

Customer, Conduct and Reputation Committee report

Customer, Conduct and Reputation Committee report

Committee focus during 2020

I am pleased to present the Customer, Conduct and Reputation Committee (the Committee) report for the year ended 31 December 2020.

With effect 1 January 2020, the Committee revised its remit to focus on the oversight of customer, conduct and reputation issues. Consequently, the Committee changed its name to the Customer, Conduct and Reputation Committee (previously the Governance Committee) and in November 2020 the Committee became a sub-committee of the Risk Committee.

During the year, the Committee considered and monitored a range of matters including the treatment of our customers during COVID-19 (including vulnerable customers) and, the progress of our corporate responsibility strategy.

Committee membership

I joined the Board on 1 December 2020 and assumed the role of Chair of the Committee. George Culmer was the interim Committee Chair from 6 July 2020, following Amanda Blanc's appointment as CEO. The members of the Committee as at 31 December 2020 are shown in the table below. Details of their experience, qualifications and attendance at Committee meetings during the year are shown within the Directors' and Corporate Governance report. On 1 January 2021, Pippa Lambert also joined the Committee.

Name	Member Since	Years on the Committee
Jim McConville (Chair)	01/12/2020	<1
Michael Mire	12/09/2013	7
Belén Romana García	26/06/2015	5

Committee purpose

The main purpose of the Committee is to assist the Board in overseeing our customer and conduct obligations, the development of our reputation, our regulatory engagement on conduct matters, shaping the culture and ethical values of the Group and our approach to corporate responsibility.

During 2020, a review of the terms of reference was carried out, in order to provide greater clarity to the Committee's role and to allow the Committee to focus on the material conduct, customer and reputation matters across the Group. It was agreed that the Committee should act as the custodian of the Aviva purpose on behalf of the Board and oversee the development of metrics to give insight on how Aviva was performing against the purpose.

The review also clarified the role and responsibilities between the Committee and the Risk Committee to support appropriate oversight of conduct risk issues.

COVID-19 response

During 2020, the Committee focused on supporting customers and the wider community through the global COVID-19 pandemic. The Committee provided oversight of Aviva's response to customer demand during the pandemic across the Group. Service levels remained stable across all markets largely due to employees working from home with the stability of customer service remaining a key priority. The Committee received and assisted in the development of structured management information (MI) data to support its oversight of the impact on our customers.

The Committee reviewed reports on the conduct risks generated by COVID-19 across Aviva markets, the response of local regulators, and the support provided to the communities in which we operate. Aviva supported customers and communities through charitable donations and additional support for essential workers and those who were vulnerable. This included payment deferrals for customers in the UK, donations to the NHS and British Red Cross, a €149 million pledge to support the economy in France, free life insurance cover for key workers in Poland and a range of actions to support customers in our businesses in Italy, Ireland and Canada.

The Committee also monitored how the Group co-ordinated a response across international markets and engaged the workforce. Internally, there was regular communication with leaders and colleagues to provide guidance and support, and internal surveys for employees to provide feedback to ensure that employees felt supported and well informed.

Customers

During 2020, the Committee had oversight of the customer strategy and operations. This included the creation of an enhanced customer dashboard to provide the Committee with a greater overview of key customer metrics, data and insights. The customer team worked across the business to create a monitoring framework that balanced commercial and customer outcomes and further enhanced putting the customer at the heart of the business. As part of the roll out of the new framework, governance, reporting and escalation mechanisms would continue to be reviewed and further improvements made where necessary. A set of Customer Principles was developed and designed to enhance great customer outcomes, with a focus on the most frequent customer journeys so that related simplification and improvement activities benefitted the greatest number of customers.

The Committee recognised the importance of the identification and fair treatment of vulnerable customers, and throughout the year the first line continued to receive training in identifying and providing additional support to vulnerable customers.

The Committee continued to emphasise the importance of further developing a proactive approach to conduct topics in order to support action to prevent instances of customer detriment occurring.

Data

During 2020 the Committee continued to review the development and delivery of data governance particularly in respect of customer data and records management within the Group. The Group Data Operations team worked with each business unit to review and enhance oversight and reporting arrangements.

Reputation

The Committee monitored developments in the Group's reputation and reputational risk position. Key areas of focus included the response to the COVID-19 pandemic and the treatment of our customers, particularly those in vulnerable categories. The Committee also monitored the response to our announcements on strategy and in changes to the composition of the Board.

Customer, Conduct and Reputation Committee report continued

Conduct and compliance

The Committee continued to pay close attention to Aviva's conduct risk agenda, conduct risk profile, compliance obligations and the wider regulatory landscape. The Committee reviewed the Group's regulatory risk profile and conduct risk data analytics capability.

The Committee oversaw the establishment of a Conduct Governance and Reporting shared service team, which would strengthen best practice amongst the Group. The Committee considered and approved the refresh of the Conduct Risk Policy, which had been substantially updated to provide a framework which monitored both customer, regulatory and market exposures, as well as the key drivers of conduct risk. The Committee is overseeing the implementation and embedding of the framework across the Group.

Through the implementation of the Conduct Risk Policy, conduct risk reporting across the business units is also being further developed and aligned to the new conduct framework. This is being used as the reporting framework for the Committee's conduct reports ensuring appropriate oversight and escalation across the Group's conduct risk exposures.

The Committee received updates from UK Life and UK General Insurance Conduct Committee Chairs, to provide an update on progress on conduct governance in the UK and the future direction of travel. The UK Life and UK General Insurance CEOs also attended Committee meetings in order to contribute to the discussion on conduct matters in their respective businesses. The UK Life and UK General Insurance Committee Chairs are now standing attendees at Committee meetings.

Corporate responsibility and Sustainability

The Committee continued to monitor our approach to corporate responsibility and sustainability.

The Committee reviewed and contributed to the corporate responsibility strategy for 2020-25, the 'Better Tomorrow Plan' which had been developed through feedback from Aviva's stakeholders and across the business. Climate change consistently emerged as one of the most important issues in the feedback and the greatest threat to our customers, the planet and our business. Aviva has a long history of action in this area through disclosure; policy influence; environmental, social and governance (ESG) engagement and reducing our operational impact, and the Better Tomorrow Plan builds on these achievements.

The Committee also continued to monitor and support our community investment and the activities of the Aviva Foundation, which was established to distribute the proceeds of our share forfeiture programme to good causes.

Aviva is committed to behaving as a responsible corporate citizen and the Committee sets the guidance, direction and policies for the Group's corporate responsibility agenda to identify the most important sustainability issues for customers, the business and our wider stakeholders. Further information on our integrated responsibility and sustainable business approach can be found on the Company's website at: www.aviva.com/social-purpose.

Committee effectiveness review

The Committee undertakes a review of its effectiveness annually. More information can be found in the Directors' and Corporate Governance report.

2021 priorities

In 2021, the Committee will continue to focus on the impact of COVID-19 on our customers and the wider customer and conduct agenda. The Committee will also oversee the further development of our purpose and monitor reputational risks to the Group.

Jim McConville

Chair of the Customer, Conduct and Reputation Committee
3 March 2021

Committee activities during 2020

Customer and conduct risk

- Focused on the customer agenda and received regular updates and monitored progress on customer metrics relating to customer complaints and the conduct agenda, sales, retention and claims experience

Corporate responsibility and Sustainability

- Continued to drive the corporate responsibility agenda and monitored compliance with the Group's corporate responsibility strategy
- Reviewed the 'Better Tomorrow' corporate responsibility strategy for 2020-2025
- Reviewed the Group's Modern Slavery statement, annual corporate responsibility reporting and the Group's Financial Crime, Regulatory Business and Corporate Responsibility, Environment and Climate Change Business Standards

Regulatory and financial crime

- Regularly reviewed updates from the Group Compliance and Operational Risk Director
- Reviewed potential financial crime risks and any actions required in response
- Reviewed the implementation of the data governance and data privacy framework
- Reviewed the Group's relationship and interaction with regulatory bodies and actions taken in respect of regulatory developments