop them in their business environment.

We also looked at our leadership model, working with senior leaders across the organisation to enhance our way of leading. In addition, we focused on how we drive performance across the organisation. The two go hand in hand – great leaders driving performance that delivers year on year improvement in line with our strategy.

### Pay, reward and performance

All employees participate in annual performance and talent reviews and market appraised pay and reward reviews.



## Case study

## Deepening understanding of our strategy

Deep understanding of how we deliver on our strategy and embed our values is important to the performance of our people. Our employees have told us that team-based discussions help them to ask questions and tackle opportunities and challenges.

We ran the week of conversations in December 2014 across the globe. All people managers around the world received a discussion toolkit and videos to generate conversations in their team on where we are headed. Teams tweeted pictures of their conversations as they happened on our global intranet site, Aviva World.

**"We have a strong leadership team, clear strategy and by putting clients at the heart of all we do we are confident we will become famous for delivering outcomes that meet their needs. The team conversation was an opportunity to share our vision, engage with my team and seek their input into our goals for next year."**

Paul Moody, Aviva Investors



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

Read more on next page



## Our people continued

We deliver on our commitment to respect and promote fair reward. We are proud to be a Living Wage Foundation partner and in 2014 became a fully accredited Living Wage employer in the UK.

In 2014 we reviewed our UK workforce salary and global performance data to identify any issues around gender equality. Our review suggests that salary differentials in the UK are not gender related and that we assess performance equally for men and women. We are planning further work in this area as part of our diversity and inclusion approach, including making gender equality reviews on pay and promotion a standard practice across Aviva.

### Increasing diversity and inclusion

In 2014 we looked afresh at our Diversity and Inclusion strategy. Our core belief around why diversity and inclusion is important to Aviva is enshrined in our People Thesis statement – we increase performance by embracing people who think and act differently. As a result, alongside building an inclusive and engaging culture, our aim is to increase our overall diversity across all levels in the organisation, with an initial focus on gender.

Over half our employees 51% are women and 50% of our customers are too. Yet only 21% of our senior management team and subsidiary board members, 19% of our Group Executive and 18% of our Board are female. We want to ensure we have a greater gender balance to enrich and improve our decision making and the business as a whole.

We are committed to achieving the Lord Davies recommendation that 25% of our Board membership is made up of female executives by the end of 2015. In 2014, we put two new subsidiary board policies in place to increase board diversity in our Irish business and our Aviva Investors business.

### Ensuring health, safety and wellbeing

We provide our employees with a safe and healthy work environment. To help our people maintain a healthy working life, we offer a number of initiatives including flexible working hours, career breaks and employee assistance programmes. At Aviva we recognise that helping to remove personal worries or alleviate stress can help achieve a motivated and supported workforce.

In December 2014, we re-launched wellbeing training for all employees as part of our *Essential Learning* programme which supports employees in building resilience and positive thinking skills.

### How we are performing

As with every core aspect of our business, we are keen to make sure we understand as clearly and deeply as possible how our people think we are performing – and also, where and how best to improve.

<div>15th place</div> <div>UK's Stonewall Equality Index 2015. An improvement of 76 places on 2014</div>	<div>78%</div> <div>Employees feel they get to do challenging and interesting work</div>
<div>21%</div> <div>Women in senior manager roles</div>	<div>72%</div> <div>Employees have had the opportunity to develop their skills in the last six months</div>

 See more on pages 8-9

### Where next?

Looking ahead, we want to build on our commitment to involve and encourage everyone in continuous improvement. It's a joined up way of looking at how we are doing, where we should focus and what we need to do to keep moving forward.

We will continue to embed our purpose, values and behaviours throughout Aviva by rolling the *Moving to Great* programme out to all our employees around the world.

 See more details online:  
[www.aviva.com/corporate-responsibility/diversity-and-inclusion/](http://www.aviva.com/corporate-responsibility/diversity-and-inclusion/)

Case study

Moving to great together

In 2013, our people told us they wanted to work for an organisation which matched their personal values and we wanted to help them identify these.

**Helping people excel**  
We introduced the *Moving to Great* programme in 2014. So far, workshops have been attended by over 10,000 people at all levels in the organisations across our markets. These sessions are no ordinary training session – we introduce tools and techniques to enable our people to consider what's most important to them and how to be the best they can be.

**Motivating many thousands**  
The programme has played a big part in helping to increase individual understanding and motivation.

**"The Moving to Great workshops have been fantastic for me and my team. We've had some fantastic feedback and seen a real difference in behaviours and attitudes."**  
Employee in our Voice of Aviva survey



 See other stories online:  
[www.aviva.com/corporate-responsibility](http://www.aviva.com/corporate-responsibility)

# Responsible investment

**We invest responsibly in the long-term interests of our business and our customers. We also work to improve responsible investment practices as a whole and to create markets and environments where responsible investment is encouraged and rewarded. We see this as not only the right thing to do, but also commercially beneficial.**

## Why responsible investment matters to us

As a leading player in the world of investment, we must play our part responsibly. Our focus on responsible investment is a reflection of our core purpose and values and of our desire to help our customers long term. We also believe it helps us make better investment decisions. We vote on companies' approach to environmental, social and governance issues. We advocate for responsible investment because we believe it is key to the development of more sustainable economies and, in turn, a better world for everyone.

2nd

In ShareAction's responsible investment performance ranking of UK asset managers



Corporate responsibility voting record (votes)

## What we are doing

### Playing an active role

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

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

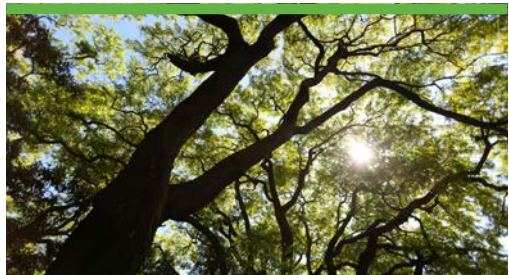
In November 2014 Aviva Investors took part in a Stewardship Accountability Forum. This was a global first – providing pension funds with the opportunity to collectively question the senior figures within their current and prospective asset managers about their approaches to stewardship.

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

Every year we engage with hundreds of companies to improve corporate behaviour and shareholder returns. We address a wide range of issues, from human rights to health, safety and labour standards, from operating in environmentally sensitive habitats to corporate values and tackling bribery and corruption.

### Benchmarking corporate human rights performance

Together with a handful of other organisations, we have led the establishment of a new benchmark that will assess and rank the human rights performance of companies around the world. The Corporate Human Rights Benchmark is the first of its kind – providing a worldwide transparent assessment of how companies are upholding human rights – used by companies themselves, investors, regulators and civil society to drive improved performance. From the end of 2016 the first 500 top global companies from four high impact sectors – agriculture, IT and technology, textiles, and extractives – will be able to track their performance on human rights, with more businesses being added in future.



### Case study

## Working closely to improve responsibility

As a mainstream investor, we invest in a wide range of companies and we engage with those where there are areas of concern.

### Under threat

We worked with one of the companies we invest in, SOCO, an international oil and gas company, as they were operating in a UNESCO World Heritage Site – Virunga National Park in the Democratic Republic of Congo (DRC). The Park is home to thousands of bird, plant and mammal species.

### 'No go'

We highlighted how SOCO was at serious risk of falling short in its stated "responsible approach to oil and gas exploration and production", which in turn could be damaging for SOCO and a serious concern for shareholders. Our strong and sustained engagement paid dividends, with SOCO making a 'no go' commitment to World Heritage Sites. We continue to monitor and engage with SOCO and other companies on these issues.



See more details online:  
[www.aviva.com/corporate-responsibility](http://www.aviva.com/corporate-responsibility)

Read more on next page

## Responsible investment continued

### Improving the sustainability of capital markets

We believe that the way capital markets are currently structured means they are not as effective as they could be at allocating capital to more sustainable companies and, in turn, helping to create a more sustainable economy. In June 2014, we launched our Roadmap for Sustainable Capital Markets which sets out our recommendations as to how the United Nations can address what we see as some of the root causes. We have since engaged stakeholders in Europe with the launch of our EU Sustainable Capital Markets Union Manifesto which focuses on the following recommendations:

- Better information, better companies, better growth
- Reward for long-term success not failure
- Capital for sustainable growth
- Increasing responsible ownership

### Supporting the transition to a low-carbon economy

We recognise the importance of climate change to our insurance and investment business and to our customers. We are aware of our responsibility to act and in doing so to strike a balance between our long-term and short-term responsibilities to both our clients and shareholders. With this in mind, we are responding as follows:

- Investing in low carbon infrastructure – Aviva Investors has renewable infrastructure investments totalling approximately £400 million
- Challenging policymakers to address climate change and support a lower carbon future – we signed the 2014 Global Investor Statement on Climate Change presented at the UN Climate Summit in September
- Engaging with companies to drive business strategies consistent with a lower carbon future – we are founding signatories of CDP and active members of the Institutional Investors Group on Climate Change
- Harnessing our existing ESG integration strategy to further integrate climate change into our investment thinking – we commission research to better understand the risks of climate change. In 2014, we published a report with Standard & Poor's on the impacts of carbon constraints on the future of the coal industry
- Offering choice – our Aviva fund platform offers a range of funds including those underweighted in fossil fuels

### How we are performing

In 2014, we voted at over 4,000 company meetings on over 44,000 resolutions and engaged with over 800 companies on environmental, social and governance issues, driving greater sustainability in the companies in which we invest.

## Over 600


**Positive changes in governance and corporate responsibility issues contributed to companies we invest in (as measured by an improvement in our voting position compared with the previous year)**

## 90%

**Assets under management covered by Responsible Investment integration management system**

## £400m

**Aviva Investors renewable infrastructure investments**

 See more on pages 8-9

### Where next?

- Sustainable Capital Markets – 2015 will be a significant year as the UN seeks agreement on critical sustainability issues. These include the post-2015 sustainable development goals and the UN negotiations in Paris in December. Aviva will use its voice to play a constructive part in achieving long-term ambitious goals in these areas
- Supporting a low carbon economy – for over a decade we have been building our understanding of the investment implications of climate change. We will continue to publish our thinking on this in 2015
- Principles for Responsible Investment – Aviva Investors, our asset management business, is a founding signatory to the PRI. In 2015, we aim to extend our membership to the Principles for Responsible Investment to all of Aviva plc as an asset owner.

### Case study

## Leading the way

To lead the way in making sustainability part of the investment agenda, we played a key role in co-founding the UN's Sustainable Stock Exchange (SSE) initiative in 2009. In 2014, Mark Wilson, Aviva CEO, was invited to speak at the opening session of the United Nations Conference on Trade and Development's World Investment Forum. The forum provided an excellent opportunity to launch the third annual benchmarking report 'Measuring Sustainability Disclosure: Ranking the World's Stock Exchanges' by Corporate Knights Capital co-sponsored by Aviva. The report found that despite clear improvements across the list of exchanges featured in the report, the overwhelming majority of companies are failing to provide data on even very basic sustainability indicators.

Our contribution to this debate was warmly welcomed. While we are pleased with progress there is a long way to go and we will continue to drive improved awareness and performance on sustainability reporting.

**"There is a clear need for a global mandate and a globally co-ordinated approach to corporate sustainability reporting."**

Mark Wilson, Group CEO, Aviva



See other stories online:  
[www.aviva.com/corporate-responsibility](http://www.aviva.com/corporate-responsibility)





# Governance and risk

## Governance at Aviva

The Board's role is to provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enable risk to be assessed and managed. The Board believes that a strong system of governance throughout the Group is essential in ensuring that the business runs smoothly, to aid effective decision making and support the achievement of the Group's objectives.

The Board is responsible to shareholders for promoting the long-term success of the Company and, in particular, for setting the Group's strategic aims, monitoring management's performance against those strategic aims, setting the Group's risk appetite, ensuring the Group is adequately resourced and that effective controls are in place.

## Corporate responsibility governance

The Aviva Board is ultimately accountable for our corporate responsibility strategy. The Board-level Governance Committee reviews and directs CR strategy and policy, receives market and functional reports four times a year and approves the mandatory CR content in the Strategic Report. The Committee

comprises non-executive directors Scott Wheway (Chair), Michael Mire and Sir Adrian Montague, with Aviva Chairman John McFarlane and Group CEO Mark Wilson also invited to attend.

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

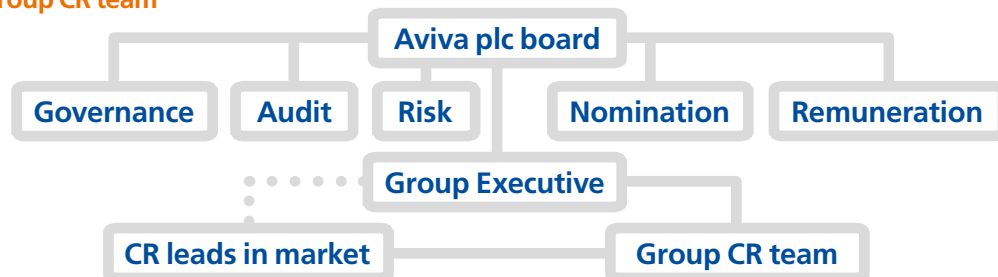
The People elements covered in this report are overseen by the Group HR Director and the HR Executive team.

A proportion of the remuneration received by Aviva senior managers can be modified dependent on the performance of the results from our annual employee and customer surveys. Engagement scores from our Voice of Aviva survey and Relationship Net Promoter Scores are factors which can affect bonus allocation.



For further details of attendance and issues discussed, see the Governance Committee Report in our Annual report and accounts: [www.aviva.com/corporate-responsibility](http://www.aviva.com/corporate-responsibility)

## Group CR team



## Risk

By focusing on four core business lines – life, health, general insurance and asset management – we have chosen to accept the risks inherent in these lines of business.

We achieve significant diversification of risk through our scale, through our multi-product offering to customers, through the differing countries we choose to operate in and through the different distribution channels we use to sell products to our customers.

Our business is about protecting our customers from the impact of risk. We receive premiums which we invest in order to maximise risk-adjusted returns, so that we can fulfil our promises to customers while providing a return to our shareholders.

## How we manage our risks

Our core expertise is understanding and managing these risks, so that we can competitively price our products, deliver on our promises to customers and provide sustainable earnings growth to our shareholders. We manage risk through our choice of business strategy, underpinned by our business culture and values, continuously seeking to identify opportunities to maximise risk-adjusted returns. Rigorous and consistent risk management is embedded across the group through our risk management framework, which includes the following key elements:

1. Our risk appetite framework
2. Our risk management processes
3. Our risk governance



## Corporate responsibility risks

- Revenue and reputation risk from low levels of financial services trust
- Customer cover risk from climate change impacts
- Loss of performance risk if Aviva fails to attract, engage and inspire top talent and employees
- Loss of brand trust if Aviva does not demonstrate a positive contribution to our communities
- Risk of failure to attract and retain customers, talent and investors if Aviva do not communicate good CR performance compared to competitors



For further details of our risk management framework and emerging risks see our Annual report and accounts, page 56

## Our risk management framework





## Case study

## UN Sustainable Development Goals

## The challenge

With the Millennium Development Goals (MDGs) concluding at the end of 2015, world leaders have called for an ambitious, long-term agenda to improve people's lives and protect the planet for future generations. This post-2015 development agenda is expected to tackle many issues and for the first time bring together development issues and climate change.

The UN is working with governments, civil society and other partners to carry on with an ambitious post-2015 development agenda that is expected to be adopted by UN Member States at the Special Summit on Sustainable Development in September 2015.

## Our response

Aviva has responded to this call to action by announcing that it will be a founding partner of a new UN and Gates Foundation backed initiative by Richard Curtis, film director and founder of Red Nose Day and Make Poverty History, which will aim to bring the UN's Sustainable Development Goals to as many people in the world as possible in 2015. Aviva seconded a member of its group executive, Amanda Mackenzie for two years to serve as executive advisor across the world's largest project, Project Everyone. Amanda will also lead a legacy programme working towards the eventual fulfilment of the goals.



It is an immense privilege to be able to work on this Project and have the backing and support of Aviva. This work epitomises Aviva's value of creating legacy.

Amanda Mackenzie, Executive Advisor, Project Everyone







# Independent Limited Assurance Report

## to the Directors of Aviva plc

**The Board of Directors of Aviva plc ("Aviva") engaged us to provide limited assurance on the information described below and set out in Aviva's Corporate responsibility report 2014 for the year ended 31 December 2014.**

### 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 2014 has not been prepared, in all material respects, in accordance with the Reporting Criteria.

This conclusion is to be read in the context of what we say in the remainder of our report.

### Selected Information

The scope of our work was limited to assurance over the information marked with the symbol (A) in Aviva's Corporate responsibility report 2014 (the "Selected Information" as found on pages 8 and 9).

The Selected Information was assessed against the Reporting Criteria found at [www.aviva.com/corporate-responsibility/reports/](http://www.aviva.com/corporate-responsibility/reports/)<sup>1</sup>. Our assurance does not extend to the information in respect of earlier periods or to any other information included in the Corporate responsibility report 2014.

### 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 and Reviews of Historical Financial Information' and, in respect of the CO<sub>2</sub> emissions, in accordance with International Standard on Assurance Engagements 3410 – 'Assurance engagements on greenhouse

gas statements' 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 & Ireland) 1 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, which Aviva is solely responsible for selecting and applying. 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 and can affect comparability between entities and over time. The Reporting Criteria used for the reporting of the Selected Information are as at 31 December 2014.

### Work done

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information. In doing so, 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 markets out of sixteen markets, selected on the basis of their inherent risk and materiality to the group, to understand the key processes and controls 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
- considered the disclosure and presentation of the Selected Information.

### 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 and reporting the Selected Information based on the Reporting Criteria; and

- the content of the Corporate responsibility report 2014.

### 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 Board of Directors of Aviva 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 Corporate responsibility report 2014 for the year ended 31 December 2014, to assist the Directors in responding to 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 Board of Directors and Aviva for our work or this report except where terms are expressly agreed between us in writing.

**PricewaterhouseCoopers LLP,**  
Chartered Accountants, London  
4 March 2015

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



Contact us

If you have any suggestions, feedback or queries about Aviva's CR programme please e-mail us at: [cr.team@aviva.com](mailto:cr.team@aviva.com)



This is our summary report, you can read more about corporate responsibility at Aviva on our website: [www.aviva.com/corporate-responsibility/](http://www.aviva.com/corporate-responsibility/)

