

# Aviva UK Life corporate client sustainability statement

## Purpose

This document sets out our environmental, social and governance (ESG) appetite in the UK to make sure we:

- ✓ actively consider our corporate clients' ESG credentials
- ✓ clearly define the activities we exclude
- ✓ enable consistent and transparent decision making



## Background

At Aviva, we've always taken our responsibilities to society seriously. Our business purpose and strong values give us the confidence to take bold decisions and lead by example. That's why we've set an ambition to become a net zero insurer by 2040.<sup>1</sup>

Delivering on our sustainability agenda is key to achieving our ambition to become the UK's leading insurer. We aim to lead the UK financial services sector on sustainability by tackling climate change; building stronger, more resilient communities; and running Aviva as a sustainable business.

We use our investment and underwriting activity to support our bold sustainability goals. We also actively consider corporate client and partners' ESG credentials when deciding to enter into transactions or corporate relations that directly support their business.

More broadly, we also recognise the important role employee benefits play in our commitment to building communities.

Aviva UK Life provides employee benefits propositions that play a key role in supporting UK employees and their families' financial, physical, and emotional wellbeing. We define our employee benefits propositions as:

- Corporate private medical insurance
- Workplace pensions
- Group protection
- Bulk purchase annuities

The scope of this statement covers these lines of business.

## Controversial products

UK Life employee benefits propositions have an inherent societal value and support Aviva's ambition to build stronger more resilient communities. There are, however, some companies and industries whose products we believe are detrimental to society and incompatible with our values.

There is international consensus, that the manufacture, use and distribution of controversial weapons is inappropriate due to their disproportionate and indiscriminate impact on civilians.<sup>2</sup>

Because of this, Aviva will not enter into transactions or relationships with corporate entities or direct sponsors involved in the manufacture, development or distribution of cluster munitions, landmines, or controversial weapons.

## Scope and implementation of statement

This statement will apply to all UK Life corporate clients and sponsors in the UK from 1 November 2022.

We will review any existing transactions or relationships that contravene this policy and will use our discretion in deciding whether to continue that relationship.

We will implement this statement through a subset of the Aviva's investment stop list. Aviva Investors update the stop list every six months and will use it to identify companies not compatible with this statement.<sup>3</sup>

## Exceptions

We will only grant exceptions to the statement with the express approval of the UK and Ireland Life (UK&IL) CEO supported by the Group Sustainability team.

### Footnotes

<sup>1</sup> Further details at Taking Climate Action – Aviva plc

<sup>2</sup> The Ottawa Treaty, the Oslo Convention, The Chemical Weapons Convention and the Biological Weapons Convention

<sup>3</sup> This control will apply to the contracting legal entity or direct sponsors of the scheme

## Definitions

**Cluster munitions:** A conventional munition designed to disperse or release explosive submunitions, each weighing less than 20 kilograms, and includes those explosive submunitions. It does not mean a munition or sub-munition designed:

- to dispense flares, smoke, pyrotechnics or chaff
- exclusively for an air defence role, or
- to produce electrical or electronic effects.

**Anti-personnel mines:** Mines designed to be exploded by the presence, proximity or contact of a person and which will incapacitate, injure or kill one or more persons. Mines equipped with anti-handling devices and designed to be detonated by the presence, proximity or contact of a vehicle are not considered to be anti-personnel mines.

**Controversial weapons:** Those subject to widespread bans or restrictions by international treaties and conventions, on the basis they have one or more of the following characteristics:

- The weapon is indiscriminate – there is an increased risk of civilian casualties
- The weapon can be classified as a weapon of mass destruction with a single use resulting in a large number of deaths
- The weapon is considered to be excessively injurious – it causes an inordinate amount of pain and suffering, and/or
- The weapon may have long-term health impacts on the populations in areas where it is used

### Related Aviva policies

- Aviva ESG Baseline Underwriting Statement
- Aviva Baseline ESG Investment Policy
- Group Risk Appetite Framework