

People Business Standard

AVIVA

Group standard owner

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1 Standard overview

1.1 Standard content and objectives

This business standard (the 'standard') sets out the control objectives and controls for people management within Aviva group-wide.

The objective of this standard is to set out the minimum standards and processes for managing people consistently within the Aviva group to deliver the group's people priorities, and support group strategy.

1.2 Target audience

The standard is primarily of relevance for all Aviva staff group-wide.

1.3 Responsibility for implementation

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

1.4 Expected business outcomes

The following expected business outcomes provide a high-level summary of the intention of the business standard. Expected outcomes support Aviva's People Strategy, employee management and operations. **Note:** The People Standard does not cover remuneration. This is covered in the Remuneration Business Standard.

Expected business outcomes
1. Recruitment and on-boarding processes effectively and fairly assess the integrity and skills of individuals and enable new people to the business to effectively integrate and deliver in their role, in line with business strategy and values.
2. Embedded performance management, focusing on rewarding good performance, whilst recognising "how" results are achieved, which drives an improvement in business results and develops talent of the future.
3. The organisation and individuals engage in and support the Group Theses and Aviva's Values. Leaders take personal responsibility to successfully embed the right culture for Aviva.
4. Businesses implement and maintain local HR policies and procedures, which are compliant with local legislative and regulatory requirements and operate key HR processes in a controlled manner.

1.5 Associated risks from the operational risk register

The following are the risks from the Common Operational Risk Register that align to this standard. Controls implemented should mitigate these risks so the residual risk is inside tolerance.

CORR Ref	Risk title	Risk description
CPB47	Local regulation and legislation	Risk associated with not complying with local regulations and legislation
ELR05	Better Business Decisions	Risk associated with lack of clear accountability, ownership, escalation and oversight of key business decisions
EPER01	Employee disputes and litigation	Risks associated with individual employee disputes and compliance with local employment laws
EPER05	Disruption due to employees	Risk associated with business disruption caused by Aviva employees
EPER06	Lack or loss of skilled resources	Risk associated with lack of suitably skilled employees or loss of key staff
EPER07	Competent and capable employees	Risk associated with providing enough competent and capable resources to ensure proper functioning operations, financial reporting and compliance
ETCEM26	Processing employee payments	Risk associated with processing employee transactions, including salary, pension contributions, tax payments and other benefits
LRC01	Changing regulation / legislation	Risk associated with not responding to changes in regulations or legislation

2 Standard Contents

2.1 Mandatory Controls and Control objectives

Each **orange box** contains an Aviva Global Control Objective. This articulates the desired outcome of the controls (either Aviva Global Controls, or where they are not defined, BU designed controls) that sit beneath it and why those controls are required. The white boxes contain the Global Controls. Both the control objectives and controls are mandatory. Where a control objective is not supported fully (or at all) by a defined Aviva Global Control then the BU must define and document the control(s) that will deliver the control objective.

Text in the **blue boxes** indicates to which risk, from the common operational risk register (CORR), the control objectives and controls are associated. The list of risk on the previous page can be used to decipher the risk reference numbers. Text in a grey box is advice or explanatory text to support, explain or provide more detail in relation to the mandatory control objectives and controls. When considering compliance with the control objective or control any additional explanation in the grey boxes should be taken into account.

PEO-O-01	<p>A BU/Function must, as part of its recruitment process, screen all employees (prior to being permitted to start in their role) to ensure they are “fit”, are “proper; and have a legal right to work in the market to which they are to be employed; and where appropriate, local regulators have been notified of the appointment.</p> <p>The BU must also undertake activities to ensure that for the “in-scope/enhanced” population that their fitness and propriety should be continually assessed.</p>	EPER06
PEO-C-01	<p>Inline with local regulatory requirements BUs/Functions must operate a pre employment screening process. This process vets all successful new job applicants and workers providing services to the BU in compliance with the detailed requirements in the Aviva group-wide “Fit and Proper” minimum requirements including those for both “basic” and “enhanced/in-scope” populations.</p>	
PEO-C-02	<p>Inline with local regulatory requirements BUs/Functions must maintain a Fit and Proper re-assessment process, which periodically checks the fitness and propriety of the “enhanced/in-scope” populations and operates inline with the detailed requirements in the Aviva group-wide “Fit and Proper” minimum requirements.</p>	
<p>Please refer to the Aviva group-wide “Fit and Proper” minimum requirements document, which details, the scope of individuals captured by the pre-employment screening process (i.e. employees, permanent and temporary; workers providing a service; and third parties), what activities as a minimum need to be completed to confirm that individual candidates are fit and proper, when they need to be performed, guidance on what data can be relied upon and who can perform the checks.</p> <p>Relevant Definitions - “Fit” - have appropriate skills, knowledge and experience to perform in the role in which they are to be employed</p> <p>“Proper” - are considered to be honest, have integrity and with no conflicts of interest Please refer to the Aviva group-wide “Fit and Proper” minimum requirements document, which details what activities as a minimum need to be completed to confirm that individuals remain fit and proper, when they need to be performed, guidance on what data can be relied upon and who can perform the checks.</p>		
PEO-O-02	<p>Businesses must promote a culture of diversity and inclusion to ensure that; behaviour, which does not comply with both Aviva values and local discrimination legislation is not tolerated; and adequate, accessible support, guidance and training is provided to line management to minimise cases of discrimination.</p>	EPER01
PEO-C-03	<p>Business must have grievance mechanisms in place to allow individuals to raise concerns relating to behaviour (or contractual arrangements). These mechanisms must be published on a BU intranet site or equivalent shared drive. Any concerns raised should be fully investigated by HR and actions put in place to address the findings of any upheld complaints. Evidence of the investigation should be retained either on a case management application or equivalent manual or electronic filing system.</p>	
PEO-C-04	<p>HR must review the volume, nature and outcome of grievance complaints on a periodic basis (quarterly) to identify any trends and ensure mitigating actions are adequately completed. Evidence of this review must be retained (e.g. a record of the date of review and notes of any actions). Any significant findings should be escalated to the local HRD.</p>	
PEO-C-05	<p>Each BU/Function must ensure that all employees complete an essential learning computer based training (CBT), which must include:</p> <ul style="list-style-type: none"> • key elements of Aviva values and local discrimination legislation • Information Security and data protection • Financial Crime • Health and Safety 	

	<ul style="list-style-type: none"> • Business Ethics <p>Within 2 weeks of starting in the organisation and on an annual basis thereafter. Line managers must monitor completion through the available MI suite and ensure that where completion is not completed on a timely basis this is followed up and resolved promptly.</p>	
<p>At any given time there will be employees that are for example on long term sickness absence or maternity leave, and would not be expected to take the training. Therefore it is expected that these are taken into account when evaluating the completion rate MI.</p>		

PEO-O-03	Businesses must establish an effective mechanism to engage with employees and consult them during any business reorganisation, significant change to terms and conditions and to discuss general business issues. If there are local legislative or regulatory requirements, which define a specific approach to consultation (e.g. establishment of a European Works Council), BUs must comply with these.	EPER05
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PEO-O-04	Businesses should ensure that there are adequate continuity plans and crisis management mechanisms in place to ensure that any significant disruption by employees can be minimised and managed with limited impact to business operations.	EPER05
<p>Please refer to the Business Protection Standard and supporting documents for the mandatory controls related to:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Business continuity management systems <input type="checkbox"/> Understanding your organisation <input type="checkbox"/> Determining an appropriate recovery strategy <input type="checkbox"/> Developing and implementing a BCM response <input type="checkbox"/> Exercising and maintaining BCM arrangements <input type="checkbox"/> Incident management 		

PEO-O-05	Businesses must ensure employees have the opportunity to provide their view on what it is like to work in the business. Appropriate and timely action should be taken to resolve Issues effecting employee satisfaction and engagement	EPER05
PEO-C-06	A BU/GF Senior Leadership Team (SLT) must work with HR to understand VoA results, develop a plan (or plans) to address any issues. The plan or plans must be owned by members of the senior management team. Actions must be formally monitored on a quarterly basis within the SLT meeting to identify where activities are not tracking to plan and to take remedial action to address the issues on a timely basis.	

PEO-O-06	Businesses must maintain accurate current and historic records of the structure of their organisation, which clearly shows how the operating model (i.e. the roles and reporting lines of senior management) in place supports the achievement of the business' objectives.	ELR05
PEO-C-07	On a half yearly basis (or more frequent if there is a period of significant change) the local HRD is responsible for facilitating a review of the organisation structure in Workday. Local BU management are responsible for reviewing and confirming the accuracy of the reporting lines (including adherence with spans and layers principles) from the top to the bottom layer of the BU. Where errors are identified action should be taken to rectify this promptly. Evidence of the review and any subsequent action should be retained by the HR team	
<p>Markets must be able to provide an accurate current and historic view (01/09/15 onwards) of the individuals forming the management body.</p>		

PEO-O-07	Businesses must ensure that roles and responsibilities of the senior manager population are accurately and clearly documented and understood.	ELR05
<p>The lines of responsibility and accountability amongst senior management should be clearly documented; this can be through one or a series of documents and is likely to include role profile information, Board membership information, regulated positions and accountabilities held, amongst others. It is expected that documentation is kept up to date through regular reviews of the documentation (e.g. quarterly) or when significant change occurs.</p> <p>It is important that senior managers understand what they are accountable for and it would therefore be expected that senior managers are supported in this through learning and/or induction resources.</p>		

PEO-O-08	All new permanent employees (including those new to a local market) should be given sufficient information and opportunity to understand what is expected of them in respect of the Group's strategy, risk framework, culture, values and local legal and regulatory obligations (as relevant to the role).	ELR05
PEO-C-08	Line management must monitor on a periodic basis (quarterly) completion of the induction process to ensure all new employees fully complete all of the required elements. All reported non-completion must be followed up and resolved promptly.	
<p>Where Workday Learning is available in a market then it is expected that the self service functionality is used, Where this is not available then a local process must be implemented and followed to ensure that individuals are invited and subsequently complete the relevant elements of the induction process.</p>		
PEO-O-09	Businesses must have terms and conditions of employment clearly documented within an employee contract/agreement and/or employment policy statements (for example in relation to sickness entitlement) so employees are clear of their employment conditions, rights, responsibilities and duties. There must be a governance processes in place to ensure that employment contracts/agreements and supporting policies are reasonable, fair and compliant with local employment law and that there is a signed (or electronically approved) contract/agreement (or equivalent) for every employee.	EPER01
PEO-C-09	To ensure that all HR/employment policies and employment contracts/agreements (where applicable) are reasonable, fair and compliant with local employment law the governance process must include a review and sign off by the in-house legal specialist in employment law prior to any policy/contract being made live in the organisation.	
<p>If a local market does not employ in-house legal specialists then where appropriate external counsel opinion should be obtained and sign off should be provided by the market General Counsel (or equivalent).</p>		

PEO-O-10	Changes in legislation and regulation impacting the employment policy set must be monitored by the BU HR/Legal team on a regular basis so that all potential changes are identified, assessed and evaluated, and where appropriate implemented in line with the designated timeframe to ensure that the policy set remains compliant with local law or regulation.	LRC01
PEO-C-09	To ensure that all HR/employment policies and employment contracts/agreements (where applicable) are reasonable, fair and compliant with local employment law the governance process must include a review and sign off by the in-house legal specialist in employment law prior to any policy/contract being made live in the organisation.	
PEO-C-10	A nominated team/individual(s) in HR should monitor sources of information relating to local (and where applicable European) employment legislation and regulatory changes, as and when available. All potential changes should be logged, assessed and evaluated, with the outcome and implementation date	

	(where applicable) recorded. The log should be monitored by the BU HRD on at least a quarterly basis to review the adequacy of the assessments and ensure the implementations of changes are progressing to plan. Evidence of this activity should be retained (e.g. within the log keeping a record of the last date of review by the HRD with notes on any issues/actions raised). Any material issues identified with the assessments or implementation plans should be escalated to the market General Counsel (or equivalent).	
The sources of legal and regulatory changes can be obtained through different routes for example, internal risk/compliance and legal teams, external counsel, Regulator publications, Government bodies/services.		

PEO-O-11	The HR department must ensure employees are paid accurately and on a timely basis*. This includes removing leavers on a timely basis and deductions and transfers made on an employees behalf (e.g. to pensions, local tax, share schemes) are also made accurately, on a timely basis and remain compliant with local legislation and regulation (e.g. tax payments).	ETCEM26
PEO-C-11	The Payroll team (or local HR team if payroll is outsourced) must review the monthly payroll pre-payment values and compare to the previous months payments to identify any variances. Any material variances must be investigated to determine if they are valid differences. Any unsubstantiated differences must be rectified before the payroll payments are made.	
*If payroll and/or supplementary processes are performed by third parties it remains the responsibility of the local HR team to ensure that the control framework at the third party is both designed and operating effectively. This could be achieved for example by specific monitoring activities, or regular audits of third party processes.		

PEO-O-12	A BU must maintain a training (and competence) framework for all employees who fall within a local regulatory minimum competency scheme (i.e. a scheme that is in place to manage the minimum standards of skill and knowledge for staff that are in roles for example where they provide advice on, or arranging, financial products). The framework and record keeping must demonstrate compliance with local regulatory requirements, be an accurate reflection of the status of individual's competence and ensure development areas are addressed on a timely basis.	EPER07
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PEO-O-13	BU must ensure there is an adequate and effective performance management process in place with the objective of improving both individual and organisational performance, individuals meeting their obligations and operating within the Aviva Group culture and values, by identifying performance requirements (goals), providing regular feedback, clearly linking reward with goal achievement and identifying ineffective performance and resolving those barriers through monitoring, coaching and development interventions.	EPER07
PEO-C-12	To ensure that the performance management process is effective and remuneration is based on performance, a small sample (5%) of employees should be selected for an objective review by Line management (supported by local HR). The review should include an assessment of the adequacy of the defined goals, the line manager's assessment of the defined goals and any reward elements awarded. This review should take place at touch points during the year as the performance year progresses (at least 2) e.g. during objective setting and during pay review. Where any findings suggest improvements could be made actions should be defined, discussed within the management team and monitored through to completion by the local HR team.	
Goals must be set on an annual basis for all employees and reviewed periodically through the year by the appropriate line manager.		

ALL-0-01	Each BU must understand the scope of local legal and regulatory requirements, allocate clear responsibilities for compliance and monitor this compliance on an ongoing basis.	CPB47
While the business standards seek to set out the controls and control objectives to mitigate our operational risks, there may be instances where compliance with the standards results in non-compliance with some local laws and regulation. In the event that there is such a discrepancy between the standard and any local law or regulation, such local law or regulation shall prevail and a formal modification to the standard must be put in place.		

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

Matter for escalation	Escalation point
1. Non-compliance with the defined group Senior Appointments or Dismissals approvals process.	<ul style="list-style-type: none"> Group HR Director
2. Non-compliance with the defined group-wide “Fit and Proper” minimum requirements.	<ul style="list-style-type: none"> Market CEO and Group HR Director
3. Matters outside the delegated authority spending limit of the Business Unit CEO	<ul style="list-style-type: none"> As per individual delegated authorities
4. Non-compliance with the control objectives and controls in this standard	<ul style="list-style-type: none"> As per Section 3.2

2.3 References to supporting material

The following group risk policies, business standards and documents relate to this standard:

- Group People Strategy
- Aviva group-wide “Fit and Proper” minimum requirements
- Business Ethics Code
- Remuneration, Financial Crime, Procurement and Outsourcing and Strategy and Planning business standards

3 Appendix A

3.1 Scope of Aviva standards

The scope of the Aviva standards is group-wide. They apply to all Aviva business units, operations, functions, and staff, including but not limited to legal entities (including joint ventures (JVs) and special purpose vehicles (SPVs)), acquisitions, disposals, Outsourcing arrangements, new products, new asset classes and strategic projects. These may be referred to generally as “the business” or “businesses”.

Where a business enters into internal or external Outsourcing arrangements, it may delegate operations but cannot delegate responsibility or accountability and must ensure appropriate contracts, monitoring frameworks and reporting are in place.

Where Aviva has entered into JV arrangements the management team responsible for oversight of the JV must use all reasonable endeavours to implement the mandatory control objectives and controls in this standard into the JV arrangements. Where this is not possible, the management team responsible for oversight must apply for a permanent modification or exception.

3.2 Contact details

Questions or comments regarding this standard should be directed to the Group Human Resources Director, Sarah Morris

3.3 Glossary

Term	Definition
Delegated Authority	Authority obtained from another, discharging their responsibilities within a specific framework, timeframes and with clearly identified accountabilities.
Fit and Proper	Regulation requires individuals undertaking certain roles to be both ‘fit’ (have appropriate professional qualifications, knowledge and experience) and ‘proper’ (having honesty, reputation, integrity and financial soundness).
HR Strategy	Process of defining the HR strategy or direction, and making decisions on allocating resource to pursue the strategy (Inc. capital and people).