

Corporate Responsibility and Climate Change Business Standard



Effective: 1st January 2021

Group Standard Owner/s

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(Group Corporate Responsibility and Public Policy Director/s – job share)

Standard overview

This standard sets out the Corporate Responsibility (CR) and Climate Change control objectives that businesses must comply with to ensure that Aviva remains a trusted, respected, and responsible insurer. This standard aims to support a positive and consistent approach to CR and Climate Change at a global level, helping Aviva to responsibly manage its impact in the environment and make a real contribution to the communities where Aviva operates.

This Standard is relevant to all employees:

Expected business outcomes

- 1) A positive, consistent and measurable approach to CR and Climate Change at a global level through our operations, third party arrangements and our core business activities e.g. Insurance, Asset Ownership, Asset Management and Investment Activities.
- 2) Responsible management of our impact on the environment and respect for human rights and modern slavery compliance
- 3) Continue to make a difference to the communities where Aviva operates, acting in accordance with our values both at Group and Functional level.

Responsibility for implementation

It is the responsibility of business CEOs to ensure that their business operates in line with the objectives and controls set out in this standard. This includes any internally or externally outsourced activities.

Whilst authority may be delegated by the CEO, the CEO remains responsible and will be required to sign an annual declaration that with the exception of identified qualifications/weaknesses, the system of governance and internal control is effective.

Risks from the Common Operational Risk Register (CORR)

Controls or control objectives have been aligned with the CORR risks which they are expected to mitigate. Risk owners are accountable for the assessment of residual risk against tolerance, and therefore determine if further controls are required.

The CORR can be accessed through this link: [Ctrl + click to follow link](#)

Mandatory Controls and Control objectives

The **orange box** contains an Aviva Global Control Objective. The white boxes contain the Global Controls. Both the control objectives and controls are mandatory. Text in the **blue box** indicates the risk(s) from the Common Operational Risk Register (CORR), with which the control objectives and controls are associated. Text in a **grey box** is advice or explanatory text.

Corporate Responsibility

Human Rights

CRE-O-01	Business must ensure that they respect human rights, as defined by the Universal Declaration of Human Rights and international human rights conventions.	
CRE-C-17	An appropriate person in the business must complete human rights due diligence checks at least every two years in Q2 and report this at Group level. Any gap identified should be addressed.	ELR11 Business Unit Control
We have a group-wide Human Rights Policy which details the scope, issues, governance, reporting and grievance mechanism that support delivery of our commitment to human rights.		

UK Modern slavery Act 2015 requirements

CRE-O-08	Businesses must comply with the requirements of the UK Modern Slavery Act 2015, Europe/International/Asia markets must contribute to the UK Modern Slavery Act 2015	
CCRE-C-19	The Aviva group must ensure the Modern Slavery statement is: <ul style="list-style-type: none"> - Drafted and externally published on an annual basis according to the guidance and timelines set by the Home Office - approved by the Board of Directors of the company (or equivalent management body) - approved and signed by Aviva Plc CEO (or equivalent) a Director covering the main areas of importance detailed by the Home Office (organisational structure, policies related to slavery and human trafficking, due diligence, risk assessment, key performance indicators and effectiveness and training) and demonstrate continuous progress 	ERL11 Functional Control
CCRE-C-20	Each Business Unit, must contribute to meeting the requirements of the UK Modern Slavery Act 2015 by: <ul style="list-style-type: none"> - briefing, on yearly basis, their Senior Leadership Team on the content of the most recent Modern slavery statement - undergoing Human rights and Modern slavery training including training any new joiners in the key functions of CR, Risk Business partners, HR Resourcing and Procurement and Supplier management staff - following the guidance set in the Aviva Third party Business Code Behaviour (or country equivalent) and in the Group Human Rights policy - Contribute to complete supplier due diligence and risk assessments when required by Group 	ELR11 Business Unit Control
The UK Modern Slavery Act 2015 details the scope of this work. Details on the work that is completed on a yearly basis by Aviva plc can be found by consulting our Modern Slavery Act Statement		

Climate Change

CRE-O-03	Businesses must actively manage and seek to reduce their operational environmental impacts in line with Group targets and contribute to the Aviva Group ambition to be aligned to the 1.5 degree Paris Climate Agreement.	
CRE-C-03	Business must set annual local targets for their environmental performance that support group targets.	ELR11 Functional and Business Unit Control
CRE-C-05	Businesses must contribute to the cost of purchasing carbon credits to offset unavoidable operational carbon emissions on a proportionate basis to the emissions generated.	ELR11 Functional and Business Unit Control
CRE-C-21	Businesses must support Aviva's ongoing Climate Strategy and meet expectations set out by the PRA supervisory statement by <ul style="list-style-type: none"> - Considering of agreed risk preferences - Climate operating risk limits and tolerances - Setting local targets for their performance against the following measures: - Reduce the following on an annual basis in line with the group cascaded limits: <ul style="list-style-type: none"> - Carbon foot-printing of shareholder investments (tCO2e¹/\$m sales) - Equities (tCO2e/\$m sales) - Credit (tCO2e/\$m sales) - Portfolio Warming Potential (degree) of shareholders investments - Set local targets for Green Investment as a % of AUM to demonstrate an increase on an annual basis - Considering climate impact in the selection process and management of third party arrangements in line with group level commitment to science-based targets². 	ELR11 Business Unit Control
<p>We have publicly reported Group-level targets, some of which are mandatory. The targets have been agreed at a Board level. These targets are:</p> <ul style="list-style-type: none"> • Reduce operational (buildings and travel related) CO2 emissions by 5% on an annual basis, • Reduce operational CO2e emissions and 70% by 2030 – using our restated 2010 baseline • Reduce water consumption by 4% on an annual basis • Reduce total waste by 4% on an annual basis • Increase proportion of waste recycled by 4% annually to a minimum of 80% of total waste produced. <p>For further guidance on how to set local targets you can arrange a briefing on this subject by contacting Group CR.</p>		

Charitable Partnerships, Donations³ and Sponsorship⁴

CRE-O-05	Businesses must ensure that appropriate due diligence is carried out and that approvals are obtained for all charitable partnerships donations and sponsorships	
CRE-C-07	A CR Manager or individual with responsibility for CR must approve any prospective charitable partnership, sponsorships donations upon completion of due diligence	ELR11

¹ CO2e – Carbon dioxide equivalent

² Science-based targets initiative (SBTi) - <https://sciencebasedtargets.org/wp-content/uploads/2019/03/SBTi-criteria.pdf>

³ Including Corporate donations, Corporate matching of employee giving as well as employee volunteering & in-kind and non-monetary corporate donations (e.g. use of Aviva office space).

⁴ For Sponsorship we refer to those activities carried out by Aviva to gain marketing and promotional benefits. It includes all the activities where Aviva, as the sponsor, contractually provides financing or other support in order to establish a positive association between Aviva's image, identity, brand, products or services and a sponsored event, organisation, activity or an individual

	<ul style="list-style-type: none"> - Alignment with the overall CR strategy needs to be verified and justification of it is clearly documented - In the case of charitable partnerships, a draft charitable agreement needs to be drafted and including clear impact reporting requirements a) Due diligence must be completed in accordance with the Charitable Donations and Sponsorships Guidance, deployed by Group Financial Crime 	Functional and Business Unit Control
CRE-C-10	<p>Donations and sponsorships must</p> <ul style="list-style-type: none"> - be always be paid directly into a verifiable organisation's account and must NOT be - b) made to individuals - c) made to organisations in a relevant sanction list, nationally or internationally - d) made to organisations with current bribery and corruption or other criminal investigations - made to a High or Very High rated country as defined in the Aviva Jurisdiction Index - benefit a political organisation - benefit projects that favour or promotes any religious belief or where participants/beneficiaries are required to belong to a religion - be made to projects that do not fit within our CR Strategy 	ELR11 Functional and Business Unit Control
<p>Please make sure that Charitable Donations and Sponsorship Guidance deployed by Group Financial Crime Guidance are followed.</p> <p>An exception to this control is £/€plus or equivalent schemes where Aviva matches or tops up employees individual fundraising efforts. These schemes support employee efforts towards causes they care most about, which in some cases may not directly align to the Group CR Strategy.</p>		

CRE-O-06	Businesses must accurately report the data required for Aviva plc's reporting on Corporate Responsibility.	
CRE-C-14	A HoF or above with responsibility for delivery of the CR agenda (or equivalent) must approve any CR and Climate Change KPI data before it is reported at Group level.	ELR11 Functional and Business Unit Control
CRE-O-07	Business must implement measures to manage risks associated with employee volunteering.	
CRE-C-18	Line managers must ensure that employees volunteering to work with children during working hours have signed up to Aviva's child safeguarding guidance and code of conduct before completing their volunteering assignment.	Functional and Business Unit Control EPSE01

Appendix 1:

“At a glance” summary of matters for escalation to Group

Matter for escalation	Escalation point
Application for exceptions and Non-compliance with a control or control objective in this Standard	Group Corporate Responsibility and Public Policy Director

References to supporting material – Please complete (Please focus on what is essential to support the standard) E.g. relevant Policies, tolerance or appetite statements, methodology guidance document

The following business standards and documents relate to this Standard:

- The Aviva Business Ethics Code
- The Aviva Human Rights Policy
- Charitable Donations and Sponsorships Guidance
- Child safeguarding guidance and code of conduct.
- Guidance on CR risk controls
- Guidance and Policy on Political donations
- Climate Change Strategy⁵
- [Aviva's Climate related financial disclosure](#)
- [Donation and sponsorship due diligence form](#)
- [Aviva Modern Slavery Act statement](#)

Please see the [CR and Sustainability Guidance](#) for more information on scope of Aviva standards, on-compliance with a control, exception and modifications.

Version control

Version	Date	Status	Remarks
1.0	02.12.2016	Draft	VR
2.0	25.04.2017	Final	Update to ensure risk objectives and risk controls map correctly to older versions of the standard where appropriate.
3.0	19.12.17	Final	Updated following GSO review
3.1	04/02/19	Final	Update to Responsibility for Implementation
4.0	23/10/2020	Final	Update to strengthen controls around certain risks and controls, reflect changes resulting from the Climate Change strategy and the charitable donations and sponsorship guidance.

Glossary [Ctrl + click to Mega Glossary](#)

⁵ This will be available on Aviva world and obtainable from the Head of Sustainability or the Group CR Manager once agreed.